



Progress Report to Creditors

24 June 2024

Business Loan Network Limited (In Liquidation)

Liquidators' Progress Report for the period from 25 April 2023 to 24 April
2024

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Contents

- 1 Introduction
- 2 Creditor Summary
- 3 Progress of the Liquidation
- 4 Outcome for Creditors
- 5 Other Matters
- 6 Fees and Expenses
- 7 Future Strategy

Appendices

- 1 Statutory Information
- 2 Receipts and Payments Account
- 3 Analysis of Expenses Incurred
- 4 Analysis of Time Charged
- 5 Narrative of Work Carried Out for the Reporting Period
- 6 Narrative and Estimate of Additional Remuneration in dealing with the Client Estate
- 7 Statement of Creditors' Rights
- 8 Definitions
- 9 Notice about this Report

1. Introduction

Geoffrey Bouchier and Robert Armstrong were appointed Liquidators on 25 April 2023, following the end of the Administration of the Company.

This Progress Report covers the Reporting Period and provides an update on the Liquidation of the Company. It should be read in conjunction with the former Administrators' progress reports.

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

A glossary of the abbreviations and definitions used throughout this document is attached at Appendix 8.

Please also note that an important legal notice about this Progress Report to Creditors is attached at Appendix 9.

2. Creditor Summary

This Progress Report provides creditors with an account of the progress of the Liquidation of the Company in the Reporting Period. Paper copies can be provided free of charge by writing to Isabelle Prior at BLN@kroll.com.

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

3. Progress of the Liquidation

This section provides an update on the Liquidators' strategy for the Liquidation and progress to date.

3.1 Strategy and Progress to Date

The Liquidators' strategy follows on from the strategy during the Administration, being:

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

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

3.2 Loans

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

During the Reporting Period, the Liquidators have continued to work closely with ThinCats (Formerly ESF) and their legal advisors in managing and progressing the loan book. Based on current estimates, Loan Recoveries are expected at a range of between c.£17.2m to c.£22m, with the final outcome based on the resolution of certain current uncertainties (including legal action). The lower end of this range is broadly in line with the previous estimate provided of c.£17.9m in the Liquidators' Previous Report dated 13 April 2023.

In the Reporting Period, 64 loans were redeemed realising principal of c.£15.6m (including the Gould loans – please see the Previous Reports for further information). Further information is detailed below within the Client Asset section of this report where the Liquidators set out the amounts allocated to Lenders' accounts as a result. At the end of the Reporting Period, there are 41 loans left with outstanding principal balances totaling c.£11.2m.

Further loan book reviews have been conducted throughout the Reporting Period, in conjunction with ThinCats (Formerly ESF) and other advisers, to assess the timing and likely ERV of the remaining Loans.

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

Lenders will continue to receive syndicate updates on active Loans for which they are invested by email in the usual way, and it is recommended Lenders continue to review these when received for further information.

3.3 Client Estate

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

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

Client Assets

Client Assets are amounts from Loan Recoveries received after the Administration Appointment Date to which Lenders are entitled. Client Assets are held by the Company in a client account specifically for this purpose.

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

- £16,932,476 of Client Assets have been collected and allocated to Lenders' accounts;

- £481,781 has been received and allocated to the Company's client account, the overriding majority of which will shortly be allocated to Lenders' accounts; and
- £10,000 has been received and allocated to the Company's client account is subject for further review in respect of the distribution.

During the Reporting Period, the Liquidators continued to process and pay Lender withdrawals on a periodic basis for Client Assets. At the end of this Reporting Period, a total of £11,768,026 had been paid to Lenders from the Client Assets, including an amount of £4,690,182 paid to institutional Lenders.

As noted above, the 25% Retention will be retained by the Liquidators as a provision to meet the necessary costs of dealing with Client Assets as ordered by the Court. At the end of the Reporting Period, £4,139,412 had been collected and allocated to the 25% Retention account to meet approved costs.

Based on current information and forecasted Loan Recoveries, its currently estimated that the 25% Retention will just be sufficient to meet the anticipated necessary costs of dealing with Client Assets notwithstanding the decline in the ERV of Loans from initial projections at the outset of the Administration. It is considered unlikely that there will be material surplus funds necessitating allocation and return to lenders, however the position is being continually reviewed and an update will be provided in the next report.

Client Money

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

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

A summary of the CMP is provided below:

CMP (at Appointment)	£2,799,793
Less: Amount paid prior to Reporting Period	(£1,956,000)
Less: Amount paid during Reporting Period	(£272,487)
Less: Amount paid for fees and costs	(£352,914)
CMP Client Account balance at the end of the Reporting Period	£218,392
Comprising of:	
Amounts available for withdrawal by Lenders	£218,392
CMP Client Account Balance at the end of the Reporting Period	£218,392

During the Reporting Period, Lender Withdrawals from the CMP from client monies allocated to Lenders' accounts totaled £272,487 as shown in the table above. In relation to 'Amounts available for withdrawal by Lenders' of £218,392 as shown in the table above, contact continues to be made to the respective Lenders with requests to withdraw their funds.

AML / KYC and Client Asset Lender Withdrawals

This applies to Lender withdrawals from Client Assets.

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

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

The Liquidators will continue to process and pay Lender withdrawal requests on a periodic basis.

Request to Lenders to submit Lender Withdrawal Requests

As previously advised, the Liquidators wish to pay to Lenders all their uninvested client monies allocated to their accounts at the earliest opportunity.

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

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

Change of Servicing Provider

During the Reporting Period, ThinCats (Formerly ESF) provided the Liquidators with formal notice that they will no longer provide services to the Company following 31 July 2024. The Liquidators are currently in the process of securing an alternative provider and will separately communicate to Lenders in due course. As part of that process, we have also been updating the FCA given the Company remains a regulated entity.

3.4 Insolvency Estate

This section deals with Company Assets.

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

Realisations during the Reporting Period are set out in the Liquidators' Receipts and Payments Account at Appendix 2.

Funds Transferred from Administration

The Liquidators received £601,475 from the Administration upon its conclusion.

BLN Fees and Costs

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

As previously reported:

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

During the Reporting Period, the Liquidators have collected, as shown on the Receipts and Payments Account at Appendix 2, £130,745 of BLN Fees and Costs, bringing total realisations for the Administration and Liquidation to £1,488,508 in this regard.

In addition, an amount totaling £223,334 has been received in the Reporting Period, for debtor amounts owing at the Administration Appointment Date, relating to third-party costs previously paid by the Company in respect of the Gould Loans.

Third party recovery costs of £8,642 as shown on the Receipts and Payments Account at Appendix 2 will be paid to Client Estate suppliers in the next reporting period.

Buy Back Loans

The Company bought certain loan parts relating to the Gould Loans from Lenders prior to the Administration Appointment Date. Any Loan Recoveries in respect of those loan parts will be for the Insolvency Estate. Shortly after the end of the Reporting Period, funds totaling £104,594 were received in this regard.

Prior to the Administration Appointment Date, the Company had commenced recovery proceedings against a professional adviser and had issued a Letter of Claim on 23 July 2020 seeking damages of £610k. Although the Administrators entered into dialogue with the professional adviser, following legal advice and cost and recovery considerations, the decision was taken to cease collection efforts.

Intellectual Property

As previously reported, the Company previously traded as ThinCats and was the registered owner of the trademark "ThinCats", up to October 2020. Following receipt of an independent valuation, the Company sold the registered trademark and any other intellectual property associated with the ThinCats brand to ESF in October 2020, prior to the Administration Appointment Date. Subsequently, ESF changed its name to ThinCats Limited in October 2022.

As previously reported, the Administrators undertook a review of this transaction, which included consulting an independent valuation agent and discussing this matter with our solicitors. The Liquidators, acting in the interests of creditors, remain in dialogue with ThinCats in relation to the circumstances surrounding this transaction.

The Liquidators will provide an update in due course.

Cash at Bank

During the Reporting Period, the Liquidators were made aware of a further historic bank account held by the Company with Barclays, which held residual funds. The Liquidators liaised with Barclays and have now received £6,632 in this regard.

Investments

The Company owns 25.48% of ordinary shares in TAL.

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

The former Administrators were unable to realise the shares the Company holds in TAL and further details can be found in the former Administrators' final progress report.

Other

Bank interest of £12,286 was received in the Reporting Period.

3.5 Investigations

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

During the Reporting Period, the Liquidators have continued their review, including the sale of the intellectual property. No claims have been identified at this stage, and ongoing investigations may conclude that no further work be undertaken.

An update will be provided in the next progress report.

4. Outcome for Creditors

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

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

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

4.1 Secured Creditors

The Company has no secured creditors.

4.2 Preferential Creditors

The Company has no preferential creditors.

4.3 Unsecured Creditors

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

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

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

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

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

Claims received from non-preferential unsecured creditors (including all contingent lender creditors) since the Administration Appointment Date total £5,314,836, with no further claims received during the Liquidation. The majority of the non-preferential unsecured creditor claims received are from Lenders and are therefore contingent.

A summary is provided below:

Non-preferential unsecured creditor claims received	£
Contingent lender creditors	5,304,936
Trade and expense creditors	5,395
Other non-preferential unsecured creditors	4,505
Total	5,314,836

Based on the current information available to the Liquidators, it is anticipated that there will be sufficient asset realisations to enable a small distribution to be paid in the future to the non-preferential unsecured creditors of the Company.

A further update in this regard will be provided to creditors in the Liquidators' next report to creditors.

4.4 Lenders

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

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

Lenders who have complained to FOS

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

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

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

These and other relevant provisions will be taken into account when the Lender's claims against the Company are adjudicated by the Liquidators in due course.

How to Submit a claim in the Liquidation

If not already done so, Lenders or creditors who wish to claim should ensure that they have submitted details of their claim via the Creditors' Portal which can be accessed at www.ips-docs.com (see earlier communications from the Administration regarding how to access same). Should you have any questions regarding accessing the Creditors' Portal, please contact Isabelle Prior of this office.

For clarity, any claims submitted during the Administration of the Company are automatically transferred to the Liquidation.

4.5 Prescribed Part

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

5. Other Matters

5.1 Liquidation Committee

Establishment of the Liquidation Committee

As previously advised, a Creditors' Committee was established during the Administration on 6 August 2021, consisting of five members as follows:

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

Following the Company moving into Liquidation on 25 April 2023, the Creditors' Committee automatically transitioned into a Liquidation Committee on the same date and the Liquidators filed the necessary form at the Register of Companies to formalise this process.

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

Change of Membership for the Liquidation Committee

Shortly after the end of the Administration, formal notice was received from Gray's of Norwich Limited confirming their intention to step down as a member of the Liquidation Committee. As such, the Liquidators filed the necessary form with the Registrar of Companies to remove Gray's of Norwich Limited as a member of the Liquidation Committee as of 20 April 2023. The Liquidation Committee remains in place with the four remaining members.

Role of a Liquidation Committee

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

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

Liquidation Committee Meetings

Since the formation of the original Creditors' Committee, four meetings have taken place where the former Administrators/Liquidators have provided a comprehensive update on the progress of the Insolvency Estate as well as the Client Estate, including ongoing strategy and next steps. Additional emails updates have been provided throughout also.

The Liquidation Committee engaged with the Liquidators both in terms of providing their opinions on the information and update provided as well as by providing information to assist with the conduct of the Liquidation.

How to Communicate with the Liquidation Committee

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

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

5.2 Liquidators' Receipts and Payments Account

A detailed Receipts and Payments Account for the Reporting Period is shown in Appendix 2.

5.3 Creditors' Rights

Further information regarding the remuneration and expenses of the Liquidators, including creditors' rights to challenge such costs is provided at Appendix 7, Statement of Creditors' Rights.

6. Fees and Expenses

6.1 Insolvency Estate

This section deals with the Liquidators' remuneration and the costs and expenses of the Liquidation in accordance with the Act and Rules, as appropriate.

Basis of the Liquidators' Remuneration

The Liquidation Committee approved the basis of the Liquidators' remuneration (time costs) on 30 May 2023, at the first meeting during the Liquidation.

Liquidators' Time Costs

The Liquidators proposed that the Insolvency Estate fee estimate included in the former Administrators' Proposals report totaling £1,532,880 would be carried over to the Liquidation, with the balance of the original fee estimate of £619,688 being apportioned to the Liquidation. The Liquidation Committee approved the continuation of this fee estimate on 30 May 2023.

The Liquidators' total time costs incurred for the Reporting Period total £266,239, which represents 563 hours at an average hourly rate of £473. Time has been charged in six-minute units.

A breakdown of the Liquidators' time costs can be found at Appendix 4.

Attached at Appendix 5 is the Fees Narrative, a summary of key issues, to assist creditors in understanding the strategy of the Liquidators, the associated costs and expenses of the related activities and the financial benefit to creditors.

Liquidators' Remuneration

During the Reporting Period, no remuneration has been drawn in relation to the Insolvency Estate.

Liquidators' Expenses

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

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

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

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

Appendix 3 details the expenses incurred and paid during the Reporting Period.

In the Reporting Period, Category 1 Expenses of £90,689 were incurred, of which £89,481 were paid. There have been no Category 2 Expenses incurred during the Reporting Period.

The former Administrators provided in the Proposals report to creditors an estimate of expenses for the Administration, totaling £166,374, which was for information purposes only and could possibly change over the course of the Administration. For completeness, the Liquidators have provided details of any variances from this estimate against the actual expenses incurred in the Administration.

The Liquidators anticipate total expenses during the Liquidation will be £161,409.

6.2 Client Estate and Client Money Pool

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

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

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

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

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

The Administrators wrote to all Lenders in accordance with the Court Order in November 2022 to notify them that the Administrators' remuneration in dealing with the Client Estate would exceed £950,000 by an estimated £486,074. No applications were made within the abovementioned 28-day period and, accordingly, the approved figure increased to £1,436,074.

Liquidators' Remuneration

During the Reporting Period, the Liquidators were paid £416,623 (excl. VAT) from the Client Estate, bringing total amounts paid to the Liquidators from the Client Estate during both the Administration and Liquidation periods to £1,366,623 (excl. VAT).

The Liquidators' time costs incurred in respect of the Client Estate for the Reporting Period total £515,055, which represents 794 hours at an average hourly rate of £649. Time has been charged in six-minute units. Total time costs in respect of the Client Estate as at the end of the Reporting Period total £1,853,300 (as detailed in appendix 4), which has therefore exceeded the revised fee estimate of £1,436,074.

A breakdown of those time costs and summary of the tasks undertaken can be found at Appendix 4 and Appendix 5.

The principal reasons for the Liquidators' time costs exceeding the revised Client Estate fee estimate is due to additional time being spent as follows:

- In respect of Loans and Loan Recoveries, with Loans being more complex and challenging to administer and collect than previously forecast. Additional time has been spent as a result therefore, to include undertaking the following:
 - Formulation and implementation of future Loan recovery strategies, as well as adjustments to same as and when necessary;
 - Loan progression, including complex and protracted negotiations and legal proceedings with certain borrowers;
 - Further work assisting with syndicate updates to Lenders;
 - Pursuit of Loan shortfalls, including liaising with legal advisers, borrower negotiations and enforcement actions as appropriate. This work also includes the review of Loan security documentation, personal guarantees, asset reviews, appropriate investigation work and bankruptcy proceedings. This work has included complex and protracted

negotiations and legal proceedings with certain borrowers, which is a predominant cause of the exceeded estimate;

- Time spent in dealing with the change of Servicing Provider as mentioned earlier in this report;
- Further time spent investigating, analysing and determining a solution to the competing security interest claims, including a full reconciliation of the Gould loans;

Accordingly, further notice is now being sent to all Lenders by email.

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

Further formal notification to Lenders that remuneration will exceed the revised Client Estate fee estimate of £1,436,074

As mentioned above, if the remuneration for work done by the Administrators and subsequent Liquidators in respect of the Client Estate, exceeds the revised fee estimate of £1,436,074, then (as detailed in the Report as considered by the Court) the Liquidators are obliged to notify the Lenders who shall have liberty to apply to the Court within 28 days of such notification for the determination as to whether the remuneration that exceeds the estimates or any part thereof that exceeds the estimates should be paid out of the monies comprising the Client Estate.

On 30 May 2024, the Liquidators notified the Creditors Committee to summarily explain that the estimated additional remuneration required to continue to deal with Client Assets to 31 December 2024 and this is now being communicated to all Lenders in detail.

The Liquidators have prepared an estimate to 31 December 2024 of the amount of remuneration that they anticipate will exceed the revised client estate fee estimate of £1,436,074 for Lenders' review. This is made up of time already spent, being £417,226, as well as additional time forecast to 31 December 2024, being £321,729 totalling £738,955 (based on 1,251 hours of work). The Liquidators anticipate that by 31 December 2024 material progress would have been made with the collection of Loans such that its clearer as to the likely date for the conclusion of winding down of the Client Estate.

The Liquidators request all Lenders to consider the estimate of £738,955 together with the supporting narrative. Lenders are at liberty within 28 days from the date of the email notification to apply to Court to seek a determination as to whether the estimated remuneration of £738,955 or any part thereof that exceeds the revised client estate fee estimate of £1,436,074 should be paid out of monies comprising Client Estate.

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

Please note that based on total projected Loan recoveries, the abovementioned additional remuneration could be met from the 25% Retention as ordered by the Court. Therefore, there is no requirement to increase the 25% Retention amount.

ThinCats (Formerly ESF)

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

During the Reporting Period, the Liquidators have paid £461,648 (excl. VAT) to ThinCats (formerly ESF).

Legal Costs

The Liquidators have retained gunnercooke for the Liquidation to assist them in dealing with matters relating to the Client Estate. gunnercooke's fee arrangement is on a time cost basis. During the Reporting Period, the Liquidators have paid £24,806 (excl. VAT) to gunnercooke for services rendered in relation to the Client Estate.

7. Future Strategy

7.1 Future Conduct of the Liquidation

The Liquidators will continue to manage the affairs and the business of the Company. This will include but is not limited to:

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

7.2 Future Reporting

Creditors will receive annual progress reports within two months of the anniversary date of the Liquidation, until the conclusion of the Liquidation. It is currently uncertain when the Liquidation will be able to conclude, as this is dependent on finalising the recovery of Loans and associated matters.

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



Geoffrey Bouchier
Joint Liquidator

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

Appendix 1 – Statutory Information

Company information		
Company and trading name	Business Loan Network Limited	
Date of incorporation	10 May 2010	
Registered Number	07248014	
Company Director(s)	Jill Sandford, Peter Brown, Kevin Caley, Quentin Baer	
Shareholders	ThinCats Limited (Formerly ESF Capital Limited) Thomas Francis Moore Stuart Le Cornu Rupert Cottrell Anthony Taylor Peter Brown Kevin Caley	
Trading address	2-3 Charter Point Way, Ashby-De-La-Zouch, Leicestershire, England, LE65 1NF	
Registered office	Current: Kroll The Shard 32 London Bridge Street London	Former: 2-3 Charter Point Way, Ashby-De-La-Zouch, Leicestershire, England, LE65 1NF
Liquidation information		
Liquidation Appointment	The Liquidation appointment granted by creditors	
Appointor	Creditors	
Date of Appointment	25 April 2023	
Liquidators	Geoffrey Bouchier and Robert Armstrong	
Application of EC Regulations	These proceedings have been defined as the Main Proceedings under Article 3 of the EC Regulations	

Appendix 2 – Receipts and Payments Account

Business Loan Network Limited (In Liquidation)

Analysis of the Joint Liquidators' Receipts and Payments Account

The Reporting Period
from 25 April 2023
to 24 April 2024

(£)

Asset Realisations

Funds transferred from ADM estate	601,474.64
Bank Interest Gross	12,285.83
Cash at Bank and in Hand	6,631.74
Loan Servicing Fee Income (BLN Fees and Costs)	130,745.05
Third Party Recovery Costs from Client Estate	8,641.67
Debtors (BLN Fees and Costs)	223,333.71
VAT interest from HMRC	19.34
	983,131.98

Cost of Realisations

Accountants Fees	(700.00)
Agent/Valuers Fees	(5,000.00)
Legal Disbursements	(22,000.00)
Legal Fees	(57,187.00)
Statutory Advertising	(109.08)
Storage Costs	(1,203.67)
Bank Charges	(94.00)
Third Party Costs to be Recharged	(61,959.01)
Contractor Costs	(3,187.50)
	(151,440.26)

Balance

831,691.72

Represented By

Floating/Main Current Account	822,921.26
General VAT Control Account	8,357.96
VAT Receivable	412.50
	831,691.72

*Figures from the Statement of Affairs provided by the Directors in the Administration can be found in the final Administrators' Progress Report dated 13 April 2023

Appendix 3 – Analysis of Expenses Incurred

Business Loan Network Limited (In Liquidation)

Liquidators' Expenses for the Liquidation

Notes	Company	Type of Expense	Activity	Fee Basis	Reporting Period			Variance in CVL (£)	Final Administration Expense Variance (Note 14) (£)
					Amount Paid (£)	Amount Incurred (£)	Estimated Total Cost in Liquidation (£)		
1	Category 1 Expenses								
2	Professional Advisors								
3	gunnercooke LLP	Legal Fees and Disbursements	Legal advice in relation to asset realisations and ad hoc legal advice	Time costs and disbursements	40,120.00	41,327.50	90,000.00	48,672.50	(3,912.78)
4	Addleshaw Goddard LLP	Legal Fees and Disbursements	Legal advice in relation to Loan recoveries. Funds are in process of being reimbursed.	Time costs and disbursements	24,800.00	24,800.00	24,800.00	-	-
5	LB Group Ltd	Accountants	Preparation of corporation tax returns and ad-hoc accountancy	Fixed Fee Per Return	700.00	700.00		(700.00)	3,500.00
6	Mathys & Squire Consulting Limited	Valuation Agents	Valuation reports relating to the Company's assets	Fixed Fee Per Report	5,000.00	5,000.00	10,000.00	5,000.00	-
7	Excello Law	Legal Fees and Disbursements	Legal advice in relation to asset realisations and ad hoc legal advice	Time costs and disbursements	14,267.00	14,267.00	25,000.00	10,733.00	-
8	Bridgford Advisory	Consultancy services	External consultancy advice in relation to the Company	Time costs and disbursements	3,187.50	3,187.50	5,000.00	1,812.50	-
	Other Costs								
9	Courts Advertising	Statutory	Statutory Advertising of the appointment in the London Gazette	As incurred	109.08	109.08	109.08	-	-
10	Total Data Management	Statutory	Collection and storage of the Company's books and records	As incurred	1,203.67	1,203.67	5,000.00	3,796.33	2,642.15
11	Accurate Mailing	Mailing	Stationary and Postage	As incurred	0.00	0.00	1,000.00	1,000.00	1,000.00
12	Bank Charges	Charges		As incurred	94.00	94.00	500.00	406.00	-
	Total Category 1 Expenses				89,481.25	90,688.75	161,409.08	70,720.33	3,229.37
13	Category 2 Expenses								
	Total Category 2 Expenses				-	-	-	-	-
	Total Expenses				89,481.25	90,688.75	161,409.08	70,720.33	3,229.37

Notes to Expenses Schedule

- Category 1 Expenses are payments to independent third parties where there is specific expenditure directly referable to the Administration.
- The Liquidators' choice of professional advisors is based on their perception of the experience and ability of the respective firms / individuals to perform the work, the complexity and nature of the assignment and the basis of their fee.
- Legal advice and disbursements for the provision of legal advice anticipated to be in relation to claims from lenders, specific asset recoveries and the interaction between the Client Estate and the Insolvency Estate.
- Legal advice and disbursements in relation to Loan recoveries. These funds are due to be reimbursed in the next reporting period.
- The Liquidators have instructed LB Group to perform corporation tax services.
- The Liquidators instructed agents to undertake asset valuation reports.
- Legal advice and disbursements for the provision of legal advice anticipated to be in relation to claims from lenders, specific asset recoveries and the interaction between the Client Estate and the Insolvency Estate.
- Consultancy services in relation to the Company's operations prior to the Administration.
- Statutory advertising of the Notice of Appointment in the London Gazette as required under insolvency legislation.
- The Liquidators are required to store the Company's books and records for 12 months after the end of the Administration. The Joint Administrators working papers must be stored for 6 years after the end of the Administration.
- It is usually more cost effective to employ an external agent to print and mail circulars to creditors and members, as required by statute.
- Bank charges incurred in dealing with Insolvency Estate.
- Category 2 Expenses are costs that are directly referable to the Joint Administrators, or are a payment to an associate. All Category 2 Expenses need approval before payment from the Administration estate.
- The Liquidators have shown the Final Administration Expense Variance in the expenses estimate above. The Liquidators have also produced a revised estimate for anticipated expenses and a corresponding variance for the Liquidation, when compared to actual expenses incurred during the Liquidation.

Appendix 4 – Analysis of Time Charged

Business Loan Network Limited (In Liquidation)

Analysis of the Joint Liquidators' time costs for the Reporting Period

Classification of Work Function	Hours				Total Hours	Time Cost (£)	Avg. Hourly Rate (£)
	Managing Director	Manager	Senior	Assistant			
Administration And Planning							
Case Review & Case Diary Management	0.60	4.70	1.40	14.95	21.65	9,149.00	422.59
Cashiering & Accounting	0.00	58.60	3.90	121.70	184.20	67,954.50	368.92
Dealings w/ Directors & Management (inc Associated Updates/Reporting)	0.00	0.00	0.00	0.90	0.90	288.00	320.00
IPS Set Up & Maintenance	0.00	0.00	0.00	1.10	1.10	342.00	310.91
Statutory Matters (Meetings & Reports & Notices)	0.00	7.00	0.40	19.90	27.30	9,418.50	345.00
Strategy Planning & Control (incl Engagement Financial Control)	0.00	52.80	2.70	47.05	102.55	48,854.50	476.40
Tax Compliance / Planning	0.00	1.20	0.50	7.20	8.90	3,077.00	345.73
Creditors							
Creditors Committee	10.00	55.80	0.00	35.30	101.10	55,555.00	549.51
Dealings with Creditors and Employees	0.00	6.90	0.00	11.65	18.55	7,053.50	380.24
Non Pref Creditor Claims Adjudication & Dist'n	0.00	0.60	0.00	0.00	0.60	420.00	700.00
Non Pref Creditors / Employee claims Handling	0.00	2.90	0.00	0.00	2.90	1,977.50	681.90
Investigations							
CDDA & Reports & Communication	0.00	2.40	0.00	0.00	2.40	1,680.00	700.00
Financial Review and Investigations (S238/239 etc)	5.10	59.10	0.00	0.00	64.20	41,661.00	648.93
Realisation Of Assets							
Book Debts	3.10	3.10	0.00	4.00	10.20	5,777.00	566.37
Goodwill and Intellectual Property Rights	16.60	0.00	0.00	0.00	16.60	13,031.00	785.00
Total Hours	35.40	255.10	8.90	263.75	563.15		472.77
Total Fees Claimed (£)	27,789.00	158,867.50	3,544.00	76,038.00		266,238.50	

Business Loan Network Limited (In Liquidation)

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

Classification of Work Function	Hours				Total Hours	Time Cost (£)	Avg Hourly Rate (£)
	Managing Director	Manager	Senior	Assistant			
Client Money Pool							
Distribution / Payments	0.00	0.30	15.10	7.60	23.00	8,098.00	352.09
AML / KYC	0.00	0.00	2.70	0.00	2.70	912.00	337.78
Client Assets							
AML / KYC Review	0.00	0.00	0.00	1.70	1.70	614.00	486.30
CASS - Review and Future Operations	5.50	106.40	0.00	0.00	111.90	70,651.00	631.38
Competing Claims over CASS Monies	1.20	31.80	1.50	1.90	36.40	20,136.50	553.20
Dealing with Unclaimed CASS Monies / Distributing Client Monies	0.00	3.30	0.20	2.40	5.90	2,837.00	480.85
Issuing Syndicate Updates / Communications (Monitoring)	0.00	15.20	0.00	0.20	15.40	10,676.00	693.25
Lender Servicing - Variable Costs	3.90	124.30	19.10	0.30	147.60	91,976.41	623.15
Loan Book Servicing - Oversight and Monitoring	145.40	257.85	7.40	14.90	425.55	298,154.00	700.63
Retail Lender - Inbound Queries (Phone, Email and Post)	0.00	2.90	0.00	8.00	10.90	4,398.50	403.53
Retail Lender - Outbound Queries (Website Updates, FAQs)	0.00	1.90	0.00	2.30	4.20	1,752.50	417.26
Updating and Reporting to FCA	1.80	5.60	0.00	1.20	8.60	4,849.50	563.90
Total Hours:	157.80	549.55	46.00	40.50	793.85		648.81
Total Fees Claimed (£):	123,873.00	358,824.41	18,982.00	13,376.00		515,055.41	

Business Loan Network Limited (In Liquidation)

Analysis of the time costs for the Cumulative Period (including the Administration) relating to Client Assets

Classification of Work Function	Hours				Total Hours	Time Cost (£)	Avg. Hourly Rate (£)
	Managing Director	Manager	Senior	Assistant			
Client Money Pool							
Competing Claims re.CMP	6.70	41.90	0.00	0.40	49.00	24,963.50	509.46
Distribution / Payments	3.10	31.00	34.10	79.30	147.50	49,458.50	335.31
KYC / AML	0.40	8.30	2.70	2.00	13.40	5,465.50	407.87
Reconciliation	0.70	34.20	0.00	1.00	35.90	18,274.00	509.03
Client Assets							
AML / KYC Review	5.50	97.60	0.00	1.70	104.80	50,751.50	484.27
CASS - Review and Future Operations	10.00	378.90	0.00	4.30	393.20	214,069.50	544.43
Competing Claims over CASS Monies	1.20	152.70	1.50	22.60	178.00	89,649.00	503.65
Competing Claims over CASS Monies - Court Directions	0.00	11.20	0.00	0.00	11.20	5,664.50	505.76
Dealing with Unclaimed CASS Monies / Distributing Client Monies	0.00	70.00	0.20	82.70	152.90	55,121.00	360.50
Fixed Costs	0.60	12.90	5.00	0.80	19.30	10,738.50	556.40
Future Court Application / Directions (Re Fees and Other)	0.50	8.30	0.00	1.00	9.80	6,174.50	630.05
Issuing Syndicate Updates / Communications (Monitoring)	7.10	138.30	0.00	0.20	145.60	93,421.50	641.63
Lender Servicing - Variable Costs	14.00	175.00	19.10	9.20	217.30	129,306.41	595.06
Loan Book Servicing - Oversight and Monitoring	295.80	1140.55	9.80	144.60	1,590.75	965,228.50	606.78
Retail Lender - Inbound Queries (Phone, Email and Post)	5.90	40.30	47.00	82.80	176.00	60,858.00	345.78
Retail Lender - Outbound Queries (Website Updates, FAQs)	3.90	40.70	0.00	7.20	51.80	28,949.50	558.87
Updating and Reporting to FCA	11.60	58.30	0.00	7.20	77.10	45,206.50	586.34
Total Hours	367.00	2,440.15	119.40	447.00	3,373.55		549.36
Total Fees Claimed (£)	275,360.00	1,427,385.91	46,414.50	104,140.00		1,853,300.41	

Appendix 5 – Narrative of Work Carried Out for the Reporting Period

The key areas of work in relation to the Insolvency Estate have been:

Introduction

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

The Liquidators proposed that the Insolvency Estate fee estimate included in the former Administrators' Proposals report totaling £1,532,880 would be carried over to the Liquidation, with the balance of the original fee estimate of £619,688 being apportioned to the Liquidation. The Liquidation Committee approved the continuation of this fee estimate on 30 May 2023.

The Liquidators' time costs incurred in the Reporting Period total £266,239, which represents 563 hours at an average hourly rate of £473. Therefore, the continued fee estimate of £619,688 has not been exceeded in the Reporting Period for the Liquidation.

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

Strategy

Administration and Planning

During the Reporting Period, the Liquidators have incurred £139,084 in respect of Administration and Planning, representing 347 hours at an average charge out rate of £401.

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

- Monitoring and reviewing Liquidation strategy, including completing case reviews every six months;
- Advertising the Liquidation appointment and notifying all relevant stakeholders;
- Setting up the Liquidation on our internal systems;
- Companies House and Court filings;
- Set up and management of liquidation bank accounts;
- Undertaking treasury functions in respect of receipts and payments of the Liquidation;
- Dealing with the interaction and co-ordination between the Client Estate and the Insolvency Estate;
- Completing internal compliance reviews and checklists;
- Preparing updates to the Financial Conduct Authority ("FCA") on the status of the Liquidation;
- Meetings and telephone attendance with FCA representatives;
- Internal discussions and meetings regarding strategy and planning;
- Preparing and filing HMRC statutory notifications.

The fee estimate for Administration and Planning was exceeded in the Administration and therefore continues to be exceeded during the Liquidation. This is largely due to complexities encountered during the Administration and Liquidation which has resulted in more time being spent dealing with these matters, including statutory reporting.

Further work to be undertaken during the course of the Liquidation will include the following tasks:

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

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

Creditors

Time costs incurred in relation to creditors during the Reporting Period total £65,006 representing 123 hours at an average charge out rate of £528.

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

- Updating the non-preferential unsecured creditor and Lender details on our internal systems;
- Considering and dealing with Lenders as creditors/contingent creditors;
- Preparing and sending communications to creditors/contingent creditors;
- Liaising with FOS regarding complaints made by creditors/contingent creditors;
- Arranging the first meeting of the Liquidation Committee and preparing the information pack for the meeting, including initial correspondence with the same;
- Conducting a formal vote for the decisions of the Liquidation Committee in relation to a number of formal resolutions; and
- Issuing statutory communications to the general body of creditors and Lenders notifying them of the Liquidation.

The time costs incurred to date in this regard do not exceed the continued fee estimate in the Liquidation and it is currently not anticipated that this will be exceeded.

Further work to be undertaken during the course of the Liquidation is likely to include the following:

- Continuing to deal with creditor claims and queries from creditors and Lenders (up to c.1700 creditors/contingent creditors);
- Continue to deal with Lenders as creditors/contingent creditors;
- Provide regular updates and reports to the Liquidation Committee;
- Convene and hold Liquidation Committee meetings;
- Providing updates to creditors and Lenders, as necessary; and
- Adjudicating and agreeing creditor claims if there are sufficient funds to enable a dividend to be paid to creditors.

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

Investigations

Time costs incurred in relation to investigations of £43,341 have been incurred during the Reporting Period, representing 67 hours at an average hourly rate of £651.

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

- Identified and reviewed available information regarding the transfer of certain trademarks;
- Prepared correspondence to directors and legal advisors requesting information on the transfer of certain trademarks;
- Conducted searches with the Intellectual Property Office; and
- Liaised with the directors in relation to understanding the nature of certain transactions identified during the course of their investigations.

Time costs incurred in relation to investigations has exceeded the continued fee estimate during the Liquidation, principally due to further time being incurred investigating certain matters.

Further work to be undertaken during the course of the Liquidation is likely to include the following:

- Dealing with matters relating to the transfer of certain trademarks;

Time costs in this category do not have a direct financial benefit for creditors unless net recoveries are achieved. Further time costs will be incurred in future reporting period in respect of the ongoing investigations into the intellectual property sale. An update will be provided in due course.

Realisation of Assets

Time costs incurred in relation to the realisation of assets total £18,808 during the Reporting Period, representing 27 hours at an average charge out rate of £702.

Time costs incurred in relation to realisation of assets have included, but not limited to, the following tasks:

- Time dealing with recovering BLN's Fees and Costs;
- Collating information from the Company's records regarding assets;
- Liaising with Barclays to arrange for the cash at bank balance identified during the Reporting Period, to be transferred to the Liquidation estate;
- Review recovery strategy and consider recovery estimates for BLN owned loans ("the Buy-Back loans"); and
- Conducting a review of the Company's financial records to understand the nature of the debtor ledger, which predominantly relates to BLN Fees and Costs; and recovery of the same.

The continued fee estimate has not been exceeded in respect of the realisation of assets during the Liquidation and it is not anticipated that this will be exceeded.

Future work to be undertaken during the course of the Liquidation is likely to include:

- Monitor collection of the Company's debtor ledger;
- Liaise with legal advisors to progress legal claims for the benefit of the Company (if appropriate); and
- Monitor and recover BLN Fees and Costs due to the Company from the managed wind-down of the loan book and ensure that this is recovered for the benefit of the Liquidation estate.

The work to be conducted in this regard, and the expenses of gunnercooke, Addleshaw Goddard LLP, and Mathys & Squire Consulting Limited as detailed at Appendix 4, will be of direct benefit to the creditors of the Company as it will result in improved asset recoveries to the Liquidation estate which may result in a distribution to creditors.

The key areas of work in relation to the Client Estate have been:

SIP 9 Narrative for the Reporting Period in relation to the Client Estate	
Client Money Pool	<ul style="list-style-type: none"> Review and consider lender entitlement at appointment of Lenders' investment in DLP and TLC loans Review of Company records to identify Lenders impacted by competing claims over proceeds of security Review and consider AML / KYC compliance and consider further documentary requirements for Lenders with Client Money Pool balances Facilitate communication with lenders requesting the provision of further documents in accordance with AML regulations The raising, processing and payment of Lender Withdrawals from the Client Money Pool
Retail Lender – Inbound Queries (Phone and Email)	<ul style="list-style-type: none"> Monitoring the Kroll inbox and responding to any incoming queries from Lenders Taking telephone calls from Lenders and arranging calls with any Lenders seeking further information, including the strategy regarding the wind-down of the loan book Engaging with ThinCats (Formerly ESF) to understand the nature of the enquiries being received from Lenders and how these are being responded to with a view to ensuring consistency in responses Correspondence with Lenders on more contentious loans
Retail Lender – Outbound Queries (Website Updates)	<ul style="list-style-type: none"> Preparing notices to Lenders Ensuring that the Company's website is kept up to date and provides Lenders with copies of documents relevant to the Liquidation, including the general lender updates
AML / KYC Review	<ul style="list-style-type: none"> Liaise with ThinCats (Formerly ESF) staff to ensure compliance with legislation and CASS rules prior to distributing any lender funds
CASS – Review and Future Operations	<ul style="list-style-type: none"> Review existing procedures for dealing with client funds Maintaining controls and procedures surrounding daily account reconciliations Liaise with RBSI and Barclays regarding the continued operation of client monies accounts Review of daily reconciliations Instructions to banks regarding transfer of monies Review of weekly and cumulative reconciliations Lender distribution matters
Issuing Syndicate/Lender Updates/Communications	<ul style="list-style-type: none"> Review and approve lender updates and communications to Lenders Checking consistency with previous updates

	<ul style="list-style-type: none"> • Ensuring level of detail is provided
Lender Servicing – Variable Costs	<ul style="list-style-type: none"> • Variety of tasks associated with lender queries and servicing • Time spent dealing with the migration of data and ensuring a smooth transition in relation to the change of lender servicer • The raising, processing and payment of lender Withdrawals from the Client Assets • Dealing with Lender tax statements
Loan Book Servicing – Oversight and Monitoring	<ul style="list-style-type: none"> • Continued review of all Loans, estimated to realise value, timescales for realisations, potential enforcement options • Routine discussions with ThinCats (formerly ESF) and Liquidators' staff re strategy and background • Detailed monthly provision reviews – ERV and recovery dates • Proactive monitoring of PG action – including a review of assets and liabilities statements alongside income and expenditure accounts to ensure no further assets or recovery action is available • Reviewing Loans which have been extended to ensure appropriate interest has been applied • Working alongside ThinCats (Formerly ESF) staff to ensure any loan extensions are in Lenders best interests • Reviewing of information packs for detail to ensure loan security and loan priority status are correctly reported • Working alongside ThinCats (Formerly ESF) and legal professionals to reconcile any uncertainties within the Loans • Review of previous Lender Updates for historic detail • Loan collection activity, including meetings and communications with solicitors engaged • Liaising with respective officeholders of Borrowers where formal appointments have been made • Maintenance of records
Updating and Reporting to the FCA	<ul style="list-style-type: none"> • Telephone calls and emails with the FCA
Competing Claims over CASS Monies and Dealing with Unclaimed CASS Monies/Distributing Client Monies and Future Court Application / Directions (Re Fees and Other)	<ul style="list-style-type: none"> • Review of financial and non-financial information regarding loan proceeds where there is legal uncertainty as to the priority of distribution between loan syndicates • Conduct detailed analysis of financial and non-financial information • Preparation and instruction of gunnercooke to conduct legal review • Telephone calls and emails concerning same

Appendix 6 – Narrative and Estimate of Additional Remuneration in dealing with the Client Estate

Client Asset Task	Estimated future time costs	Future work to be done
AML / KYC Review	10.0 hours £3,650	<ul style="list-style-type: none"> Dealing with remaining KYC / AML issues relating to Lenders
CASS Review and Future Operations	105.0 hours £62,475	<ul style="list-style-type: none"> Review and approval of periodic CASS client money account reconciliations Review weekly CASS platform reports Process and distribute periodic withdrawals to Lender Accounts Communications with Royal Bank of Scotland International regarding ongoing operation of client money accounts Reviewing invoices in relation to all Client Asset related expenses Payment of Client Asset expenses from the 25% retention Dealings and discussions with CASS operations Attend monthly CASS meetings and review minutes of meetings
Competing Claims over CASS Monies	115.0 hours £73,225	<ul style="list-style-type: none"> Review security documents and information packs of each loan with competing claims over security (and the proceeds from the sale of the security) Review and consider the basis for the allocation of expenses against each loan with competing claims over security Liaise with lawyers and counsel in relation to the legal principles Communications with lenders of relevant loan syndicates
Dealing with unclaimed CASS Monies / Distributing Client Monies	60.0 hours £25,900	<ul style="list-style-type: none"> Prepare communications to lenders who have not processed withdrawals Consider strategy to return monies in consultation with the FCA Process lender payments Consider Court determination if appropriate
Future court application / directors (re fees and other)	10.0 hours £7,190	<ul style="list-style-type: none"> Liaise with lawyers to seek directions of the Court (if appropriate) for a future determination Prepare and submit witness statements and all other material necessary for the Court to consider, as required
Issuing Syndicate Updates / Communications (Monitoring)	40.0 hours £24,800	<ul style="list-style-type: none"> Review and approve Lender updates and communications to Lenders Reviewing previous syndicate updates Communicating recovery strategy to Lenders

Lender Servicing	335.0 hours £193,225	<ul style="list-style-type: none"> • Work relating to the data migration and transition of servicer • Tasks associated with Lender queries and servicing • Review of servicers' time recording entries • Considerations of Client Asset Tasks which may require discussion with the Creditors' Committee
Loan Book Servicing – Oversight and Monitoring	445.0 hours £293,350	<ul style="list-style-type: none"> • Ongoing review of loans • Monthly loan provisioning and consideration of estimated to realise values, timeframe for realisations and potential enforcement options • Regular discussions in relation to strategy and background • Consider and implement recovery strategy, often following consultation with solicitors • Consideration of repayment proposals from borrowers • Consideration of pursuing personal guarantees provided • Communications with borrowers, and their advisers • Notes and records
Inbound Queries (Phone, Email and Post)	30.0 hours £10,675	<ul style="list-style-type: none"> • Review and respond to email queries received from Lenders • Taking telephone calls from Lenders and arranging calls with Lenders seeking further information • Communications with ThinCats (Formerly ESF) and updates relating to Lender queries
Updating and Reporting to FCA	22.0 hours £13,115	<ul style="list-style-type: none"> • Prepare updates to FCA in relation to status of the loan book and communicate key issues • Review FCA regulatory submissions • Application of the deregistration of the Company's regulated activities
Client Money Pool	79.0 hours £31,350	<ul style="list-style-type: none"> • Distribute client money balances • Associated AML and KYC considerations

Appendix 7 – Statement of Creditors' Rights

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

Section or paragraph numbers refer to *Insolvency Act 1986*

If you require a copy of any relevant rule or section, please contact Isabelle Prior at BLN@kroll.com.

Notice is given that it appears to the Liquidators that the Company's affairs are fully wound up.

Information for creditors on remuneration and expenses of liquidators

Information regarding the fees and expenses of Liquidators, including details of Kroll's expense policy and hourly charge out rates for each grade of staff that may undertake work on this case, can be viewed and downloaded from the Kroll website at:

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

Click on the document - Creditor Guides (amended for changes introduced by the Insolvency (England & Wales) Rules 2016 from 6 April 2017) – Liquidations.

Should you require a copy (at no cost), please contact this office.

Creditors have the right to request information from the Liquidator under rule 18.9

A secured creditor, an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question) or any unsecured creditor with the permission of the court may make a written request to the Liquidator for further information concerning remuneration or expenses. Such a request must be made within 21 days of receipt of this final account and a response will be provided within 14 days of receipt of the request.

Creditors have recourse to court, application to be made within 21 days of the Liquidator giving reasons for not providing all the information requested or the expiry of the 14 days within which a Liquidator must respond to a request.

Creditors have the right to challenge the Liquidator's remuneration and expenses under rule 18.34

A secured creditor, an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or any unsecured creditor with the permission of the court, may make an application to court on the grounds that the remuneration charged or expenses incurred are excessive and/or that the basis fixed for the Liquidator's remuneration is inappropriate. The application to court must be made no later than eight weeks after receipt of the report or account which first reports the charging of the remuneration or the incurring of expenses in question.

Creditors may object to the Liquidator's release (rule 7.71(2)(d) and (e))

Where the Liquidator has his release, he is discharged from all liability both in respect of acts or omissions of his in the winding up and otherwise in relation to his conduct as Liquidator.

Objection to the Liquidator's release must be given in writing to the Liquidator before the end of the later of eight weeks after receipt of this final account or any final determination concerning the challenge of the Liquidator's remuneration and expenses and request for information as detailed above.

Vacation of office as Liquidator (section 172 Insolvency Act 1986)

The Liquidator will vacate office on delivering to the Court and Registrar of Companies the final account and notice saying whether any creditor has objected to his release

The Liquidator will be released at the same time as vacating office unless any of the Company's creditors objected to the Liquidator's release (section 174 Insolvency Act 1986)

Therefore, if there are no objections to the Liquidator's release or requests for further information, the Liquidator will vacate office and be released no less than 8 weeks from the date of this final report.

The Secretary of State will determine the Liquidators' release (on the Liquidators' application) where creditors have objected to such release.

Appendix 8 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Administration Appointment Date	15 April 2021 being the date of appointment of the Administrators
the Appointment Date	25 April 2024 being the date of appointment of the Liquidators
Barclays	Barclays Bank plc, 15 Colmore Road, Birmingham, B3 2BH, with whom the Company banked
BLN Fees and Costs	Amounts payable to the Company derived from its entitlement from Loan Recoveries to the extent that Lenders have agreed to the deduction by the Company from any part of those proceeds.
BEIS	Department for Business, Energy & Industrial Strategy
Borrowers	Those entities which borrowed monies from Lenders facilitated by the Company.
Category 1 Expenses	The Liquidators' expenses, in dealing with the Liquidation, to persons providing the service to which the expense relates and who are not an associate of the Liquidator. These expenses can be paid without prior approval
Category 2 Expenses	The Liquidators' expenses, in dealing with the Liquidation, to associates or where there is an element of shared costs. Such expenses require approval by creditors before payment
CASS	FCA's Client Assets Sourcebook
Client Money	Monies held in Lenders' accounts with the Company upon the appointment of the Administrators
Client Assets	Loan Recoveries received after the Liquidators' appointment which include amounts to which Lenders are entitled
25% Retention	Being 25% of Client Assets
Client Estate	Matters and assets that relate to the proprietary rights of Lenders, being Client Money and Client Assets, and the associated costs and expenses, and specifically excluding the Insolvency Estate.
the Company / BLN	Business Loan Network Limited (In Liquidation) (Company Number: 07248014)

Word or Phrase	Definition
Company Assets	Assets which belong to the Company or to which its entitled, to include BLN Fees and Costs
COVID-19	Coronavirus Pandemic
the Reporting Period	The period from 25 April 2023 to 24 April 2024
the Directors	Jill Sandford, Peter Brown, Kevin Caley and Quentin Baer, the directors of the Company
EC Regulation	EC Regulation on Insolvency Proceedings 2000
ThinCats (Formerly ESF)	ThinCats Limited (Formerly ESF Capital Limited), 2nd Floor Newlands House, 40 Berners Street, London, United Kingdom, W1T 3NA, the Company's parent company
The FCA	Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN
FOS	Financial Ombudsman Service, being a service that settles complaints between consumers and businesses that provide financial services
gunnercooke	gunnercooke LLP, 1 Cornhill, London, EC3V 3ND, a limited liability partnership (registered number OC355375)
HMRC	HM Revenue and Customs
Insolvency Estate	Matters in relation to the Liquidation of the Company, to include Company Assets and the associated costs and expenses, and specifically excluding Client Estate.
the former Administrators / the Liquidators	Geoffrey Bouchier and Robert Armstrong of Kroll Advisory Ltd. The Shard, 32 London Bridge Street, London, SE1 9SG
Lenders	Includes both Retail Investors and Institutional Investors
Loans	Loans made to Borrowers facilitated by the Company.
Loan Recoveries	Proceeds of loans collected or recovered from Borrowers.
Loan Book Servicing	The tasks which are inherent in working out the Loans (borrower redemptions, analysis and assessing options on default, negotiations or legal recovery action) and distributing Client Assets to the relevant Lenders.
P2P	Peer-to-Peer

Word or Phrase	Definition
Preferential Creditor/s	A creditor with a claim that ranks in priority to other unsecured creditors, to floating charge holders and the prescribed part. Preferential debts are either 'ordinary', such as certain employee claims, or 'secondary', such as HMRC's claims for VAT and PAYE income tax, which will rank for payment after the ordinary preferential claims are paid in full.
the Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to unsecured creditors
the Previous Reports	The Administrators' Proposals dated 8 June 2021, and the Administrators' Progress Reports dated 11 November 2021, 13 May 2022, 11 November 2022, and 13 April 2023.
the Proposals	The Administrators' Report to Creditors and Statement of Proposals issued on 8 June 2021
RBSI	Royal Bank of Scotland International, 280 Bishopsgate, London, EC2M 4RB, with whom the Company banked.
the Reporting Period	The period from 25 April 2023 to 24 April 2024
Retail Investors	Being individuals who predominately make the decisions to invest into Loans on their own behalf.
the Report	Report of Proposed Administrators dated 9 April 2021, which was submitted to Court with the proposed application to place the Company into Administration and which has been made available to Lenders on the Company's website.
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
the Secured Creditor	The holder of a fixed and floating charge over the Company's assets. The Company has no secured creditors.
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and expenses
SOA	Statement of Affairs, documentation to be supplied by the Director outlining the Company's financial position as at the Administration Appointment Date
Sponsors or Introducers	Being those who introduced Loans to the P2P platform

Word or Phrase	Definition
TAL	ThinCats Australia Group Holding Pty Limited, a company incorporated in Australia of which the Company owns 25.48%
Terms & Conditions	Being the Terms & Conditions published on the Company's website and available to Lenders.
TLSL	ThinCats Loan Syndicates Limited, acting as agents of the Lenders and perform roles described as "Lender Agent", Facility Agent" and "Security Trustee"
TPL	ThinCats Participations Limited, acting as agents of the Lenders and perform roles described as "Lender Agent", Facility Agent" and "Security Trustee"

Appendix 9 – Notice about this Report

This report has been prepared by Geoffrey Bouchier and Robert Armstrong, the Liquidators of the Company, solely to comply with their statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the Liquidation, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

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

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

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

Geoffrey Bouchier and Robert Armstrong are authorised to act as insolvency practitioners by the Insolvency Practitioners Association.

The Liquidators are bound by the Insolvency Code of Ethics.

The Liquidators act as agents for the Company and contract without personal liability. The appointments of the Liquidators are personal to them and, to the fullest extent permitted by law, Kroll Advisory Ltd does not assume any responsibility and will not accept any liability to any person in respect of this Progress Report or the conduct of the Liquidation.