



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

1 Company details

Company number F C 0 3 2 2 7 9

Company name in full CashEuroNet UK, LLC

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Chris M

Surname Lavery

3 Administrator's address

Building name/number 30 Finsbury Square

Street

Post town

London

County/Region

Postcode

E C 2 A 1 A G

Country

4 Administrator's name ①

Full forename(s) Trevor P

Surname O'Sullivan

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 30 Finsbury Square

Street

Post town

London

County/Region

Postcode

E C 2 A 1 A G

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 <div>2</div>	^d <div>5</div>	^m <div>1</div>	^m <div>0</div>	^y <div>2</div>	^y <div>0</div>	^y <div>2</div>	^y <div>1</div>
To date	^d <div>2</div>	^d <div>4</div>	^m <div>0</div>	^m <div>4</div>	^y <div>2</div>	^y <div>0</div>	^y <div>2</div>	^y <div>2</div>

7 Progress report

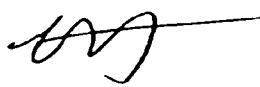
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d <div>1</div>	^d <div>7</div>	^m <div>0</div>	^m <div>5</div>	^y <div>2</div>	^y <div>0</div>	^y <div>2</div>	^y <div>2</div>
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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 **Aamirah M Patel**

Company name **Grant Thornton UK LLP**

Address **11th Floor**

Landmark St Peter's Square

Post town **1 Oxford St**

County/Region **Manchester**

Postcode **M 1 4 P B**

Country

DX

Telephone **0161 953 6900**

**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.

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

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Continuation page

Name and address of insolvency practitioner

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

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

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

1 Appointment type

Tick to show the nature of the appointment:

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

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

2 Insolvency practitioner's name

Full forename(s)

Andrew

Surname

Charters

3 Insolvency practitioner's address

Building name/number

30 Finsbury Square

Street

Post town

London

County/Region

Postcode

E C 2 A 1 A G

Country



CashEuroNet UK, LLC - in Administration

UK Restructuring
Grant Thornton UK LLP
11th Floor
Landmark St Peter's Square
1 Oxford St
Manchester
M1 4PB

Joint Administrators' progress report for the
period 25 October 2021 to 24 April 2022

Prepared by: Chris M Lavery, Joint Administrator

Contact details: Should you wish to discuss any matters in
this report, please email
cmusupport@uk.gt.com, or write to the
above address

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

Guide to this report

Report sections

Definitions

1 **Executive summary**

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

2 **Background**

Includes objective of the Administration

3 **Progress**

Includes strategy and progress (realisation of assets)

4 **Creditors**

Includes creditor balances and information on dividends

5 **Investigations into the affairs of the Company**

Includes strategy and progress

6 **Joint Administrators' remuneration and expenses**

Includes details of payments to the joint administrators (including details of fees and expenses incurred) and their associates

7 **Future strategy**

Includes summary details of further work to be done, exit route, details on any proposed creditor decisions, general information for readers (e.g. data protection) and timing of the next report

Report appendices

A **Notice about this report**

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

B **Statutory information**

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

C **Abstract of the joint administrators' receipts and payments**

D **Statement of Insolvency Practice 9 disclosure: Payments to the joint administrators and their associates**

Includes remuneration basis, work done, expenses of the joint administrators, sub-contracted out work, relationships requiring disclosure

Definitions

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

Act	The Insolvency Act 1986
Administration	The administration of the Company
APR	Annual Percentage Rate
Joint Administrators/ Administrators/our/us/we	Chris Lavery, Trevor O'Sullivan and Andrew Charters, acting as joint administrators of the Company
CEU / the Company	CashEuroNet UK, LLC (in administration), incorporated in Delaware in the United States (US) and is registered in the UK as an overseas company (FC032279) under the Companies Act 2006 and whose registered address is Grant Thornton UK LLP, 11th Floor, Landmark St Peter's Square, 1 Oxford St, Manchester, M1 4PB (trading as QuickQuid, Pounds to Pocket and On Stride Financial)
CMC	Claims management company, a company or other organisation offering claims management services to Redress Creditors
Court	The Courts of England and Wales
Creditors	Preferential and unsecured creditors (including Redress Creditors)
CVL	Creditors' voluntary liquidation
DCA	Debt Collection Agent
DISP	Dispute Resolution: Complaints sourcebook, part of the FCA Handbook
Enova Group / The Group	Enova International Inc. and its subsidiaries as a collective entity
FCA	Financial Conduct Authority
FCA Handbook	The handbook published by the FCA which sets out the rules and guidance made by the FCA under the Financial Services and Markets Act 2000
FOS	Financial Ombudsman Service
Gross Loan Book	The value of outstanding loans, before provisions for bad or doubtful debts
HMRC	HM Revenue & Customs
HCST Lending	High Cost, Short Term Credit Lending
Insolvency Rules	The Insolvency (England and Wales) Rules 2016
Lantern	Lantern Debt Recovery Services Ltd
Period	25 October 2021 to 24 April 2022
Prescribed Part	The part of the proceeds which must be set aside from floating charge assets as described in section 4.3 below
Redress Claim	A redress claim that a customer (current or former) has, or may have, against the Company
Redress Creditors	Customers (current and former) of the Company (trading as QuickQuid, Pounds to Pocket or On Stride Financial) who were sold an unaffordable loan(s) and are due redress
Scheme	Scheme of Arrangement
The Board	The Board of Directors of CashEuroNet UK, LLC
The Firm	Grant Thornton UK LLP
The Online Claims Portal or the Portal	The online redress claim portal
VAT	Value added tax

1 Executive summary

- This progress report for the Company's administration covers the Period
- Our proposals were approved on 2 January 2020 by way of a decision procedure by the creditors
- The key work done in the Period is:
 - Close out of matters relating to the sale of a significant proportion of the Company's portfolio to Lantern Debt Recovery Services Ltd
 - Adjudication of customer redress claims
 - Review and audit of payment data files ahead of the dividend payment to unsecured creditors, including Redress Creditors
 - Obtain Tax Clearance from HMRC
 - The Joint Administrators applied to the Court on 25 February 2022 to obtain an extension to the dividend declaration date. The application was successful and a revised declaration date of 14 September 2022 was agreed
- **The Joint Administrators successfully declared and paid a dividend to the unsecured creditors, including Redress Creditors, with a dividend rate of 53.5p in the £. Whilst the dividend was declared on 25 April 2022 which is outside of the Period of this report, given it is a material event, it is referenced in this report**
- The Joint Administrators continue to wind down the operations of the business as far as possible whilst continuing to provide ongoing customer support following the recent payment of the dividend to unsecured creditors
- As a regulated entity, the Joint Administrators have continued to engage with the FCA and provide regular updates
- The administration is currently due to end on 24 October 2022
- The administration will end by the dissolution of the Company



Chris M Lavery
Joint Administrator

17 May 2022

2 Background

2.1 Background leading to administration

This report should be read in conjunction with the Joint Administrators' statement of proposals and prior progress reports to the Company's creditors dated 18 May 2020, 17 November 2020, 20 May 2021 and 19 November 2021 all of which are available at www.grantthornton.co.uk/portal or at the CashEuroNet microsite at <https://casheuronetukadministration.grantthornton.co.uk/latest-news/>.

A detailed background to the Joint Administrators' appointment was provided previously in the Joint Administrators' statement of proposals dated 17 December 2019, as well as the Joint Administrators' previous Progress reports.

2.2 Objective of the Administration

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

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

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

The second objective has been pursued through the recovery of the outstanding loan book through ongoing collections and sale of certain segments of the loan portfolio, and ongoing orderly wind down of the Company's operations.

3 Progress

3.1 Business continuity during wind down of operations

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

During the course of the administration the various operational requirements have been under constant review, and where services are able to be rationalised, the Joint Administrators have done so.

Prior to the administration, the Company employed 17 employees in the UK and 130 employees based in Chicago, USA. In the USA, 18 staff remain employed to provide operational and customer service functions. There are no remaining employees in the UK.

Throughout the administration, the Joint Administrators have continued to engage with Operations and Customer Support personnel to ensure that customers continue to receive an appropriate level of service, given the circumstances of the administration.

As previously reported given the historical operational support provided from the Enova Group, the Joint Administrators continue with their Service Level Agreement that they entered into with Enova to retain services deemed necessary to support the objective of the administration. Costs incurred in relation to services provided in accordance with the Service Level Agreement are paid as an expense of the administration. Services provided under the SLA are expected to cease in July 2022.

3.2 Assets

Loan book

Collections of the loan book ceased on 23 August 2021. During the period to the closure of collections a final sum of £55.2 million has been collected, exceeding the estimated to realise value of £30.6 million which was presented in the Directors' Statement of Affairs. Please note that the net book value presented in the Directors' Statement of Affairs has a provision for bad or doubtful debt applied on a "business as usual" basis, and therefore does not accurately reflect the actual outcome of the Administration.

As included in our last report, the Joint Administrators completed a sale of c.306,000 customer accounts to Lantern on 23 July 2021 for the sum of £17,704,447. The successful completion of the sale of the Loan Book is material to the administration and the recovery for the Company's creditors.

The customer accounts which were excluded from the sale were wound down in line with collection activity ceasing.

During the Period of this report the Joint Administrators worked with Lantern to close out the final matters relating to the debt sale. These matters included the transition of customer data, reconciliation matters and transferring funds collected on behalf of the purchaser. The latter of which the Joint Administrators collected a service charge of £665k.

Cash

At the date of appointment, the Company had a cash balance totalling £34.7 million which was all recovered with final £500k that was retained by Barclays being received in the Period.

Additional assets

Following our appointment, we reviewed the books and records of the Company and identified prepayments and deposits paid to various suppliers totalling £377,000. We have successfully recovered prepayments and deposits in the amount of £293,000. The Administrators are expected to recover a further balance of £63,000 shortly, bringing total recoveries to £356,000, and have concluded that there is no commercial benefit in pursuing the residual balances further.

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

3.3 HMRC approval

Whilst the Company's tax affairs are up-to-date, following the cessation of trade, it was necessary to complete a final tax return which was submitted to HMRC in October 2021. As part of the final tax return submission, the Joint Administrators sought formal tax clearance from HMRC to ensure the Joint Administrators could proceed to make a distribution to the Company's creditors knowing that all tax-related matters have been concluded. The Joint Administrators obtained tax clearance in March 2022.

3.4 Applications to court

Application to court for an extension

The Joint Administrations applied to court seeking an extension to the Administration. The reasons for the extension were as follows:

- At the time the court application was heard, the Joint Administrators had not obtained tax clearance from HMRC; and
- The Joint Administrators were unable to distribute to creditors without tax clearance

The court granted the order on 25 February 2022 and as a result allowed the Joint Administrators to make any distributions and declare any dividends in respect of such distributions within nineteen months of the last date for proving, being by 14 September 2022.

Whilst the above order extended the dividend declaration deadline to 14 September 2022, it should be noted that the Joint Administrators declared their first and final dividend to unsecured creditors, including Redress Creditors, on 25 April 2022.

4 Creditors

4.1 Secured creditors

No secured creditors have been identified.

4.2 Preferential creditors

Ordinary preferential creditors

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

The preferential claims totalled £579 and relate to outstanding holiday pay only, as there were no arrears of pay at the onset of the administration. The preferential creditors were paid in full in the Period.

4.3 Unsecured creditors

The Directors' Statement of Affairs detailed unsecured creditors totaling c.£79 million. This sum does not include redress liabilities.

Prescribed part

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

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

Redress creditors

As detailed in the Joint Administrators' proposals, the Redress Creditors comprise current and former customers who believe that they were sold an unaffordable loan(s). As a result, these customers could have had a claim for compensation, which would rank as an unsecured claim. All Redress claims have been assessed with reference to the interest and fees paid on these loans, plus compensatory interest at 8% from the date the interest and expenses were paid up until the date of Administration, being 25 October 2019. Further details in relation to the redress claim assessment process have been outlined in detail in previous progress reports.

As a result of the Redress Claim process and claims received, the total volume of accepted Redress claims was 71,216 with a total value of £135,936,690.

In addition to this, 1,962 creditors have also been identified as being owed a credit balance on their account with a total value of £69,886.

Trade creditors

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

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

Intercompany creditor

As presented in the Directors' Statement of Affairs, Enova Group filed a claim in the administration for the sum of £71.1 million. The balance related to amounts owing to and from CEU and Enova Group entities, including amounts advanced under a Revolving Facility Agreement and Intra-Group Governance Deed which the Company entered in to prior to appointment for support services such as accounting, payroll and tax reporting functions.

Following a review and various discussions in relation to the intra-group position, the Joint Administrators subsequently executed a deed of settlement whereby Enova Group's claim of £71.1 million would not prove in the administration and the Joint Administrators would not pursue any intra-group liabilities which were identified as owing to CEU based initial investigations.

A summary of the agreed creditor claims is provided in the table below.

Unsecured creditor summary

	No. of creditors	Unsecured claim (£)
Pre-appointment credit balance	1,962	69,886
HMRC	1	1,045,504
Redress creditors	71,216	135,936,690
Trade creditors	25	5,776,247
Total	73,204	142,828,326

4.4 Dividend declaration and payment

Dividend declaration

A notice of intended dividend was issued on 15 July 2020 and the window for all claims closed on 14 February 2021. The Joint Administrators declared a dividend of 53.5p in the £ on 25 April 2022 (the dividend declaration date). It is noted that the dividend declaration date falls out of the Period for this report but given it is a material event it is appropriate to detail it in this report.

Dividend payment

The dividend payment was attempted to all creditors within the 2-week period following the dividend declaration date (being 25 April 2022). We understand that there is a small group of c.1,600 redress creditors where the initial electronic payment attempt was unsuccessful, and this was due to the recipient's bank rejecting the payment or the creditor had provided outdated banking details when making their claim. We will attempt a further payment to this cohort of creditors in due course.

The existing Customer Support function continues to be available to customers for a further period to 5 June 2022, after which any customer queries should be directed to the Joint Administrators.

5 Investigations into the affairs of the Company

5.1 Statutory investigations

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

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

6 Joint Administrators' remuneration and expenses

6.1 Overview

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

Year 1 (from appointment to 24 October 2020)

The creditor approved fee estimate for the period from the date of appointment to 24 October 2020 was £3,472,955 (plus VAT).

Our cumulative time costs to 24 October 2020 (without excluding the time costs we have written off) were £3,127,943 was under our original fee estimate of £3,472,956 by £345,012. Within this period, £4,062 of expenses were incurred and have been paid.

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

On 8 December 2021, the creditors approved a decision for a revised fee estimate of £3,098,799 (plus VAT) for the period 25 October 2020 to 24 October 2021. We incurred time costs of £3,098,799 which have been paid. We incurred expenses of £1,120 of which £793 has been paid.

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

On 8 December 2021 the creditors resolved that remuneration be fixed according to the time properly spent by the Administrators and their staff on the administration, with a fees estimate of £1,668,529 (plus VAT) for the period 25 October 2021 to 24 October 2022 (Year 3).

We have incurred time costs in the Period amounting to £1,232,423 of which and £1,021,474 has been paid. We have incurred expenses of £122 which have not been paid.

The above brings the total cumulative time costs for the Administration (from 25 October 2019 to 24 April 2022) to £7,459,607 of which £7,175,722 has been paid (and £72,935 has been written off) and brings total expenses to £5,304 of which £4,988 has been paid.

In addition to the above remuneration and expenses, we estimate an additional £647,055 in remuneration to deal with the remaining matters as detailed in this report and to close the administration. This brings our total anticipated remuneration to £7,822,777. At this time we do not seek to revise our fees estimate in order to be able to draw more remuneration. This is based on current information and is therefore subject to change.

Further details about remuneration and expenses are provided in Appendix D to this report.

7 Future strategy

7.1 Future conduct of the administration

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

- continuing to wind down operations of the business
- maintaining a customer service operation for a limited period following the distribution to unsecured creditors, including Redress Creditors
- addressing any payment issues resulting from the distribution process (such as any unsuccessful or any unbanked dividend payments), as appropriate
- decommissioning services and systems and archiving of data
- liaising with HMRC to finalise the Company's tax affairs
- concluding the administration, and
- complying with statutory and compliance obligations.

7.2 Extension of the administration

The duration of an administration is restricted to 12 months from the date of commencement unless it is extended with the permission of the creditors or the Court. The administration is currently due to end on 24 October 2022. A further extension is not anticipated.

7.3 Exit from administration

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

7.4 Data protection

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

7.5 Contact from third parties

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

7.6 Future reporting

Our next report to creditors will be issued no later than 24 November 2022, or earlier if the administration has been completed by that date.

A Notice about this report

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

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

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

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

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

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

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

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

B Statutory information

Company information

Company name	CashEuroNet UK, LLC
Date of incorporation	18 November 2014
Company registration number	FC032279
Former trading address	2nd Floor Fergusson House 124-128 City Road London EC1V 2NJ
Present registered office	11th Floor Landmark St Peter's Square 1 Oxford St Manchester M1 4PB

Administration information

Administration appointment	The administration appointment granted in the In the High Court of Justice, Business and Property Courts of England & Wales, 007155 of 2019
Appointor	the Company
Date of appointment	25 October 2019
Joint Administrator's names	Chris M Lavery Trevor P O'Sullivan Andrew Charters
Joint Administrator's addresses	30 Finsbury Square, London, EC2A 1AG
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up
Estimated value of the net property and confirmation of the prescribed part cap	The Prescribed Part shall not apply in this case as there is no qualifying floating charge holder
Prescribed part distribution	Not applicable (See above)
Functions	In accordance with paragraph 100(2) of Schedule B1 to the Act, the functions of the administrators are to be exercised by any or all of them.
Current administration expiry date	24 October 2022

Appendix C

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

	Year 1 & Year 2	Year 3 to date (the Period)	Total
Statement of Affairs	From 25/10/2019 To 24/10/2021	From 25/10/2021 To 24/04/2022	From 25/10/2019 To 24/04/2022
£	£	£	£
POST APPOINTMENT SALES			
Loan book collections	55,558,518.04	0.00	55,558,518.04
Post completion collections to be returned	62,712.92	(62,712.92)	0.00
Lantern Service Charge	665,270.68	0.00	665,270.68
Proceeds from debt sale	17,704,447.00	(211,276.98)	17,493,170.02
	<u>73,990,948.64</u>	<u>(273,989.90)</u>	<u>73,716,958.74</u>
TRADING EXPENDITURE			
Occupancy costs	295,488.26	0.00	295,488.26
IT & telecommunications	412,572.84	7,311.08	419,883.92
Other operating costs	385,137.54	22,205.38	407,342.92
Professional fees	99,172.75	3,427.78	102,600.53
Redress related costs	629,822.03	1,993.50	631,815.53
Post-appointment refunds	45,662.93	534,499.01	580,161.94
Office costs	10,427.52	432.06	10,859.58
Employment costs	7,733,674.48	893,868.93	8,627,543.41
General administrative	206,083.11	4,724.85	210,807.96
Enova SLA fees	7,293,546.10	299,611.55	7,593,157.65
	<u>(17,111,587.56)</u>	<u>(1,768,074.14)</u>	<u>(18,879,661.70)</u>
TRADING SURPLUS/(DEFICIT)	<u>56,879,361.08</u>	<u>(2,042,064.04)</u>	<u>54,837,297.04</u>

Appendix C

CashEuroNet UK, LLC
(In Administration)
Joint Administrators' Summary of Receipts & Payments

		Year 1 & Year 2	Year 3 to date (the Period)	Total
Statement of Affairs		From 25/01/2019 To 24/10/2021	From 25/10/2021 To 24/04/2022	From 25/10/2019 To 24/04/2022
£		£	£	£
	ASSET REALISATIONS			
	Other receipts	333,480.36	5,587.60	339,067.96
40,298,269.00	Pre-appointment cash at bank	34,178,899.29	490,095.00	34,668,994.29
	Prepaid amounts recovered	292,646.06	0.00	292,646.06
	TRADING SURPLUS/(DEFICIT)	56,879,361.08	(2,042,064.04)	54,837,297.04
		<u>91,684,386.79</u>	<u>(1,546,381.44)</u>	<u>90,138,005.35</u>
	COST OF REALISATIONS			
	Debt collection costs	883,145.91	5,000.00	888,145.91
	Administrators Expenses (Post-appointment)	4,877.00	111.30	4,988.30
	Administrators fees (Post-appointment)	5,563,267.69	1,612,454.65	7,175,722.34
	Administrators fees (Pre-appointment)	55,092.00	0.00	55,092.00
	Corporation Tax	163,473.18	(163,022.69)	450.49
	Debt sale related costs	870,805.95	7,963.58	878,769.53
	Legal Fees	770,701.32	38,566.50	809,267.82
	VAT irrecoverable	1,613,342.63	562,583.46	2,175,926.09
		<u>(9,924,705.68)</u>	<u>(2,063,656.80)</u>	<u>(11,988,362.48)</u>
	PREFERENTIAL CREDITORS			
(99,061.00)	Preferential Creditors (All)	0.00	578.86	578.86
		<u>0.00</u>	<u>(578.86)</u>	<u>(578.86)</u>
<u>(99,061.00)</u>		<u>81,759,681.11</u>	<u>(3,610,617.10)</u>	<u>78,149,064.01</u>
	REPRESENTED BY			
	Barclays Floating Current Acct NIB 04/			1,948,838.91
	Barclays Redress Creditors Acct NIB 0			76,482,000.00
	HMRC - VAT received/paid			81,389.47
	VAT on Purchases			166,999.21
	VAT on Sales			(530,163.58)
				<u>78,149,064.01</u>

D Payments to the Joint Administrators and their associates

Statement of Insolvency Practice 9 disclosure

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

- Pre-appointment costs
- fee basis
- work done by the Joint Administrators and their team during the Period
- expenses
- sub-contracted work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees).

Pre-appointment costs

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

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

Post-appointment costs

Fee basis of the Joint Administrators

Total cumulative time costs for the Administration (from 25 October 2019 to 24 April 2022) are £7,459,607 of which £7,175,722 has been paid and £72,935 written off. The Joint Administrators' fee request has been split between our Year 1, Year 2 and Year 3 fees and time costs which are detailed further below.

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

On 2 January 2020, the creditors resolved that remuneration be fixed by time properly spent by the Administrators and their staff on the administration, with a fee estimate of £3,472,956 for the period from 25 October 2019 to 24 October 2020. For Year 1 we incurred time costs of £3,128,384 of which £3,055,449 was paid and £72,935 was written off.

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

On 8 December 2021, the creditors approved a decision that remuneration be fixed according to the time properly spent by the Administrators and their staff on the administration, with a Year 2 revised fee estimate of £3,098,799 (plus VAT) for the period 25 October 2020 to 24 October 2021. For Year 2 we incurred time costs of £3,098,799 of which all was paid.

Year 3 fees (for the period from 25 October 2021 to 24 October 2022)

On 8 December 2021 the creditors resolved that remuneration be fixed according to the time properly spent by the Administrators and their staff on the administration, with a fees estimate of £1,668,529 (plus VAT) for the period 25 October 2021 to 24 October 2022 (Year 3).

During the Period time costs were incurred totalling £1,232,423 represented by 2,124 hrs at an average of 580 £/hr of which £1,021,474 has been paid. A description of the work done in the Period is provided in the respective section below. We anticipate that overall recorded time costs will be in line with the time costs in the Year 3 fee estimate and therefore anticipate a further £436,105 time costs will be incurred. At present we do not expect to seek approval to draw remuneration in excess of our fees estimate, however we reserve our right to do so in the future.

We currently anticipate further payment from the estate of £647,055, resulting in total payment from the estate of £1,688,528 for Year 3; this is based on current information and is therefore subject to change. Please note that the total anticipated payment does not limit the amount of remuneration that the Joint Administrators can draw from the estate, only the fees estimate has such effect.

Work done by the Joint Administrators and their team during the Period

We are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, against any fees estimate provided. Our fees estimate was included within our progress report to creditors dated 19 November 2021. We are also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the Joint Administrators' fees incurred together with a numerical fees estimate variance analysis. Details of expenses incurred in connection with work done are provided in the 'Expenses' section below.

Area of work	Work done	Why the work was necessary	Financial benefit to creditors	Fees (time costs) incurred		
Trading				374 hrs	£219,982	£/hr588
Trading general	<ul style="list-style-type: none"> Detailed cash flow analysis and projections to feed into our Estimated Outcome Statement Reviewing and approving payments for the day-to-day running of the business Winding down of operations following cessation of collections and completion of the debt sale at the end of August 2021 	<ul style="list-style-type: none"> To reduce trading costs to a manageable position and to ensure delivery of the key objectives of the administration By reducing the cost of trading, this would maximise the return to creditors 	<ul style="list-style-type: none"> This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available 			
Service Level Agreement	<ul style="list-style-type: none"> Negotiation of extension of Service Level Agreement (SLA) with Enova Group companies Ongoing monitoring of the SLA to support the wind down of services provided by Enova Continued platform support 	<ul style="list-style-type: none"> To support continuation of trading The SLA is critical as CEU does not own a proprietary platform 	<ul style="list-style-type: none"> This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available 			
Supplier management and continuation of operations	<ul style="list-style-type: none"> Maintaining contact with the remaining suppliers to support orderly wind down of services Terminating the remaining suppliers as appropriate during the wind down process 	<ul style="list-style-type: none"> To secure continuity of supplies and maintenance of key systems necessary to support asset realisations To support orderly wind down of operations and minimisation of operating costs 	<ul style="list-style-type: none"> This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available 			
Employees	<ul style="list-style-type: none"> Continuing phased redundancy programme in line with wind down of operations for remaining employees Holding regular update meetings with retained employees to continue to implement post-appointment protocols, including payroll, and attending to other ad hoc employee issues 	<ul style="list-style-type: none"> Retention of certain employees is essential to maintain a 'business as usual' strategy necessary to allow recovery of the loan collections and other assets of the Company To maintain customer services to address customer queries including redress inquiries 	<ul style="list-style-type: none"> This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available 			

Pensions	<ul style="list-style-type: none"> • Communication with the Pensions Regulator • Maintenance of employee contributions 	<ul style="list-style-type: none"> • Statutory and employment obligations 	<ul style="list-style-type: none"> • This work is necessary to discharge the office holders' duties. As explained under 'Why the work is necessary', although it might not add financial value to the estate it will add value to the insolvency process 			
Assets				26 hrs	£13,293	£/hr521
Loan book	<ul style="list-style-type: none"> • Finalising outstanding matters following the sale of a portion of the loan portfolio and responding to ad hoc queries from the purchaser 	<ul style="list-style-type: none"> • Necessary to realise the loan book value 	<ul style="list-style-type: none"> • This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available 			
Other assets (incl. Trademark, IT platform, Legal & Property)	<ul style="list-style-type: none"> • Ensuring appropriate ongoing insurance arrangements via our insurance brokers, 	<ul style="list-style-type: none"> • To ensure statutory compliance and to safeguard the value of the Company's assets • Necessary to ensure the safety of the assets of the business as well as the safety of the working environment for the employees 	<ul style="list-style-type: none"> • This work is necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available 			
Investigations				9 hrs	£1,584	£/hr180
Bank statements & analysis	<ul style="list-style-type: none"> • Review of pre-appointment bank statements 	<ul style="list-style-type: none"> • To assist with the adjudication of claims 	<ul style="list-style-type: none"> • This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process 			
Creditors				914 hrs	£559,153	£/hr612
Employees & pensions	<ul style="list-style-type: none"> • Working with agents to quantify the claims of employees • Ad hoc employee queries in respect of the insolvency process • Finalising the preferential claim following the redundancy of employees 	<ul style="list-style-type: none"> • To enable settlement of any preferential claims • Establishment of any unsecured claims from employees arising from termination of their employment • To manage stakeholder expectations 	<ul style="list-style-type: none"> • This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate 			
Unsecured	<ul style="list-style-type: none"> • Adjudication and final review of claims for preparation of unsecured dividend payment • Ad hoc queries from creditors in respect of the insolvency process 	<ul style="list-style-type: none"> • To establish the quantum of creditor claims • To manage stakeholder expectations 	<ul style="list-style-type: none"> • This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate 			

	<ul style="list-style-type: none"> Quality assurance and collation of pre-appointment credit balances and preparation of customer details 		
Redress creditors	<ul style="list-style-type: none"> Providing updates to redress creditors by way of email, or through a wider update on the Joint Administrator's microsite Finalisation of all Redress Claims, involving regular meetings with the Company's staff to ensure claims are captured correctly Continuing to monitor dedicated case inbox and respond to ad hoc queries received from Redress Creditors Continued assessment of appeals received from Redress Creditors Quality assurance of the Post-NOID refunds and executing payment of these Regular communication and updates with the FCA regarding progress of the administration Meetings and correspondence with the FOS over redress claims management 	<ul style="list-style-type: none"> To manage stakeholder expectations To ensure that potential redress creditors are kept abreast of all key updates To ensure that the communications process is as commercial as possible 	<ul style="list-style-type: none"> This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate
Dividends	<ul style="list-style-type: none"> Preparation of the data files ahead of dividend payment. Facilitating the data integrity audit of the redress payment data files between a Grant Thornton BRS team and the CEU operations team Responding to queries of the GT risk team ahead of payment 	<ul style="list-style-type: none"> To ensure data is secure and the review process is efficient, accurate and timely To ensure compliant with firm's procedures 	<ul style="list-style-type: none"> This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate
Administration			802 hrs £438,412 £/hr547
Case management	<ul style="list-style-type: none"> Monitor files for the case and ensure statutory deadlines are adhered to Filing statutory documents on Companies House Quality assurance of any post-appointment credit balances and working with the Company's staff to refund these to the relevant customer/DMC 	<ul style="list-style-type: none"> Required as part of the duties of the Administrators and their staff 	<ul style="list-style-type: none"> This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate

	<ul style="list-style-type: none"> • Review and Preparation of the data file for all c.75,000 Redress Creditors to enable the transfer of information from the Company's systems to our Insolvency Practice system • Updating any creditor detail changes in accordance with the internal processes • Payment of the preferential dividend • Resolve any issues regarding unclaimed monies 		
Reports to creditors, notices & decisions	<ul style="list-style-type: none"> • Preparation of fee estimate and remuneration report for creditors • Decision procedure by creditors for approval of proposals and basis of remuneration 	<ul style="list-style-type: none"> • Statutory requirement 	<ul style="list-style-type: none"> • This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate
Treasury, billing & funding	<ul style="list-style-type: none"> • Processing and recording transactions arising during the period of the administration • Ongoing monitoring and closure of the Administration bank accounts • Arranging and accounting for the various receipts and payments of the Company 	<ul style="list-style-type: none"> • Required as part of the duties of the Administrators and their staff 	<ul style="list-style-type: none"> • This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate
Tax	<ul style="list-style-type: none"> • Ongoing consideration of tax position • Continued to submit VAT returns • Deal with issues should they arise following the submission tax clearance for distribution 	<ul style="list-style-type: none"> • Statutory compliance • To meet all post administration tax liabilities 	<ul style="list-style-type: none"> • This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate
Pensions	<ul style="list-style-type: none"> • Relevant updates in relation to pension cover and benefits • Correspondence with Pensions Regulator • Maintenance of employee contributions 	<ul style="list-style-type: none"> • Statutory requirement 	<ul style="list-style-type: none"> • This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate
Total remuneration charged in the Period			2,124 hrs £1,232,423 £/hr580

Detailed SIP9 time cost analysis for the period and fee estimate variance analysis as at period end
Period from 25/10/2021 to 24/04/2022

Area of work	Partner		Manager		Executive		Administrator		Period total			Year 3 fee estimate			Variance		Cumulative total as at period end (Year 1 & 2 & 3)			
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	£/hr	Hrs	£	£/hr	Hrs	£	Hrs	£	£/hr	
Trading:									374	219,982	588	366	231,098	631	-	8	11,116	4,166	2,189,742	526
Trading (general)	10	7,503	354	207,420	11	5,060	-	-	374	219,982	588						4,166	2,189,742	526	
Realisation of Assets:									26	13,293	521	216	137,712	639	191	124,420	1,575	918,685	583	
Cash at bank	-	-	-	-	-	-	-	-	-	-	-						138	57,725	418	
Insurance	-	-	-	-	-	-	-	-	-	-	-						16	6,548	422	
Loan book	1	875	24	11,868	-	-	-	-	25	12,743	520						1,314	793,255	604	
Other assets (incl. Trademark, IT platform, Legal & Property)	-	-	1	550	-	-	-	-	1	550	550						108	61,158	567	
Investigations:									9	1,584	180	30	14,913	493	21	13,329	63	30,434	483	
Debtor / director / senior employees	-	-	-	-	-	-	-	-	-	-	-						35	18,545	528	
Books & records	-	-	-	-	-	-	-	-	-	-	-						9	3,642	424	
Investigations (general)	-	-	-	-	-	-	9	1,584	9	1,584	180						19	8,247	427	
Creditors:									914	559,153	612	992	623,681	629	78	64,529	5,209	2,614,283	502	
Employees & pensions	-	-	1	255	3	795	7	1,215	10	2,265	223						119	58,872	497	
Unsecured (incl. Redress creditors)	78	65,489	665	411,347	103	43,550	5	882	850	521,268	613						5,036	2,519,791	500	
Dividends	4	3,680	48	31,430	1	330	1	180	54	35,620	663						54	35,620	663	
Administration:									802	438,412	547	1,571	661,124	421	769	222,712	3,786	1,706,464	451	
Case management	47	40,728	364	238,992	3	851	17	3,141	431	283,712	659						1,353	802,920	594	
Compliance & general administration matters	-	-	-	-	-	-	-	-	-	-	-						341	112,171	329	
Pensions	-	-	3	1,775	-	-	-	-	3	1,775	710						66	37,271	565	
Reports to creditors, notices & decisions	2	1,795	23	11,359	3	975	6	1,161	34	15,290	444						347	147,333	425	
Tax	10	8,171	93	52,054	15	6,723	22	6,216	141	73,164	520						522	262,574	503	
Treasury, billing & funding	8	7,500	63	30,643	76	18,058	46	8,271	194	64,472	333						1,158	344,195	297	
Total	159	135,740	1,637	997,692	214	76,342	113	22,650	2,124	1,232,423	580	3,175	1,668,528	526	1,051	436,105	14,798	7,459,607	504	

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Adverse variances are presented in brackets
- Year 1 time costs paid £3,055,449 (excludes VAT)
- Year 2 time costs paid to date £3,098,799 (excludes VAT)
- Year 3 time costs paid to date £1,021,474 (excludes VAT)
- Total time costs paid to date: £7,175,722
- Please note that the actual time incurred in the Period may slightly differ to that reported in the table above. This is due to lags between time being recorded on our internal system by staff and then being posted to the case. We do not expect any differences to be material and any such discrepancies will be noted in our next report.

Statement of expenses incurred in the Period

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

Category	Incurred in the Period (£)	Cumulatively incurred as at Period end (£)	Of which paid by the estate as at Period end (£)
Category 1 expenses			
Travel and Subsistence	0	2,193	2,193
Insolvency Bonding	0	1,875	1,875
Office Consumables	122	1,236	920
Trading Expenditure	888,866	12,012,589	12,012,589
Agents/Valuers Fees (1)			
Lambert Smith Hampton	2,878	2,878	2,878
Bank Charges	132	113,171	113,171
Corporation Tax	(163,023)	450	450
Data Protection fee	0	120	120
Debt sale related costs	7,964	878,770	878,770
Legal Fees			
Squire Patton Boggs (US) LLP	0	10,549	10,549
Slaughter & May	38,567	572,075	572,075
Paul Hastings (Europe) LLP	0	226,644	226,644
Ransom Payment	0	60,487	60,487
Re-Direction of Mail	0	519	519
Stationery & Postage	0	872	872
Statutory Advertising	0	154	154
US Employee Costs	881,198	7,511,611	7,511,611
VAT irrecoverable	(36,434)	1,576,909	1,576,909
Total expenses	1,620,270	22,973,102	22,972,786

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

Category 1 expenses

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

Category 2 expenses

These are expenses directly referable to the insolvent estate but payments that are either to an associate, or that include shared or allocated costs that may be incurred by the Joint Administrators or their firm and that can be allocated to the appointment on a proper and reasonable basis. Category 2 expenses require approval in the same manner as the Joint Administrators' remuneration.

No category 2 expenses have been incurred to date.

Payments to associates

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

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

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

Associate name	Services enlisted	Fee basis
Grant Thornton UK LLP	<ul style="list-style-type: none">Tax work/advice (narrative is included within the above narrative of work done)Pensions work/advice (narrative is included within the above narrative of work done)	<ul style="list-style-type: none">Costs are included within the above SIP9 time cost analysis
Grant Thornton UK LLP	<ul style="list-style-type: none">BRS team for data audit of the redress payment data file	<ul style="list-style-type: none">Costs c. £12,000 to £15,000

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the Joint Administrators' fee basis.

Sub-contracted work

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

Information for creditors and members

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

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

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



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