

AM03

Notice of administrator's proposals



Companies House



1 Company details

Company number 0 5 0 4 1 9 0 5

Company name in full Elevate Credit International Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Edward George

Surname Boyle

3 Administrator's address

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

4 Administrator's name ①

Full forename(s) David John

Surname Pike

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

② Other administrator
Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6

Statement of proposals



I attach a copy of the statement of proposals

7

Sign and date

Administrator's
Signature

Signature

X

Ed Bayle

X

Signature date

^d1

^d7

^m0

^m8

^y2

^y0

^y2

^y0

AM03 Notice of Administrator's Proposals



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Hayley Jennings
Company name	KPMG LLP
Address	2 Forbury Place 33 Forbury Road
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County/Region	
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Country	
DX	
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Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

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



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



Joint Administrators' proposals

Elevate Credit International
Limited - in administration

14 August 2020

Deemed delivered: 19 August
2020

Notice to creditors

We have made this document available to you to set out the purpose of the administration and to explain how we propose to achieve it.

We have also explained why the Company entered administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in the document such as the proposed basis of our remuneration.

A glossary of the abbreviations used throughout this document is included at Appendix 7.

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.kpmg.co.uk/ecil>. We hope this is helpful to you.

Please also note that an important legal notice about this statement of Proposals is included at Appendix 8.

Fraud warning:

Being alert to scams – all customers should remain alert to the possibility of fraud. If you are cold called by someone claiming to be from the Company, Sunny, KPMG or the FCA, please end the call and call the Sunny customer team on 0800 7315 444. More information about this can be found on the FCA website at: <https://fca.org.uk/consumers/protect-yourself-scams>.

Fraudsters may contact creditors asking for an upfront fee or tax to release an investment, pay a dividend or enable the release of money payable to the creditor. An administrator would never ask for such a payment nor instruct a third party to make such a request.



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1 Executive summary

- The Company was incorporated on 12 February 2004 and was a provider of high cost short term finance to consumers in the UK.
- The market in which the Company operated experienced a significant upturn in the number of redress claims being brought by customers in relation to past lending practices from mid-2018 onwards. Although the Company was profitable in recent years, the increasing number of claims being received, in particular the costs of administering and paying redress for such claims, significantly impacted the Company's available working capital.
- An April 2020 Court hearing in relation to 12 of the Company's affordability related complaints was anticipated to provide clarity on certain aspects of how affordability related complaints should be addressed. However, the judgment from this Court hearing, which had originally been expected in May 2020, was delayed primarily as a result of COVID-19 (and was only received in the first week of August 2020).
- In addition, throughout 2020 the Company has seen a decline in customer lending levels as a result of the Company implementing revised lending practices and, from March 2020, COVID-19 impacting customer behaviour and the Company's appetite to lend. This resulted in the Company becoming loss-making and needing to restructure to remain viable.
- In June 2020, the directors determined that the Company would require further funding within the following 12 months and approached both its shareholder and its third-party debt funder. Both parties advised that they did not have the appetite to invest further funds into the business. The directors deemed it unlikely that the Company would be able to avoid insolvency and, having regard to their legal duties (on which they had been taking professional advice), the directors concluded that they should take steps to appoint administrators to the Company.
- Ed Boyle and David Pike were appointed as Joint Administrators of the Company by the Directors on 29 June 2020. (See Section 2 - Background and events leading to the administration).
- The Company ceased making any new loans shortly prior to our appointment as Joint Administrators. We are trading the business in a limited capacity, using Company staff and systems to collect outstanding loan balances in the weeks following appointment. We are exploring the options available to sell the loan book and supporting platform to a third party in order to maximise realisations for creditors. (See Section 3 - Strategy and progress of the administration to date).
- Based on information currently in our possession, we understand that preferential claims of £0.2 million may exist in respect of unpaid annual leave accrued to the Company's employees. We anticipate that preferential creditors will be paid in full. (See Section 4 - Dividend prospects).
- VPM holds security in the form of the VPM Debenture which contains fixed and floating charges in relation to a £10.2 million debt facility. In addition, ECI, the US-based parent entity of the Company, holds security in the form of the ECI Debenture which is a second ranking debenture containing fixed and floating charges in relation to less than £0.05 million of inter-company balances. Based on current estimates, we consider that the Secured Creditors are likely to be paid in full, although this remains uncertain. (See Section 4 - Dividend prospects).

- ❑ Based on current estimates it is uncertain whether or not there will be a dividend available for unsecured creditors. (See Section 4 - Dividend prospects).
- ❑ In order to minimise costs, and in accordance with insolvency regulations, we intend to seek approval of this statement of Proposals using deemed consent. Notice of this deemed consent is available at www.kpmg.co.uk/ecil. (See Section 6 – Approval of Proposals).
- ❑ We propose that our remuneration will be calculated and drawn on the basis of the time properly given by us and our staff. However, as mentioned above, it is currently uncertain whether there will be sufficient funds available to make a dividend payment to unsecured creditors. If there are sufficient funds available to make a dividend payment to unsecured creditors, this would have a significant impact on the time required to complete the administration, and therefore also on the level of our fees. It would also determine who is required to approve our fees. We will therefore seek approval of our remuneration from the relevant creditors once we are able to confirm if there will be funds available to make a dividend to unsecured creditors. (See Section 7 - Joint Administrators' remuneration and disbursements).
- ❑ Whilst we are not in a position to confirm our proposed exit route from administration, we currently consider the most likely exit route will be via dissolution of the Company. (See Section 5 - Ending the administration).
- ❑ This document in its entirety is our statement of Proposals. A summary list of the Proposals is shown in Section 8 together with all relevant statutory information included by way of appendices. Unless stated otherwise, all amounts in the Proposals and appendices are stated net of VAT.

Ed Boyle

Ed Boyle
Joint Administrator

2 Background and events leading to the administration

2.1 Background information

The Company was incorporated on 12 February 2004 and was a provider of HCST finance to consumers in the UK. In 2019, the Company also developed a mid-term finance product (known as a "Sub 100" product). The Company is 100% owned by Elevate Credit Inc, a US entity listed on the New York Stock Exchange which provides similar consumer loans to the US market.

The Company operated from a leasehold premise in Bury St Edmunds and a licenced office space in London. The Company traded exclusively in the UK under the brand "Sunny", although it had historically offered other, similar products under the brand names "1 Month Loan" and "Quid" until September 2013 and March 2014 respectively.

The Company had 143 employees at the date of our appointment, all of which were working remotely as a result of COVID-19 at that time.

2.2 Funding and financial position of the Company

The Company has been reliant on funding from the US parent, ECI, and a debt facility provided by VPC. ECI had invested over £66 million in the Company since 2014.

In common with its UK HCST peers, the majority of which have ceased lending in the last two years, the Company experienced a high volume of customer affordability related complaints in recent years. The number of claims significantly impacted the Company's available working capital as it was required to pay both the operating costs associated with administering claims it received and redress to customers with successful claims. Despite these costs, the Company had remained profitable in recent years:

Summary Profit & Loss			
£'000	FY19 <i>Management accounts</i>	FY18 <i>Audited accounts</i>	FY17 <i>Audited accounts</i>
Total revenue	84,800	92,079	79,545
Net profit before tax	4,800	78	5,711

Since late 2019, the Company had been in discussions with the FCA regarding its lending practices. As a result the Company had been in the process of revising its lending procedures.

Throughout 2020, the Company had seen a decline in customer lending levels as a result of the Company implementing the revised lending practices and as a consequence of COVID-19 on customer behaviour and on the Company's appetite to lend. This led to the Company becoming loss-making and needing to restructure to remain viable. In June 2020 the directors determined that the Company would require further funding within the following 12 months.

ECI and VPC were approached and requested to consider providing further funding to the Company. However, both parties advised that they were not willing to do so.

VPM holds fixed and floating charges over the Company's assets under the VPM Debenture in relation to their debt facility provided to the Company. As at the time of our appointment, the debt facility had an outstanding balance of £10.2 million borrowed by the Company, which was guaranteed by ECI.

ECI provided a number of services, primarily in relation to third party IT contracts, to the Company for which it recharged a monthly cost to the Company. ECI holds fixed and floating charges over the Company's assets under the ECI Debenture including in relation to outstanding inter-company balances owed to ECI by the Company. As at the time of our appointment, the outstanding inter-company balance was estimated to be £44,000.

Barclays Bank PLC holds a fixed charge over a single Company bank account under a deed dated 6 November 2014, however this is in the process of being released.

2.3 Events leading to the administration

Following an introduction from the KPMG Tax team in July 2019, Ed Boyle held a number of calls and meetings with the management team.

KPMG were formally engaged on 24 March 2020 to perform a high-level options review and insolvency scenario analysis for the Company. On 12 May 2020, KPMG were formally engaged to assess one of the options further, being the feasibility of a Scheme. It was determined that a Scheme would require significant funding (be it from ECI, VPC or another third party).

On 9 June 2020 KPMG were formally engaged to assist the Company in developing a contingency plan for a controlled wind-down of the business through an administration.

Following consent from the FCA under The Financial Services and Markets Act 2000, and with the consent of the Secured Creditors, Ed Boyle and David Pike were appointed as Joint Administrators of the Company by the directors on 29 June 2020.

At the time of our appointment, we disclosed to the Court details of the work carried out by KPMG up to that time.

We are satisfied that the work carried out by KPMG before our appointment did not result in any relationships which mean that we should not have accepted the appointment as Administrators.

Furthermore, we are satisfied that we are acting in accordance with the relevant guides to professional conduct and ethics.

2.4 Appointment of Joint Administrators

The directors resolved on 24 June 2020 to appoint us as Joint Administrators.

The Secured Creditors gave consent on 28 June 2020 for the Joint Administrators to be appointed.

The notice of appointment was lodged at the High Court of Justice – the Business and Property Courts of England and Wales, Insolvency and Companies List, on 29 June 2020 and we were duly appointed.

Macfarlanes have undertaken an independent review of the Joint Administrators' appointment and have confirmed that the appointment is valid.

3 Strategy and progress of the administration to date

3.1 Strategy to date

Strategy

The Company had ceased any new lending prior to our appointment. As a result, our current strategy for the administration, in order to maximise realisations for creditors, is to continue the collection of the outstanding loan book for a period of time, whilst conducting a sale process to seek to sell all or parts of the business.

Trading

As above, we are continuing to trade the business in a limited capacity in order to collect the outstanding loans. We have retained a team of staff within the Company and secured the ongoing operation of IT systems in order to maintain customer service levels and to conduct operations in line with the Company's regulatory obligations.

A number of key suppliers critical to the business have been issued with letters in accordance with section 233B of the Insolvency Act 1986 requiring them to continue to supply their good and/or services to the Company. We have also entered into an IT support agreement with ECI to continue a number of other critical IT system services that are provided by ECI to the Company.

There were 143 employees as at the date of appointment. 32 staff were made redundant on the date of appointment. All employees are working remotely due to the impact of COVID-19 and we expect this to continue throughout the duration of the administration.

The Company had £8.9 million cash at bank upon our appointment which we transferred into new administration bank accounts. There has been no requirement for any additional third party funding of the administration and we do not anticipate any future funding requirement.

Sale of business

We are seeking to sell all or parts of the business, with the key assets being the residual customer loan book and its supporting platforms. We have identified a number of potentially interested parties who have accessed a virtual data room upon signing a non-disclosure agreement. The sale process remains in progress, and details of the process and its outcome will be included in the Joint Administrators' next update to creditors.

Redress creditors

We are yet to confirm whether there will be sufficient funds to (1) pay for the costs of a process to invite, adjudicate and pay a dividend on customer redress and other unsecured creditor claims, and (2) fund a dividend payment. As such, we have not yet developed a strategy for inviting, adjudicating and paying unsecured creditor claims. However, should we determine there are sufficient funds to make a distribution to unsecured creditors we shall provide a further update to creditors on our intended strategy for this process.

The Company has in excess of 550,000 current and former customers. While we have access to the Company's systems and key staff, we are seeking to develop a Claims Calculator to calculate potential redress claims across this customer book. This will facilitate both a sale of the loan book and the future agreement of unsecured creditor claims in a cost-efficient manner. The development of the Claims Calculator is ongoing and we are engaging with the FCA on its design.

3.2 Asset realisations

Realisations from the date of our appointment to 26 July 2020 are set out in the receipts and payments account included at Appendix 2.

Summaries of the most significant realisations to date are provided below.

Cash at bank

At the date of our appointment, cleared funds of £8.9 million were held in the Company's bank accounts. These funds have now been transferred to the Joint Administrators' bank account.

There was a further £2.3 million of cash in transit held by Worldpay at the date of our appointment. We agreed an indemnity with Worldpay to allow these funds to be released to the Company and for further ongoing loan book repayments to be passed through to the administration bank account. These funds were received into the administration bank account after 26 July 2020 so are not included in the receipts and payments account as at that date (Appendix 2).

Loan book receipts

The outstanding loan book at the date of our appointment consisted of 63,781 current loans with a gross outstanding balance of £11.8 million, and a further 192,801 overdue loans with a gross outstanding balance of £50.6 million. A summary of the loan book as at the date of our appointment is provided below:

Customer loan book balances as at 29 June 2020							
	High cost short term loans			Sub 100 loans			Overall Total
	Current	<60 dpd	>60 dpd	Current	<60 dpd	>60 dpd	
Number of customers #	33,698	3,687	89,985	2,395	147	682	130,594
Number of loans #	59,727	5,760	186,059	4,054	207	775	256,582
Total balance £	9,270,325	1,299,335	47,525,387	2,509,073	204,146	1,612,659	62,420,925
Source: Company records							

In the period to 26 July 2020 we collected £2.6 million in relation to outstanding customer loans of which £1.6 million was received into the administration bank account and a further

£1.0 million was held by Worldpay (and has subsequently been transferred into the administration bank account).

Investigations

We are reviewing the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by emailing ecilsuppliers@kpmg.co.uk.

3.3 Costs

An estimate of all the anticipated costs likely to be incurred throughout the duration of the administration is set out in the summary of expenses at Appendix 4.

Please note, as we are yet to confirm whether there will be sufficient funds to (1) pay for the costs of a process to invite, adjudicate and pay a dividend on customer redress and other unsecured creditor claims, and (2) fund a dividend payment, we have not yet developed a strategy for inviting, adjudicating and paying a dividend on unsecured creditor claims. Due to the high volume of potential redress claims that may exist in the customer population, the cost of dealing with customer redress and other unsecured claims is likely to be material. As a result of the uncertainty, no costs are included for this work in our current forecasts. Should it be determined that there will be sufficient funds to make an unsecured creditor distribution, then we shall provide a revised cost estimate to include these further costs.

We are not seeking approval of a fee estimate at this time, owing to this uncertainty regarding our forecast time costs, and which classes of creditor are required to give approval to our fees.

Payments made from the date of our appointment to 26 July 2020 are set out in the receipts and payments account at Appendix 2.

Summaries of the most significant payments made to date are provided below.

Wages & Salaries

£0.3 million was paid in the July payroll to cover the c.100 staff still employed by the Company to assist in the administration.

Rent

A payment of £20,000 (inclusive of irrecoverable VAT) was agreed to be paid to the managed service licensor of the London office to allow access until Monday 13 July 2020. The Bury St Edmunds office is occupied under a rent-free period until mid-September.

Stationary & Postage

The Company has sent certain notifications and letters (such as notices of default) to customers in compliance with the Consumer Credit Act 1974. As such, payments of £5,000 have been made to date to a printing and posting third-party mailhouse supplier.

4 Dividend prospects

4.1 Secured creditors

The Company has two main secured creditors, VPM and ECI. Freshfields have reviewed the security documentation on our behalf and have confirmed that the VPM Debenture granted by the Company to VPM is validly granted and first-ranking.

The Company's total secured debt as at the date of the Joint Administrators' appointment was £10.3million. We made an initial distribution of £5.0 million to VPM as the first-ranking secured creditor on 24 July 2020.

Based on current estimates we consider that the Secured Creditors are likely to be paid in full, although this remains uncertain.

4.2 Preferential creditors

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially.

June wages were paid prior to our appointment and we estimate the amount of preferential claims at the date of our appointment to be £0.2 million, which would all be in respect of accrued holiday pay.

Preferential creditors should be repaid in full. The timing of the distribution to preferential creditors is dependent upon the confirmation of their claim values.

4.3 Unsecured creditors

Based on current estimates, it is uncertain whether there will be a dividend to unsecured creditors. As a result, at this stage we are not adjudicating customer redress and others unsecured creditor claims.

Trade and other creditors

Trade and other creditors are owed a total of £4.4 million according to the directors' Statement of Affairs. £2.1 million of this relates to a provision for affordability related complaints which had been received by the Company and/or the FOS but remained in progress at the date of our appointment. We have identified approximately 5,000 such complaints as at the date of our appointment. A further £0.5 million relates to fees charged by the FOS in relation to complaints it received and had to process.

Redress creditors

In addition to those customers that had already submitted complaints to either the Company or FOS which remained in progress as at the date of our appointment, we anticipate there may also be a significant number of customers who have potential redress claims but who have not yet submitted a complaint.

The Company has in excess of 550,000 current and former customers. While we have access to the Company's systems and key staff we are seeking to develop a Claims Calculator to calculate potential redress claims across this customer book which will facilitate the future agreement of unsecured creditor claims in a cost-efficient manner. The development of the Claims Calculator is ongoing and we are engaging with the FCA on its design.

Should we determine that there are sufficient funds to (1) pay for the costs of a process to invite, adjudicate and pay a dividend on customer redress and other unsecured creditor claims, and (2) fund a dividend payment, then we shall provide further information regarding the process to be followed for customers to submit a redress claim.

5 Ending the administration

5.1 Exit route from administration

We consider it prudent to retain all of the options available to us, as listed in Section 8, to bring the administration to a conclusion in due course.

However, at this stage we anticipate that the most likely exit route will be through dissolution of the Company.

5.2 Discharge from liability

We propose to seek approval from all creditors using deemed consent that we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies. Notice of deemed consent is available at www.kpmg.co.uk/ecil.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

6 Approval of our Proposals

6.1 Deemed consent

In order to minimise costs and in accordance with insolvency regulations, we intend to seek approval of our Proposals using deemed consent. Notice of deemed consent is available at www.kpmg.co.uk/ecil.

Creditors' committee

At this stage, as no formal decision process is being requested we do not intend to form a committee. However, a creditors' committee can be formed if sufficient eligible creditors wish to form a committee and are willing to act. The minimum number of committee members is three and the maximum is five.

Function of a creditors' committee

A creditors' committee represents the interests of the creditors as a whole, rather than the interests of certain parties or individuals.

Its statutory function is to help us to discharge our responsibilities as Joint Administrators.

If a creditors' committee is formed, it is for that body to approve, for instance:

- ❑ the basis of our remuneration
- ❑ the drawing of certain disbursements (known as Category 2 disbursements, as defined in SIP 9)

Members of the creditors' committee are not remunerated for their time. Other than reimbursement of out-of-pocket travel expenses, they receive no payment from the Company.

6.2 Decisions

We are using deemed consent procedure to seek to obtain your consent to the following decisions:

- ❑ these Proposals are approved by the Company's creditors;
- ❑ we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies; and
- ❑ a creditors' committee should not be formed at this stage.

6.3 Creditors' right to object to deemed consent

We will summon a physical meeting of creditors (1) if asked to do so by (a) creditors whose debts amount to at least 10% of the total debts of the Company, or (b) 10% in number of creditors, or (c) 10 creditors, and (2) if the procedures set out below are followed.

Requests for a physical meeting of creditors must be made within five business days of the date on which these Proposals were delivered. They must include:

- ❑ a statement of the requesting creditor's claim;
- ❑ a list of the creditors that agree with the request, showing the amounts of their respective debts in the Company's administration;
- ❑ written confirmation of agreement from each creditor that agrees with the request; and
- ❑ a statement of the purpose of the proposed physical meeting.

In addition, the expenses of summoning and holding a meeting at the request of a creditor must be paid by that creditor. That creditor is required to deposit security for such expenses with us.

If you wish to request a physical creditors' meeting, please complete and return the physical meeting requisition form attached to the cover letter/email which included a link to these Proposals.

Creditors have the right to object to deemed consent. Please see the formal notice of the decision procedure attached to the cover letter/email which included a link to these Proposals for details of how to object to the deemed consent.

If the decision date expires without 10% in value of creditors objecting to the deemed consent, or us being required to convene a physical creditors' meeting, the creditors will be treated as having approved the decisions set out in section 6.2 above on the decision date.

If 10% or more in value of creditors do object to the deemed consent we will use a decision procedure to seek approval of the decisions set out in section 6.2 above and any others required at the time.

7 Joint Administrators' remuneration and disbursements

7.1 Approval of the basis of remuneration and disbursements

We anticipate that our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5.

Please note, this estimate does not include the cost of dealing with customer redress and other unsecured claims and making a distribution to unsecured creditors. Should sufficient funds be achieved to allow a distribution to unsecured creditors we anticipate our fees and disbursements will be significantly higher due to the work involved in inviting, adjudicating and paying a dividend on the large volume of potential unsecured claims.

Disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5.

Agreement to the basis of our remuneration and the drawing of Category 2 disbursements is subject to specific approval. It is not part of our Proposals to seek such approval at this time.

Instead, we propose to seek approval from the relevant parties, once the anticipated outcome for each class of creditor is known and our fees can be better estimated. Further information will be provided in our first progress report, or sooner.

In the lead up to the administration, we agreed the basis of our fees with the Secured Creditors as such:

Fee Proposal		
Amount available for distribution to VPC as Secured Creditor	Joint Administrators' recovery against first £1.5 million of time costs	Discount applied against additional time costs
Below £7.5 million	100%	100%
£7.5 million - £10.2 million	100%	67%
Above £10.2 million	100%	0%

As above, it is not yet clear which group of creditors will approve our fees. The relevance of this arrangement will depend on which group of creditors will approve our fees. Once clear which group of creditors will be responsible for approving our fees, we will consider it further as appropriate.

Time costs

From the date of our appointment up to 26 July 2020, we have incurred time costs of £969,582. These represent 1,654 hours at an average rate of £586 per hour.

Disbursements

We have incurred disbursements of £78 during the period. None of these have yet been paid.

Additional information

We have included at Appendix 5 an analysis of the time spent, the charge-out rates for each grade of staff and the disbursements paid directly by KPMG for the period from our appointment up to 26 July 2020. We have also included our charging and disbursements recovery policy.

8 Summary of our Proposals

As a consequence of the number of potential affordability related customer redress claims and other matters that together make it unattractive to trade the Company as a going concern, rescuing the Company in accordance with Paragraph 3(1)(a) is not achievable.

Therefore, our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our Proposals.

We propose the following:

General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above;
- to investigate and, if appropriate, to pursue any claims the Company may have; and
- to seek an extension to the administration period if we consider it necessary.

Distributions

- to make distributions to the secured creditors and preferential creditors where funds allow; and
- to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, where applicable.

Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- apply to Court for the administration to cease to have effect from a specified time and for control of the Company to be returned to the directors;
- formulate a proposal for a company voluntary arrangement ("CVA"), a Scheme or a restructuring plan and put it to meetings of the Company's creditors, shareholders and/or the Court for approval as appropriate;
- place the Company into creditors' voluntary liquidation. In these circumstances, we propose that we, Ed Boyle and David Pike, may be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed as Joint Liquidators, any action required or authorised under any enactment or otherwise to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these Proposals are approved;
- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Ed Boyle and David Pike, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment or otherwise to be taken by us, if appointed as Joint Liquidators, may be taken by us individually or together;
- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that need to be dealt with in liquidation. It is likely that the Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to expire automatically.

Joint Administrators' remuneration

We do not propose to seek approval of our remuneration or disbursements at this stage.

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Appendix 1 Statutory information

Company information

Company and Trading name	Elevate Credit International Limited
Date of incorporation	12 February 2004
Company registration number	05041905
Trading address	Blenheim House, Newmarket Road, Bury St Edmunds IP33 3SB.
Previous registered office	27-28 Eastcastle Street, London W1W 8DH.
Present registered office	KPMG LLP, 15 Canada Square, Canary Wharf, London, E14 5GL
Company directors	Steve Grice Christopher Lutes Rajpal Singh Caroline Walters Scott Greever Jason Harvison
Company Secretary	Alan Lunt

Administration information

Administration appointment	The administration appointment made in the High Court of Justice - the Business and Property Courts of England and Wales, Insolvency and Companies List, with case reference 002821 of 2020.
Appointor	Directors
Date of appointment	29 June 2020
Joint Administrators	Ed Boyle and David Pike
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2).
Current administration expiry date	28 June 2021
Prescribed Part	The Prescribed Part is applicable on this case. It has been taken into account when determining the dividend prospects for unsecured creditors (Section 4).
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is yet to be determined. The Prescribed Part is capped at the statutory maximum of £600,000.
Prescribed Part distribution	If funds do become available for a distribution under the Prescribed Part, the Joint Administrators may make a distribution to the unsecured creditors; or if appropriate, may apply to the Court to obtain an order that the Prescribed Part shall not apply on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits.
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.

Appendix 2 Joint Administrators' receipts and payments account

Elevate Credit International Limited - in Administration			
Abstract of receipts & payments			
Statement of Affairs (£)		From 29/06/2020 To 26/07/2020 (£)	From 29/06/2020 To 26/07/2020 (£)
ASSET REALISATIONS			
250,000.00	Furniture & equipment	2,750.00	2,750.00
11,242,104.00	Book debts	1,619,521.78	1,619,521.78
10,306,692.00	Cash at bank	8,927,295.25	8,927,295.25
		10,549,567.03	10,549,567.03
OTHER REALISATIONS			
34,066.00	Job Retention Scheme funds	34,066.37	34,066.37
	Sundry refunds	1,324.44	1,324.44
706,312.00	Prepaid expenses	NIL	NIL
9,098.00	Employee accounts receivable	NIL	NIL
1,324.00	Other debtors	NIL	NIL
		35,390.81	35,390.81
COST OF REALISATIONS			
	IT costs	(2,046.27)	(2,046.27)
	Irrecoverable VAT	(4,976.47)	(4,976.47)
	Agents'/Valuers' fees	(2,469.71)	(2,469.71)
	Stationery & postage	(5,032.69)	(5,032.69)
	Rent	(16,677.00)	(16,677.00)
	Wages & salaries	(270,573.79)	(270,573.79)
	Bank charges	(125.00)	(125.00)
		(301,900.93)	(301,900.93)
PREFERENTIAL CREDITORS			
(190,540.00)	Employees' arrears	NIL	NIL
(48,451.00)	Other	NIL	NIL
		NIL	NIL
FLOATING CHARGE CREDITORS			
(10,257,604.00)	Floating charge	(5,000,000.00)	(5,000,000.00)
		(5,000,000.00)	(5,000,000.00)
UNSECURED CREDITORS			
(4,428,478.00)	Trade & expense	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			

Elevate Credit International Limited - in Administration

Abstract of receipts & payments

Statement of Affairs (£)		From 29/06/2020 To 26/07/2020 (£)	From 29/06/2020 To 26/07/2020 (£)
(2,250.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
7,622,273.00		5,283,056.91	5,283,056.91

REPRESENTED BY

Floating charge current	5,283,606.91
Floating ch. VAT payable	(550.00)
	5,283,056.91

Appendix 3 Joint Administrators' fees estimate

Estimated time costs for the engagement				
	Narrative	Estimated total hours	Estimated time costs (£)	Estimated average hourly rate (£)
Administration & Planning				
Director/member		42	26,243	625
Cashiering	Note 1	222	89,069	401
General	Note 2	1,131	696,805	616
Statutory and compliance	Note 3	414	259,525	627
Tax	Note 4	95	67,800	714
Creditors				
Creditors and claims	Note 5	404	197,233	488
Employees	Note 6	277	166,778	602
Investigations				
Directors	Note 7	69	41,292	598
Investigations	Note 8	66	38,665	586
Realisation of Assets	Note 9	1,316	765,101	581
Trading	Note 10	1,101	642,334	583
Total estimated time costs		5,137	2,990,845	582

Below is further detail of the work to be undertaken for this engagement:

Note 1 – Cashiering

Cashiering costs will include processing of receipts and payments. Payments require approval by a number of authority levels before they can be released. Regular bank reconciliations will be performed by the cashiering team throughout the administration. Upon closure of the case, any unbanked dividend cheques must be cancelled and forwarded to the Insolvency Service's unclaimed dividends account, and the account must be brought to nil and closed by the bank.

Note 2 – General

General time costs include matters which do not easily fit into the other categories, such as maintaining certain pre-appointment records, alongside monitoring and reviewing administration case files, developing the administration strategy with the executive management team and the Joint Administrators' staff, and regular reporting to the secured creditors and the FCA.

Note 3 – Statutory and compliance

Statutory and compliance work will include notifying the Registrar of Companies and other relevant parties of our appointment, arranging bonding, filing the Statement of Affairs and the support of the other directors and ensuring compliance with all other statutory obligations. The Joint Administrators are required to conduct periodic internal reviews of the case, and

update their strategy documents as the administration progresses. Once all outstanding matters have been dealt with, time costs will be charged in dealing with closure formalities, including providing creditors with a final report.

Note 4 – Tax

The pre-administration tax position is to be finalised. Our work will include a review of the Company's pre-appointment tax affairs, submitting pre and post appointment VAT and corporation tax returns where possible, and the maintenance and submission of post appointment tax records. HMRC's claim will need to be established and agreed before a dividend can be declared to unsecured creditors. Before closure of the administration, the Company will need to be deregistered for VAT and clearance will need to be sought from VAT, corporation tax and PAYE departments before the case can be closed.

Note 5 – Creditors and claims

Our work includes notification of our appointment and issuing statutory reports to creditors, alongside responding to general creditor queries and correspondence received during the administration.

As noted earlier in this report, if a dividend is to be distributed to unsecured creditors then significant additional time costs not currently included in the estimate would be incurred, for example in agreeing unsecured creditor claims and issuing a distribution to unsecured creditors.

Note 6 – Employees

Employee costs will include notifying employees of our appointment, ongoing communication and supervision throughout the administration, and advising them regarding redundancy processes.

Note 7 – Directors

We will correspond with the Company's current and/or former directors in relation to the submission of their Statement of Affairs and directors' questionnaires, related D form drafting and general correspondence with the directors of the Company.

Note 8 – Investigations

We will perform our statutory investigation into the conduct of the Company's current and/or former directors and the affairs of the Company prior to our appointment as Joint Administrators. This will involve directorship searches, compliance with our statutory duties and submitting director reports and other relevant reports to the Secretary of State.

Note 9 – Realisation of Assets

This primarily consists of costs relating to the proposed sale of the loan book and/or its supporting platforms, and the collection of cash balances from the Company's bank and merchant acquirers.

Note 10 – Trading

As the Company is currently still collecting loan balances, it is still trading in a limited capacity. This work includes regular management information reporting, dealing with customer queries and complaints, liaising with suppliers, reviewing daily collections and

arranging refunds for instances of erroneous overpayments, and liaising with the FCA on an ongoing basis.

Appendix 4 Joint Administrators' expenses estimate

Expense estimate from appointment		
Expenses	Narrative	Total (£000's)
Employee costs	Note 1	1,392
Rent	Note 2	34
Operational expenses	Note 3	301
IT costs	Note 4	536
Bank charges	Note 5	50
Officeholder fees	Note 6	3,000
Legal fees	Note 7	775
Contingency - General	Note 8	1,000
Decommissioning costs	Note 9	200
Irrecoverable VAT	Note 10	922
Total		8,210

Note 1 – Employees

Employee costs will include notifying employees of our appointment, ongoing communication and supervision throughout the administration, and advising them regarding redundancy processes.

Note 2 – Rent

A payment of £20,000 (inclusive of irrecoverable VAT) was agreed to be paid to the managed service licensor of the London office to allow access until Monday 13 July 2020. The Bury St Edmunds office is occupied under a rent-free period until mid-September.

Note 3 – Operational expenses

This includes insurance, payment processing suppliers, mailhouse supplier, utility costs and others.

Note 4 – IT & Telecoms

IT & Telecom costs relate to payments to software, infrastructure and support suppliers for the Company's key systems and data sources.

Certain systems were and continue to be critical in supporting the infrastructure of the Company (for example maintaining Company records, loan book collections, financial management and human resources).

Note 5 – Bank charges

Bank charges immediately deducted from the pre-appointment bank account upon appointment, as well as charges for CHAPS same-day payments.

Note 6 – Joint Administrators' fees

This relates to the Joint Administrators' fees as detailed in Appendix 5.

Note 7 – Legal fees

This is in respect of total legal fees and disbursements in respect of the Joint Administrators' appointment, and in particular the proposed sale of the loan book and/or its supporting IT platforms.

Note 8 – Contingency

A contingency has been included due to the nature of this administration.

Note 9 – Decommissioning costs

The IT infrastructure has been built inhouse and has a number of complexities. A decommissioning plan is currently being put in place to ensure that this does not delay the proposed sale or the wind-down of the Company thereafter.

Note 10 – Irrecoverable VAT

VAT is irrecoverable on all costs related to the collection of the loan book.

Appendix 5 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT and employees from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/>

If you are unable to access this guide and would like a copy, please contact Sharon Turner on 0118 3731411.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£) for Restructuring

Grade	From 01 Jan 2020 £/hr
Partner	920
Director	810
Senior Manager	710
Manager	565
Senior Administrator	415
Administrator	315
Support	157

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following disbursements during the period 29 June 2020 to 26 July 2020.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Meals	3.50		NIL		3.50
Mileage	NIL		30.21		30.21
Travel	44.40		NIL		44.40
Total	47.90		30.21		78.11

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements are to be approved in the same manner as our remuneration.

Narrative of work carried out for the period 29 June 2020 to 26 July 2020

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences; ■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; ■ issuing a press release and posting information on a dedicated web page; ■ preparing statutory receipts and payments accounts; ■ arranging bonding and complying with statutory requirements; ■ ensuring compliance with all statutory obligations within the relevant timescales; ■ securing company records, including IT records.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same; ■ briefing of our staff on the administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ daily meeting with management to review and update strategy and monitor progress; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of the secured creditors regarding the progress of the administration and case strategy.
Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts; ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks; ■ reviewing and processing employee expense requests; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company; ■ submitting relevant initial notifications to HM Revenue and Customs; ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; ■ working initially on tax returns relating to the periods affected by the administration; ■ analysing VAT related transactions; ■ reviewing the Company's duty position to ensure compliance with duty requirements; ■ dealing with post appointment tax compliance.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Trading	<ul style="list-style-type: none"> ■ preparing cash flow statements to monitor the cash position; ■ attending to supplier and customer queries and correspondence; ■ ensuring all customer correspondence is appropriately updated for the administration and providing detailed customer FAQs; ■ raising, approving and monitoring purchase orders and setting up control systems for trading; ■ negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions, in order to ensure continued support; ■ securing petty cash on site and monitoring spend; ■ ensure ongoing operation of IT systems; ■ performing a cyber-security review of the Company's IT systems; ■ performing a regulatory compliance review of the Company's procedures that remained relevant for the ongoing collection of the customer loan book; ■ investigating and rectifying issues of regulatory non-compliance;

	<ul style="list-style-type: none"> ■ dealing with issues in relation to assets required for trading; ■ communicating and responding to customers regarding complaints and enquiries; ■ ensuring ongoing provision of emergency and other essential services to site.
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets; ■ liaising with agents regarding the sale of assets; ■ reviewing outstanding other debtors; ■ liaising with Company credit control staff and communicating with debtors; ■ pursuing debtors for the payment of outstanding amounts; ■ seeking legal advice in relation to book debt collections; ■ reviewing the inter-company debtor position between the Company and other Group companies.
Property matters	<ul style="list-style-type: none"> ■ reviewing the Company's leasehold property, including review of leases; ■ reviewing the Company's licenced office space. ■ Negotiating with the property manager for access to the property to remove Company assets and then the vacating the property. ■ Managing access to the properties for Company staff to collect personal belongings and return Company assets; ■ communicating with landlord regarding rent, property occupation and other issues;
Sale of business	<ul style="list-style-type: none"> ■ planning the strategy for the sale of the business and assets, including instruction and liaison with professional advisers; ■ seeking legal advice regarding sale of business, including regarding non-disclosure agreements and sale and purchase agreement; ■ collating relevant information and drafting information memorandum in relation to the sale of the Company's business and assets and advertising the business for sale; ■ dealing with queries from interested parties and managing the information flow to potential purchasers, including setting up a data room; ■ managing management calls with interested parties, fielding due diligence queries and maintaining a record of interested parties; ■ performing a regulatory and commercial review of the outstanding customer loan books to identify those available for sale. ■ developing a Claims Calculator.
Health and safety	<ul style="list-style-type: none"> ■ liaising with health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with; ■
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ assessing the level of insurance premiums.
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment; ■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments; ■ holding employee briefing meetings to update employees on progress in the administration and our strategy; ■ administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns; ■ communicating and corresponding with HM Revenue and Customs; ■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office; ■ managing claims from employees; ■ ensuring security of assets held by employees.
Creditors and claims	<ul style="list-style-type: none"> ■ drafting and circulating our Proposals; ■ creating and updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; ■ agreeing secured creditor and preferential creditor claims; ■ arranging an initial distribution to the secured creditor; ■ considering strategies for inviting, adjudicating and paying unsecured creditor claims should sufficient funds be realised.
Investigations/ directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration; ■ liaising with management to help them produce the Statement of Affairs and filing this document with the Registrar of Companies;

-
- arranging for the redirection of the Company's mail;
 - reviewing the questionnaires submitted by the Directors of the Company.
-

Time costs

SIP 9 –Time costs analysis (29/06/2020 to 26/07/2020)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Bankrupt/Director/Member			
General correspondence	2.20	693.00	315.00
Cashiering			
Fund management	3.70	2,090.50	565.00
General (Cashiering)	19.90	7,825.70	393.25
Reconciliations (& IPS accounting reviews)	2.10	1,404.00	668.57
General			
Books and records	28.70	14,007.00	488.05
Fees and WIP	15.90	10,113.00	636.04
Statutory and compliance			
Advising directors	3.80	3,496.00	920.00
Appointment and related formalities	13.50	7,101.50	526.04
Appointment documents	2.10	1,561.00	743.33
Bonding & Cover Schedule	1.40	954.50	681.79
Budgets & Estimated outcome statements	53.10	20,536.50	386.75
Checklist & reviews	13.20	4,771.50	361.48
Pre-administration checks	0.40	368.00	920.00
Reports to debenture holders	1.60	1,136.00	710.00
Statutory advertising	0.20	113.00	565.00
Strategy documents	38.60	30,026.50	777.89
Tax			
Initial reviews - CT and VAT	14.70	7,283.00	495.44
Post appointment corporation tax	3.10	1,703.50	549.52
Post appointment PAYE (Non Trading)	0.80	332.00	415.00
Post appointment VAT	2.90	1,336.00	460.69
Creditors			
Creditors and claims			
Agreement of claims	8.70	6,177.00	710.00
General correspondence	61.25	26,701.75	417.91
Legal claims	0.90	373.50	415.00
Notification of appointment	9.80	5,351.50	546.07
Payment of dividends	2.30	954.50	415.00
Pre-appointment VAT / PAYE / CT	0.75	423.75	565.00

SIP 9 –Time costs analysis (29/06/2020 to 26/07/2020)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Secured creditors	5.50	3,076.50	559.36
Statutory reports	16.60	11,289.00	680.06
Employees			
Correspondence	71.00	40,182.50	565.95
DTI redundancy payments service	2.80	1,582.00	565.00
Pensions reviews	3.60	1,371.00	380.83
General analysis			
Asset Realisation			
Debtors communications	7.50	5,325.00	710.00
Sale of loan book	211.95	102,417.50	483.22
Cashiering			
Banking matters	13.10	8,024.50	612.56
General			
Communications management	80.30	60,020.00	747.45
Cyber Security	69.40	36,733.50	529.30
Data management	11.60	9,396.00	810.00
Data preservation	12.50	5,412.50	433.00
IT infrastructure	117.60	92,305.00	784.91
Strategy and Meetings	188.05	112,928.25	600.52
Statutory and compliance			
Claims calculation	3.00	945.00	315.00
Customer complaints	24.10	16,965.50	703.96
FCA Reporting	57.70	42,142.00	730.36
Investigation			
Directors			
Correspondence with directors	1.20	907.00	755.83
Directors' questionnaire / checklist	6.30	2,379.50	377.70
Statement of Affairs	7.40	4,682.50	632.77
Investigations			
Mail redirection	12.40	5,555.00	447.98
Realisation of assets			
Asset Realisation			
Cash and investments	12.70	5,418.50	426.65
Debtors	52.60	34,041.50	647.18
Health & safety	24.65	11,539.75	468.14

SIP 9 –Time costs analysis (29/06/2020 to 26/07/2020)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Insurance	3.50	1,452.50	415.00
Leasehold property	23.45	12,425.25	529.86
Office equipment, fixtures & fittings	10.90	4,508.50	413.62
Rent	0.50	207.50	415.00
Sale of business	9.80	6,870.00	701.02
Trading			
Employee Matters / PAYE	202.70	114,898.50	566.84
Negotiations with suppliers / landlords	27.50	15,910.50	578.56
Post trading related matters	0.60	189.00	315.00
Trading Management	56.00	41,647.00	743.70
Total in period	1,654.10	969,582.45	586.17
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	1,654.10	969,582.45	
Carry forward time (appointment date to SIP 9 period end date)	1,654.10	969,582.45	

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Appendix 6 Statement of Affairs, including creditor list

This is the Statement of Affairs for the Company as at the date of our appointment, provided by a then director of the Company.

We have not carried out anything in the nature of an audit on the information provided.

We make the following comments on the Statement of Affairs:

- the figures do not take into account the costs of realisation and the administration process; and
- an unsecured liability of £2.2 million is included for redress claims where the Company has received a complaint, but which remain in progress. However, an unquantified liability is also included in relation to customers who have a potential redress claim but have not submitted a complaint, as this amount is not quantifiable at this time.

Rule 3.30

Statement of Affairs

Name of company Elevate Credit International Limited	Company number 05041905
In the High Court of Justice - Business and Property Courts of England and Wales Insolvency and Companies List (ChD) (full name of court)	Court case number CR-2020-002821

Statement as to the affairs of (a)
Elevate Credit International Limited, 27-28 Eastcastle Street, London, W1W 8DH

(a) Insert name and address of registered office of the company

on the (b) 29 June 2020 the date that the company entered administration.

(b) Insert date of appointment

Statement of Truth


I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 29 June 2020, the date that the company entered administration.

Full name STEVE MARTIN PRICE
Signed [Signature]
Dated 20/7/20

A - Summary of Assets

Assets

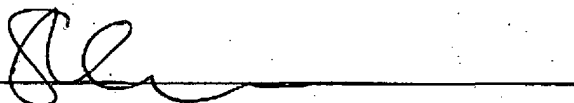
	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Total assets subject to fixed charge	0	0
Less: Amount(s) due to fixed charge holder(s)		
Shortfall/surplus to fixed charge holder(s) c/d	0	0
Assets subject to floating charge:		
Cash in Bank and Transit	10,306,692	10,306,692
Loan Book	13,254,773	11,242,104
HMRC - RDEC and Job Retention Scheme receivable	269,094	34,066
Prepaid Expenses	2,109,416	706,312
Employee Accounts Receivable	9,098	9,098
Other Debtors	4,082	1,324
Deposits	136,500	0
Property and Equipment	10,674,473	250,000
Total assets subject to floating charge	36,764,129	22,549,596
Uncharged assets:		
Total uncharged assets	0	0
Estimated total assets available for preferential creditors		22,549,596

Signature  Date 20/7/20

A1 - Summary of Liabilities

	Estimated to Realise
£	£
Estimated total assets available for preferential creditors (carried from page A)	22,549,596
Liabilities	
Preferential creditors:	
Preferential (employee) creditors (No. 34 SAYE and 2 Employee Expense)	-190,540
Other preferential creditors: Scottish Widows Pension Contribution	-48,451
Estimated deficiency/surplus as regards preferential creditors	22,310,605
Less uncharged assets	0
Net property	22,310,605
Estimated prescribed part of net property where applicable (to carry forward)	-600,000
Estimated total assets available for floating charge holders	21,710,605
Debts secured by floating charges	-10,257,604
Estimated deficiency/surplus of assets after floating charges	11,453,002
Estimated prescribed part of net property where applicable (brought down)	600,000
Uncharged assets	0
Total assets available to unsecured creditors	12,053,002
Unsecured (trade) (non-preferential) creditors	-4,428,478
Unsecured (employee) creditors ()	0
Unsecured (pre-paid consumer) creditors (No.)	0
Estimated deficiency/surplus as regards unsecured creditors	7,624,524
Shortfall to fixed charge holders (brought down)	0
Shortfall to preferential creditors (brought down)	0
Shortfall to floating charge holders (brought down)	0
Estimated deficiency/surplus as regards creditors	7,624,524
Issued and called up capital	2,250
Estimated total deficiency/surplus as regards members	7,626,774

Signature



Date

20/7/20

Only use these tags: ``

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Abstract

20/2/02

COMPANY TRADE CREDITORS									
NOTE: You must include all creditors with the EXCEPTION of employee creditors and pre-paid consumer creditors. You must confirm if any of the creditors are under hire-purchase, chattel leasing or conditional sale agreements by stating which of these (if any) are applicable in the column below. You must also identify any creditors claiming retention of title over property in the Company's possession by including a tick in the ROT column below.									
Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £	HP/Chattel/Conditional Sale	Claiming ROT		
Abbey Security Services Ltd	Porters House, 32-33 Eastern Way, Burn St Edmunds, IP32 7AB	622.80							
Allied International Credit (UK) Limited	4TH Floor, Anderson House, 389 Argyle Street, Glasgow, G3 8LR	2,940.00							
Aspire Money Limited	Unit 1, Castle Court, 2 Castle Gate Way, Dudley, DY1 4RH	400.00							
Automatic Data Processing	Seward Place, Pyroft Road, Chertsey, Surrey, KT16 9JT	3,114.58							
Arid Xchange	75 Remittance Drive, Suite 666 Chicago, IL 60675-6666, US	1,756.47							
Barclays Bank PLC	1 Churchill Place, London, E14 5HP	15,000.00							
Blighpool Limited	One Angel Court, 15th Floor, London, EC2R 7HJ	4,912.99							
Cash Converters (UK) Ltd	Innovation House, Aston Lane South, Preston Brook, Cheshire, WA7 3FY	1,920.00							
Computershare Investor Services PLC	The Pavilions, Bridgewater Road, Bristol, BS99 6ZZ	3,365.12							
Concur Holdings (Netherlands) B.V.	Amerikastraat 10, 5132 BE s-Hertogenbosch, The Netherlands	752.00							
Digitonomy Limited	Steam Mill Business Centre, Steam Mill Street, Chertsey, Cheshire, CH3 5AH	4,060.00							
Edwin Cox LLP	2 Stone Buildings, Lincoln's Inn, London, WC2A 3TH	11,042							
Equifax Ltd	First Floor, 6 Wellington Place, Leeds, West Yorkshire, LS1 4UP	65,630							
Equiniti Credit Services	The Nostrom Group Limited, Elder House, St Georges Business Park, Brooklands Road, Welbridge, Surrey, KT13 0TS	330,000							
Ergilio	7A Pobediteley Prospekt, Office 30, Minsk, Belarus 220004	32,442							
Experian Limited	Sir John Peace Building, Experian Way, Nottingham, NG30 1ZZ	85,100							
Expileo Technology UK Limited	7-11 Moorgate, London, EC2R 6AF	31,002							
Financial Ombudsman Service	Financial Ombudsman Service, Case Fee Team, Exchange Tower, London, E14 9SR	460,650.00							
Finder.com Comparison UK Ltd	Level 2, 20 St Thomas Street, London, SE1 9RG	2,220							
Gamma Business Communications Ltd	The Port House, Marina Keep, Port Solent, Portsmouth, PO6 4TH	26,533							
Google Ireland Limited	Gordon House, Barrow Street, Dublin 4, Ireland	26,863							
Hill & Knowlton	The Buckley Building, 49 Clerkenwell Green, London, EC1R 6EB	29,410							
Hogan Lovells Solutions Limited	Atlantic House, Holborn Viaduct, London, EC1A 3FG	9,804							
HMRC PAYE and PSA	FT Operations North East England, HM Revenue and Customs, BPS 1BX	354,865							
HMRC VAT	HM Revenue and Customs - VAT Written Enquiries, 123 St Vincent Street, Glasgow, G3 5EA	251,569							

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[illegible]

Signature		Date	20/7/20
Signature			

Appendix 7 Glossary

Companies Act	Companies Act 2006
Company	Elevate Credit International Limited (in administration)
Claims Calculator	A model to be developed by the Company for the purposes of assessing whether a customer may have a valid complaint, and if so, calculating the value of any potential redress claim.
dpd	Days past due (referring to repayment of a customer's loan)
ECI	Elevate Credit Inc, the US and Group parent and sole shareholder of the Company
ECI Debenture	The debenture granted by the Company to ECI dated 25 July 2014
FCA	UK Financial Conduct Authority
FOS	UK Financial Ombudsman Service
Freshfields	Freshfields Bruckhaus Deringer LLP, the Joint Administrators' legal advisor
FYXX	Financial year end 31 December 20XX
Group	All entities, including the Company, of which ECI is the ultimate parent company
HCST	High cost, short term credit
Joint Administrators/we/our/us	Ed Boyle and David Pike

KPMG	KPMG LLP
Macfarlanes	Macfarlanes LLP, a legal advisor to the Joint Administrators
Management	The Company's senior management team
Proposals	The Joint Administrators' statement of proposals in accordance with paragraph 49 of Schedule B1 and as set out in this document
Rules	Insolvency Rules (England and Wales) 2016 (as amended from time to time)
Schedule B1	Schedule B1 of the Insolvency Act 1986
Scheme	Scheme of Arrangement as defined by the Companies Act
Secured Creditors	Other than Barclays Bank PLC, the secured creditors of the Company, being VPM and ECI
Statement of Affairs	The statement of the affairs of the Company provided to the Joint Administrators in accordance with paragraph 47 of Schedule B1 and included in Appendix 6
UK	United Kingdom
US	United States of America
VPC	Victory Park Capital Advisors LLC, the Company and the Group's third-party finance provider

VPM

Victory Park Management LLC, as collateral agent in respect of the VPM Debenture

VPM Debenture

The debenture granted by the Company to VPM dated 15 August 2014

Unless otherwise stated, any references in these Proposals to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Appendix 8 Notice: About this statement of Proposals

Capitalised terms in this notice have the meaning given to them in the Glossary included at Appendix 7.

These Proposals have been prepared by Ed Boyle and David Pike, the Joint Administrators of the Company, solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

These Proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the same group.

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

Any person that chooses to rely on these Proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these Proposals.

Edward George Boyle and David John Pike are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of these Proposals or the conduct of the administration.

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