

TO ALL KNOWN CREDITORS

16 March 2026

Ref: RB/SE/PK/LM

Email: CXRe@uk.ey.com

Dear Sir or Madam

CX Reinsurance Company Limited (in Administration) (“the Company”)
High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD), Number CR-2020-003307

As you are aware, the Company entered administration on 17 August 2020 and Simon Edel and I were appointed to act as Joint Administrators. The appointment was made by the High Court following an application under the provisions of paragraph 12(1)(b) of Schedule B1 to the Insolvency Act 1986. Under the terms of appointment, any act required or authorised to be done by the Joint Administrators can be carried out by any one of them.

In addition, a Chapter 15 Recognition Order (“Chapter 15 Order”) was granted by the US Bankruptcy Court on 8 October 2020 pursuant to which the Joint Administrators are recognised as the foreign representatives authorised to act on behalf of the Company for the duration of the Chapter 15 case.

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016, to provide creditors with a report on the progress of the administration. This report covers the period from 17 August 2020 to 16 February 2026 (“the Period”) and should be read in conjunction with the Joint Administrators’ Statement of Proposals dated 7 October 2020 (“the Proposals”) and the Joint Administrators’ previous progress reports. Copies of these documents and other announcements are available at the following website: https://www.ey.com/en_uk/ey-cx-reinsurance-company-administration.

Statutory information about the Company, the administration and the office holders are provided at Appendix A.

Summary of progress to 16 February 2026

The Direct Scheme Administrators, alongside their staff and Company employees, have been reviewing all Direct Scheme Claim submissions made in the Company’s Scheme of Arrangement (“the Direct Scheme”) and to the US Surplus Lines Trust throughout the Period. As of the date of this report, the Direct Scheme Administrators have issued a formal response to each Direct Scheme Creditor in the form of either a Determination or Dispute Notice regarding their Direct Scheme Claim submission.

During the Period, the Joint Administrators have continued to progress recovery of the Company’s debt purchase assets and progress resolution of the Reinsurance Trust.

Further details in respect of the Direct Scheme, the Surplus Lines Trust Deed Amendment and progress of the administration are provided below.

Direct Scheme of Arrangement

Following a final reconciliation and reallocation of all claims submitted in advance of the Final Claims Deadline of 21 July 2025, a total of seventy-one Direct Scheme Claims were filed by Direct Scheme Creditors, the majority of which also submitted a claim against the Surplus Lines Trust.

The Direct Scheme Administrators and their staff have reviewed and issued an initial response in the form of a Dispute or Determination Notice to all claims submitted, excluding three claims that were formally withdrawn by the respective Direct Scheme Creditors due to the underlying claims being in respect of reinsurance business, which are not admissible in the Direct Scheme.

To date, the Company has determined a final value in respect of 29 Direct Scheme Creditor claims. The Company is continuing to review additional information that has been provided by Direct Scheme Creditors in support of their Direct Scheme Claim in response to the Dispute Notices issued by the Joint Scheme Administrators and discussion with Direct Scheme Creditors and their representatives are ongoing.

It is currently expected that the process of determining all Direct Scheme Claims will be completed in the next 3 months. However, if the Company cannot agree an appropriate claim value with any particular Direct Scheme Creditor, the Direct Scheme Claim will be referred to the Direct Scheme Adjudicator for adjudication in accordance with the terms of the Direct Scheme.

A further update in respect of the progression of Direct Scheme Claims will be included in our next progress report.

Further information regarding the Direct Scheme and all documents referred to above are available to view and download at the Direct Scheme Website
https://www.ey.com/en_uk/administrations/cxreinsurancecompanydirectscheme.

US Trust Fund arrangements

As creditors are aware, the Company is party to two trust funds in the US, a Surplus Line Trust, and a Reinsurance Trust (together "the US Trust Funds"), which hold investment portfolios with combined assets valued at USD \$17.1m as of 28 February 2026.

In the Period, fees in the amount of \$51,639 were paid from the administration estate to State Street, who act as Custodian to the US Trust Funds, in respect of services provided from November 2024 to July 2025 and fees in the amount of \$26,875 were paid to Blackrock, who provide asset management and accounting services to the Company, in respect of the US Trust Funds. A further \$2,000 was paid from the estate in respect of State regulator costs associated with the US Trust Funds. The Joint Administrators propose to request reimbursement of the relevant costs incurred from the Surplus Lines Trust, in due course, as they have already done so for the Reinsurance Trust.

As reported previously, the US Trust Funds were required to remain remote from the Direct Scheme due to legal complexities.

Surplus Lines Trust

The Surplus Lines Trust is made up of cash and an investment portfolio with assets valued at USD \$14.73m as of 28 February 2026.

As noted above, an amendment to the Surplus Lines Trust Deed was previously approved, enabling the Joint Administrators to set a bar date, determine claims, and progress the distribution of the trust assets. The bar date for Surplus Lines Trust claims was set as 21 July 2025 to align with the Direct Scheme and streamline the process for creditors, with formal notices issued to impacted creditors on 31 March 2025 and published on the Direct Scheme and US Trust website.

The Joint Administrators and Direct Scheme Administrators are reviewing all claims submitted in each process in parallel. The Joint Administrators have begun contacting creditors who have submitted claims against the Surplus Lines Trust in order to agree their final claim determination and will contact all remaining creditors in due course.

Whilst significant progress has been made in evaluation claims submitted against the Surplus Lines Trust, at this stage, it is not possible to provide an estimate of the quantum of claims which may be finally agreed in the Surplus Lines Trust and, therefore, the estimated payment percentage payable from the trust assets. A further update will be provided in our next progress report.

Reinsurance Trust

The Reinsurance Trust is made up of cash and an investment portfolio with assets valued at USD \$2.4m as at 28 February 2026.

Following approval from the New York Department of Financial Services (“DFS”), during the Period, the Joint Administrators withdrew \$493k from funds held by State Street, acting as Trustee of the Reinsurance Trust, to settle commutation payments agreed with the known beneficiaries of the Reinsurance Trust.

The Joint Administrators have requested approval from the DFS for the release of funds amounting to \$106k to reimburse costs paid to State Street and Blackrock from the general CX Re estate, pertaining to the Reinsurance Trust, since the commencement of administration.

The Joint Administrators are not aware of any other claims made on the Reinsurance Trust and, therefore, have requested approval from the DFS for the release of surplus funds for the benefit of the Company’s creditors. An update in respect will be provided in our next progress report.

Asset Realisations

Debt Purchase Assets and Reinsurance Debtors

During the reporting period, the Company received funds in the amount of \$564,423 as a second interim distribution in respect of its claim in the insolvency proceedings of Vesta Fire Insurance Corporation (“Vesta”). Additionally, funds in the amount of €10,527, £4,157 and \$538,577 were received following payment of a final dividend in respect of the Company’s claim in the insolvency proceedings of OIC Run-Off Limited and The London and Overseas Insurance Company Limited.

Based on current information, it is estimated that future realisations in respect of the Debt Purchase Assets could be in the region of \$2m. However, the factors affecting the recoverability of the remaining debts are beyond the Joint Administrators’ control and, therefore, the actual amounts recovered and the timing of such receipts may differ from current estimates.

As part of the progress of the Administration and the Direct Scheme, the Joint Administrators will consider alternative options to accelerate the realisation of value from the remaining assets in advance of any distribution from the Direct Scheme.

Treasury Management

During the reporting period, non-trust investment bonds held by the Company's custodian, State Street Corporation ("State Street"), in the amount of \$350k matured. As of 28 February 2026, the remaining unmatured non-trust investments held had a market value of \$178k and all are due to mature in 2029 (\$94.3k), 2046 (\$5.5k) and 2049 (\$78.3k). As the investments are liquid and actively traded, the Joint Administrators will consider a sale of the investments with long maturity dates in advance of any distribution process within the Direct Scheme.

The Joint Administrators monitor short term, low risk investment options for the funds held in each currency in the estate and, where appropriate, place funds on short-term treasury deposit accounts to maximise interest income. Interest income received in the Period in this regard was \$14,207 and £2,242 respectively.

Liability Management

The Joint Administrators continue to assess liabilities of the Company, where possible, to assist with the claim valuation process within the Direct Scheme and the Surplus Lines Trust.

Litigation

As previously reported, the Company remains a party to litigation cases in the US Courts, and the Chapter 15 Court Order granted on 8 October 2020 remains in place to protect the Company's US estate and it is currently anticipated that claims associated with these cases should be considered as part of the Direct Scheme.

The Company is subject to an ongoing litigation matter in the French Courts. There has been limited progress in respect of the proceedings in the period and the Joint Administrators, with the assistance of their legal advisors, are considering the appropriate steps to protect the Company and its estate in relation to the ongoing proceedings.

Legal fees

Legal fees in the sum of £174,000 have been paid in the Period to US bankruptcy counsel in respect of advice and assistance in relation to the recognition and implementation of the Direct Scheme in the US, including preparing the Chapter 15 application to obtain recognition of the UK Scheme in the US Bankruptcy Court. No further costs are anticipated in this respect.

Payments in the sum of \$13,497 have been made in the Period to US insurance counsel for advice and assistance in relation to the US Trust Funds, including the Surplus Lines Trust Deed Amendment and the subsequent review of claims submitted against the Surplus Lines Trust, and liaising with the DFS in relation to the Reinsurance Trust, as set out above.

Legal fees in the sum of \$5,825 and €20,799 have additionally been paid to US and French legal advisors for advice relating to certain of the US and French litigation matters referenced above, and for assistance with collection of an outstanding debt from a foreign insolvency estate.

Post-Sanction Scheme Expenses

During the Period, legal fees in the sum of £6,987 have been paid to UK Legal advisors for advice and assistance in relation to the Direct Scheme, including adjudication of claims and interpretation of certain Direct Scheme Rules.

Fees in the amount of £54,362 have been paid to insurance claim advisors, SNL Consultants Limited (“SNL”), for advice and analysis in relation to Direct Scheme Claim submissions which is assisting the Company staff to efficiently review and liaise with significant Direct Scheme creditors.

In addition, the Company has paid fees in the amount of \$5,549 in the Period to the US Bankruptcy noticing agent, Epiq Corporate Restructuring LLC (“Epiq”), for their services, which included managing and collating returned and queried mail from the mailout required following recognition of the Direct Scheme in the US Bankruptcy Court in accordance with Chapter 15.

The Joint Administrators intend to seek offset of Post-Sanction Scheme Expenses from the assets to be transferred to the Direct Scheme in due course.

Run off Operating model

During the reporting period, one part time employee was made redundant following fulfilment of their role. The Company continues to employ one member of staff on a full time basis. The Company’s staff have been liaising with Direct Scheme Creditors throughout the Period in relation to their Direct Scheme Claim submissions to assist the Director Scheme Administrators with their valuation of the claims received. Retention of the remaining employee remains subject to the Company’s operational needs and will continue to be monitored by the Joint Administrators.

During the Period, a total of £143,807 has been paid in respect of the Company’s staff, consisting of salaries, employer taxes, pension contributions and redundancy payments.

Outsource providers

Various outsource providers continue to provide services to the Company in respect of the ongoing operations of the runoff. Total costs of £11,988 have been paid in the period in this regard.

Of this amount, £6,298 relates to tax and accounting services provided by Lee-Anne van Heusden Limited (“LVHL”) to meet the Company’s accounting and corporation tax filing requirements, £4,985 relates to services provided by payroll, accounting and claims reporting systems providers and £705 relates to services provided by PRO Insurance Solutions Limited supporting Company staff to collate historical information in relation to debt purchase assets.

As reported previously, an extension of the systems support agreement with Espire Infolabs Limited (“Espire”) (to March 2026) was previously agreed given use of the claims management system is critical to the efficient running of the Direct Scheme and Surplus Lines Trust claims process. A total of £29,169 has been paid to Espire in the Period in relation to these costs. The Joint Administrators are presently engaged in discussions with Espire regarding the extension of the supporting agreement to ensure that services are terminated as soon as reasonably practicable following the conclusion of the claims review process.

The Company’s books and records, including US claim files, are retained in line with statutory requirements, and total costs of £10,955 and \$600 have been paid in this respect to the storage facilitators in the UK and US during the reporting period.

VAT

Input VAT in the amount of £120,725 has been incurred by the Company in respect of expenses incurred and paid in the Period.

VAT returns for the periods to 31 August 2025 and 30 November 2025 have been filed with HMRC in the Period. VAT refunds totalling £45,279, with VAT repayment supplements totalling £286, have been received in the Period in respect of the returns to 31 May 2025 and 31 August 2025.

As previously advised, an element of the costs incurred in the US are subject to a UK VAT reverse charge which is accounted for as an expense of the estate.

Corporation Tax

A Corporation Tax return for the period 1 January 2024 to 31 December 2024 was filed with HMRC during the Period. No tax liability arose in respect of this return as the Company incurred a trading loss. The Joint Administrators are working with LVHL and their EY tax colleagues in order to prepare and submit the Corporation Tax return for the period 1 January 2025 to 31 December 2025 as soon as practicable. No tax liability is anticipated for the 2025 period.

Regulatory Engagement

The Company remains a regulated insurance company and must comply with various regulatory requirements. The Joint Administrators provide updates to the PRA and FCA on the progress of the administration as and when appropriate.

The Joint Administrators have maintained contact and liaised with the UK regulators and, where required, the DFS throughout the period in relation to the Direct Scheme and the US Trust Funds and will continue to do so, alongside any other regulatory body, as required, throughout the remainder of the process to ensure the Direct Scheme and the Surplus Lines claims process remain compliant with the necessary requirements in both the UK and the US.

Creditors' Committee

There have been no changes to the constitution of the Creditors' Committee in the reporting period. The eleventh meeting of the Creditors' Committee took place in September 2025 and the twelfth meeting took place shortly following the end of this reporting period, on 9 March 2026.

Receipts and payments account

A summary of the Joint Administrators' receipts and payments for the reporting period from 17 August 2025 to 16 February 2026, and cumulatively from the commencement of the administration to 16 February 2026, is attached at Appendix B. The Joint Administrators' receipts and payments account is a statement of cash received and cash paid out and does not reflect estimated future realisations or costs.

The Joint Administrators present receipts and payments accounts for each of the three primary currencies which the Company has transactions in (pound sterling, US dollar and euro) rather than consolidating these into pound sterling which would give rise to presentational foreign exchange gains or losses.

Joint Administrators' remuneration and disbursements

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

During the period covered by this report, the Joint Administrators have incurred time costs in the amount of £332,927 (including £20,054 in relation to the claims process for the Surplus Lines Trust), of which none have been drawn.

As of the date of our last report, the Joint Administrators had received approval from the Creditors' Committee to draw fees in the amount of £975k on account of costs incurred in the period to 17 February 2025. An invoice in the amount of £500,000 plus VAT has been raised and paid from the estate in the Period. The Joint Administrators intend to draw the remaining £475k plus VAT in accordance with the approvals received in the next reporting period.

An analysis of the time spent in the period, a comparison with the current fee estimate dated 13 March 2025, and summary of the tasks undertaken is attached at Appendix D to this report. Appendix D also provides a statement of the Joint Administrators' policy in relation to charging time and expenses.

The below table summarises the cumulative time incurred by the Joint Administrators and their staff and amounts drawn to date from the estate.

	Previously reported £	Invoiced in period for previously reported time £	Time incurred during period £	Total £
Time incurred (£)	6,973,520	-	332,927	7,306,447
Fees drawn (£)	5,390,849	500,000	-	5,890,849
To be billed (£)	975,000	(500,000)	-	475,000
Subject to Creditors' Committee approval	607,671		332,927	940,598

To date, the Joint Administrators have incurred Category 1 and 2 expenses amounting to £28,895, of which £31 has been incurred in the reporting period, and £23,648 has been drawn from the estate to date, in accordance with approvals from the Creditors' Committee. Of the total Category 1 and 2 expenses incurred to date, £3,212 has been incurred in connection with the Direct Scheme and will be subject to recovery by the Joint Administrators as Post-Sanction Scheme Expenses from the assets available within the Direct Scheme in due course. An analysis of the expenses paid to date is set out in Appendix C of this report.

The time costs summarised above exclude the time costs of the Direct Scheme Administrators since the Direct Scheme became effective, which are accounted for separately and are subject to review and approval of the Direct Scheme Creditors' Committee under the terms of the Direct Scheme.

Joint Administrators' statement of expenses incurred

During the period covered by this report, expenses totalling £527,966 (made up by £431,640, \$106,462 and €20,802) (net of VAT and excluding Joint Administrators' fees and Category 1 and 2 expenses) have been paid to third parties in administering the Company's estate. A breakdown of expenses incurred in this period is enclosed at Appendix C together with a comparison against the estimate of expenses previously shared with the Creditors' Committee at the meeting in March 2025.

Details to why these costs have been incurred are also provided at Appendix C and described in our previous reports.

Distributions to creditors

As insurance policyholders are aware, the administration of the Company does not terminate or cancel a policyholder's contract of insurance (unless specifically stated in their policy).

Direct Insurance Creditors

As noted above, the hierarchy of debts for an insurance company is set out in The Insurers (Winding-up and Reorganisation) Regulations 2004 and applies to the Company. The effect of which is that Direct Insurance creditors have priority over other classes of unsecured creditors, including Reinsurance Creditors.

As explained above, Direct Scheme Creditor claims and Surplus Lines Creditor claims are being valued as part of the relevant claim valuation process. The estimated outcome for each category depends significantly on, amongst other matters, the value of final admitted claims and the costs of the resolution process. However, further updates will be provided to the relevant creditors in due course in this regard.

Reinsurance Creditors

As described earlier in this report, following approval from the DFS, during the period, the Company made payments to the four remaining cedents with entitlement to the Reinsurance Trust in respect of previously agreed commutation agreements. The payments were facilitated following release of the funds from the Reinsurance Trust assets in accordance with the DFS approvals. To date, the Joint Administrators have not been made aware of any additional claims against the Reinsurance Trust.

Next report

I will report to you again in six months' time by 16 September 2026. The report will be shared with creditors by publication on the Company's website unless individual creditors have opted to receive reports by post.

Should you have any queries, please contact the Joint Administrators by emailing CXRe@uk.ey.com.

Yours faithfully
for the Company



Richard Barker
Joint Administrator

Richard Barker and Simon Edel are licensed in the United Kingdom to act as insolvency practitioners by The Insolvency Practitioners Association.

The affairs, business and property of the Company are being managed by the Joint Administrators and Foreign Representatives (in respect of the Company's US estate), Richard Barker and Simon Edel, who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy

Appendix A

Information about the proceedings, the Company, and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

Name of court:	High Court of Justice Business and Property Courts of England and Wales and Companies (ChD)
Court reference number:	CR-2020-003307
Company registered number:	01086556
Registered name of the company:	CX Reinsurance Company Limited
Registered office address of the company:	Ernst & Young LLP, 1 More London Place, London, SE1 2AF
Former principal trading address (if different from above):	118 Pall Mall, London United Kingdom, SW1Y 5ED
Name(s) and address(es) of Joint Administrator(s):	Richard Barker and Simon Edel Ernst & Young LLP, 1 More London Place London, SE1 2AF
Office holder number(s):	17150 / 9810
Division of Administrators' responsibility:	Any of the functions to be performed or powers exercisable by the Joint Administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting severally
Name of alternative person to contact with enquiries about the case:	CXRe@uk.ey.com
Prescribed Part	The Joint Administrators have established that there are no valid fixed or floating charges registered against the Company. In the absence of a floating charge, there are no monies required to be set aside to creditors under s176A of the Act being under the 'Prescribed Part' formula.

Statement concerning the EC Regulation

The EC Council Regulation on Insolvency proceedings does not apply to this Administration.

Joint Administrators' Summary of Receipts and Payments from 17 August 2025 to 16 February 2026 – GBP

	Notes	Statement of Affairs GBP £	Amounts as at 17 August 2025 GBP £	Movement in period to 16 February 2026 GBP £	Amounts as at 16 February 2026 GBP £
RECEIPTS					
Assets subject to fixed charge	5	18,364,117	-	-	-
LOC Surplus	2	-	-	-	-
Surplus from Trust Assets		-	488,584	-	488,584
Cash at Bank	4	745,513	89,363	-	89,363
Investments	5	9,277,715	2,307,832	-	2,307,832
Prepayments and accrued interest	5	172,549	-	-	-
Debt Purchase	3	2,362,893	505	4,157	4,662
Reinsurers share of technical provisions		361,888	-	-	-
Trade Debtors		2,582,193	-	-	-
Loss Fund & Premium Recoveries		-	1,680	-	1,680
Recoveries from surrendered losses		-	388,850	-	388,850
Pre-appointment VAT refunds		-	13,814	-	13,814
VAT Repayment Supplement		-	20,447	286	20,733
Investment Income and Bank Interest		-	12,483	2,242	14,724
FX Transfers from currency accounts		-	7,838,997	1,102,234	8,941,231
Total Receipts		33,866,868	11,162,555	1,108,919	12,271,474
PAYMENTS					
Staff costs		-	(1,458,514)	(143,807)	(1,602,320)
Outsource Providers		-	(812,379)	(11,988)	(824,367)
Systems Transformation		-	(612,652)	(29,169)	(641,821)
Software Licensing		-	(12,979)	-	(12,979)
IT Systems		-	(23,886)	(206)	(24,092)
Storage Charges		-	(64,393)	(10,955)	(75,348)
US Legal fees & Expenses		-	(1,061,316)	-	(1,061,316)
UK Legal fees & Expenses		-	(223,549)	(146)	(223,694)
Pre-Appointment Administrators' Fees		-	(45,000)	-	(45,000)
Post-Appointment Administrators' Fees		-	(5,390,849)	(500,000)	(5,890,849)
Post-Appointment Administrators' Disbursements		-	(15,188)	(8,460)	(23,648)
UK Scheme of Arrangement Legal Fees & Expenses		-	(625,814)	(174,000)	(799,814)
UK Scheme of Arrangement - Pre-Scheme Expenses		-	(42,962)	-	(42,962)
UK Scheme of Arrangement - Post-Sanction Expenses	9	-	(26,155)	(61,349)	(87,504)
Sundry Expenses		-	(5,010)	-	(5,010)
Corporation Tax		-	(300)	-	(300)
Input VAT incurred	7	-	(710,450)	(75,446)	(785,896)
Bank Charges		-	(289)	(21)	(310)
Total Payments		-	(11,131,684)	(1,015,546)	(12,147,231)
DISTRIBUTIONS					
Preferential Creditors		-	(11,841)	-	(11,841)
Net Receipts/(Payments)		33,866,868	19,030	93,372	112,402
Cash Balance as at 16 February 2026	8				112,402

Joint Administrators' Summary of Receipts and Payments from 17 August 2025 to 16 February 2026 – USD

	Notes	Amounts as at 17 August 2025 USD \$	Movement in period to 16 February 2026 USD \$	Amounts as at 16 February 2026 USD \$
RECEIPTS				
Assets subject to fixed charge	4	-	-	-
LOC Surplus	2	530,760	-	530,760
Surplus from Trust Assets		-	-	-
Cash at Bank	3	821,849	-	821,849
Investments	4	5,349,538	350,372	5,699,911
Prepayments and accrued interest	4	-	-	-
Debt Purchase	2	2,948,648	1,103,000	4,051,648
Reinsurers share of technical provisions		30,000	-	30,000
Trade Debtors		-	-	-
Escrow Fund Recoveries		73,941	-	73,941
Loss Fund & Premium Recoveries		46,842	-	46,842
Refund of Pre-Appointment Legal Fees		5,941	-	5,941
US Reinsurance Trust Fund Receipt		-	493,919	493,919
Investment Income and Bank Interest	2	523,886	14,207	538,093
Total Receipts		10,331,406	1,961,498	12,292,904
PAYMENTS				
Outsource Providers		(36,679)	-	(36,679)
Storage Charges		(14,963)	(600)	(15,563)
US Legal fees & Expenses		(320,154)	(13,497)	(333,651)
Legal Costs - Various Attorneys		(324,743)	(5,825)	(330,568)
US Legal Settlement payment		(172,867)	-	(172,867)
US Chapter 15 Bankruptcy Noticing Agent		(162,846)	-	(162,846)
US Trust & Non-Trust Fees		(521,376)	(80,514)	(601,890)
Input VAT incurred	6	(46,785)	-	(46,785)
UK Scheme of Arrangement - Pre-Sanction Expenses		(37,500)	-	(37,500)
UK Scheme of Arrangement - Post-Sanction Expenses	9	(71,811)	(5,549)	(77,360)
US Reinsurance Trust Commutation Payments		-	(493,609)	(493,609)
Bank Charges		(5,282)	(476)	(5,758)
Total Payments		(1,715,003)	(600,071)	(2,315,074)
Net Receipts/(Payments)		8,616,403	1,361,427	9,977,830
INTER-ACCOUNT CROSS CURRENCY PAYMENTS				
FX Transfer to GBP account	5	(6,510,000)	(1,470,000)	(7,980,000)
FX Transfer to EUR account		(5,000)	(20,000)	(25,000)
Net Receipts/(Payments)		2,101,403	(128,573)	1,972,830
Cash Balances as at 16 February 2026	8			1,972,830
GBP Equivalent value as at 16 February 2026	7			1,449,331

Joint Administrators' Summary of Receipts and Payments from 17 August 2025 to 16 February 2026 – Euro

	Notes	Amounts as at 17 August 2025 EUR €	Movement in period to 16 February 2026 EUR €	Amounts as at 16 February 2026 EUR €
RECEIPTS				
Cash at Bank	3	41,962	-	41,962
Investments	4	2,496,151	-	2,496,151
Debt Purchase	2	238,157	10,527	248,685
Escrow Fund Recoveries		456	-	456
Loss Fund & Premium Recoveries		377,346	-	377,346
FX Transfers from currency accounts		4,502	16,828	21,330
Total Receipts		3,158,574	27,355	3,185,930
PAYMENTS				
Legal Costs - Litigation matters		(39,474)	(20,799)	(60,273)
Legal Costs - Debt recovery		(55,041)	-	(55,041)
Bank Charges		(59)	(4)	(62)
Total Payments		(94,573)	(20,802)	(115,375)
Net Receipts/(Payments)		3,064,001	6,553	3,070,554
INTER-ACCOUNT CROSS CURRENCY PAYMENTS				
FX Transfer to GBP account	5	(3,062,423)	-	(3,062,423)
Net Receipts/(Payments)		1,578	6,553	8,132
Cash Balance as at 16 February 2026	8			8,132
GBP Equivalent value as at 16 February 2026	8			7,081

Appendix B

Notes

1. Receipts and payments are stated net of VAT.
2. Statement of Affairs balances are shown in GBP.
3. At the date of administration, the Company held assets predominantly in GBP and USD. Whilst in previous reports the receipts and payments accounts were reported in a consolidated GBP position, the receipts and payments accounts are now shown by individual currency with the net cash balance translated to GBP for each currency using the Bank of England exchange rate at the period end date (GBP 1: USD 1.3612 and GBP 1: EUR 1.1484). This change has been made in accordance with Statement of Insolvency Practice 7 with a view to provide creditors clear and informative information and to help them understand the nature and accurate amounts of receipts and payments void of fluctuation in exchange rates.
4. Cash at bank is held in bank accounts in the Company's name controlled by the Joint Administrators. The receipts and payments reflect transactions through these accounts only.
5. Certain of the Company's assets are held by third parties in accounts in the name of the Company and over which the Joint Administrators have authority to act. These balances include:
 - a. Assets held with State Street, valued as at 28 February 2026:
 - i. Assets subject to a fixed charge – USD 17,134,268
 - ii. Unencumbered non-trust investments – USD 178,203
 - b. Assets held with Natixis, valued as at 28 February 2026
 - iii. Assets subject to a fixed charge – EUR 384,511
6. Inter-account cross currency receipts and payments reflect the transfer of funds held in the foreign currency bank accounts into Sterling accounts to as part of treasury management.
7. The Net VAT incurred includes all input VAT and VAT reverse charges less VAT recoveries received from HMRC based on the Company's partial recovery rate. Further details can be found within the body of the report.
8. Cash balances at 16 February 2026 are held in the following currencies:
 - a. £ 112,402.26 of GBP;
 - b. \$ 1,972,829.90 of USD; and
 - c. € 8,131.52 of EUR
9. Certain payments made from the estate in the Period are associated with the Direct Scheme and the Joint Administrators intend to seek recovery of these costs from the assets available within the Direct Scheme in due course. Further details regarding Post-Sanction Scheme costs can be found within the body of the report.
10. IT system costs and sundry expenses paid in the period relate to employee IT software and a Data protection registration renewal.

Appendix C

Summary of the Joint Administrators' expenses incurred for the period to 16 February 2026

Category of Expense	Per estimate dated 13 March 2025 £ (exc VAT)	Total paid to 16 August 2025 £ (exc VAT)	Paid in period to 16 February 2026 £ (exc VAT)	Total paid to 16 February 2026 £ (exc VAT)
Payments made from the estate which are not expenses (see notes 1 and 2)				
Employee wages & salaries	1,610,811	1,317,685	97,495	1,415,180
Employee pension contributions	116,079	140,829	46,311	187,140
Service & overhead costs - TAL	70,662	70,662	-	70,662
Service costs - Pro	373,629	374,519	705	375,224
Specialist Contractors	172,478	162,431	82	162,514
IT & Finance Systems	778,757	689,652	29,375	719,027
Tax & Accounting Service Contractors	240,028	196,264	11,123	207,387
Insurance	4,603	2,803	-	2,803
UK Legal fees & Expenses - Stevens & Bolton	238,655	222,874	146	223,019
UK Legal fees & Expenses - Other Law firms	675	675	-	675
US Legal fees & Expenses- Fried Frank	1,256,071	1,231,071	174,000	1,405,071
US Legal fees & Expenses - Insurance specialists	77,047	67,559	9,916	77,475
US Legal costs - various US attorneys	266,429	257,761	4,279	262,041
UK Scheme of arrangement legal fees	271,076	301,152	-	301,152
US Scheme of arrangement legal fees	397,183	297,183	-	297,183
UK Scheme of arrangement legal fees - Counsel	27,480	27,480	-	27,480
UK Scheme of Arrangement - Pre-Sanction Expenses	72,682	72,682	-	72,682
UK Scheme of Arrangement - Post-Sanction Expenses	-	79,286	65,426	144,711
EU Legal costs - various attorneys	68,847	69,431	18,111	87,542
Agent Fees and expenses- Epiq (Notice Agent)	172,158	126,675	-	126,675
Agent Fees- Abacus (Payroll Agent)	2,029	1,561	78	1,639
Bank & Interest Charges	7,498	4,399	374	4,773
US Trust Fund - Regulator Fees	13,641	9,731	1,469	11,200
Fund manager costs- Blackrock & State Street	514,030	322,513	57,680	380,193
Storage Costs	120,225	77,893	11,396	89,289
Sundry expenses	5,087	284	-	284
Corporation Tax Penalty	300	300	-	300
Total	6,878,159	6,125,356	527,966	6,653,321
Pre-Appointment Costs				
Pre-Appointment Administrators Fees	45,000	45,000	-	45,000
Total pre-appointment costs	45,000	45,000	-	45,000
TOTAL	6,923,159	6,170,356	527,966	6,698,321
Category 1 expenses				
Specific penalty bond	1,280	1,280	-	1,280
External photocopying, printing & courier	15,950	7,885	5,665	13,550
External photocopying, printing & courier (post-sanction expense)	-	-	2,795	2,795
Public Notices	215	95	-	95
Category 2 expenses				
Printing, postage & shipping	10,711	5,928	-	5,928
Stationary & hardware	-	-	-	-
Mileage	-	-	-	-
Total category 1 & 2 expenses	28,156	15,188	8,460	23,648
TOTAL EXPENSES	6,951,315	6,185,544	536,426	6,721,970

Notes

1. Expenses comprise sums paid or to be paid to third parties and sums paid or payable to the Joint Administrators' firm in respect of out-of-pocket expenses and costs which include an element of shared or allocated costs.
2. The table details the expenses expected to be incurred during the administration, which was previously estimated at £5,624,477 plus VAT per the Fee and Expenses estimate dated 22 April 2024, comprising pre-administration costs and expenses of the administration.
3. Following the extension of the Administration to 16 February 2027, a revised expenses estimate was shared with the Creditors Committee, dated 13 March 2025. To date, total expenses have not exceeded the further revised expenses estimate provided. However, for those expenses which were either not included in or have individually exceeded the revised estimate dated 13 March 2025, an explanation is provided below.

The costs detailed in the table are reported as at the date incurred and these figures are subject to FX fluctuations.

▶ **Employee Pension Contributions**

Employee pension contributions have exceeded the revised estimate due to payment of discretionary retention bonus to Company staff for operational continuity.

▶ **Pro Insurance costs**

Additional costs were incurred providing the Company and its staff assistance in locating critical historical information in relation to the debt purchase assets required to support any future sales that was not anticipated when the revised estimates were prepared.

▶ **Legal costs**

Additional legal costs relate to assistance and advice provided in relation to the recognition and implementation of the Direct Scheme in the US, assistance provided liaising with the DFS in relation to the US Trust assets and additional advice required in relation to the French litigation involving the Company.

▶ **Post-Sanction Scheme Expenses**

Post-Sanction Scheme Expenses relate to costs incurred by the Company for advice and assistance provided to support the review of Direct Scheme Claim submissions and services provided by the US noticing agent following the distribution of Chapter 15 Notices to creditors in the US. Legal costs incurred by UK legal advisors following Sanction of the Direct Scheme are also included in this category. As mentioned within the body of the report, the Joint Administrators intend to seek recovery of Post-Sanction Scheme Expenses from the assets available within the Direct Scheme in due course.

Appendix D

SIP 9 Notes

- 1 Statement of Insolvency Practice 9 ("SIP 9") defines expenses as amounts properly payable from the insolvency estate which are not otherwise categorised as office holders' remuneration or a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the office holder, and then reimbursed to the office holder from the estate.
- 2 SIP 9 defines expenses as a type of payment which is met by, and reimbursed to, an office holder in connection with an insolvency appointment. Expenses fall into two categories: Category 1 and Category 2.
 - Category 1 expenses are defined as specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. Such expenses can be paid from the insolvent's assets without approval from the Creditors' Committee. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 expenses drawn but not to seek approval for their payment. We are prepared to provide such additional information as the Committee require to support the expenses drawn.
 - Category 2 expenses are charges made by the office holder's firm that include elements of shared or overhead costs. Statement of Insolvency Practice No. 9 provides that such expenses are subject to approval as if they were remuneration. It is our policy, in line with SIP 9, to seek approval for this category of expense before they are drawn.

Appendix D

Summary narrative of Joint Administrators' time costs incurred for the period from 17 August 2025 to 16 February 2026

The Joint Administrators' time costs incurred during the reporting period totals £332,927 as noted above. Set out below is a summary narrative of the significant areas of work in relation to which costs were incurred in this period.

Realisation of assets

Tasks providing a direct benefit to creditors via asset realisations

- Quarterly review of debt purchases and assessing the quantum and timing of recoverability
- Liaising with the Company staff to prepare documentation to support potential sales of debt purchase assets
- Corresponding with debtors, brokers, agents and relevant parties
- Reviewing, assessing and maintaining the debt purchase ledgers
- Working with the Investment Manager regarding the investment strategy of trust assets and maintenance of the trust accounts
- Liaising with the Company staff with regards to the reinsurance contracts and consideration of commutation proposals and/or recovery of outstanding reinsurance debt
- Preparing supporting documentation and liaising with US legal advisors and DFS in relation to release of US Reinsurance Trust funds to settle agreed commutation settlements and costs including detailed balance sheet summarising movement throughout the Administration
- Review of the non-trust investment portfolio, arranging the cash withdrawals in respect of matured investments, including of interest net of local applicable tax, and correctly reporting interest earned on the cash balance monthly
- Review of the cash deposits and regularly considering the appropriate investment approach, into money market deposits for example, to maximise returns of available cash whilst maintaining the operations of the Company
- Review of quarterly cashflows and discussions regarding expecting inflows and outflows ensuring the currency allocations held in GBP, EUR and USD remain appropriate

Insolvency process

Tasks required by statute

- Statutory case reviews and maintenance of case files
- Preparation of periodic progress reports and issuing to the creditors, the UK Registrar of Companies, the UK High Court, and the US Bankruptcy Court
- Preparation for and holding meetings with members of the Creditors' Committee to discuss the progress of the administration, including the progression of the Direct Scheme and Surplus Lines claims processes
- Other necessary statutory duties including filing of the annual confirmation statements, periodic review of bonding requirement, maintaining records for the key decisions taken, diary management and overall case management
- Maintenance of the dedicated website for publishing of key documents for creditors
- Arranging open cover and appropriate ongoing insurance through appointed broker
- Maintaining records for all receipts and payments for the purpose of reporting and entering them into the accounting systems

Dealing with creditors

Tasks providing a benefit to creditors

- Responding to emails and queries received from all classes of creditors and maintaining overall management of creditor mailbox correspondence
- Responding to creditor, broker, and agent queries regarding claims, dividend prospects, and administration progress
- Acknowledge receipt of filed proofs of debts received from creditors

Insurance run off

Tasks providing a benefit to insurance creditors

- Maintenance of monthly payroll, ensuring appropriate deductions of PAYE/NIC are made and paid over to HMRC
- General project discussions and review of the Company's claim records on calls with existing employees
- Operations management calls and meetings to discuss all administration workstreams
- Coordinate the engagement between various outsource providers
- Arranging payments to outsource service providers, suppliers and third-party agents

Management of Company's affairs

Tasks providing an indirect benefit to creditors and required by statute

- Corresponding with the trust agents, investment manager, trustees and banks regarding specific transfers
- Corresponding with the accounts manager with regards to the management accounts of the Company
- Preparation of the Corporation Tax computations and filling of the annual corporation tax return for the Company
- Preparing and filling of VAT returns to HMRC and keeping record of the refunds received
- Correspondence with HMRC to follow up on the delayed VAT refunds and repayment interest
- Periodic updates to UK regulators on the status of the administration and responding to any queries raised regarding the administration process and strategy
- Arranging the renewal of the Legal Entity Identification, data protection registration and relevant FCA regulatory submissions
- Liaising with US bankruptcy Counsel and the US notifying agent, as relevant, with regards to Chapter 15 requirements and keeping the US creditor distribution list updated
- Strategic discussions and cost analysis reviews regarding various litigation matters and ongoing correspondence with legal representatives of the Company and UK and US counsel regarding live matters where immediate steps are required
- Liaising with French legal advisors in relation to the French litigation matter.
- Dealing with records in storage and statutory reviews of the listing of records held

Scheme of arrangement

Tasks providing an indirect benefit to creditors and required by statute

- Liaising with UK and US legal advisors with regards to the application to US Bankruptcy Court for Chapter 15 Recognition of the UK Direct Scheme
- Liaising with Epiq to distribute relevant notices in all potentially impacted creditors in the US in relation to the Chapter 15 Recognition of the UK Direct Scheme
- Maintaining necessary statutory files and records of Direct Scheme related documentation including evidence and notices prepared for the Convening and Sanction Hearings.

Strategy and planning

Tasks providing an indirect benefit to creditors and required by statute

- Holding strategic team review meetings critical to achieve the objectives of administration

US Surplus Lines Trust Asset Management

Tasks undertaken in relation to managing the SL Trust Asset

Whilst we are required to include these in the summary of the Joint Administrator's time costs in the Period, the Joint Administrators intend to settle these costs directly from the US Surplus Line Trust, not the general administration estate, in accordance with the recent Surplus Line Trust Deed Amendment

- Liaising with UK and US legal advisors in relation to strategy and statutory requirements of notifying US Surplus Lines creditors of the Surplus Line Trust Deed amendment, including advertisement
- Preparation and distribution of relevant notifications and documents to the US Surplus Lines creditors, including uploading documents to the Company's website
- Reviewing, performing analysis and liaising with creditors regarding claims submissions specific to the Surplus Lines Trust

- Preparing formal responses to Surplus Lines claim submissions in the form of Determination Notices.

Statement of Joint Administrators' charging policy for remuneration and disbursements pursuant to Statement of Insolvency Practice No.9

Joint Administrators' charging policy for remuneration

The Joint Administrators have engaged managers and other staff to work on the Administration. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Company's bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Joint Administrators.

All time spent by staff working directly on case-related matters is charged to a time code established specifically for this engagement. Time is recorded in units of six minutes. Each member of staff has a specific hourly rate, which is subject to change over time. The hourly rate for each category of staff over the period in accordance with resolutions passed by the Creditors Committee on 10 August 2021 is shown below:

Grade Description	Hourly Rate (£)
Partner	940
Director	770
Senior Manager	625
Manager	550
Executive	390
Analyst	250
Staff & Support	150