

**TO ALL KNOWN CREDITORS**

15 September 2025

Ref: RB/SE/PK/LM

Email: [CXRe@uk.ey.com](mailto: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 February 2025 to 16 August 2025 (“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](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 August 2025**

As reported previously, the Company has entered into a Scheme of Arrangement pursuant to Part 26 of the Companies Act 2006 (“the Direct Scheme”) with its creditors with claims arising in respect of direct insurance policies (collectively the “Direct Scheme Creditors”), deemed effective from 20 January 2025.

Under the Direct Scheme, a Final Claims Deadline for Direct Scheme Claims was set for 21 July 2025. Following the passing of the Final Claims Deadline in this Period, the Scheme Administrators are reviewing all Direct Scheme claim submissions in order to determine total Direct Scheme Claims submitted against the Company.

Full details in respect of the Direct Scheme, including all documents issued to Direct Scheme Creditors, are available at the Company's Direct Scheme Website:

[https://www.ey.com/en\\_uk/administrations/cxreinsurancecompanydirectscheme](https://www.ey.com/en_uk/administrations/cxreinsurancecompanydirectscheme)

Following Sanction of the Direct Scheme, a further Chapter 15 Recognition Order ("Direct Scheme Chapter 15 Order") was granted by the US Bankruptcy Court on 7 August 2025 pursuant to which the Direct Scheme Sanction Order is recognised and enforced in the US.

In addition to the launch of the Direct Scheme, during the Period, an amendment to the US Surplus Lines Trust Agreement was approved which authorised the Joint Administrators to set a filing deadline for all potential Surplus Lines claims, determine the value of such claims, and then distribute the assets within the Surplus Lines Trust Fund.

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**

The Final Claims Deadline for Direct Scheme Claims was set as 21 July 2025. A total of sixty Direct Scheme Claims were filed by Direct Scheme Creditors in advance of the deadline.

The Direct Scheme Administrators and their staff are currently reviewing all claims submitted and will contact the relevant creditors regarding their claim submissions in due course.

As creditors will be aware, a significant part of the Company's direct business was conducted in the US. Based on legal advice received by the Joint Administrators, following Sanction of the Direct Scheme in the UK, the Joint Administrators applied for recognition of the Direct Scheme in the US under Chapter 15 of the Bankruptcy Code. The Joint Administrators also sought closure of the Chapter 15 Case in order to limit future associated costs.

As noted above, the Direct Scheme Chapter 15 Order was subsequently granted by the Bankruptcy Court on 7 August 2025 which ordered recognition and enforcement of the Direct Scheme in the US, alongside closure of the Chapter 15 Case. All orders entered by the Bankruptcy Court survive entry of the Direct Scheme Chapter 15 Order and subsequent case closure.

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](https://www.ey.com/en_uk/administrations/cxreinsurancecompanydirectscheme).

### **Asset Realisations**

#### **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 c.\$17.3m as of 31 August 2025.

In the Period, fees in the amount of \$22,976 were paid from the administration estate to State Street, who act as Custodian to the US Trust Funds, in respect of services provided from July 2024 to October 2024, and fees in the amount of \$33,131 were paid to Blackrock, who provide asset management and accounting services to the Company, in respect of the US Trust Funds. A further \$1,000 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, as they have already done so for the Reinsurance Trust, in due course.

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 \$14.46m as of 31 August 2025.

During the Period, an amendment to the Surplus Lines Trust Deed was approved that authorised the Joint Administrators to set a bar date for all claims against the Surplus Lines Trust Fund and, subsequently, to determine the value of such claims and distribute the assets within Surplus Lines Trust.

To assist the efficient and timely conclusion of the Company's run-off, and to reduce the burden of the claim submission process for creditors, the Joint Administrators set the bar date for claims on the Surplus Lines Trust as 21 July 2025, to align with the bar date for the Direct Scheme. Accordingly, formal notice of the bar date was issued to all those creditors that the Company believed may be impacted by the Surplus Lines Trust on 31 March 2025, as well as being made available to view on the Company's Direct Scheme and US Trust website.

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

### **Reinsurance Trust**

The Reinsurance Trust is made up of cash and an investment portfolio with assets valued at USD \$2.86m as at 31 August 2025.

In the previous period, the Joint Administrators made an application to the New York Department of Financial Services ("DFS") to request a release of funds to settle agreed commutation settlements and costs incurred during the administration period. During the period, the Joint Administrators, through US legal advisors, have been liaising with the DFS to resolve their follow up queries regarding the application and a formal response is expected to be received in the next reporting period.

Following receipt of the requested amounts in respect of the commutation settlements and the agreed trusts costs, the Joint Administrators intend to make a further application for the release of surplus funds in the US Reinsurance Trust to the Company for the benefit of creditors of the estate.

### **Debt Purchase Assets and Reinsurance Debtors**

During the reporting Period, no realisations have been made in relation to Debt Purchase Assets, which predominantly relate to agreed claims in the insolvency proceedings of other insurance companies.

There have been developments in the period in relation to two of the estates in which the Company has claims. Accordingly, it is now estimated that the Company will receive funds in the amount of approximately \$1m from these estates by the end of 2025.

It is estimated that the future realisations in respect of Debt Purchase Assets will be approximately \$0.7m. However, as previously reported, the matters that impact the recoverability of the remaining

debts are outside of the Joint Administrators' control and, therefore, actual amounts recovered in due course and the timing of receipts may differ from current estimates.

A proposal document has been prepared by Company staff to enable the Joint Administrators to approach potential purchasers of outstanding assets in advance of any potential distribution within the Direct Scheme and this will remain under consideration pending the outcome of the above developments.

### **Other recoveries**

A total of €16,110 was collected during the Period in respect of refunds of retained reserves, plus interest, held by certain agents and brokers on behalf of the Company.

### **Treasury Management**

As of 31 August 2025, non-trust investments which are comprised of bonds with a market value of \$524k were held by the Company's custodian, State Street Corporation ("State Street").

No investment maturities took place in the reporting Period. The next maturity is due on 15 November 2025 in the amount of \$350k. All other remaining non-trust investments are due to mature in 2029 (\$100k), 2046 (\$6k) and 2049 (\$120k). 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 \$42,776 and £849 respectively.

### **SICAV arrangements**

As previously reported, the Company is party to 'Société d'investissement à Capital Variable' ("SICAV") arrangements with Natixis Bank based in France which holds security over cash set aside for certain creditors within France. As of 31 July 2025, the cash held totalled c.€380k.

As previously advised, based on correspondence with Natixis Bank, it is understood that the potential liabilities of the creditors for whom the security is held are estimated to be greater than the value of the assets in the SICAVs. Accordingly, it is not expected that there will be any realisable surplus funds from the SICAVs for the general estate.

### **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.

### **Litigation**

As previously reported, the Company remains 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. During the administration period, the Company has also received notification that it is subject to a potential litigation matter in the French Courts.

Direct Scheme Claims have been submitted in respect of amounts considered to be due from the Company as a result of a number of these matters. For those matters where no Direct Scheme Claims have been submitted, the Joint Administrators, in consultation with their legal advisors, will continue to monitor any action which may be required from the Company.

As referenced above and reported previously, the Joint Administrators were previously made aware of a litigation matter in the French Courts to which certain parties were attempting to join the Company. An appeal was previously filed following formal service of the litigation, and an appeal hearing was set for June 2025. The appeal hearing was heard on the set date and the outcome is due to be received later in September 2025. Assuming the appeal is granted, the Joint Administrators will consider the next most appropriate steps to protect the Company and its estate, as required.

### **Legal fees**

Legal fees in the sum of £297,183 have been paid in the Period to US bankruptcy counsel for advice and assistance in relation to the sanction, recognition and implementation of the Direct Scheme in both the UK and the US, including obtaining expert evidence in relation to Chapter 15 recognition to support the UK Court application and preparing the Chapter 15 application to obtain recognition of the UK Scheme in the US Bankruptcy Court.

Additionally, legal fees in the sum of £38,222 have been paid in the Period to UK Legal advisors and Counsel for advice and assistance in relation to the sanction and implementation of the Direct Scheme, including preparation for and attendance at the Sanction Hearing and addressing the statutory requirements following the Effective Date. £6,695 of this amount relates to Post-Sanction time and, therefore, has been included within Post-Sanction Scheme Expenses, discussed further below. Final fees in the sum of £10,000 have also been paid in the Period to UK Legal advisors and Counsel in relation to the application for extension of the administration in the prior period.

Payments in the sum of \$8,126 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 liaising with the DFS, as set out above.

Legal fees in the sum of \$9,233 and €16,250 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, in addition to the legal costs referred to above, the Company has incurred Post-Sanction Scheme Expenses in the sum of £19,460 in relation to statutory advertisements placed in both local and international publications notifying potential Direct Scheme Creditors across all relevant jurisdictions of the Direct Scheme Effective Date and Final Claims Deadline, in accordance with the terms of the Direct Scheme.

Additionally, in accordance with US Bankruptcy Law requirements, formal notice was issued to all potentially impacted creditors in the US following the application to the US Bankruptcy Court for Chapter 15 Recognition of the UK Direct Scheme. This was undertaken by the previously engaged noticing agent, Epiq Corporate Restructuring LLC ("Epiq"), who were paid fees and expenses totalling \$79,467 in the Period for their services, which also included managing and collating returned and queried mail (\$71,812 of which relates to Post-Sanction requirements and costs).

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

### **Run off Operating model**

The Company continues to employ two members of staff, one full time and one part time. The Company's staff have been liaising with Direct Scheme Creditors throughout the Period to assist them with their timely claim submissions in advance of the Final Claims Deadline and, subsequently, to review the claims submitted to assist the Director Scheme Administrators with their valuation of the claims received. Retention of the employees remains subject to the Company's operational needs and will continue to be monitored by the Joint Administrators throughout the administration and the Direct Scheme.

During the Period, a total of £165,949 has been paid in respect of the Company's staff, consisting of salaries, employer taxes, pension contributions.

### **Outsource providers**

Various outsource providers continue to provide services to the Company both in respect of the ongoing operations of the runoff and in support of the Direct Scheme. Total costs of £26,060 have been paid in the period in this regard.

Of this amount, £9,892 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, £756 relates to services provided by payroll and accounting systems providers and £1,354 relates to services provided by PRO Insurance Solutions Limited supporting Company staff to collate historical information in relation to debt purchase assets. The remaining £14,058 relates to services provided by SNL Consultants Limited ("SNL") for advice and analysis in relation to Direct Scheme Claim submissions which is assisting the Company staff to efficiently review significant Direct Scheme claims. As noted above, the Joint Administrators intend to seek recovery of costs incurred directly in relation to the Direct Scheme from the assets within the Direct Scheme in due course.

As reported previously, an extension of the systems support agreement with Espire Infolabs Limited ("Espire") (to March 2025) was previously agreed given use of the claims management system is critical to the efficient running of the Direct Scheme. Due to a delay in invoicing, the initial extension invoice had not been paid by the end of the last reporting period and has subsequently been paid in this Period. A further extension to maintain the system throughout the claims review process has been agreed in the Period for which the Company is being invoiced monthly. A total of £114,595 has been paid to Espire in the period in relation to these costs.

The Joint Administrators will monitor the requirements of the system in order that services are terminated as soon as reasonably practicable following 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 £9,886 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 £100,839 has been incurred by the Company in respect of expenses incurred and paid in the Period.

VAT returns for the periods to 28 February 2025 and 31 May 2025 have been filed with HMRC in the Period. A VAT refund in the amount of £20,255, with VAT repayment supplement of £14, has been received in the Period in respect of the return to 28 February 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**

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 2024 to 31 December 2024 as soon as practicable. No tax liability is anticipated for the 2024 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 tenth meeting of the Creditors' Committee took place in March 2025 with the eleventh meeting scheduled to take place in September 2025.

### **Receipts and payments account**

A summary of the Joint Administrators' receipts and payments for the reporting period from 17 February 2025 to 16 August 2025, and cumulatively from the commencement of the administration to 16 August 2025, 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.



As indicated in our previous report, given the further extension of the administration to 16 February 2027 to allow the implementation of the Direct Scheme and a resolution for the US Trust Funds, during the Period, the Joint Administrators prepared a further revised fee estimate, dated 13 March 2025, ("the Revised Fee Estimate") which estimates additional fees in the amount of £840k will be incurred in the two year extension period.

The estimate includes £250,305 in respect of the Joint Administrators' estimate of time to be incurred implementing and administering the claims process for the Surplus Lines Trust. Whilst these costs were included in the Revised Fee Estimate, the Joint Administrators intend to request settlement of these costs directly from the assets of the Surplus Lines Trust rather than the general administration estate, in accordance with the Surplus Lines Trust Deed Amendment discussed above. Accordingly, an analysis of the time spent in relation to the Surplus Lines Trust is shown separately within Appendix D.

The Revised Fee Estimate was shared with the Creditors Committee and discussed at the meeting in March 2025 and subsequently approved by a resolution of the Creditors' Committee following the meeting.

During the period covered by this report, the Joint Administrators have incurred time costs in the amount of £388,089 (including £45,794 in relation to the Surplus Lines Trust), of which none have been drawn. Following a resolution of the Creditors' Committee, the Joint Administrators have received approval to draw fees in the amount of £975k on account of costs incurred in the period to 17 February 2025, however, no fees have been drawn in the Period. The Joint Administrators intend to draw fees in accordance with the approvals received in the next reporting period.

An analysis of the time spent in the period, a comparison with the further Revised 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.

|  | <b>Previously reported<br/>£</b> | <b>Approved in period for<br/>previously reported time<br/>£</b> | <b>Time incurred<br/>during period<br/>£</b> | <b>Total<br/>£</b> |
|--|----------------------------------|--|--|--------------------|
| Time incurred (£)                        | 6,585,430                        | -  | 388,089                                      | 6,973,520          |
| Fees drawn (£)                           | 5,390,849                        | -  | -  | 5,390,849          |
| To be billed (£)                         | -                                | 975,000  | -  | 975,000            |
| Subject to Creditors' Committee approval | 1,194,582                        | (975,000)  | 388,089                                      | 607,671            |

To date, the Joint Administrators have incurred Category 1 and 2 expenses amounting to £28,864, of which £433 has been incurred in the reporting period, and £15,188 has been drawn from the estate to date, in accordance with approvals from the Creditors' Committee. An analysis of the expenses paid to date is set out in Appendix C of this report.

The time costs and Category 1 and 2 expenses summarised above exclude the time costs and Category 1 and 2 expenses 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 £810,284 (made up by £681,575, \$155,007 and €16,253) (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.

Similar to the Joint Administrators' fees, as a result of the additional operational costs expected to be incurred following the extension of the administration and the additional US and UK legal fees incurred implementing both the Direct Scheme and the US Trust Fund resolutions, it was expected that total expenses would exceed the previously revised estimate of expenses, dated 22 April 2024. Accordingly, a further revised estimate of expenses was shared with the Creditors' Committee at the meeting in March 2025 and is provided at Appendix C.

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). Accordingly, claims continue to be directed to the Company in the normal course.

### **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 will be valued as part of the relevant claim valuation process. The estimated outcome for each category depends significantly on, amongst other matters, the value of 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 creditors may recall and mentioned above, the Joint Administrators previously submitted a formal request to the DFS for a release of funds from the Reinsurance Trust in order to settle agreed commutation payments to the remaining cedants of the Company with entitlements against the Reinsurance Trust and we await approval of the withdrawal application from the DFS.

At this stage it remains unlikely that funds will be available to make a distribution to other Reinsurance Creditors.

## Next report

I will report to you again in six months' time by 16 March 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](mailto: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](http://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<br>Ernst & Young LLP,<br>1 More London Place<br>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: | <a href="mailto:CXRe@uk.ey.com">CXRe@uk.ey.com</a>   |
| 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.

## Appendix B

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

|   | Notes    | Statement of Affairs<br>GBP £ | Amounts as at<br>17 February<br>2025<br>GBP £ | Movement in period to 16 August 2025<br>GBP £ | Amounts as at<br>16 August 2025<br>GBP £ |
|---|----------|-------------------------------|---|---|--|
| <b>RECEIPTS</b>                                   |          |                               |   |   |  |
| Assets subject to fixed charge                    | 5        | 18,364,117                    | -   | -   | -  |
| LOC Surplus                                       |          | -                             | -   | -   | -  |
| Surplus from Trust Assets                         |          | -                             | 488,584                                       | -   | 488,584                                  |
| Cash at Bank                                      | 4        | 745,513                       | 89,363  | -   | 89,363                                   |
| Investments                                       |          | 9,277,715                     | 2,307,832                                     | -   | 2,307,832                                |
| Prepayments and accrued interest                  |          | 172,549                       | -   | -   | -  |
| Debt Purchase                                     | 3        | 2,362,893                     | 505   | -   | 505                                      |
| 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                          |          | -                             | 20,433  | 14  | 20,447                                   |
| Investment Income and Bank Interest               |          | -                             | 11,637  | 849   | 12,483                                   |
| FX Transfers from currency accounts               | 6        | -                             | 7,196,494                                     | 642,502                                       | 7,838,997                                |
| <b>Total Receipts</b>                             |          | <b>33,866,868</b>             | <b>10,519,190</b>                             | <b>643,365</b>                                | <b>11,162,555</b>                        |
| <b>PAYMENTS</b>                                   |          |                               |   |   |  |
| Staff costs                                       |          | -                             | (1,292,565)                                   | (165,949)                                     | (1,458,514)                              |
| Outsource Providers                               |          | -                             | (786,319)                                     | (26,060)                                      | (812,379)                                |
| Systems Transformation                            |          | -                             | (498,057)                                     | (114,595)                                     | (612,652)                                |
| Software Licensing                                |          | -                             | (12,979)                                      | -   | (12,979)                                 |
| IT Systems  | 10       | -                             | (23,739)                                      | (147)   | (23,886)                                 |
| Storage Charges                                   |          | -                             | (54,506)                                      | (9,886)                                       | (64,393)                                 |
| US Legal fees & Expenses                          |          | -                             | (1,061,316)                                   | -   | (1,061,316)                              |
| UK Legal fees & Expenses                          |          | -                             | (213,550)                                     | (9,999)                                       | (223,549)                                |
| Pre-Appointment Administrators' Fees              |          | -                             | (45,000)                                      | -   | (45,000)                                 |
| Post-Appointment Administrators' Fees             |          | -                             | (5,390,849)                                   | -   | (5,390,849)                              |
| Post-Appointment Administrators' Disbursements    |          | -                             | (15,188)                                      | -   | (15,188)                                 |
| UK Scheme of Arrangement - Legal Fees & Expenses  |          | -                             | (297,105)                                     | (328,710)                                     | (625,814)                                |
| UK Scheme of Arrangement – Pre-Sanction Expenses  |          | -                             | (42,962)                                      | -   | (42,962)                                 |
| UK Scheme of Arrangement – Post-Sanction Expenses | 9        | -                             | -   | (26,155)                                      | (26,155)                                 |
| Sundry Expenses                                   | 10       | -                             | (4,958)                                       | (52)  | (5,010)                                  |
| Corporation Tax                                   |          | -                             | (300)   | -   | (300)                                    |
| Input VAT incurred                                | 7        | -                             | (629,865)                                     | (80,584)                                      | (710,450)                                |
| Bank Charges                                      |          | -                             | (267)   | (22)  | (289)                                    |
| <b>Total Payments</b>                             |          | <b>-</b>                      | <b>(10,369,525)</b>                           | <b>(762,159)</b>                              | <b>(11,131,684)</b>                      |
| <b>DISTRIBUTIONS</b>                              |          |                               |   |   |  |
| Preferential Creditors                            |          |                               | (11,841)                                      | -   | (11,841)                                 |
| <b>Net Receipts/(Payments)</b>                    |          | <b>33,866,868</b>             | <b>137,824</b>                                | <b>(118,801)</b>                              | <b>19,030</b>                            |
| <b>Cash Balance as at 16 August 2025</b>          | <b>8</b> |                               |   |   | <b>19,030</b>                            |

## Appendix B

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

|   | Notes | Amounts as at 17<br>February 2025<br>USD \$ | Movement in period to 16 August 2025<br>USD \$ | Amounts as at<br>16 August 2025<br>USD \$ |
|---|-------|---|--|---|
| <b>RECEIPTS</b>                                   |       |   |  |   |
| Assets subject to fixed charge                    | 5     | -   | -  | -   |
| LOC Surplus                                       |       | 530,760                                     | -  | 530,760                                   |
| Surplus from Trust Assets                         |       | -   | -  | -   |
| Cash at Bank                                      |       | 821,849                                     | -  | 821,849                                   |
| Investments                                       |       | 5,349,232                                   | 306  | 5,349,538                                 |
| Prepayments and accrued interest                  |       | -   | -  | -   |
| Debt Purchase                                     |       | 2,948,648                                   | -  | 2,948,648                                 |
| 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                                     |
| Investment Income and Bank Interest               |       | 481,110                                     | 42,776   | 523,886                                   |
| <b>Total Receipts</b>                             |       | <b>10,288,324</b>                           | <b>43,082</b>                                  | <b>10,331,406</b>                         |
| <b>PAYMENTS</b>                                   |       |   |  |   |
| Outsource Providers                               |       | (36,679)                                    | -  | (36,679)                                  |
| Storage Charges                                   |       | (14,363)                                    | (600)  | (14,963)                                  |
| US Legal fees & Expenses                          |       | (312,028)                                   | (8,126)  | (320,154)                                 |
| Legal Costs - Various Attorneys                   |       | (315,509)                                   | (9,233)  | (324,743)                                 |
| US Legal Settlement payment                       |       | (172,867)                                   | -  | (172,867)                                 |
| US Chapter 15 Bankruptcy Noticing Agent           |       | (155,190)                                   | (7,656)  | (162,846)                                 |
| US Trust & Non-Trust Fees                         |       | (464,268)                                   | (57,107)                                       | (521,376)                                 |
| Input VAT incurred                                | 7     | (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)                                       | (71,811)                                  |
| Bank Charges                                      |       | (4,808)                                     | (474)  | (5,282)                                   |
| <b>Total Payments</b>                             |       | <b>(1,559,996)</b>                          | <b>(155,006)</b>                               | <b>(1,715,003)</b>                        |
| <b>Net Receipts/(Payments)</b>                    |       | <b>8,728,328</b>                            | <b>(111,925)</b>                               | <b>8,616,403</b>                          |
| <b>INTER-ACCOUNT CROSS CURRENCY PAYMENTS</b>      |       |   |  |   |
| FX Transfer to GBP account                        | 6     | (5,640,000)                                 | (870,000)                                      | (6,510,000)                               |
| FX Transfer to EUR account                        |       | (5,000)                                     | -  | (5,000)                                   |
| <b>Net Receipts/(Payments)</b>                    |       | <b>3,083,328</b>                            | <b>(981,925)</b>                               | <b>2,101,403</b>                          |
| <b>Cash Balances as at 16 August 2025</b>         | 8     |   |  | <b>2,101,403</b>                          |
| <b>GBP Equivalent value as at 16 August 2025</b>  | 3     |   |  | <b>1,554,752</b>                          |

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

|  | Notes | Amounts as at<br>17 February<br>2025<br>EUR € | Movement in period to 16<br>August 2025<br>EUR € | Amounts as at<br>16 August 2025<br>EUR € |
|--|-------|---|--|--|
| <b>RECEIPTS</b>                                  |       |   |  |  |
| Cash at Bank                                     |       | 41,962  | -  | 41,962                                   |
| Investments                                      |       | 2,496,151                                     | -  | 2,496,151                                |
| Debt Purchase                                    |       | 238,157                                       | -  | 238,157                                  |
| Escrow Fund Recoveries                           |       | 456   | -  | 456                                      |
| Loss Fund & Premium Recoveries                   |       | 361,236                                       | 16,110   | 377,346                                  |
| FX Transfers from currency accounts              |       | 4,502   | -  | 4,502                                    |
| <b>Total Receipts</b>                            |       | <b>3,142,464</b>                              | <b>16,110</b>                                    | <b>3,158,574</b>                         |
| <b>PAYMENTS</b>                                  |       |   |  |  |
| Legal Costs - Litigation matters                 |       | (27,862)                                      | (11,613)   | (39,474)                                 |
| Legal Costs - Debt recovery                      |       | (50,403)                                      | (4,638)  | (55,041)                                 |
| Bank Charges                                     |       | (56)  | (3)  | (59)                                     |
| <b>Total Payments</b>                            |       | <b>(78,321)</b>                               | <b>(16,253)</b>                                  | <b>(94,573)</b>                          |
| <b>Net Receipts/(Payments)</b>                   |       | <b>3,064,143</b>                              | <b>(142)</b>                                     | <b>3,064,001</b>                         |
| <b>INTER-ACCOUNT CROSS CURRENCY PAYMENTS</b>     |       |   |  |  |
| FX Transfer to GBP account                       | 6     | (3,062,423)                                   | -  | (3,062,423)                              |
| <b>Net Receipts/(Payments)</b>                   |       | <b>1,720</b>                                  | <b>(142)</b>                                     | <b>1,578</b>                             |
| <b>Cash Balance as at 16 August 2025</b>         | 8     |   |  | <b>1,578</b>                             |
| <b>GBP Equivalent value as at 16 August 2025</b> | 3     |   |  | <b>1,362</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 1.3516 and GBP 1: EUR 1.1588). 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 31 August 2025:
    - i. Assets subject to a fixed charge – USD 17,326,716
    - ii. Unencumbered non-trust investments – USD 573,889
  - b. Assets held with Natixis, valued as at 31 August 2025
    - iii. Assets subject to a fixed charge – EUR 380,269
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 August 2025 are held in the following currencies:
  - a. £ 19,029.76 of GBP;
  - b. \$ 2,100,402.66 of USD; and
  - c. € 1,578.04 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 August 2025

| Category of Expense   | Per estimate<br>dated 13 March<br>2025<br>£ (exc VAT) | Total paid to<br>16 February 2025<br>£ (exc VAT) | Paid in period to<br>16 August 2025<br>£ (exc VAT) | Total paid to<br>16 August 2025<br>£ (exc VAT) |
|---|---|--|--|--|
| <b>Payments made from the estate which are not expenses (see notes 1 and 2)</b> |   |  |  |  |
| Employee wages & salaries   | 1,610,811   | 1,199,380  | 118,305  | 1,317,685                                      |
| Employee pension contributions  | 116,079   | 93,185   | 47,644   | 140,829  |
| Service & overhead costs - TAL  | 70,662  | 70,662   | -  | 70,662   |
| Service costs - Pro   | 373,629   | 373,165  | 1,354  | 374,519  |
| Specialist Contractors  | 172,478   | 148,373  | 14,058   | 162,431  |
| IT & Finance Systems  | 778,757   | 574,910  | 114,742  | 689,652  |
| Tax & Accounting Service Contractors  | 240,028   | 185,772  | 10,492   | 196,264  |
| Insurance   | 4,603   | 2,803  | -  | 2,803  |
| UK Legal fees & Expenses - Stevens & Bolton                                     | 238,655   | 212,875  | 9,999  | 222,874  |
| UK Legal fees & Expenses - Other Law firms                                      | 675   | 675  | -  | 675  |
| US Legal fees & Expenses- Fried Frank   | 1,256,071   | 1,231,071  | -  | 1,231,071                                      |
| US Legal fees & Expenses - Insurance specialists                                | 77,047  | 61,547   | 6,012  | 67,559   |
| US Legal costs - various US attorneys   | 266,429   | 250,930  | 6,831  | 257,761  |
| US Legal Settlement   | -   | -  | -  | -  |
| UK Scheme of arrangement legal fees   | 271,076   | 269,625  | 31,527   | 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   | 79,286   |
| EU Legal costs - various attorneys  | 68,847  | 55,408   | 14,023   | 69,431   |
| Agent Fees and expenses- Epiq (Notice Agent)                                    | 172,158   | 121,011  | 5,664  | 126,675  |
| Agent Fees- Abacus (Payroll Agent)  | 2,029   | 1,405  | 156  | 1,561  |
| Bank & Interest Charges   | 7,498   | 4,023  | 375  | 4,399  |
| US Trust Fund - Regulator Fees  | 13,641  | 8,991  | 740  | 9,731  |
| Fund manager costs- Blackrock & State Street                                    | 514,030   | 281,001  | 41,512   | 322,513  |
| Storage Costs   | 120,225   | 67,563   | 10,330   | 77,893   |
| Sundry expenses   | 5,087   | 232  | 52   | 284  |
| Corporation Tax Penalty   | 300   | 300  | -  | 300  |
| <b>Total</b>  | <b>6,878,159</b>                                      | <b>5,315,071</b>                                 | <b>810,284</b>                                     | <b>6,125,356</b>                               |
| <b>Pre-Appointment Costs</b>  |   |  |  |  |
| Pre-Appointment Administrators' Fees  | 45,000  | 45,000   | -  | 45,000   |
| <b>Total pre-appointment costs</b>  | <b>45,000</b>   | <b>45,000</b>                                    | <b>-</b>   | <b>45,000</b>                                  |
| <b>TOTAL</b>  | <b>6,923,159</b>                                      | <b>5,360,071</b>                                 | <b>810,284</b>                                     | <b>6,170,356</b>                               |
| <b>Category 1 expenses</b>  |   |  |  |  |
| Specific penalty bond   | 1,280   | 1,280  | -  | 1,280  |
| External photocopying, printing & courier                                       | 15,950  | 7,885  | -  | 7,885  |
| Public Notices  | 215   | 95   | -  | 95   |
| <b>Category 2 expenses</b>  |   |  |  |  |
| Printing, postage & shipping  | 10,711  | 5,928  | -  | 5,928  |
| Stationary & hardware   | -   | -  | -  | -  |
| Mileage   | -   | -  | -  | -  |
| <b>Total category 1 &amp; 2 expenses</b>  | <b>28,156</b>   | <b>15,188</b>                                    | <b>-</b>   | <b>15,188</b>                                  |
| <b>TOTAL EXPENSES</b>   | <b>6,951,315</b>                                      | <b>5,375,259</b>                                 | <b>810,284</b>                                     | <b>6,185,544</b>                               |

#### Notes

- 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.
- 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.
- Following the further extension of the Administration to 16 February 2027, a further 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 preparation for the Direct Scheme Sanction Hearing 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 satisfying all necessary statutory requirements as mandated by the UK and US Courts following Sanction of the Direct Scheme and the Chapter 15 application to obtain recognition of the Direct Scheme in the US. These costs include advertisement of Formal Notice of the Effective Date and the Final Claims Deadline and 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.

## Summary of the Joint Administrators' time costs incurred for the period from 17 February 2025 to 16 August 2025 and cumulative to date

|   | Previous reporting period<br>17 August 2020 to<br>16 February 2025 |                   | This reporting period 17 February 2025 to 16 August 2025 |              |                       |              |                |               |                |                  |                           | Cumulative Total |                   |                           | Revised Fee Estimate to 16 February<br>2027 – dated 13 March 2025 |                                |                           |  |
|---|--|-------------------|--|--------------|-----------------------|--------------|----------------|---------------|----------------|------------------|---------------------------|------------------|-------------------|---------------------------|---|--------------------------------|---------------------------|--|
|   | Total<br>hours   | Total Cost<br>(£) | Partner  | Director     | Assistant<br>director | Manager      | Executive      | Analyst       | Total<br>hours | Time Cost<br>(£) | Average<br>Hourly<br>Rate | Total<br>hours   | Total Cost<br>(£) | Average<br>Hourly<br>Rate | Total<br>Estimated<br>hours                                       | Total<br>Estimated<br>Cost (£) | Average<br>Hourly<br>Rate |  |
| <b>Realisation of assets</b>  |  |                   |  |              |                       |              |                |               |                |                  |                           |                  |                   |                           |   |                                |                           |  |
| Trust assets  | 470.6  | 254,494           | 3.3  | -            | 4.1                   | -            | 55.3           | 1.7           | 64.4           | 27,657           | 429                       | 535.0            | 282,151           | 527                       | 480.6   | 259,684                        | 540                       |  |
| Debt purchases  | 217.1  | 92,128            | 0.3  | -            | 4.1                   | -            | 4.9            | -             | 9.3            | 4,756            | 511                       | 226.4            | 96,884            | 428                       | 221.1   | 94,198                         | 426                       |  |
| Reinsurance and other debtors   | 200.1  | 79,985            | -  | -            | 6.5                   | -            | 2.6            | 1.1           | 10.2           | 5,352            | 525                       | 210.3            | 85,337            | 406                       | 218.1   | 87,290                         | 400                       |  |
| Loss fund and premium refunds   | 24.5   | 9,923             | -  | -            | -                     | -            | 4.3            | -             | 4.3            | 1,677            | 390                       | 28.8             | 11,600            | 403                       | 36.5  | 14,888                         | 408                       |  |
| Treasury management   | 451.2  | 205,696           | 1.7  | 0.4          | 0.2                   | -            | 31.2           | 4.6           | 38.1           | 15,349           | 403                       | 489.3            | 221,045           | 452                       | 496.2   | 223,786                        | 451                       |  |
| <b>Subtotal</b>   | <b>1,363.5</b>   | <b>642,226</b>    | <b>5.3</b>   | <b>0.4</b>   | <b>14.9</b>           | <b>-</b>     | <b>98.3</b>    | <b>7.4</b>    | <b>126.3</b>   | <b>54,790</b>    | <b>434</b>                | <b>1,489.8</b>   | <b>697,016</b>    | <b>468</b>                | <b>1,452.5</b>  | <b>679,846</b>                 | <b>468</b>                |  |
| <b>Insolvency process</b>   |  |                   |  |              |                       |              |                |               |                |                  |                           |                  |                   |                           |   |                                |                           |  |
| Initial letters and notices   | 158.4  | 66,557            | -  | -            | -                     | -            | -              | -             | -              | -                | -                         | 158.4            | 66,557            | 420                       | 158.4   | 66,557                         | 420                       |  |
| Proposals, decisions procedure and creditor<br>consultation OR Statement of Affairs | 157.8  | 78,970            | -  | -            | -                     | -            | -              | -             | -              | -                | -                         | 157.8            | 78,970            | 500                       | 167.7   | 83,603                         | 499                       |  |
| CDDA and SIP2 compliance  | 93.8   | 36,107            | -  | -            | -                     | -            | -              | -             | -              | -                | -                         | 93.8             | 36,107            | 385                       | 93.8  | 36,107                         | 385                       |  |
| Creditors' Committee  | 795.5  | 403,751           | 7.1  | -            | 19.0                  | -            | 46.0           | -             | 72.1           | 36,489           | 506                       | 867.6            | 440,240           | 507                       | 912.5   | 460,701                        | 505                       |  |
| Reporting to creditors  | 985.6  | 408,945           | 2.9  | -            | 4.0                   | -            | 70.9           | 9.3           | 87.1           | 35,202           | 404                       | 1,072.7          | 444,147           | 414                       | 1,141.6   | 476,557                        | 417                       |  |
| Other statutory and compliance  | 73.8   | 28,258            | -  | -            | -                     | -            | -              | -             | -              | -                | -                         | 73.8             | 28,258            | 383                       | 103.8   | 38,878                         | 375                       |  |
| Statement of Affairs  | 9.9  | 4,633             | -  | -            | -                     | -            | -              | -             | -              | -                | -                         | 9.9              | 4,633             | 468                       | -   | -                              | -                         |  |
| Insurance   | 9.3  | 3,975             | -  | -            | -                     | -            | -              | -             | -              | -                | -                         | 9.3              | 3,975             | 427                       | 14.8  | 5,678                          | 384                       |  |
| <b>Subtotal</b>   | <b>2,284.1</b>   | <b>1,031,195</b>  | <b>10.0</b>  | <b>-</b>     | <b>23.0</b>           | <b>-</b>     | <b>116.9</b>   | <b>9.3</b>    | <b>159.2</b>   | <b>71,691</b>    | <b>450</b>                | <b>2,443.3</b>   | <b>1,102,886</b>  | <b>451</b>                | <b>2,592.6</b>  | <b>1,168,081</b>               | <b>451</b>                |  |
| <b>Dealing with creditors</b>   |  |                   |  |              |                       |              |                |               |                |                  |                           |                  |                   |                           |   |                                |                           |  |
| Creditor enquiries and management   | 683.4  | 201,924           | -  | -            | 0.4                   | -            | 0.5            | 101.5         | 102.4          | 25,820           | 252                       | 785.8            | 227,744           | 290                       | 765.4   | 231,789                        | 303                       |  |
| <b>Subtotal</b>   | <b>683.4</b>   | <b>201,924</b>    | <b>-</b>   | <b>-</b>     | <b>0.4</b>            | <b>-</b>     | <b>0.5</b>     | <b>101.5</b>  | <b>102.4</b>   | <b>25,820</b>    | <b>252</b>                | <b>785.8</b>     | <b>227,744</b>    | <b>290</b>                | <b>765.4</b>  | <b>231,789</b>                 | <b>303</b>                |  |
| <b>Insurance run off</b>  |  |                   |  |              |                       |              |                |               |                |                  |                           |                  |                   |                           |   |                                |                           |  |
| Employees and Board   | 463.3  | 196,826           | -  | -            | 1.5                   | -            | 6.2            | 11.6          | 19.3           | 6,256            | 324                       | 482.6            | 203,082           | 421                       | 512.3   | 217,913                        | 425                       |  |
| Receipts and payments   | 1,142.9  | 344,457           | -  | -            | -                     | -            | 18.3           | 93.5          | 111.8          | 30,512           | 273                       | 1,254.7          | 374,969           | 299                       | 1,308.9   | 389,372                        | 297                       |  |
| Administrators' supervision of run off  | 1,658.4  | 841,589           | 2.2  | -            | 33.8                  | -            | 50.5           | 5.3           | 91.8           | 44,213           | 482                       | 1,750.2          | 885,802           | 506                       | 1,789.4   | 904,289                        | 505                       |  |
| <b>Subtotal</b>   | <b>3,264.6</b>   | <b>1,382,872</b>  | <b>2.2</b>   | <b>-</b>     | <b>35.3</b>           | <b>-</b>     | <b>75.0</b>    | <b>110.4</b>  | <b>222.9</b>   | <b>80,981</b>    | <b>363</b>                | <b>3,487.5</b>   | <b>1,463,853</b>  | <b>420</b>                | <b>3,610.6</b>  | <b>1,511,574</b>               | <b>419</b>                |  |
| <b>Management of Company's affairs</b>  |  |                   |  |              |                       |              |                |               |                |                  |                           |                  |                   |                           |   |                                |                           |  |
| Accounting and treasury   | 838.1  | 357,640           | 1.4  | 0.2          | 6.5                   | 0.3          | 89.4           | -             | 97.8           | 40,564           | 415                       | 935.9            | 398,204           | 425                       | 1,059.6   | 449,600                        | 424                       |  |
| Pensions  | 25.2   | 10,453            | -  | -            | -                     | -            | -              | -             | -              | -                | -                         | 25.2             | 10,453            | 415                       | 27.7  | 11,938                         | 431                       |  |
| VAT & Tax   | 1,287.2  | 589,615           | 0.4  | 2.3          | 0.8                   | -            | 44.4           | 6.3           | 54.2           | 21,538           | 397                       | 1,341.4          | 611,153           | 456                       | 1,518.2   | 688,540                        | 454                       |  |
| Regulatory (UK & US)  | 289.8  | 149,446           | -  | -            | -                     | -            | 0.4            | 0.8           | 1.2            | 356              | 297                       | 291.0            | 149,802           | 515                       | 297.3   | 153,181                        | 515                       |  |
| Chapter 15  | 61.6   | 33,688            | -  | -            | -                     | -            | -              | -             | -              | -                | -                         | 61.6             | 33,688            | 547                       | 97.6  | 48,618                         | 498                       |  |
| Claims litigations matters  | 1,988.1  | 856,799           | 9.4  | -            | -                     | -            | 5.7            | 52.0          | 67.1           | 24,059           | 359                       | 2,055.2          | 880,858           | 429                       | 2,016.1   | 871,379                        | 432                       |  |
| Data & Software   | 303.8  | 149,622           | -  | -            | -                     | -            | 0.1            | 0.8           | 0.9            | 239              | 266                       | 304.7            | 149,861           | 492                       | 315.8   | 154,797                        | 490                       |  |
| <b>Subtotal</b>   | <b>4,793.8</b>   | <b>2,147,262</b>  | <b>11.2</b>  | <b>2.5</b>   | <b>7.3</b>            | <b>0.3</b>   | <b>140.0</b>   | <b>59.9</b>   | <b>221.2</b>   | <b>86,756</b>    | <b>392</b>                | <b>5,015.0</b>   | <b>2,234,018</b>  | <b>445</b>                | <b>5,332.3</b>  | <b>2,378,053</b>               | <b>446</b>                |  |
| <b>Scheme of arrangement</b>  |  |                   |  |              |                       |              |                |               |                |                  |                           |                  |                   |                           |   |                                |                           |  |
| Scheme of arrangement   | 1,774.5  | 919,680           | 4.4  | -            | 6.7                   | -            | 5.9            | 2.7           | 19.7           | 11,300           | 574                       | 1,794.2          | 930,980           | 519                       | 1,774.5   | 919,679                        | 518                       |  |
| <b>Subtotal</b>   | <b>1,774.5</b>   | <b>919,680</b>    | <b>4.4</b>   | <b>-</b>     | <b>6.7</b>            | <b>-</b>     | <b>5.9</b>     | <b>2.7</b>    | <b>19.7</b>    | <b>11,300</b>    | <b>574</b>                | <b>1,794.2</b>   | <b>930,980</b>    | <b>519</b>                | <b>1,774.5</b>  | <b>919,679</b>                 | <b>518</b>                |  |
| <b>Strategy and planning</b>  |  |                   |  |              |                       |              |                |               |                |                  |                           |                  |                   |                           |   |                                |                           |  |
| Project management and administration oversight                                     | 591.5  | 260,272           | -  | -            | -                     | -            | 28.1           | -             | 28.1           | 10,959           | 390                       | 619.6            | 271,231           | 438                       | 656.5   | 286,317                        | 436                       |  |
| <b>Subtotal</b>   | <b>591.5</b>   | <b>260,272</b>    | <b>-</b>   | <b>-</b>     | <b>-</b>              | <b>-</b>     | <b>28.1</b>    | <b>-</b>      | <b>28.1</b>    | <b>10,959</b>    | <b>390</b>                | <b>619.6</b>     | <b>271,231</b>    | <b>438</b>                | <b>656.5</b>  | <b>286,317</b>                 | <b>436</b>                |  |
| <b>Total Administration Hours</b>   |  |                   |  |              |                       |              |                |               |                |                  |                           |                  |                   |                           |   |                                |                           |  |
|   | <b>14,755.4</b>  | <b>6,585,431</b>  | <b>33.1</b>  | <b>2.9</b>   | <b>87.6</b>           | <b>0.3</b>   | <b>464.7</b>   | <b>291.2</b>  | <b>879.8</b>   |                  |                           | <b>15,635.2</b>  | <b>6,927,726</b>  | <b>443</b>                | <b>16,184.4</b>   | <b>7,175,339</b>               | <b>443</b>                |  |
|   |  |                   |  |              |                       |              |                |               |                |                  |                           |                  |                   |                           |   |                                |                           |  |
| <b>Total Administration Time Costs (£)</b>  |  |                   | <b>31,114</b>  | <b>2,233</b> | <b>54,750</b>         | <b>165</b>   | <b>181,233</b> | <b>72,800</b> |                | <b>342,295</b>   | <b>389</b>                |                  |                   |                           |   |                                |                           |  |
|   |  |                   |  |              |                       |              |                |               |                |                  |                           |                  |                   |                           |   |                                |                           |  |
| <b>US Surplus Lines Trust Asset Management</b>                                      |  |                   |  |              |                       |              |                |               |                |                  |                           |                  |                   |                           |   |                                |                           |  |
| Statutory and legal requirements  | -  | -                 | 3.6  | -            | 17.0                  | -            | 36.9           | -             | 57.5           | 28,400           | 493.9                     | 57.5             | 28,400            | 494                       | 121.0   | 62,435                         | <b>516</b>                |  |
| Communication with creditors & claims adjudication                                  | -  | -                 | -  | -            | 7.1                   | 2.0          | 30.4           | -             | 39.5           | 17,393           | 440.3                     | 39.5             | 17,394            | 440                       | 433.0   | 187,870                        | <b>434</b>                |  |
| <b>Subtotal</b>   | <b>-</b>   | <b>-</b>          | <b>3.6</b>   | <b>-</b>     | <b>24.1</b>           | <b>2.0</b>   | <b>67.3</b>    | <b>-</b>      | <b>97.0</b>    | <b>45,794</b>    | <b>472</b>                | <b>97.0</b>      | <b>45,794</b>     | <b>472</b>                | <b>554.0</b>  | <b>250,305</b>                 | <b>452</b>                |  |
|   |  |                   |  |              |                       |              |                |               |                |                  |                           |                  |                   |                           |   |                                |                           |  |
| <b>Grand Total Hours</b>  | <b>14,755.4</b>  | <b>6,585,431</b>  | <b>36.7</b>  | <b>2.9</b>   | <b>111.7</b>          | <b>2.3</b>   | <b>532.0</b>   | <b>291.2</b>  | <b>976.8</b>   |                  |                           | <b>15,732.2</b>  | <b>6,973,520</b>  | <b>443</b>                | <b>16,738.4</b>   | <b>7,425,644</b>               | <b>444</b>                |  |
| <b>Grand Total Time Cost (£)</b>  |  |                   | <b>34,498</b>  | <b>2,233</b> | <b>69,813</b>         | <b>1,265</b> | <b>207,480</b> | <b>72,800</b> |                | <b>388,089</b>   |                           |                  |                   |                           |   |                                |                           |  |
| <b>Average Hourly Rate (£)</b>  |  |                   | <b>940.0</b>   | <b>770.0</b> | <b>625.0</b>          | <b>550.0</b> | <b>390.0</b>   | <b>250.0</b>  |                |                  | <b>397</b>                |                  |                   |                           |   |                                |                           |  |
|   |  |                   |  |              |                       |              |                |               |                |                  |                           |                  |                   |                           |   |                                |                           |  |
|   |  |                   | <b>Category 1 Expenses (£)</b>                           |              |                       |              |                |               |                |                  | <b>-</b>                  |                  |                   |                           |   |                                |                           |  |
|   |  |                   | <b>Category 2 Expenses (£)</b>                           |              |                       |              |                |               |                |                  | <b>433</b>                |                  |                   |                           |   |                                |                           |  |
|   |  |                   |  |              |                       |              |                |               |                |                  | <b>433</b>                |                  |                   |                           |   |                                |                           |  |

### 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 February 2025 to 16 August 2025

The Joint Administrators' time costs incurred during the reporting period totals £644,428 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
- Liaising with agents and the Company staff to arrange collection of other debtors and assets, including retained reserves, loss funds and premium refunds
- 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 investment portfolio 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, Joint Administrators' fees and expenses, including revised estimates, and the proposed Direct Scheme.
- 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
- 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 wider project issues
- 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



## Appendix D

### 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             |