

AM10

Notice of special administrator's progress report



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 9 3 8 5 0 7 5

Company name in full Fido Finance Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Kristina

Surname Kicks

3 Administrator's address

Building name/number c/o Interpath Ltd

Street 10 Fleet Place

Post town London

County/Region

Postcode E C 4 M 7 R B

Country

4 Administrator's name ①

Full forename(s) Edward George

Surname Boyle

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number c/o Interpath Ltd

Street 10 Fleet Place

Post town London

County/Region

Postcode E C 4 M 7 R B

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

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6 Period of progress report

From date	^d 0	^d 2	^m 0	^m 6	^y 2	^y 0	^y 2	^y 3
To date	^d 0	^d 1	^m 1	^m 2	^y 2	^y 0	^y 2	^y 3

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

K. K. K.

X

Signature date

^d 2	^d 2	^m 1	^m 2	^y 2	^y 0	^y 2	^y 3
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**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 **William Foster**

Company name **Interpath Ltd**

Address **5th Floor, 130 St Vincent Street**
Glasgow

Post town **G2 5HF**

County/Region

Postcode

Country

DX

Telephone **Tel +44 (0) 203 989 2800**

**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 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 Special Administrators' progress report for the period 2 June 2023 to 1 December 2023

Fido Finance Limited – in Special Administration

22 December 2023

Deemed delivered: 27 December 2023

Notice to creditors

This progress report provides an update on the special administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the special administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 5).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, www.ia-insolv.com/case+INTERPATH+FN523E5150.html.

We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 6).

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1 Executive summary

Adrian Kreter International Holdings Ltd made an application to Court for Fido Finance Limited (the '**Company**') to be placed into special administration. A Special Administration Order was made on 2 June 2023 (under case reference: CR-2023-002851) and Kris Kicks and Ed Boyle were duly appointed as Joint Special Administrators ('**JSAs**').

The Special Administration is conducted under the Payment and Electronic Money Institution Insolvency Regulations 2021 ('PSAR').

Our statement of proposals ('**Proposals**') was delivered to all known customers and creditors on 21 July 2023. A decision to approve our Proposals without modification was taken by the customers and creditors at the initial meeting of customers and creditors on 9 August 2023. It was also agreed that a Creditors' Committee would be formed.

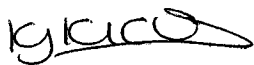
This progress report covers the period from the date of our appointment to 1 December 2023.

The JSAs' primary objective is to return funds to customers, and we continue to progress our strategies to realise assets in order to meet this objective. The JSAs have realised customer funds of £310,877 during the period as well as Company funds of £21,511.26 during the period (Section 2 - Progress to date).

There will be preferential claims to be agreed in the estate, such as employee claims however, it is not yet clear whether any dividend will become available for ordinary preferential creditors (Section 3 - Dividend prospects).

Accordingly and based on current estimates, it is unclear whether there will be any dividend available to secondary preferential creditors and unsecured creditors (Section 3 - Dividend prospects).

Please note: you should read this progress report in conjunction with our Proposals which were issued to the Company's creditors and can be found at www.ia-insolv.com/case+INTERPATH+FN523E5150.html. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Kristina Kicks
Joint Special Administrator

2 Progress to date

This section updates you on our strategy for the special administration and on our progress to date. It follows the information provided in our Proposals.

2.1 Strategy and progress to date

Objectives

As detailed in our Proposals, which were approved by customers and creditors on 9 August 2023, a key priority of our work at the commencement of the Special Administration was to identify and take control of customer funds in order to seek to return relevant funds to customers as soon as reasonably practicable (Objective 1), before winding the Company up in the best interests of creditors (Objective 3).

In terms of Objective 2, we have notified the Payment Systems Regulator of our appointment, and we will continue to liaise with the Financial Conduct Authority ('FCA') (and, to the extent requested, with the Payment Systems Regulator, HM Treasury and the Bank of England) in accordance with Regulation 35 of The Payment and Electronic Money Institution Insolvency Regulations 2021 ('**Regulations**').

In addition, the JSAs have not at this stage of the Special Administration set a bar date. The JSAs are permitted to set a bar date if we think it necessary in order to expedite the return of relevant funds from an asset pool in accordance with Regulation 20 of the Regulations.

Strategy

Following our appointment, the JSAs undertook a range of regulatory and statutory duties, and their work included securing the Company's assets, books, records and information technology, and gathering information to understand the Company's affairs, in particular in relation to reconciling customer funds. Key activities in the Special Administration to date are set out in the bullet points below:

- Extracting/uplifting and securing all Company books and records, in particular those containing transactional and associated data;
- Liaising with financial institutions who provided account services and held customer and company accounts/funds in order to confirm account balances, obtain transaction history, locate, identify and recover the funds (subject to any restrictions);
- Performing analyses of customer and company funds to the extent that the Company and third-party records allow;
- Dealing with customer and creditors' queries and concerns via a dedicated customer and creditor queries hotline and via a dedicated mailbox (fmoney@interpathadvisory.com);

- Dealing with queries and claims from employees and potential preferential and unsecured customers and creditors;
- Corresponding with key employees, directors and other stakeholders to further our understanding of the Company's activities in the lead up to the Special Administration;
- Liaising with potential interested parties regarding a potential sale of the Company's assets;
- Reviewing regulatory requirements as per the Regulations and The Payment and Electronic Money Institution Insolvency (England and Wales) Rules 2021 (the '**Rules**'); and
- Responding to information requests from authorities where legally required to do so.

The JSAs agreed initial and subsequent funding totalling £245,000 from the Applicant Creditor for special administration expenses, to carry out initial information gathering, to secure company assets and to undertake investigations into the Company's affairs.

Further information in relation to our ongoing work and enquiries is set out in Section 2.3 below.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below:

Cash at bank

On appointment, the Company held £110,670 at ClearBank in customer designated accounts. We notified ClearBank of our appointment and subsequently received these funds into the Special Administration customer funds account. ClearBank were also holding £2 in relation to Company funds and have transferred this amount to the Special Administration Company funds account.

The Company operated an account with Revolut to hold Company funds. At our appointment, this account held £38. This amount has been transferred to the Special Administration Company funds account.

Funds held in Escrow

Immediately upon our appointment, we accessed the Company's accounting data held on the Xero accounting system which showed 'Visa/MC Escrow £221,297' (the '**Visa Funds**'). We made enquiries of the Directors and certain employees on this amount and the same description that this sum that was required to be held for regulatory purposes was given.

We were subsequently advised that there was c.£200,000 held in a State Street account (the '**Escrow Funds**') which represented customer funds. We were then advised that the Escrow Funds were held via a third party as an introducing partner.

The JSAs undertook investigations to trace the customer funds which represented the Escrow Funds and identified five payments totalling £200,000 paid to a third party in December 2022 and January 2023 (the '**Payments**').

The JSA wrote to the third party who noted their role as an introducing partner and confirmed that they were not aware of an Escrow account at State Street. The third party confirmed that the Payments were advanced to them in relation to a deposit for a potential share purchase in a third-party company and provided documentation to support the same.

After considering the legal status of the Payments, all funds were returned by the third party to the Special Administration estate on 19 October 2023. We continue to consider if there is any further additional action in relation to the Visa Funds.

Loan to Associates

The Company issued a loan of EUR 97,000 (the '**Loan**') to an associate of a Company director. The JSAs were advised that these funds would be returned by 30 September 2023 following the sale process of a property in Finland.

Subsequently, it has been claimed that most of the Loan had previously been repaid to the Company from an e-wallet provider and details of a payment made on 17 May 2023 totalling £70,000 were provided. Whilst this sum has been identified in the Company's bank account, there is no evidence to show this represented a partial repayment of the Loan.

On 25 October 2023, the JSAs received £19,315 in the Special Administration estate account towards the Loan and the JSAs' position regarding the recovery of a further £70,000 (plus interest) remains fully reserved whilst investigations into the matter continue.

Business rates refunds

York City Council wrote to the JSAs in August 2023 confirming that the Company had overpaid amounts due in respect of business rates by £2,099. At our request, York City Council refunded these overpayments to the Special Administration Company funds account.

Other assets

During the period of this report, bank interest of £302 was received by the various Special Administration bank accounts opened by the JSAs.

2.3 Progress with enquiries

We continue to investigate the affairs of the Company in accordance with our statutory duties and to consider if there are any potential actions which may be taken to increase recoveries for creditors.

We have complied with the relevant statutory requirements by submitting the online director conduct assessment to the Department for Business, Energy and Industrial Strategy. The contents of our submission are confidential.

We provide an update below on the progress of investigations:

Funds held with third parties

The JSAs have been advised that the Company was introduced to acquiring partners to facilitate the provision of payment services to customers prior to becoming a FCA regulated Electronic Money Institution (“**EMI**”). Furthermore, that the Company is party to an agreement with three unconnected companies whereby they may be holding funds in relation to rolling reserves accrued on a merchant services contract (the ‘**Rolling Reserve**’), and a deposit covering the same period (the ‘**Deposit**’). An amount of cUS\$700,000 has been suggested as funds held.

We have retrieved emails with the unconnected companies from the Company’s records which confirm that there were dealings with the Company.

In addition, there are ongoing arbitration proceedings between the Company and a former merchant services customer for amounts not paid to the customer, which may relate to the Rolling Reserve and the Deposit.

We continue to make enquiries in order to establish if recoveries may be made in relation to the Rolling Reserve and the Deposit.

Property asset

Upon our appointment, we were advised that a Company director had used funds of £800,000 advanced to him, either in relation to a dividend payment or a loan agreement in September 2021, for a property purchase (the “**Property**”). We continue to investigate the circumstances and nature of the Company’s funds being used to purchase the Property.

The Property is also subject to legal proceedings in the Family Court and it has been necessary to file a position statement in order to explain our investigations and the matter continues.

Crypto

The JSAs have established that the Company held a cryptocurrency account (the ‘**Crypto Account**’) with a large US based cryptocurrency exchange. We wrote to the exchange to secure the account and any crypto assets that may remain therein. The cryptocurrency exchange has been responding to our requests for information and we are progressing our ongoing analysis as quickly as possible.

York City Knights

We understand that the Company had a sponsorship arrangement with York City Knights , a local rugby club, which received sponsorship monies totalling £100,000 (“**Sponsorship Monies**”). We are in correspondence with York City Knights.

2.4 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

Legal fees

£20,123 has been paid in the period in relation to the legal advice provided by our solicitors, Michelmores LLP, on various matters relating to the Special Administration, including advice provided in relation to the Property and the arbitration proceedings between the Company and a former merchant services customer.

Regulatory advisors' fees

£5,000 was paid to Bovill Limited for consultancy work undertaken by them to review the Company's processes and controls with respect to their safeguarding obligations under the Regulations.

Irrecoverable VAT

The Company deregistered for VAT prior to our appointment and as such no longer has an active VAT registration number.

As the Company service was not a taxable supply, VAT is irrecoverable in the Special Administration.

2.5 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

3 Dividend prospects

3.1 Customers

The Regulations provide that Customer Funds are pooled on Special Administration and are to be distributed to customers on a pari passu basis. Costs of distributing the Customer Funds are required to be deducted from the Customer Funds before being distributed. The Regulations also provide that under certain criteria, amounts may be required to be transferred from the Company Funds and other assets to the Customer Funds.

As a result of inadequate record keeping at the Company, to date, it has not been possible to undertake a full customer funds reconciliation. As a result, both the timing and quantum of a distribution to customers from the Customer Funds remains uncertain.

3.2 Secured creditors

We are not aware of any secured claims against the Company.

3.3 Ordinary preferential creditors (employees)

We estimate the amount of ordinary preferential claims to be £37,901.

Based on current estimates, it is unclear whether there will be a dividend to ordinary preferential creditors.

3.4 Secondary preferential creditors (HMRC)

We estimate the amount of secondary preferential claims to be £481,422.

Based on current estimates, it is unclear whether there will be a dividend to secondary preferential creditors.

3.5 Unsecured creditors

Based on current estimates, it is highly unlikely that there will be a dividend to unsecured creditors.

4 Other matters

4.1 Creditors' Committee

A Creditors' Committee (the '**Committee**') has been formed during the period. The members are:

- Adrian Kreter (customer);
- Adrian Kreter International Holdings Ltd (creditor);
- Godel Technologies Limited (creditor); and
- UAE Exchange UK Ltd (customer).

Function of the Creditors' Committee

The Creditors' Committee represents the interests of the creditors and customers 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 Special Administrators.

Members and observers of the Creditors' Committee are not remunerated for their time. Other than receiving travel expenses, they receive no payment from the Company.

Committee meetings

The first Committee meeting took place on 25 September 2023, with a second meeting held on 21 November 2023. The next Committee meeting is scheduled to take place on 30 January 2024.

At both meetings the JSAs provided an update to the Committee with respect to the progress of our investigations and the realisation of assets.

The Committee voted and approved the Joint Special Administrators' remuneration resolution as mentioned in Section 5.1 below.

4.2 Regulatory matters

The Financial Conduct Authority

Throughout the period we have provided regular updates to the FCA in relation to a number of matters including customer communications and our work relating to customer funds.

In addition, the FCA has not given a direction under Regulation 38 of the Regulations that the JSAs must prioritise one or more special administration objectives.

The Payment Services Regulator

In line with Objective 2, we notified the Payment Services Regulator of our appointment.

However, there has been no further involvement in the case from the Payment Services Regulator.

5 Joint Special Administrators' remuneration, expenses and pre-administration costs

5.1 Joint Special Administrators' remuneration

During the period, the Committee provided approval that:

- That the JSAs' remuneration in relation to work performed in pursuit of each of Objectives 1, 2 and 3 be drawn on the basis of time properly given by them and the various grades of their staff in attending to matters arising in the special administration in accordance with the fees estimate and charge-out rates set out in our Proposals.

At present, this approval is restricted to time costs incurred to 15 September 2023 in the sum of £393,684 (plus VAT) and allocated as £360,139 in relation to Objective 1, £1,170 to Objective 2 and £32,375 to Objective 3.

Time costs

From the date of our appointment to 1 December 2023, we have incurred time costs of £572,187. These represent 1,144 hours at an average rate of £500 per hour.

Remuneration

During the period, we have drawn remuneration of £150,000 plus VAT in respect of our Objective 1 time costs.

Special Administrators' Expenses

During the period, we have incurred expenses of £22,017. None of these have been paid to date.

Additional information

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Interpath for the period from our appointment to 1 December 2023. We have also attached our charging and expenses policy.

5.2 Pre-administration costs

We disclosed the following pre- administration costs, which were unpaid at the date of our appointment, in our Proposals:

Total	9,021.50	4,510.75	-	4,510.75

No pre-appointment costs have been paid to date.

6 Future strategy

6.1 Future conduct of the special administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the special administration. This will include but not be limited to:

- Continuing to conduct detailed bank statement analyses;
- Continuing to liaise with third parties regarding the Rolling Reserve and the Deposit;
- Continuing to liaise with our legal advisors regarding the Property; and
- Continuing our other investigations to consider if there are any potential actions which may be taken to increase recoveries for creditors.

Subject to the outcome of the above, we would then seek to develop a distribution plan in line with the requirements of the Regulations and then invite and adjudicate customer claims in order to be able to pay a distribution. However, the timing and quantum of any distribution, including whether an interim distribution may be paid, remains uncertain.

6.2 Future reporting

We will provide a further progress report within one month of 1 June 2024 or earlier if the special administration has been completed prior to that time.

Appendix 1 Statutory information

Company name	Fido Finance Limited (in special administration)
Date of incorporation	12 January 2015
Company registration number	09385075
Present registered office	Interpath Ltd, 10 Fleet Place, London, EC4M 7RB
Special Administration appointment	The special administration appointment granted in the High Court of Justice, Business and Property Courts of England & Wales Insolvency and Companies List (ChD), CR-2023-002851.
Appointor	Applicant to Court
Date of appointment	2 June 2023
Joint Special Administrators' details	Kristina Kicks and Ed Boyle
Prescribed Part	The Prescribed Part is not applicable on this case as there is no floating charge, and therefore the JSAs do not propose to make an application under section 176A(5) of the Insolvency Act 1986 (as applied by Regulation 37 of the Regulations).
Functions	The functions of the Joint Special Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 (as applied by Regulation 37 of the Regulations).
Application of EU Regulations	These proceedings will be COMI Proceedings as defined in the Insolvency (England and Wales) Rules 2016.
Current special administration expiry date	1 June 2024

Appendix 2

Joint Special Administrators' receipts and payments account

Fido Finance Limited - in Special Administration (Company funds account)			
Abstract of receipts & payments			
Statement of affairs (£)		From 02/06/2023 To 01/12/2023 (£)	From 02/06/2023 To 01/12/2023 (£)
	ASSET REALISATIONS		
	Loans to Associates	19,314.68	19,314.68
	Cash at bank	40.86	40.86
		19,355.54	19,355.54
	OTHER REALISATIONS		
	Bank interest, gross	56.53	56.53
	Business Rates Refunds	2,099.05	2,099.05
		2,155.58	2,155.58
	COST OF REALISATIONS		
	Irrecoverable VAT	18.20	18.20
	Statutory advertising	91.00	91.00
		(109.20)	(109.20)
	PREFERENTIAL CREDITORS		
(37,901.00)	Employees	NIL	NIL
(481,422.00)	Secondary preferential creditor	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(1,760,682.00)	Trade & expense	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(323,666.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(2,603,671.00)		21,401.92	21,401.92
	REPRESENTED BY		
	Floating charge current		21,401.92
			21,401.92

Fido Finance Limited - in Special Administration (Customer funds account)**Abstract of receipts & payments**

Statement of affairs (£)	From 02/06/2023 To 01/12/2023 (£)	From 02/06/2023 To 01/12/2023 (£)
ASSET REALISATIONS		
Cash at bank	110,670.07	110,670.07
	110,670.07	110,670.07
OTHER REALISATIONS		
Bank interest, gross	206.63	206.63
Escrow funds from Authoripay	200,000.00	200,000.00
	200,206.63	200,206.63
	310,876.70	310,876.70
REPRESENTED BY		
Floating charge current		310,876.70
		310,876.70

The JSAs agreed initial and subsequent funding totalling £245,000 from the Applicant Creditor for special administration expenses ('**Expenses**'), to carry out initial information gathering, to secure company assets and to undertake investigations into the Company's affairs. The Expenses which have been met from the funding are set out in the Funding receipts & payments account below.

Fido Finance Limited - in Special Administration (Funding account)**Abstract of receipts & payments**

Statement of affairs (£)	From 02/06/2023 To 01/12/2023 (£)	From 02/06/2023 To 01/12/2023 (£)
OTHER REALISATIONS		
Third party funding	245,000.00	245,000.00
Bank interest, gross	39.27	39.27
	245,039.27	245,039.27
COST OF REALISATIONS		
Special Administrators' fees	150,000.00	150,000.00
Irrecoverable VAT	35,116.12	35,116.12
Legal fees	20,123.00	20,123.00
Professional fees	366.60	366.60
Regulatory advisors	5,000.00	5,000.00
Statutory advertising	91.00	91.00
	(210,696.72)	(210,696.72)

Fido Finance Limited - in Special Administration (Funding account)		
Abstract of receipts & payments		
Statement of affairs (£)	From 02/06/2023 To 01/12/2023 (£)	From 02/06/2023 To 01/12/2023 (£)
	34,342.55	34,342.55
REPRESENTED BY		
Floating charge current		34,342.55
		34,342.55

Appendix 3 Schedule of expenses

Cost of realisations

Joint Special Administrators' fees	150,000.00	422,186.75	572,186.75
Irrecoverable VAT	35,116.12	85,625.65	120,741.77
Legal fees	20,123.00	5,941.50	26,054.50
Professional fees	366.60	0.00	366.60
Regulatory advisors	5,000.00	0.00	5,000.00
Statutory advertising	182.00	0.00	91.00
TOTAL	210,787.72	513,753.90	724,541.62

Requests for further information and right to challenge our remuneration and expenses

Customers and Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Requests from customers must be made with the concurrence of customers whose relevant funds claims represent at least 5% of all relevant funds claims (including the customer in question) or with the permission of the Court.

Customers and Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

Applications by customers must be made with the concurrence of customers whose relevant funds claims represent at least 10% of all relevant funds claims) or with the permission of the Court.

In addition, the FCA may apply to the Court within eight weeks of receiving this progress report

The full text of the relevant rules can be provided on request by writing to William Foster at Interpath Ltd, 10 Fleet Place, London, EC4M 7RB.

Appendix 4 Joint Special Administrators' charging and expenses policy

Joint Special Administrators' charging policy

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

Our policy is to delegate tasks in the special 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 Special 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 us via email at fmoney@interpathadvisory.com.

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 special administration. Time is charged by reference to actual work carried out on the special administration; using a minimum time unit of six minutes.

All staff who have worked on the special administration, including cashiers and secretarial staff, have charged time directly to the special 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 special administration but is reflected in the general level of charge-out rates.

Managing Director	780
Director	725
Associate Director	635
Manager	530
Senior Associate	370
Associate	265
Support	165

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

Policy for the recovery of expenses

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

Expenses: These are any payments which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office holder. 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 expenses: These are payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Associates: are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm.

Category 2 expenses charged by Interpath 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 managing director's car – 60p per mile.

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

We have incurred the following expenses from the date of our appointment to 1 December 2023.

Consultancy fees	0.00	9,716.00	0.00	0.00	9,716.00
E-Discovery tool	0.00	11,283.35	0.00	0.00	11,283.35
Specific Penalty Bonds	0.00	20.00	0.00	0.00	20.00
HM Land Registry Searches	0.00	9.00	0.00	0.00	9.00

Total	0.00	21,028.35	0.00	0.00	21,028.35
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We have the authority to pay Category 1 expenses without the need for any prior approval from the creditors of the Company.

Category 2 expenses have been approved in the same manner as our remuneration.

Narrative of work carried out for the period 2 June 2023 to 1 December 2023

The key areas of work have been:

Statutory and compliance	collating initial information to enable us to carry out our statutory duties, including customer and creditor information, details of assets and information relating to the licences; providing initial statutory notifications of our appointment to the Registrar of Companies, creditors, customers and other stakeholders, and advertising our appointment; issuing a press release and posting information on the Company's web page and creditors portal; arranging bonding and complying with statutory requirements; ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	formulating, monitoring and reviewing the special administration strategy, including the decision to trade and meetings with internal and external parties to agree the same; briefing of our staff on the special administration strategy and matters in relation to various work-streams; regular case management and reviewing of progress, including regular team update meetings and calls; 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 special 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.
Cashiering	setting up special 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; reconciling post-appointment bank accounts to internal systems; ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	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; dealing with post appointment tax compliance.
Shareholders	providing notification of our appointment; responding to enquiries from shareholders regarding the special administration; providing copies of statutory reports to the shareholders.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; drawing remuneration in accordance with the basis which has been approved by the Creditors' Committee;

	locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Asset realisations	collating information from the Company's records regarding the assets; reviewing outstanding debtors; seeking legal advice in relation to debt collections;
Sale of business	planning the strategy for a potential sale of the business and assets; seeking legal advice regarding a potential sale of business, including regarding non-disclosure agreements; collating relevant information in relation to the potential sale of the Company's business and assets; dealing with queries from interested parties.
Open cover insurance	arranging ongoing insurance cover as appropriate; 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	dealing with queries from employees regarding various matters relating to the special administration; communicating and corresponding with HM Revenue and Customs; managing claims from employees.
Pensions	collating information and reviewing the Company's pension schemes; ensuring compliance with our duties to issue statutory notices.
Creditors and claims	drafting and circulating our proposals; convening and preparing for the meeting of creditors; creating and updating the list of unsecured creditors; responding to enquiries from creditors and customers regarding the special administration and submission of their claims; reviewing completed forms submitted by creditors and customers, recording claim amounts and maintaining claim records; drafting our progress report.
Committees	dealing with the formation of the Creditor's Committee, arranging and chairing meetings of the Creditors' Committee and providing regular reports.
Investigations/ Directors	reviewing Company and directorship searches and advising the directors of the effect of the special administration; liaising with management to 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; reviewing pre-appointment transactions; submitting the online director conduct assessment to the relevant authority.

Time costs

SIP 9 – Time costs analysis (02/06/2023 to 01/12/2023)							
	Hours				Time Cost (£)	Average Hourly Rate (£)	
	Partner / Director	Manager	Administrator	Support			Total
Administration & planning							
Cashiering							
Customer General Cashiering		3.90			3.90	2,434.50	624.23
Fund management	1.70	3.50			5.20	3,548.50	682.40
General (Cashiering)	0.10	0.90	11.75	0.10	12.85	4,190.75	326.13
Reconciliations (& IPS accounting reviews)	0.20		1.60		1.80	569.00	316.11
General							
Books and records		6.65	4.00		10.65	5,204.00	488.64
Customer Fees & WIP			6.50		6.50	1,722.50	265.00
Fees and WIP	1.00	9.80	3.20		14.00	7,263.00	510.80
General case management	11.40	41.15	13.90		66.45	36,065.00	542.74
Statutory and compliance							
Appointment and related formalities	13.70	9.25	16.00		38.95	20,767.50	533.18
Bonding & Cover Schedule			0.60		0.60	222.00	370.00
Budgets & Estimated outcome statements		3.10			3.10	1,968.50	635.00
Checklist & reviews	1.10	1.50	13.80		16.40	6,211.00	378.72
FCA Liaison	6.10	12.90	1.70		20.70	13,512.50	652.78
Pre-administration checks	1.60				1.60	1,248.00	780.00
Strategy documents	5.50	24.95	12.40		42.85	20,988.50	489.81
Tax							
Initial reviews - CT and VAT	0.10		0.90		1.00	405.50	405.50
Post appointment corporation tax		0.30	0.40		0.70	307.00	438.57
Post appointment VAT			0.20		0.20	74.00	370.00
Creditors							
Committees							
Formation	4.20	12.90	4.40		21.50	11,933.00	555.02
Meetings	4.70	6.45	4.30		15.45	8,579.50	555.31
Reports	10.90	29.80	1.80		42.50	25,350.50	596.48
Creditors and claims							

SIP 9 – Time costs analysis (02/06/2023 to 01/12/2023)

	Hours				Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support		
Agreement of unsecured claims			0.40	0.40	106.00	265.00
Creditors Meeting	5.70	15.20	18.30	39.20	17,976.00	458.57
Customer correspondence	3.90	21.70		25.60	16,443.50	642.32
General correspondence	26.10	18.25	44.90	89.25	43,204.50	484.08
Legal claims	4.10	5.80		9.90	6,744.50	681.26
Notification of appointment	2.50	4.60	12.60	19.70	7,978.00	404.97
Statutory reports	19.70	28.45	16.20	64.35	37,437.00	581.77
Employees						
Employee Correspondence	0.40	33.40	1.20	35.00	18,510.50	528.87
Pension funds			0.20	0.20	74.00	370.00
Pensions reviews	0.20		0.90	1.10	478.00	434.55
RPO redundancy payments service		0.50		0.50	265.00	530.00
Investigation						
Directors						
Correspondence with directors	9.40	26.25	2.90	38.55	23,976.50	621.96
D form drafting and submission		4.30		4.30	2,730.50	635.00
Directors' questionnaire / checklist		1.00	0.10	1.10	672.00	610.91
Statement of affairs	0.70	0.80	1.80	3.30	1,681.50	509.55
Investigations						
Claims against 3rd party advisors			0.20	0.20	74.00	370.00
Correspondence re investigations	12.40	111.50	173.10	297.00	122,571.25	412.70
Data Preservation		47.00		47.00	26,432.50	562.39
Mail redirection			2.00	2.00	530.00	265.00
Preferences / transactions at undervalue			1.00	1.00	370.00	370.00
Review of pre-appt transactions		7.80	4.90	12.70	5,947.00	468.27
Realisation of assets						
Asset Realisation						
Cash and investments	5.70	3.85	6.10	15.65	8,226.50	525.65

SIP 9 – Time costs analysis (02/06/2023 to 01/12/2023)						
	Hours				Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total	
Customer bank matters		9.40	3.40		12.80	6,282.00
Customer funds reconciliation	0.10	19.10	3.10		22.30	12,723.50
Debtors		2.50	0.60		3.10	1,746.50
Freehold property	3.50	0.20			3.70	2,836.00
Insurance		4.50	0.20		4.70	2,469.50
Leasehold property		3.30			3.30	2,095.50
Office equipment, fixtures & fittings		0.70			0.70	444.50
Other assets	5.30	3.00			8.30	6,039.00
Recoveries from Investigations	6.50	4.00	21.40		31.90	13,753.50
Sale of business	0.40	5.70	9.40		15.50	6,941.50
Subsidiaries	3.25	5.10			8.35	5,510.75
Total in period	172.15	554.95	422.35	0.10	1,149.95	575,835.75
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)					1,149.95	575,835.75
Carry forward time (appointment date to SIP 9 period end date)					1,149.95	575,835.75

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 5 Glossary

Applicant Creditor	Adrian Kreter International Holdings Ltd
Company	Fido Finance Limited - in Special Administration
Court	The High Court of Justice
Creditors' Committee	A committee of customers and creditors in accordance with the Regulations and Chapter 8 of the Payment and Electronic Money Institution (England and Wales) Rules 2021
Customers	Users or holders (as defined in the Regulations)
EMI / sEMI	Electronic Money Institution / Small Electronic Money Institution
FCA	Financial Conduct Authority
HMRC	His Majesty's Revenue and Customs
House funds and asset realisations/ Company funds / Company assets	Assets owned by the Company
Interpath/Interpath Advisory	Interpath Ltd
IT	Information Technology
Joint Special Administrators /JSAs/we/our/us	Kristina Kicks and Ed Boyle
Payment Services	Payment services provided to customers

Regulations/PSAR

Payment and Electronic Money Institution
Insolvency Regulations 2021

Rules

Payment and Electronic Money Institution
(England and Wales) Rules 2021

UK

United Kingdom

Any references in these proposals to sections, paragraphs, regulations and rules are to Sections, Paragraphs and Rules in The Payment and Electronic Money Institution Insolvency Regulations 2021 and the Payment and Electronic Money Institution Insolvency (England and Wales) Rules 2021 respectively.

This report has been prepared by Kristina Kicks and Ed Boyle, the Joint Special Administrators of Fido Finance Limited – in Special Administration (the ‘Company’), solely to comply with their statutory duty to report to customers and creditors under the Payment and Electronic Money Institution Insolvency (England and Wales) Rules 2021 on the progress of the special 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.

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

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

Any person that chooses to rely on this report for any purpose or in any context other than under the Payment and Electronic Money Institution Insolvency Special Administration Regulations 2021 does so at its own risk. To the fullest extent permitted by law, the Joint Special Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Kristina Kicks and Edward George Boyle 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 may be 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 – www.interpathadvisory.com/privacy-insolvency.

The Joint Special Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Special Administrators are personal to them and, to the fullest extent permitted by law, Interpath Ltd does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the special administration.

www.interpathadvisory.com

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