

# **Artis Finance Limited – in administration**

Joint Administrators' Progress report  
from 3 September 2025 to 2 March  
2026

Date: 13 March 2026

High Court of Justice, Business & Property Courts of England &  
Wales, Insolvency & Companies List (ChD)

Case number: CR-2025-001411

Company number: 12535605



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# Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that are specific to this appointment and report:

<b>Addleshaw Goddard</b>	Addleshaw Goddard LLP
<b>Joint Administrators / Administrators / we / us / our / Office holder(s)</b>	Tom Crookham, Edward Macnamara and James Cameron
<b>AFGHL</b>	Artis Finance Group Holdings Limited
<b>AFL / Company</b>	Artis Finance Limited
<b>AFOS</b>	AF Operations (Singapore) Pte Ltd
<b>Artis Group</b>	Artis Finance Group Holdings Limited and its subsidiaries (including AFL and ATL)
<b>ATL</b>	Artis Technologies Limited - in creditors' voluntary liquidation
<b>CDDA</b>	Company Directors Disqualification Act 1986
<b>CWT</b>	Cadwalader, Wickersham & Taft LLP
<b>Directors</b>	Waldo De Vleeschauwer, Ian James Henderson and Nadia Von Bezing
<b>GBP</b>	Great British Pound
<b>HSBC</b>	HSBC Bank plc
<b>IPS</b>	Insolvency Practitioner System (case management system)
<b>LoanCo</b>	Artis LoanCo 1 PLC - in administration, a subsidiary of AFL
<b>LoanCo's Administrators</b>	Christine Mary Lavery and Jarred H Erceg of Grant Thornton UK Advisory & Tax LLP
<b>Loan Notes</b>	The secured notes issued by LoanCo to the Noteholders under a secured note programme
<b>NIC</b>	National Insurance Contributions
<b>NOID</b>	Notice of intended dividend
<b>Noteholders</b>	Barings LLC, Insight Partners LLP, Nuveen LLC and Caisse de dépôt et placement du Québec
<b>PAYE</b>	Pay-as-you-earn
<b>Proposals</b>	The Joint Administrators' proposals for achieving the purpose of administration dated 24 April 2025, previously circulated to creditors
<b>Proposed Joint Liquidators</b>	Tom Crookham, Edward Macnamara and James Cameron
<b>Registered office</b>	8th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL
<b>SOA</b>	Directors' Statement of Affairs dated 28 March 2025
<b>Sound Point</b>	Sound Point Capital Management LP, the investment manager of Sound Point Strategic Capital Master Fund II, the sole member of SP Commercial Funding Cayman GP II, LLC, the general partner B Atlas Commercial Funding (Cayman), L.P
<b>the Period</b>	3 September 2025 - 2 March 2026

<b>Trading name</b>	Artis Finance Limited
<b>U.S. Bank</b>	U.S. Bank Trustees Limited which acts as security trustee and note trustee in relation to (i) the fixed charge over the Company's shares held in LoanCo and (ii) the Loan Notes issued by LoanCo
<b>USD</b>	United States Dollar
<b>VAT</b>	Value Added Tax
<b>Warehouse</b>	P1 WarehouseCo DAC

The following table shows generic abbreviations and insolvency terms that may be used in this report:

<b>CVA</b>	Company voluntary arrangement under Part 1 IA86
<b>CVL</b>	Creditors' voluntary liquidation
<b>DBT</b>	Department for Business and Trade
<b>Firm / PwC</b>	PricewaterhouseCoopers LLP
<b>HMRC</b>	HM Revenue and Customs
<b>IA86</b>	Insolvency Act 1986
<b>IR16</b>	Insolvency (England and Wales) Rules 2016
<b>Insolvency code of ethics</b>	The code of ethics aims to help insolvency practitioners meet their professional and ethical obligations. A copy can be found at <a href="https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics">https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics</a>
<b>Ordinary preferential creditors</b>	Creditors with claims defined in IA86 as ordinary preferential debts: These include claims for: <ul style="list-style-type: none"> <li>unpaid remuneration earned in the four months before the relevant date of the insolvency up to a maximum of £800, an unlimited amount of accrued holiday pay, unpaid pension contributions in certain circumstances</li> </ul>
<b>Preferential creditors</b>	Creditors who are classified as Ordinary preferential creditors or Secondary preferential creditors, as defined below and who rank above unsecured creditors
<b>Prescribed part (pp)</b>	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003. It is paid out of 'net property' i.e. floating charge realisations after both costs and after setting enough aside to pay preferential creditors in full. It only has to be made available where the floating charge was created on or after 15 September 2003. The amount of the prescribed part is; <ul style="list-style-type: none"> <li>50% of net property up to £10k (i.e. the pp will be up to £5k); plus (if applicable)</li> <li>20% of net property above £10k (i.e. the pp will be £5k plus 20% of the net property that exceeds £10k)</li> </ul> <p>The pp is subject to a maximum of £600k where the floating charge(s) is / are created before 6 April 2020. The maximum is £800k where the charge(s) is / are created on or after 6 April 2020 (provided there isn't a charge created before 6 April</p>

	2020 that ranks equally or in priority to it, in which case the maximum remains at £600k)
<b>Regulations</b>	Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021
<b>Restructuring plan</b>	A compromise or arrangement under Part 26A Companies Act 2006
<b>ROT claims</b>	Claims to retention of title over goods supplied to the Company but not paid for before the Administrators' appointment
<b>RPS</b>	Redundancy Payments Service, part of the Insolvency Service, which is an executive agency sponsored by DBT, and which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
<b>Sch B1 IA86</b>	Schedule B1 to the Insolvency Act 1986
<b>Secondary preferential creditors</b>	Creditors with claims defined in IA86 as secondary preferential debts to be paid after ordinary preferential debts, if there are sufficient funds. These include claims for: <ul style="list-style-type: none"> <li>• certain HMRC debts owed at the date of insolvency, consisting of VAT and relevant amounts deducted by the Company from payments due to another taxpayer and due to be paid over to HMRC (e.g. PAYE, employee NICs and Construction Industry Scheme deductions). Penalties and interest do not form part of HMRC's preferential claim</li> </ul>
<b>Secured creditor</b>	A creditor with security in respect of their debt, in accordance with section 248 IA86
<b>SIP</b>	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply
<b>SIP 2</b>	Statement of Insolvency Practice 2: Investigations by office holders in administrations and insolvent liquidations and the submission of conduct reports by office holders
<b>SIP 9</b>	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates from an estate
<b>SIP 13</b>	Statement of Insolvency Practice 13: Disposal of assets to connected parties in an insolvency process
<b>SIP 16</b>	Statement of Insolvency Practice 16: Pre-packaged sales in administrations
<b>TUPE</b>	Transfer of Undertakings (Protection of Employment) Regulations 2006
<b>Unsecured creditors</b>	Creditors who are neither secured nor preferential, ranking behind secured creditors and all preferential classes of creditors

This report has been prepared by the Office holders, solely to comply with their statutory duty to report to creditors on the progress of the insolvency, 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 it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment 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 outcome for creditors.

Any person choosing to rely on this report does so at their own risk. To the fullest extent permitted by law, we do not assume any liability in respect of this report to any such person.

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

We are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. We are bound by the Insolvency Code of Ethics which can be found at:  
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

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# Key messages

## Why we've sent you this report

We have been appointed to manage the Company's affairs, business and property as its agents and act without personal liability.

This report provides you with an update on the progress in the most recent six-month Period, together with information we are required to include by law and applicable insolvency guidance.

Immediately below is an estimate of the expected outcome for the different creditor classes, beneath which is what you need to do.

Please note you should read this report in conjunction with our previous reports, which can be found at [www.pwc.co.uk/artisfinance](http://www.pwc.co.uk/artisfinance). Please email [uk\\_artisfinance\\_creditors@pwc.com](mailto:uk_artisfinance_creditors@pwc.com) if you need the passwords to access the reports.

## How much creditors may receive

The following table summarises the possible outcome for creditors, based on what we currently know.

### Estimated outcome for Secured creditor

What the Secured creditor is owed:	£	
U.S. Bank	TBC	
What we think the Secured creditor could recover:	% Recovery	Forecast timing
U.S. Bank	nil	N/A

U.S. Bank has registered security against the Company comprising a fixed charge over LoanCo's shares (held by the Company) dated 3 November 2020 and restated on 20 December 2022.

We have not ascertained the amount owed to U.S. Bank under its fixed charge security. However, it is not believed that there is any value in the Company's shareholding in LoanCo given that LoanCo has also entered administration. We therefore do not expect that U.S. Bank will receive any funds from the Company under its fixed charge security.

### Estimated dividend prospects for other classes of creditors

Class of creditor	% Recovery	Forecast timing
Ordinary preferential creditors	100%	Paid
Secondary preferential creditors	Uncertain	Uncertain
Unsecured creditors	Uncertain	Uncertain

### Ordinary preferential creditors (mainly employees)

As mentioned in our earlier reports, Ordinary preferential claims in the administration relate to accrued holiday pay owed to employees. As we were forecasting that the Ordinary preferential creditors would be repaid in full, these amounts have been paid to employees via payroll on the termination of their employment contract. This approach avoids additional time and costs being incurred in agreeing Preferential claims and processing Preferential dividend payments.

## **Secondary preferential creditors (HMRC)**

The SOA indicates Secondary preferential debts of c.£81k. Since our appointment, we submitted a VAT return reclaiming VAT for the pre-administration period ended March 2021 for £528,015.79 (see below for further information), which was offset by outstanding pre-appointment PAYE and NIC liabilities. This resulted in a payment of £469,753.71. HMRC had a pre-appointment claim in the administration, and applied an offset between the amounts due in respect of the pre-appointment VAT refund and the claim in administration. This is often referred to as “Crown offset”. Therefore, our expectation is that HMRC’s Secondary preferential claim in the administration has been extinguished. It is currently uncertain whether HMRC will have a residual Unsecured claim. We subsequently submitted additional VAT return reclaims as detailed below.

## **Unsecured creditors**

The SOA indicates Unsecured creditors totalling c.£2.13m. However, during the course of the Administration, we have received additional material claims that were not listed on the SOA totalling in excess of \$200m.

These two claims, together with those creditors initially listed in the SOA, will be reviewed and adjudicated at the appropriate point in the CVL. However, given the materiality of the potential additional claims, we are unable to estimate the outcome for Unsecured creditors with any degree of certainty at this stage.

The contingent nature of one of the claims also gives rise to significant uncertainty as to when any such claim may crystallise. Furthermore, the amount and timing of any dividend will depend on the final level of asset realisations and the costs of both the Administration and the CVL.

At the end of the administration (the term of which has been extended), we will be moving from administration to CVL to enable us to make a distribution to Unsecured creditors in the CVL.

## **What you need to do**

### **Creditor claims**

If you haven’t already done so, please send us your Unsecured claim so we can start reviewing it and determine the creditor distribution strategy. Our preferred method for creditors to submit claims and supporting documents is via the Turnkey (IPS) online portal, as this is the most efficient and cost effective way for us to deal with your claim and also allows you to better track its status, so we recommend using the online portal for claim submission. Your unique login details were sent to you separately.

We may decide that some or all creditors who are owed £1,000 or less by the Company won’t be required to submit a proof of debt in order to receive the anticipated dividend payment.

Please note that should you wish to vote in relation to any decision procedure during the administration (or any subsequent liquidation) or object to a decision sought by deemed consent, you’ll need to submit a proof of debt, even if one is not required for dividend purposes.

### **Our fees**

During the Period we have sought approval of our fees. We initially issued our remuneration report on 25 November 2025 and reissued it on 21 January 2026 to ensure that the decision included all creditors.

On 10 February 2026, the Unsecured creditors granted partial approval of our fees. We intend to seek further approval of the remaining fees from the Unsecured creditors of the Company. Further detail on the fees approved is provided in Appendix D. In the event that an agreement cannot be reached with the fee-approving body, being the Unsecured creditors, we will make an application to the court for approval of the remaining elements of our fees prior to moving the Company into liquidation.

# Progress in the Period

## Asset realisations

### Ongoing servicing

As previously reported, the Company generated revenue through origination and servicing agreements for (i) LoanCo and the Noteholders and (ii) Warehouse, P1 LoanCo II DAC and Sound Point. Given the Company's insolvent position, it was determined that the Company would cease providing origination services to maximise realisations for creditors and mitigate the risk of further contractual claims. However, we did provide some services to the following parties, as reported in detail previously.

### *LoanCo*

During the Period, the Company continued to provide servicing support to LoanCo through its remaining employees until 31 December 2025, with all costs (including the Joint Administrators' time costs) fully funded by LoanCo. Confirmation was received from LoanCo's Administrators that the Company's services were no longer required beyond 31 December 2025 and all remaining employees were released on that date. No further servicing activities have been undertaken by the Company following the cessation of this support.

As at 2 March 2026, the Company has received total contributions of £1,202,499.64 (plus VAT) from LoanCo, which relates to the following costs:

- £920,393.66 - contribution to the operating costs (wages and salaries, office space, systems and legal costs) of the Company from March 2025 to December 2025; and
- £282,105.97 - being the agreed contribution towards the Joint Administrators' professional fees from March to December 2025.

Our receipts and payments account at Appendix A reflects the funding provided by LoanCo of £1,202,499.64 and the associated payments made from this funding to date of £882,733.67. In addition to the above, bank interest of £3,818.74 accrued on the account, which results in a current cash position of £323,584.71. These funds are available to settle costs which have been accrued by the Company, but not yet paid. Whilst subject to ongoing reconciliations, the current funding is sufficient to discharge all related costs. In the event of any surplus, this will be returned to LoanCo in the liquidation.

### *Warehouse and Sound Point*

As reported previously, the termination of the Warehouse funding structure concluded on 20 August 2025. During the Period, no further services have been and none are expected to be provided, and there will be no further realisations.

Some funding had been received in USD. In order to consolidate funds in preparation for the move to CVL, the USD balance has been transferred to the GBP account. Therefore a number of transactions reflected in the GBP receipts and payments account represent the receipts and payments from the USD account, which has now been brought to nil and closed as shown at Appendix A.

Following transfer to GBP, the sterling equivalent balance remaining on the Sound Point account was £21,319.44 which represents funds available to the estate, as shown in the receipts and payments accounts at Appendix A.

### *Key service providers*

As reported previously, ATL provided key IT services to the Company prior to the administration. LoanCo took on direct responsibility for funding ATL in respect of any services required going forwards to mitigate the administrative burden on the Company in paying ATL and recovering such funds from LoanCo. During the Period, ATL entered CVL on 29 January 2026.

It transpired that one of ATL's employees was included within the private medical cost being incurred by the Company for the benefit of LoanCo and so ATL, before it entered CVL, separately provided funding of £1,091.65 to cover these costs.

### *Employees*

At the date of our previous report, the Company employed four employees who were retained solely for the purpose of LoanCo support and with the associated costs being funded entirely through LoanCo. The Company continued to process payroll obligations through the administration estate. As detailed above, all employees were released on 31 December 2025.

The Ordinary preferential creditors were repaid in full as these amounts were paid to employees via payroll once their contracts of employment had been terminated. This approach avoided additional time and costs being incurred in agreeing Preferential claims and processing Preferential dividend payments.

## **Other realisations**

**(all uncharged aside from the investment in LoanCo, which is subject to a fixed charge with U.S. Bank)**

### **Investment in LoanCo**

LoanCo remains a wholly owned subsidiary of the Company and its shareholding is listed in the SOA with a book value of c.£22.9m, but with an estimated realisable value of nil. The Company's shares in LoanCo are subject to fixed charge security in favour of U.S. Bank. LoanCo entered administration on 10 June 2025 and accordingly it remains highly unlikely that there will be a recovery from this investment.

### **Investment in Singapore**

AFOS is also a wholly owned subsidiary of the Company, however, per the SOA its shareholding is listed with nil book value on the basis that it holds only liabilities and no assets, and was reliant on funding from the Company.

During the Period, we understand that AFOS and its directors have continued to take steps towards the dissolution. The Company has no further interest in AFOS and is not incurring any costs in connection with this process.

### **Cash at bank**

The estate received £1,656,338.50 and \$110,132.04 from pre-appointment accounts; during the Period the cash held in USD has been transferred to the GBP account and is reflected in the receipts and payments account in Appendix A, bringing a total of cash at bank balance of £1,738,446.93. We also realised £35,874.21 from an in-the-money foreign exchange hedge. No further realisations are expected.

### **VAT refunds**

The Company, formerly in a VAT group with LoanCo, was historically not recovering input VAT. However, during the administration our VAT specialists reviewed the position in detail and identified that the Company was entitled to recover input VAT attributable to specified supplies where loans were made to non-UK borrowers.

Following our earlier claim of £528,015.79 for the period ended March 2021, HMRC approved the claim and applied Crown offset against pre-appointment PAYE and NIC liabilities. This resulted in a net VAT refund of £469,753.71 received during the Period. In addition, the Company received a further VAT refund of £85,710.00 in December 2025 in respect of a claim submitted for the period ended June 2021.

A further VAT reclaim of £128,975.60 for the period from September 2021 to March 2022 was submitted in November 2025 and was received after the end of the Period. Additional claims for earlier periods may also be submitted where appropriate.

### **Intercompany**

The SOA records c.£2.657m of intercompany receivables due to the Company, with an estimated realisable value of nil. The Joint Administrators have sought repayment from group entities and contacted intercompany debtors at the end of November 2025. However, given the cessation of funding and lack of material assets in those entities, no realisations are expected. We are also aware that one of the largest intercompany debtors, ATL, following the receipt of debt repayment demand from the Company, has taken steps to formally wind down their operations and has now entered CVL.

### **Debtors (non-intercompany) and accrued income**

The SOA indicated third-party debtors of c.£209k (mainly borrower-recoverable insurance and legal fees) but this remains under review due to complexities with LoanCo-related balances, with recoveries uncertain. Accrued income totals £1.2m (ATL £1m, LoanCo £166k, P1 LoanCo II DAC £31k), of which only £31k was considered potentially realisable. c.\$29k has been received from P1 LoanCo II DAC and is shown as c.£22.6k in the receipts and payments account at Appendix A following conversion of the USD balance to GBP. No recoveries are expected from LoanCo (which is in administration), and realisations from ATL are considered unlikely.

## Prepayments and other refunds

Prepayments of c.£133k in the SOA are largely accounting entries with no expected realisations. A £873.24 credit from a closed corporate card was received and recorded as a sundry refund and we also recovered a prepayment of £10,312.50. No further recoveries are expected.

## Bank interest

Bank interest received totals \$556.89 converted to £414.70 when transferred to our GBP account and sterling interest of £25,342.51. In addition, £3,818.74 of bank interest was accrued on funding received from LoanCo as shown in the receipts and payments account at Appendix A.

## Connected party transactions

The Company had laptops and certain other IT equipment at its premises at the time of our appointment and some of these were sold to LoanCo for £1,750. As LoanCo is a wholly owned subsidiary of the Company, it can be considered a connected party for the purposes of SIP 13.

The value of the laptops was considered by an independent third party, Hilco and the sale was conducted following assessment of available options. The sale to LoanCo was considered to be in the best interest of creditors as to uplift the equipment and seek a sale to an alternative party would likely have incurred a greater level of costs and lower net realisations. Furthermore, no higher or more favourable offers were received from third parties. The decision to proceed with the sale was made with due regard to the interests of creditors, and full transparency has been maintained throughout the process.

## Creditors

As no dividend will be payable to Unsecured creditors until the Company enters CVL, the work undertaken during the Period in relation to creditor matters has been limited and mainly focused on creditor communications and stakeholder management.

Work was undertaken to maintain and update IPS, including adding new creditors, uploading proofs of debt, and recording web notification dates for initial letters issued. Additional creditors were identified and added to the system, with notifications issued accordingly. We dealt with correspondence from certain creditors, including reviewing claims received and liaising with legal advisors as required.

## Other issues

### Tax and VAT

The Joint Administrators assume responsibility for the Company's corporation tax returns during the period of the administration. We will be liaising with HMRC in order to prepare and submit the necessary corporation tax returns in due course and we expect that the first will be submitted to HMRC before we move to CVL.

Likewise, we are responsible for submitting the Company's post-appointment VAT returns and have fulfilled our obligations in this regard. As we remain VAT registered, we submitted three quarterly VAT returns to HMRC. We will assess the VAT registration requirements on a frequent basis and will deregister for VAT purposes when it is appropriate to do so.

### Statutory and compliance work

In addition to statutory tasks associated with the general progression of the administration, the approval of our Proposals and our statutory reporting obligations, we have also complied with our obligations under CDDA and have made our submission to the Insolvency Service.

We have also continued to ensure that our case files and systems properly document the various strategic considerations and decisions which occur throughout the numerous workstreams associated with the Joint Administrators' appointment, as is required by our regulators and in accordance with best practice.

Statutory work we have completed in the Period includes:

- Preparing and issuing our first progress report to creditors of the Company and filing it with the Registrar of Companies within one month after the reporting Period end;
- Preparing and issuing a report to seek approval of the bases of our remuneration;
- Seeking approval of the extension of the term of the administration; and
- Preparing and issuing our second report in administration.

## Extension to the period of the administration

During the Period, we sought approval of an extension of the administration from the Unsecured creditors via the deemed consent procedure and also sought consent from the Secured creditor for the same. The proposed extension was for six months to 2 September 2026. No objections were received from the Unsecured creditors and the Secured creditor provided its consent. Accordingly, the administration has been extended by six months to 2 September 2026.

## Investigations and actions

We have complied with our duties and submitted a conduct report for the Company to the DBT. A thorough review of the Company books and records was undertaken to establish the events that took place leading up to the administration. Further information was sought from former employees of the Company and related entities, and enquiries were made with a number of third parties including the Company's former bankers, auditor, solicitors, and other advisors. An analysis of any potential claims and recoveries has been performed, taking into account the likelihood of any recoveries, the funds available to fund an investigation, and the costs involved.

If you think there are any matters in relation to the Company's affairs that we may need to know about and you haven't yet told us, please write to us at [uk\\_artisfinance\\_creditors@pwc.com](mailto:uk_artisfinance_creditors@pwc.com). This is part of our normal work and doesn't necessarily imply any criticism of the Directors' actions.

Nothing has come to our attention during the Period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and SIP 2.

## Our receipts and payments account

We set out at Appendix A an account of our receipts and payments for the Period and cumulatively.

We have detailed above, the progress in the Period, whether it has resulted in any realisations or not, together with payments made.

## Our expenses

We set out at Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses. The statement excludes any potential tax liabilities that we may need to pay as an administration expense in due course in the following CVL because amounts due will depend on the position at the end of the tax accounting period

## Pre-administration costs

You can find at Appendix C information about the approval of the unpaid pre-administration costs previously detailed in our Proposals.

## Our fees

We set out at Appendix D an update on our remuneration which covers our fees, disbursements and other related matters in this case.

## Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at:

<https://www.icaew.com/-/media/corporate/files/regulations/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx>

You can also get a copy free of charge by telephoning the case team at 0113 289 4000.

# What we still need to do

We will need to conclude various matters including but not limited to the below, before exiting office:

- Prepare and submit post-appointment VAT and corporation tax returns, as well as pre-appointment VAT returns to maximise further asset realisations;
- Seek further approval of the remaining fees from Unsecured creditors;
- Finalise the LoanCo funding reconciliation to identify any surplus or deficit;
- Advertise the appointment following the move to CVL, issue statutory notices to the creditors notifying of the move to CVL, as well as issue a new general website notice;
- Adjudicate Unsecured claims and consult with advisors regarding contingent claims not on the SOA;
- Issue a NOID to the Unsecured creditors, inviting creditors to submit their claim in insolvency ahead of the declaration and payment of the dividend;
- Deal with any dividend reissues and payment of the unclaimed cheques to the Insolvency Service;
- Conduct reviews of the case files to ensure that all the files are up to date and statutory obligations are dealt with prior to closure; and
- Complete the closure tasks such as closure of systems and final notifications to the creditors.

## Future dividends for creditors

We have advised why we are unable at present to provide an estimate of the likely amount and timing of dividend payments to Unsecured creditors in the Key Messages section at the beginning of this report.

## Future reports and contact information

We expect to send our next report to creditors at the end of the administration or in about six months, whichever is the sooner.

If you've got any questions, you can contact the Administrators as follows: Helena Perevalova on 0113 289 4000 or [uk\\_artisfinance\\_creditors@pwc.com](mailto:uk_artisfinance_creditors@pwc.com) or Central Square, 29 Wellington Street, Leeds, LS1 4DL.

Yours faithfully  
For and on behalf of the Company



Tom Crookham  
Joint Administrator

# Appendix A: Receipts and payments

## Receipts and payments account for the Period 3 March 2025 to 2 March 2026 (GBP)

Statement of Affairs £	Notes	From 3 March 2025 to 2 September 2025 £	From 3 September 2025 to 2 March 2026 £	Total period From 3 March 2025 to 2 March 2026 £
<b>Uncharged assets</b>				
1,774,725.82	1	1,656,338.50	82,108.43	1,738,446.93
7,416.27		1,750.00	-	1,750.00
209,131.17		-	-	-
33,774.00		30,921.12	-	30,921.12
		-	10,312.50	10,312.50
		950.00	-	950.00
		35,874.21	-	35,874.21
	2	-	555,463.71	555,463.71
	3	873.24	-	873.24
		5,638.38	19,704.13	25,342.51
		-	21,319.44	21,319.44
	1	-	76,681.13	76,681.13
	1	-	21,799.17	21,799.17
		<b>1,732,345.45</b>	<b>787,388.51</b>	<b>2,519,733.96</b>
<b>Cost of realisations</b>				
		(1,998.79)	-	(1,998.79)
		(208.80)	(380.80)	(589.60)
	6	(192,710.20)	-	(192,710.20)
		(26.40)	-	(26.40)
		(104.00)	-	(104.00)
		(2,428.13)	(1,005.73)	(3,433.86)
	4	(21,215.75)	(61,486.59)	(82,702.34)
		(950.00)	-	(950.00)
		(12,389.07)	(109.25)	(12,498.32)
		(43.61)	-	(43.61)
		(27.00)	-	(27.00)
		-	(52.00)	(52.00)
		<b>(232,101.75)</b>	<b>(63,034.37)</b>	<b>(295,136.12)</b>
		4,802.94	(4,879.10)	(76.16)
		<b>1,505,046.64</b>	<b>719,475.04</b>	<b>2,224,521.68</b>
<b>Represented by:</b>				
		1,265,360.12	987,388.05	2,252,748.17
		805,764.16	(510,405.94)	295,358.22
		<b>2,071,124.28</b>	<b>476,982.11</b>	<b>2,548,106.39</b>
	7			

**Receipts and payments account for the Period 3 March 2025 to 2 March 2026 (USD)**

	Notes	3 March 2025 to 2 September 2025 \$	3 September 2025 to 2 March 2026 \$	Total period From 3 March 2025 to 2 March 2026 \$
<b>Uncharged assets</b>				
Cash at bank (pre-appointment)	1	110,132.04	-	110,132.04
P1 LoanCo II DAC servicing fees (pre-appointment accrued income)	1	28,855.56	-	28,855.56
P1 LoanCo II DAC servicing fees	1	101,502.81	-	101,502.81
P1 LoanCo II DAC legal cost contribution	1	30,000.00	-	30,000.00
Bank interest		144.96	411.93	556.89
<b>Total receipts</b>		<b>270,635.37</b>	<b>411.93</b>	<b>271,047.30</b>
<b>Cost of realisations</b>				
Finance/bank interest & charges		(106.04)	(20.05)	(126.09)
Legal fees & expenses - CWT		-	(30,000.00)	(30,000.00)
Release of funds	1	-	(240,921.21)	(240,921.21)
<b>Total payments</b>		<b>(106.04)</b>	<b>(270,941.26)</b>	<b>(271,047.30)</b>
<b>Net receipts/(payments)</b>		<b>270,529.33</b>	<b>(270,529.33)</b>	<b>-</b>
<b>Represented by:</b>				
Barclays Bank Plc - interest bearing		160,296.79	(160,296.79)	-
Third party costs account - interest bearing		110,232.54	(110,232.54)	-
<b>Total cash balance held</b>		<b>270,529.33</b>	<b>(270,529.33)</b>	<b>-</b>

**Sound Point Receipts and payments account for the period 3 March 2025 to 2 March 2026 (GBP)**

Statement of Affairs £	Notes	From 3 March 2025 to 2 September 2025 £	From 3 September 2025 to 2 March 2026 £	From 3 March 2025 to 2 March 2026 £
<b>Sound Point GBP account</b>				
<b>Assets</b>				
Funding received	1	21,000.00	-	21,000.00
Legal costs contribution	1	15,000.00	22,663.75	37,663.75
Bank interest accrued	1	-	414.70	414.70
<b>Total</b>		<b>36,000.00</b>	<b>23,078.45</b>	<b>59,078.45</b>
<b>Costs attributable to Sound Point</b>				
Legal Fees - Addleshaw Goddard	6	(15,000.00)	-	(15,000.00)
Legal Fees - CWT	1,6	-	(22,663.75)	(22,663.75)
Bank charges	1	-	(95.26)	(95.26)
<b>Total</b>		<b>(15,000.00)</b>	<b>(22,759.01)</b>	<b>(37,759.01)</b>
Transfer Sound Point contribution to estate funds		-	(21,319.44)	(21,319.44)
<b>Sound Point cash balance</b>		<b>21,000.00</b>	<b>(21,000.00)</b>	<b>-</b>

**LoanCo Receipts and payments account for the period 3 March 2025 to 2 March 2026 (GBP)**

Statement of Affairs £	Notes	From 3 March 2025 to 2 September 2025 £	From 3 September 2025 to 2 March 2026 £	Total period From 3 March 2025 to 2 March 2026 £
<b>LoanCo funding account</b>				
Funding received from Noteholders	5	1,068,100.79	96,898.85	1,164,999.64
Legal costs contribution	6	37,500.00	-	37,500.00
Bank interest accrued	7	-	3,818.74	3,818.74
<b>Total</b>		<b>1,105,600.79</b>	<b>100,717.59</b>	<b>1,206,318.38</b>
<b>Costs attributable to LoanCo</b>				
Computer cost recharge	5	(5,996.39)	-	(5,996.39)
Professional fees	5	(2,555.40)	(1,673.20)	(4,228.60)
Sundry appointment related costs	5	(79.20)	-	(79.20)
Wages and salaries	5	(289,659.79)	(104,458.00)	(394,117.79)
PAYE/NIC and pension deductions	5	(193,400.27)	(205,766.82)	(399,167.09)
Employee/subcontractor costs and expenses		(130.84)	-	(130.84)
Office rent		(31,201.26)	(10,312.50)	(41,513.76)
Legal fees and disbursements- Addleshaw Goddard	6	(37,500.00)	-	(37,500.00)
<b>Total</b>		<b>(560,523.15)</b>	<b>(322,210.52)</b>	<b>(882,733.67)</b>
<b>LoanCo cash balance</b>	8	<b>545,077.64</b>	<b>(221,492.93)</b>	<b>323,584.71</b>

## Notes to the receipts and payments accounts

1. The USD administration accounts were set up to receive the currency balance held by the Company prior to our appointment and to collect balances invoiced to Sound Point in USD. No further payments are anticipated in USD so we have transferred the balance of \$240,921.21 held in USD to the GBP account. Therefore a number of transactions reflected in the GBP receipts and payments account represent the previously received contributions and payments made from the USD accounts. As the USD transactions are now reported in the GBP receipts and payments account, the USD account will not be included in our future reports to creditors.
2. As mentioned earlier in this report, following a Crown offset, we received £555,463.71 of VAT refunds in relation to the two pre-appointment claims.
3. Sundry debts and refunds includes the corporate credit card balance of £873.24.
4. The wages and salaries liability of £82,702.34 includes pre-appointment amounts that would otherwise have been paid as Ordinary preferential claims in the administration. As we were forecasting that the Ordinary preferential creditors would be repaid in full, these amounts were paid to employees via payroll on the termination of their employment contract. This approach avoided additional time and costs being incurred in agreeing Preferential claims and processing Preferential dividend payments.
5. Funds have been received from LoanCo to facilitate the continued operations of the Company in supporting LoanCo. These funds have been utilised to discharge funded liabilities. From the total amount contributed by LoanCo to date, £282,105.97 was paid as a contribution towards the Joint Administrators' costs for dealing with LoanCo matters, meaning that the creditors of the Company are not meeting the cost of the work done in respect of LoanCo.
6. The legal costs incurred primarily relate to advice and legal support regarding board structure changes, LoanCo data requests, employment matters, staff retention, and addressing a creditor claim, including associated court proceedings. We have received a £37,500 cost contribution from LoanCo and £37,663.75 (GBP equivalent) from Sound Point in respect of legal costs incurred for LoanCo's and Sound Point's purposes respectively.
7. Funds are held in interest bearing accounts with Barclays Bank Plc. Funds held within the third party costs account relate to funding received from LoanCo to discharge the Company's expenses for the benefit of LoanCo.
8. LoanCo cash position of £323,584.71 will be used to settle costs which have been accrued by the Company, but not yet paid. These primarily relate to the Joint Administrators' costs that have been incurred in relation to LoanCo. Whilst subject to ongoing reconciliations, the current funding is sufficient to discharge all related costs. In the event of any surplus, this would be returned to LoanCo.
9. Amounts shown exclude VAT. Funds currently held may include monies due to HMRC or other members of a VAT group, or exclude monies which will be received in due course from these parties.

# Appendix B: Expenses

Expenses are amounts properly payable by us as Administrators from the estate, but excludes our fees and distributions to creditors.

These include disbursements which are expenses met by and reimbursed to an Office holder in connection with an insolvency appointment.

Expenses fall into two categories:

<b>Expense</b>	<b>SIP 9 definition</b>
Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the Office holder.
Category 2	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees (in this case the Unsecured creditors) also has the responsibility for agreeing the basis for payment of Category 2 expenses.

The rate for services provided by the Administrators' own firm (Category 2 expenses) may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. All other disbursements to be charged at cost.

The following table provides a breakdown of the Category 2 expenses incurred in the Period, together with details of the Category 1 expenses that have been incurred as disbursements by PwC and will be recharged to the case.

We provide details of the disbursements incurred by our Firm to date in the table below:

<b>Category</b>	<b>Costs incurred by</b>	<b>Basis of cost</b>	<b>Costs incurred (£)</b>
1	PwC	Postage	18.60
Brought forward from the previous report			4,086.31
<b>Total</b>			<b>4,104.91</b>

## **Our expenses estimate in administration and CVL**

The following table shows expenses incurred in the administration to date and an estimate of further expenses we consider will be (or are likely to be) incurred in both the administration and the CVL.

The total expenses estimate for the case is £1,422,951.78, which includes expenses for which we have received contributions to costs in respect of LoanCo and Sound Point, in addition to the general administration and CVL expenses.

The estimate excludes any potential tax liabilities that may be payable as an expense in due course because amounts due will depend on the position at the end of the tax accounting period.

Our expenses table includes pre-administration costs which are yet to be approved. Should these costs be approved, they will be payable as an expense of the administration. These costs were explained in more detail in our Proposals and are also restated at Appendix C of this report. Whilst pre-administration costs are subject to approval in the same manner as our remuneration, they do not form part of our remuneration in relation to our work as Joint Administrators following our appointment.

Expense	Pre-administratio n costs (£)	Brought forward from preceding period (£)	Incurred in the Period under review (£)	Cumulative (£)	Estimated future - CVL (£)	Anticipated total (£)	Initial estimate (£)	Variance (£)
<b>Expenses incurred on behalf of and paid for by LoanCo</b>								
Computer cost recharge	-	(5,996.39)	-	(5,996.39)	-	(5,996.39)	(5,996.39)	-
Professional fees	-	(4,486.40)	257.80	(4,228.60)	-	(4,228.60)	(6,074.87)	(1,846.27)
Sundry appointment related costs	-	(79.20)	-	(79.20)	-	(79.20)	(79.20)	-
Wages and salaries	-	(330,686.79)	(63,431.00)	(394,117.79)	-	(394,117.79)	(569,565.00)	(175,447.21)
PAYE/NIC and pension deductions	-	(196,153.27)	(203,013.82)	(399,167.09)	-	(399,167.09)	(256,271.88)	142,895.21
Employee/subcontractor costs and expenses	-	(130.84)	-	(130.84)	-	(130.84)	(130.84)	-
Office rent	-	(29,219.26)	(12,294.50)	(41,513.76)	-	(41,513.76)	(31,201.26)	10,312.50
Legal fees and disbursements - Addleshaw Goddard	-	(37,500.00)	-	(37,500.00)	-	(37,500.00)	(37,500.00)	-
<b>Subtotal</b>	<b>-</b>	<b>(604,252.15)</b>	<b>(278,481.52)</b>	<b>(882,733.67)</b>	<b>-</b>	<b>(882,733.67)</b>	<b>(906,819.44)</b>	<b>(24,085.77)</b>
<b>Expenses incurred on behalf of and paid for by Sound Point</b>								
Legal fees - Addleshaw Goddard	-	(15,000.00)	-	(15,000.00)	-	(15,000.00)	(15,000.00)	-
Legal fees - CWT*	-	(21,900.00)	(763.75)	(22,663.75)	-	(22,663.75)	(22,663.75)	-
Bank charges*	-	(77.41)	(17.85)	(95.26)	-	(95.26)	(95.26)	-
<b>Subtotal</b>	<b>-</b>	<b>(36,977.41)</b>	<b>(781.60)</b>	<b>(37,759.01)</b>	<b>-</b>	<b>(37,759.01)</b>	<b>(37,759.01)</b>	<b>-</b>
<b>Administration and CVL expenses</b>								
Computer cost recharge	-	(1,998.79)	-	(1,998.79)	-	(1,998.79)	(1,998.79)	-
Professional fees - Payroll provider	-	(208.80)	(380.80)	(589.60)	-	(589.60)	(208.80)	380.80
Professional fees - Hilco	-	(950.00)	-	(950.00)	-	(950.00)	(950.00)	-
Legal fees & expenses**	-	(212,807.20)	(75,194.12)	(288,001.32)	-	(288,001.32)	(292,552.32)	(4,551.00)
Sundry appointment related costs	-	(26.40)	-	(26.40)	-	(26.40)	(26.40)	-
Statutory advertising	-	(104.00)	-	(104.00)	(104.00)	(208.00)	(312.00)	(104.00)
Insurance	-	(2,428.13)	(1,005.73)	(3,433.86)	-	(3,433.86)	(2,428.13)	1,005.73
Wages & salaries	-	(21,215.75)	(61,486.59)	(82,702.34)	-	(82,702.34)	(21,215.75)	61,486.59

PAYE/NIC and pension deductions	-	(12,389.07)	(109.25)	(12,498.32)	-	(12,498.32)	(12,389.07)	109.25
Employee / subcontractor costs & expenses	-	(43.61)	-	(43.61)	-	(43.61)	(43.61)	-
General expenses	-	-	(52.00)	(52.00)	-	(52.00)	-	52.00
Finance / bank interest & charges	-	(27.00)	-	(27.00)	(25.75)	(52.75)	(52.75)	-
Joint Administrators' disbursements	-	(4,086.31)	(18.60)	(4,104.91)	-	(4,104.91)	(4,187.88)	(82.97)
Joint Liquidators' disbursements	-	-	-	-	(136.00)	(136.00)	(136.00)	-
Pre-administration PwC costs	(85,299.00)	-	-	-	-	(85,299.00)	(85,299.00)	-
Pre-administration legal fees and expenses	(22,362.20)	-	-	-	-	(22,362.20)	(22,362.20)	-
<b>Subtotal</b>	<b>(107,661.20)</b>	<b>(256,285.06)</b>	<b>(138,247.09)</b>	<b>(394,532.15)</b>	<b>(265.75)</b>	<b>(502,459.10)</b>	<b>(444,162.70)</b>	<b>58,296.40</b>
<b>Grand total</b>	<b>(107,661.20)</b>	<b>(897,514.62)</b>	<b>(417,510.21)</b>	<b>(1,315,024.83)</b>	<b>(265.75)</b>	<b>(1,422,951.78)</b>	<b>(1,388,741.15)</b>	<b>34,210.63</b>

\*These balances were initially paid from the USD account and subsequently transferred and converted to the equivalent values in the GBP account.

\*\*We are unable to provide an estimate of the anticipated legal fees to be incurred in CVL due to uncertainty of the level of the legal advice we might require during the CVL period, for example, in relation to adjudication of Unsecured creditors' claims not included on the SOA.

The table excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the Period and the total paid to date.

We exceeded our expenses estimated in relation to the costs incurred on behalf and paid by LoanCo due to higher PAYE/NIC contributions that were required to be paid at the end of the employment of the former employees and were difficult to forecast at the time of drafting the remuneration report.

## Details of subcontracted work

No work has been subcontracted during the Period.

## Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the Period of this report. Relevant parties have been chosen due to their specific area of expertise or technical knowledge with payments to those parties based on standard commercial terms.

## Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm	Reason selected	Basis of fees
<b>Legal advice, including:</b> Appointment related matters and other legal advice	Addleshaw Goddard	Industry knowledge	Time costs and disbursements
<b>Legal services, including:</b> Regulatory and compliance notifications	Kirkland & Ellis LLP	Previously engaged by the Company	Time costs and disbursements
<b>Legal services, including:</b> Assistance with the termination of the Warehouse funding structure	CWT	Previously engaged by the Company	Time costs and disbursements
<b>Valuation of assets</b>	Hilco	Industry knowledge	Time costs and disbursements
<b>HR Services</b>	MP Human Resources Ltd and MP Payroll Solutions Ltd	Industry knowledge	Fixed cost

We require all third party professionals to submit time costs analyses (where their fee basis is time cost) and narrative or a schedule of realisations achieved, dependent on their fee basis, in support of invoices rendered. All invoices are reviewed before being approved for payment.

We undertake the following steps to review professional firms' costs:

- Confirm the Joint Administrators issued the instructions listed on the invoice;
- Detailed review of narrative provided in support of the time charged;
- Assess whether the work was undertaken in line with our expectations, in respect of the quality and amount of time taken; and
- Assess the reasonableness of the fees charged in the context of the advice sought and complexity of the matter.

# Appendix C: Pre-administration costs

The table below provides details of costs which were incurred before our appointment as Joint Administrators but with a view to the Company entering administration. Details of the work done and expenses incurred follow.

	Details of agreement including date and parties to it	Paid amount (£)	Payment made by	Unpaid amount (£)	Nature of the work
Our fees as Administrators-in-waiting	Verbal instruction due to immediacy of administration planning	Nil	N/A	85,299.00	Work undertaken as proposed Joint Administrators
Addleshaw Goddard	Verbal instruction *	Nil	N/A	22,239.00**	Work undertaken in relation to the appointment of the Joint Administrators
Expenses				123.20	
<b>Total</b>		<b>Nil</b>		<b>107,661.20</b>	

\*Addleshaw Goddard was engaged by a number of Group entities pre-appointment, and therefore supported the Administrators-in-waiting via verbal instruction in respect of the administration planning of the Company.

\*\*Addleshaw Goddard's pre-administration fee was disclosed in our Proposals as £26,465. Upon further review and as reported in our recent progress report, the amount was revised to £22,239 to split out the costs that related to the wider group entities.

The following information was provided in our Proposals:

## Details of the pre-administration work undertaken and a breakdown of expenses

### PwC

The Company's Directors agreed on 27 February 2025 that immediate planning for an administration appointment should commence and from this date PwC worked with the Company to prepare for administration. Our time costs from that date until our appointment totalled £85,299 (excluding VAT).

The work undertaken by the Administrators-in-waiting included the following (non-exhaustive list):

### Employees and pensions

- Work was carried out to assess and plan for employee communications and strategy post-appointment. This included preparation of a HR1 form, drafting employee communication documents, and participating in employment-related planning calls with management of the Company.

### Assets

- Work was undertaken to consider the level of asset recoveries and prepare an estimated outcome statement to assess various hypothetical administration scenarios including trading and cessation of trade in administration, and assessing the potential distribution levels for the various classes of creditors in each instance.

### Strategy and planning

- Planning was undertaken to assess the financial position of the Company, engage with key stakeholders (including Directors, legal counsel, and shareholders), and determine the most appropriate administration strategy. This included preparation of internal strategy documents, briefing papers and board communication plans.
- IT systems and operational platforms were reviewed in conjunction with internal teams and forensic specialists to identify critical systems, secure data and plan for day-one continuity.

## **Statutory and compliance**

- Planning was undertaken to identify and secure the Company's books, records and relevant data in anticipation of the administration. This involved collaboration with the Company's finance and data teams, as well as planning for forensic data collection.
- The proposed Joint Administrators attended internal panel meetings and carried out the preparatory work required for the administration appointment, including allocation of workstreams, milestone tracking and formal documentation review.
- We also liaised with Company staff to obtain initial information required to enable the Joint Administrators to issue their initial statutory notification following appointment.

The above is indicative of the key areas of work involved and not an exhaustive list. We believe that the above work was necessary in order to achieve the objective of the administration, maximise realisations and provide the best available outcome for creditors.

The fees have been calculated on a time cost basis, using our usual charge out rates for work of this nature. We set out below an analysis of the work undertaken by the Administrators-in-waiting for the period 27 February 2025 to 3 March 2025 by grade and work type.

## Time Analysis covering the period 27 February 2025 to 3 March 2025

Category of work	Partner	Director	Senior Manager	Manager	Senior Associate	Total Hours	Total cost (£)	Average hourly cost (£)
Assets	-	-	2.00	-	-	2.00	1,450.00	725.00
Employees and pensions	-	-	3.50	3.50	-	7.00	5,688.00	812.57
Statutory and compliance	-	6.50	-	8.00	4.10	18.60	14,897.00	800.91
Strategy and planning	1.80	22.85	24.50	18.75	20.15	88.05	63,264.00	718.50
<b>Total</b>	<b>1.80</b>	<b>29.35</b>	<b>30.00</b>	<b>30.25</b>	<b>24.25</b>	<b>115.65</b>	<b>85,299.00</b>	<b>737.56</b>

## Addleshaw Goddard

Addleshaw Goddard was initially engaged by the wider group prior to the proposed administration. We reported in our Proposals that In preparing for administration Addleshaw Goddard incurred fees of £26,465.00 plus VAT in relation to their advisory work. As stated in our recent progress report, this was revised to £22,239.00 in relation to the Company, after removing costs that related to wider group entities. Addleshaw Goddard also incurred disbursements of £123.20 plus VAT relating to court fees and travel expenses.

A summary of the work undertaken by Addleshaw Goddard is below:

- Advice surrounding the Directors' ability to appoint Joint Administrators and advice on the process to appoint the Joint Administrators;
- Dealing with the formalities of our appointment, including the preparation of one notice of intention to appoint Joint Administrators and Directors' board minutes;
- Preparing the formal notice of appointment document, consents to act and liaising with Court to deal with the appointment;
- Liaising with the Directors of the Company; and
- Several calls and correspondence regarding administration strategy with the Administrators-in-waiting.

## Charge out rates

<b>Grade</b>	<b>Rate (£/hour)</b>
Trainee/Senior Paralegal/Legal Technologist	365
Associate/Senior Legal Technologist/Legal Execs/Others	630
Senior Associate/Senior Legal Staff	730
Managing Associate/ILT Senior Manager	780
Legal Director	880
Partner	1,025

# Appendix D: Remuneration update

We initially issued our remuneration report on 25 November 2025 and reissued it on 21 January 2026 following an additional creditor coming forward and submitting a claim in the administration.

Our fees were partially approved as follows:

These fees were approved on the following basis by the Unsecured creditors on 10 February 2026:

- Fees for the work in respect of LoanCo be drawn as a percentage of realisation basis at 100% of the costs that have been recharged to LoanCo by reference to the time costs that have been incurred by us; and
- Fees for dealing with the CVL of the Company are fixed at £100,000 plus VAT.

The following resolutions in relation to the basis of our fees were not approved:

- Fees for all work other than work done under the percentage of realisations basis be fixed as a set amount of £820,000 plus VAT; and
- Pre-appointment costs of £85,299 plus VAT relating to the fees of the Administrators-in-waiting and £22,362.20 plus VAT relating to legal fees and expenses.

Therefore we will seek further approval from the Unsecured creditors of the Company, or apply to court for approval in the unlikely event we are unable to reach agreement with the fee approving body, being the Unsecured creditors.

We have not drawn any of the approved fees as we intend on doing so when we move to CVL.

We set out in Appendix B and later in this appendix details of our work, disbursements, subcontracted work and payments to associates.

## **Our relationships**

We have no business or personal relationships with the parties who approve our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

## Our work in the Period

In the following table we provide detail on the key areas of work; this is not an exhaustive list.

### Work in respect of the approved percentage of realisations fee basis - 100% of realisations in relation to LoanCo professional fees funding

Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Trading</b>		
<b><u>LoanCo</u></b>		
<ul style="list-style-type: none"> <li>• Dealing with receipts, payments and journals in relation to LoanCo;</li> <li>• Calculating and paying periodic payroll;</li> <li>• Deducting and paying over PAYE/NIC to HMRC and other deductions to relevant agencies and third parties;</li> <li>• Dealing with general pension scheme issues;</li> <li>• Calculating and agreeing contributions and premiums and arranging for these to be paid to the relevant scheme or policy; and</li> <li>• Dealing with queries from employees in relation to pensions and employee benefits.</li> </ul>	<ul style="list-style-type: none"> <li>• To maximise realisations for the benefit of creditors.</li> </ul>	<ul style="list-style-type: none"> <li>• To recover value for the benefit of creditors; and</li> <li>• Facilitate the best possible outcome for stakeholders.</li> </ul>
<b><u>Redundancy related work</u></b>		
<ul style="list-style-type: none"> <li>• Liaising with employees, management, and consultants regarding redundancies;</li> <li>• Liaising with the RPS and external agencies;</li> <li>• Preparation and submission of statutory forms and related communications; and</li> <li>• Dealing with matters in relation to pension schemes, private medical insurance and other employee benefits.</li> </ul>		

**Work in respect of the proposed fixed fee bases in relation to the general administration work and for work completed in respect of Sound Point, Warehouse and P1 LoanCo II DAC**

Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Administration</b>		
<b><u>Accounting and treasury</u></b>		
<ul style="list-style-type: none"> <li>• Closing the USD account following the sweep of funds;</li> <li>• Dealing with receipts, payments and journals;</li> <li>• Sanction-screening of third party bank accounts before release of payments;</li> <li>• Corresponding with bank regarding specific transfers and sweeping funds into the administration account; and</li> <li>• Carrying out bank reconciliations and managing investment of funds.</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure accurate financial records and proper management of estate funds; and</li> <li>• Effective case management.</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure orderly management and progression of the case; and</li> <li>• Comply with statutory obligations.</li> </ul>
<b><u>Strategy and planning</u></b>		
<ul style="list-style-type: none"> <li>• Monitoring costs and internal discussions regarding strategy; and</li> <li>• Holding team meetings and discussions regarding status of administration and conversion to liquidation, ensuring the case progression is not hindered.</li> </ul>		
<b>Assets</b>		
<b><u>Asset realisations</u></b>		
<ul style="list-style-type: none"> <li>• Discussions and correspondence in relation to the intercompany debt recoveries.</li> </ul>	<ul style="list-style-type: none"> <li>• To maximise realisations for the benefit of creditors; and</li> <li>• Ensure assets were dealt with appropriately.</li> </ul>	<ul style="list-style-type: none"> <li>• To recover assets for the benefit of creditors; and</li> <li>• Facilitate the best possible outcome for stakeholders.</li> </ul>
<b><u>Insurance</u></b>		
<ul style="list-style-type: none"> <li>• Communicated with insurance brokers to update them on the latest employee and property position.</li> </ul>		
<b>Creditors</b>		
<b><u>Creditor enquiries</u></b>		
<ul style="list-style-type: none"> <li>• Receiving and following up creditor enquiries via telephone, email and post;</li> <li>• Reviewing and preparing correspondence to creditors and their representatives;</li> <li>• Receipting and filing proofs of debt when not related to a dividend;</li> <li>• Ongoing and regular updates to the creditor list, including adding new creditors as they come to light and clarifying details as required;</li> </ul>	<ul style="list-style-type: none"> <li>• To keep creditors informed and facilitate the Unsecured claims agreement process in due course.</li> </ul>	<ul style="list-style-type: none"> <li>• To comply with statutory obligations; and</li> <li>• Ensure transparency in the administration process.</li> </ul>

- Addressing and resolving creditor queries via the Query App, including allocation, escalation, and direct responses to both routine and complex enquiries; and
- Management of proof of debt submissions: uploading to our case management system, responding to related queries, and ensuring all claims are accurately recorded.

#### **Unsecured claims**

- Maintaining website to ensure it is up to date and information provided is accurate;
- Reissuing batches of portal letters / initial letters to creditors;
- Dealing with creditor portal queries from creditors;
- Receiving and following up creditor enquiries via telephone, email and post; and
- Reviewing and preparing correspondence to creditors and their representatives.

### **Employees and pensions**

#### **Communications with employees**

- Support employees with claims to the RPS for redundancy and other entitlements;
  - Processing payroll, HMRC and pension deductions payments during the employment of staff;
  - Managing employee data, responding to queries, and supporting payroll and claims processes;
  - Liaising with employees, management and consultants regarding redundancies, leavers, and retention;
  - Corresponding with the employees in relation to their contracts; and
  - Settling employee's Ordinary preferential claims where relevant.
- To keep employees updated in relation to their employment and collecting data for claims processes.
  - Required by statute; and
  - For the proper management of the case.

### **Investigations**

- Processing Data Subject Access Requests.
- To comply with statutory requirements.
- Required by statute.

### **Statutory and compliance**

#### **Remuneration report**

- Preparing and circulating to creditors a report giving details of the work we expect to carry out during the case, our fees estimate and the expenses that are likely to be incurred;
- Issuing notices and associated documentation for seeking decisions of creditors;
- To ensure proper conduct of the administration.
- To comply with statutory obligations; and
- Proper management of the administration.

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- Reissuing the remuneration report following receipt of additional claims and reissuing notices;
  - Evaluating responses from creditors and the partial approval of the resolutions as outlined in this report;
  - Assessing the appropriate administration strategy given remuneration has not yet been approved in full.

#### **Case reviews**

- Conducting case reviews after the first month, then every six months.

#### **Progress reports**

- Preparing and issuing periodic progress reports to creditors and the Registrar of Companies in administration;
- Filing appropriate notices to Companies House; and
- Updating and maintaining a permanent file that contains copies of all statutory documentation.

#### **Other statutory and compliance**

- Filing of documents;
- Updating checklists and diary management systems;
- Maintained compliance with the Insolvency Code of Ethics;
- Seeking approval of the extension of the administration period by six months by deemed consent of the Unsecured creditors; and
- Liaising with the Secured creditor and their representatives to obtain the required consent to the extension prior to the automatic end of the administration.

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### **Tax and VAT**

#### **Tax**

- Liaising with HMRC regarding ongoing tax compliance.

- To ensure compliance with tax legislation and maximise potential recoveries

- To comply with statutory obligations; and
- Potentially increase realisations for creditors.

#### **VAT**

- Prepared and submitted VAT returns relating to both the pre-appointment periods, including identifying significant recoveries for the administration estate;
  - Pursuing further amounts owed to the Company relating to the period prior to Joint Administrators' appointment;
  - Preparing quarterly post-appointment VAT returns; and
  - Liaising with HMRC.
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## Trading

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### **Sound Point, Warehouse and P1 LoanCo II DAC**

- Various work in relation to agreeing the ongoing support required by Warehouse and Sound Point;
  - Monthly billings in relation to the servicing fees, contributions to professional costs and general reconciliation work;
  - Frequent updates and communications with relevant stakeholders regarding the ongoing servicing agreement;
  - Supporting stakeholders and coordinating arrangements to facilitate collapse of the funding structure; and
  - Regular team meetings to align on strategy, resolve issues, and progress key workstreams for Sound Point.
- To maximise realisations for the benefit of creditors.
  - To recover value for the benefit of creditors; and
  - Facilitate the best possible outcome for stakeholders.
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## Our previous work

As this progress report is the first to be issued following the partial approval of the basis of our fees, we provide below details of work carried out by the Administrators in previous periods, in relation to the work areas for which our fee basis has been approved.

### Work in respect of the approved percentage of realisations fee basis - 100% of realisations in relation to LoanCo professional fees funding

Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Trading</b>		
<p><b>LoanCo</b></p> <ul style="list-style-type: none"> <li>● Initial discussions with LoanCo and the Noteholders in relation to the implications of the Company entering into administration;</li> <li>● Significant sharing of information in order for all stakeholders to determine the ongoing role for the Company in relation to LoanCo servicing its loan portfolio;</li> <li>● Subsequent negotiation and agreement in relation to ongoing funding to be provided by LoanCo to the Company;</li> <li>● Opening and monitoring a bank account for receipts and payments relating to LoanCo;</li> <li>● Documentation of decision making and discussions with key stakeholders;</li> <li>● Ongoing reconciliation work in relation to amounts received and payments required to be made for the benefit of LoanCo;</li> <li>● Various meetings and discussions with LoanCo, the Noteholders professional advisers and subsequently LoanCo's Administrators;</li> <li>● General management and oversight of the employees remaining with the Company to support LoanCo;</li> <li>● Ongoing communication with management and employees on operational and employment matters;</li> <li>● Reviewing employee files and Company's books and records;</li> <li>● Reviewing awards and payroll structure;</li> <li>● Reviewing insurance policies; and</li> <li>● Issuing statutory notices in administration.</li> </ul>	<ul style="list-style-type: none"> <li>● To maximise realisations for the benefit of creditors.</li> </ul>	<ul style="list-style-type: none"> <li>● To recover value for the benefit of creditors; and</li> <li>● Facilitate the best possible outcome for stakeholders.</li> </ul>

## Our future work

We still need to do the following work to achieve the purpose of administration and in the upcoming CVL.

### Work in respect of the approved percentage of realisations fee basis - 100% of realisations in relation to LoanCo professional fees funding

Work to be undertaken	What, if any, financial benefit will the work provide to creditors OR whether it is required by statute
<b>Trading</b>	
<b>LoanCo</b>	
<ul style="list-style-type: none"><li>Finalise the LoanCo funding reconciliation to determine any surplus or deficit against funding received from LoanCo.</li></ul>	<ul style="list-style-type: none"><li>To ensure orderly management and progression of the case.</li></ul>

### Work in respect of the proposed fixed fee bases in relation to the general administration work and for work completed in respect of Sound Point, Warehouse and P1 LoanCo II DAC

Work to be undertaken	What, if any, financial benefit the work will provide to creditors OR whether it is required by statute
<b>Administration</b>	
<b>Accounting and treasury</b>	
<ul style="list-style-type: none"><li>Re-designating bank accounts used in administration to CVL;</li><li>Dealing with receipts, payments and journals;</li><li>Carrying out bank reconciliations; and</li><li>Closure of post-appointment bank accounts.</li></ul>	<ul style="list-style-type: none"><li>To ensure orderly management and progression of the case; and</li><li>Comply with statutory obligations.</li></ul>
<b>Progression and review</b>	
<ul style="list-style-type: none"><li>Considering and implementing the appropriate exit strategy for the administration.</li></ul>	
<b>Closure procedures</b>	
<ul style="list-style-type: none"><li>Withdrawing undertakings and obtaining clearances from third parties;</li><li>Completing checklists and diary management systems;</li><li>Preparing and issuing final report to creditors and Registrar of Companies;</li><li>Closing down internal systems in relation to the administration; and</li><li>Holding team calls and meeting on closure timetable.</li></ul>	

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## Assets

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### Asset realisation

- Continued engagement and finalisation of strategy with Group entities regarding repayment of intercompany debts and accrued income; and
- Arranging a sweep of the cash held by the administration estate to be transferred into CVL.
- To recover assets for the benefit of creditors; and
- Facilitate the best possible outcome for stakeholders.

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## Creditors

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- Receiving and following up creditor enquiries via telephone, email and post;
- Reviewing and preparing correspondence to creditors and their representatives;
- Receipting and filing proofs of debt;
- Ongoing and regular updates to the creditor list, including adding new creditors as they come to light and clarifying details as required;
- Addressing and resolving creditor queries via the Query App, including allocation, escalation, and direct responses to both routine and complex enquiries;
- Management of proof of debt submissions: uploading to our case management system, responding to related queries, and ensuring all claims are accurately recorded;
- Maintaining website to ensure it is up to date and information provided is accurate;
- Dealing with creditor portal queries from creditors;
- Adjudicating claims, including requesting further information from claimants;
- Preparing correspondence to claimants advising outcome of adjudication and advising of intention to declare dividend;
- Advertising notice of intended dividend;
- Calculating dividend rate and preparing a dividend file;
- Preparing correspondence to creditors announcing declaration of dividend;
- Preparing and paying distribution;
- Corresponding with the creditors in relation to the dividend reissues and responding to any queries received in relation to the dividend paid; and
- Paying any unclaimed dividends to the Insolvency Service Unclaimed Dividend accounts.
- To comply with statutory obligations; and
- Ensure transparency in the administration process.

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## Employees and pensions

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- Issuing statutory notices following the move from administration to CVL; and
- Filing pension notices following the closure of the administration.
- Required by statute.

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## Statutory and compliance

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### Remuneration report

- Consider the strategy for obtaining approval for the currently unapproved elements of the Joint Administrators' fees and pre-appointment costs; and
  - Preparing the necessary report and / or other documents in relation to the chosen decision process.
- To comply with statutory obligations; and
  - Ensure proper conduct of the administration.

### Other statutory and compliance

- Ensuring that all the statutory requirements for the move from administration are addressed and the Company can proceed to exit the administration;
- Filing of documents evidencing the move from administration to CVL with the Registrar of Companies;
- Issuing notification letters to the creditors following the move from the administration to CVL and appointment of the Joint Liquidators, including new general website notice;
- Sending job files to storage;
- Preparing Joint Liquidators' periodic progress reports to creditors and the Registrar of Companies;
- Filing appropriate notices to Companies House;
- Updating and maintaining the permanent file that contains copies of all statutory documentation;
- Conducting case reviews after the first month, then every six months in administration and CVL;
- Preparing and issuing the Joint Liquidators' annual report to creditors, or the final report, whichever is sooner;
- Advertising the appointment of Joint Liquidators; and
- Updating checklists and diary management systems.

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## Strategy and planning

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- Preparing fee budgets and monitoring cost;
  - Holding team meetings and discussions regarding status of CVL; and
  - Opening new systems in CVL following the exit from the administration.
- Required by statute; and
  - Proper case management.

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## Tax and VAT

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### Tax

- Preparing notifications to HMRC of the move from administration to CVL for submission following the appointment of the Joint Liquidators;
  - Preparing and submitting tax computations for the post-appointment period in administration and CVL; and
  - Liaising with HMRC regarding ongoing tax compliance.
- To comply with statutory obligations; and
  - Maximise realisations for creditors.

### VAT

- Preparing quarterly VAT returns;
  - Pursuing further amounts owed to the Company relating to the period prior to the insolvency;
  - Preparing the VAT deregistration form and submission to HMRC;
  - Liaising with HMRC;
  - Notifying HMRC of the move from administration to CVL and appointment of the Joint Liquidators; and
  - Preparing and finalising VAT426s before closure.
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