



To all known creditors

Joint Administrators' Progress Report

For the period from 24 June 2024 to
23 December 2024

Laybuy (UK) Limited (Company Number 12712197)
Laybuy Holdings (UK) Limited (Company Number 11156956)
(both in Administration)

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Glossary

Commonly Used Terms	Definition
Act / IA86	Insolvency Act 1986 (as amended)
c.	Approximately
CDDA	Company Directors Disqualification Act 1986
CT	Corporation Tax
CVL	Creditor's Voluntary Liquidation
DBT	Department of Business and Trade
EBITDA	Earnings Before Interest, Taxes, Depreciation, Amortization
FCA	Financial Conduct Authority
FTI / FTI UK	FTI Consulting LLP
HMRC	HM Revenue and Customs
HR	Human Resources
ICAEW	Institute of Chartered Accountants in England & Wales
IP	Intellectual Property
PAYE / NIC	Pay-as-you-earn tax / National Insurance Contributions
Preferential creditors	First ranking: Principally employee claims for unpaid wages (max £800 per employee), holiday pay, and certain unpaid pension contributions. Second ranking: HMRC in respect of certain specified debts.
Prescribed Part	Amount set aside for unsecured creditors from floating charge net realisations in accordance with Section 176A IA86
RPS	Redundancy Payments Service
Proposals	The statement of proposals dated 15 August 2024
QFCH	Qualifying Floating Charge holder
Sch B1 IA86	Schedule B1 IA86
SIP	Statement of Insolvency Practice
SIP 2	Investigations by office holders in administration and insolvent liquidations
SIP 9	Payments to insolvency office holders and their associates from an estate
SPV	Special Purpose Vehicle
TSA	Transitional services agreement
Unsecured creditors	Creditors who are neither secured nor preferential. Principally trade creditors, landlords, intercompany debts and utility providers. HMRC and employee-related claims that do not rank preferentially are also included here.
VAT	Value added tax

Case Specific References	Meaning
Administration(s)	The Administration of the Companies
Administrators / Joint Administrators / we / our / us	Samuel Alexander Ballinger, Matthew Boyd Callaghan and Christopher Jon Bennett
AFA	Administration Funding Arrangement dated 24 June 2024
Appointment date	24 June 2024
BDR	Bad Debt Relief. A tax mechanism that allows businesses to reclaim VAT on supplies where the customer has failed to pay, and the debt is considered irrecoverable.
BNPL	Buy-now-pay-later. A product line offered by the Companies that allowed customers to spread payment for goods and services through interest free instalments
The Companies	Laybuy (UK) Limited ("LUK") and Laybuy Holdings (UK) Limited ("LHUK")
CRS	Credit Resource Solutions Limited, third-party debt collection agent
Deloitte / the Receivers	David Webb and Robert Campbell of Deloitte New Zealand, the appointed Receivers and Managers over Laybuy Group Holdings Limited and Laybuy Holdings Limited. Glen Kanevsky and Jason Tracy of Deloitte Australia, also Receivers and Managers over Laybuy Australia Pty Limited
EML	EML Payments (UK Services) Limited, a payments provider that facilitated the virtual card product line
The Group / Laybuy	The global group of entities. See Appendix B for more detail
HSBC	HSBC Bank Plc
IPERA	IPERA Services Limited, employee specialists
KiwiBank	KiwiBank Limited
LUK / LHUK	Laybuy (UK) Limited / Laybuy Holdings (UK) Limited
Merchants	Businesses that offered Laybuy services as a payment method
NOI	Notice of Intention to Appoint Administrators
Osborne Clarke	Osborne Clarke LLP, a law firm
The Period	The period covered by this report from 24 June 2024 to 23 December 2024
Pinsent Masons	Pinsent Masons LLP, a law firm
PFG	Partners for Growth VI, L.P, secured creditor (and QFCH) of the Companies
Secured Creditors	Creditors with security in respect of their debt in accordance with Section 148 IA86. In this case, the Secured Creditors are Partners for Growth VI, L.P and KiwiBank Limited
Secured Debt	Debentures secured against the assets of the Companies
SSA	Shared Services Agreement with Deloitte
Stripe	Stripe Payments UK Ltd - payments provider that facilitated the BNPL service



Purpose of this report

Purpose of this report

- On 24 June 2024, Samuel Alexander Ballinger, Christopher Jon Bennett and Matthew Boyd Callaghan were appointed as joint administrators of Laybuy (UK) Limited and Laybuy Holdings (UK) Limited (together “the Companies”).
- Pursuant to Rule 18.6 IR16, we are required to provide creditors with a report setting out what has happened in the Administrations during the six-month period since our appointment.
- This report covers the period from 24 June 2024 to 23 December 2024 (“the Period”) and contains:
 - An explanation of the work we have done in the Period and how the Administrations have progressed;
 - An update on the estimated outcome for each class of creditor;
 - Details of the work we still need to do before the Administrations can be concluded and the manner in which we currently believe the Administrations will come to an end;
 - A statement of our receipts and payments and details of expenses we have incurred;
 - An update on our remuneration for acting as joint administrators; and
 - Further information required by statute regarding our appointment as joint administrators.
- Background information on the Companies and events leading up to the Administrations can be found in our Proposals, which continue to be available online (see How to Contact Us).
- If you are unfamiliar with insolvency, we have included as an appendix a brief overview that you may wish to read before continuing to read this report.
- Certain legal notices regarding this report, our appointment and creditors’ rights are also included as an appendix.
- If you have any questions regarding this report or the Administrations generally, please contact us.



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Samuel Alexander Ballinger
Joint Administrator

How to Contact Us

- Creditors can contact us using the preferred methods below:
Email: Laybuy@fticonsulting.com
Post: Laybuy (UK) Limited / Laybuy Holdings (UK) Limited
(In Administration)
c/o FTI Consulting LLP
200 Aldersgate
Aldersgate Street
London, EC1A 4HD
Tel: +44 (0) 203 077 0363
- Documents made available for viewing and downloading online can be found at www.ips-docs.com (using the login details previously provided).
- These documents can also be found online at:
www.fticonsulting.com/uk/creditors-portal/laybuy-uk

Actions Required by Creditors

- No action is required by creditors in connection with this report. It is for information purposes only.
- **However, there is a prospect of a small dividend for the unsecured creditors LUK only. If you have not already submitted your claim, please do so as soon as possible, using the Turnkey Insolvency Portal (www.ips-docs.com) and the login details previously provided.**



Progress of the Administrations

Background to the Administrations

The Companies entered Administration following unsuccessful attempts to find a solution to their funding needs or find a buyer on a solvent basis. The Laybuy platform has now been decommissioned and has been wound-down.

Background to the Companies and the Administrations

- A background to the Companies and the events leading up to the appointment of administrators were included in our Proposals and are not repeated here for the purpose of this report unless considered necessary or beneficial to do so. Therefore, creditors may wish to review this report in conjunction with our Proposals.
- In summary, the Companies formed part of the Laybuy Group, which provided ‘buy now pay later’ (“BNPL”) services to customers in the UK, Australia and New Zealand.
- Between December 2023 and February 2024, the Group was the victim of fraud and cyber-attacks, primarily impacting the UK business, which resulted in material cash losses. These losses caused the Companies to breach the terms of their UK secured lending facilities and created cash flow difficulties for the Group as a whole.
- On 12 June 2024, following an unsuccessful accelerated sale process for the Group, the Companies directors ceased originating new loans and commenced steps to place the Companies into administration.
- On 24 June 2024, we were appointed as joint administrators of the Companies by PFG, a secured creditor of the Companies and a Qualifying Floating Charge Holder.

Objective of the Administrations

- In our Proposals, we said the statutory objective of the Administrations was to achieve a better result for the Companies’ creditors as a whole than would be likely if the Companies was wound up (without first being in Administration).
- We believe this will be achieved for LUK by, amongst other reasons, maximising debtor recoveries and minimising costs through the short-term uninterrupted continuance of the Laybuy customer payment platform.
- Whilst certain assets realisations in LHUK are now not expected, the outcome for creditors as a whole is still better by virtue of the strategy that has reduced the amount of secured debt owed by LHUK. See later in this report for further comments.

Our Initial Strategy

- Our initial strategy to achieve the objective of the Administrations was principally to:
 - Carry out an orderly wind-down of the Laybuy platform to enhance customer collections;
 - Recover balances held by the Companies’ bankers and merchant service providers (being HSBC, EML and Stripe); and
 - Recover value from any other assets or claims, in particular potential insurance claim recoveries and a claim for BDR relating to VAT from irrecoverable debts.
- Whilst in office to undertake the above work, there is also a significant amount of other work we must do, such as:
 - Dealing with creditors and stakeholders – including responding to queries and where dividends are available, agreeing creditor claims and distributing funds;
 - Managing the Companies’ affairs – in particular, in relation to tax and VAT; and
 - Fulfilling our statutory duties – those that arise solely as a result of our appointment as joint administrators and typically to protect the interests of creditors.

Estimated Outcome for Creditors

- **Secured Creditors** - It is anticipated that PFG will recover c.95-100% of its secured debt. Should PFG be repaid in full, KiwiBank (the second ranking floating chargeholder) could get a return of up to 13% (in addition to any recoveries from the non-UK insolvency estates). In aggregate, this would be a total return to Secured Creditors of 52%-58% from the UK insolvency estates, based on their lending of c.6.44m.
- **Preferential creditors** - The amount available to be distributed to preferential creditors will be determined by future floating charge asset realisations into the Companies’ estates and the final level of costs. Based on current information, we estimate that there will be no return for LHUK’s preferential creditors but LUK’s preferential creditors could be repaid in full.
- **Unsecured creditors** – We estimate that there may be sufficient funds to pay a Prescribed Part dividend to the unsecured creditors of LUK only. See later in the report for more information.

Realising the Assets – (1/3)

The wind-down process principally involved the gradual decommissioning of the Laybuy platform over five weeks to maximise returns from debtors whilst minimising issues from ongoing trading.

Wind-down Strategy & Administration Funding

- As previously mentioned in our Proposals, when preparing for the Administrations, we concluded that the Companies would not be able to continue trading in an insolvency process for several reasons including:
 - The previous attempt to find a buyer for the business had been unsuccessful and there was little prospect of finding a buyer once the Companies had been placed into an insolvency process, particularly given the nature of the business and the significant funding requirement to maintain the Laybuy platform.
 - Key intellectual property required by the Companies for ongoing trading, including the Laybuy brand, app and platform were owned by other Group entities.
 - Furthermore, the Companies were also reliant upon Group entities that were in receivership (New Zealand and Australian processes respectively) for operational support, including key IT and development support, data infrastructure and supplier contracts. The Receivers did not anticipate achieving sale of the business and assets over which they were appointed and were implementing a managed wind-down strategy.
 - There was no indication that the value of any assets of the Companies (and therefore the recoveries for creditors) could be materially enhanced by originating new BNPL lending and continuing to trade the loss-making business.
- It was clear that the Companies were insolvent, could not continue to trade and originate new loans, so a managed wind-down insolvency process was required.
- The BNPL customer ledger of LUK was the principal asset of the Companies, and we determined that collections would be maximised by maintaining the Laybuy Platform and operating systems over the typical repayment term of the BNPL loans, which was five weeks from origination. Any loans in default at the end of this period would then be transferred to a third party for collection on a contingent fee basis.

Administration Funding Agreement & Laybuy Group Cost Sharing

- After review of the funding requirement for the proposed five-week wind down period, it was determined that funding of £585k would be required to meet operating costs such as the Companies' share of the Group's costs for maintaining the Laybuy Platform, the costs to retain specific employee roles and the general costs and expenses of the Administrations.
- An AFA was executed with PFG, with funds of £385k and £200k advanced to LUK and LHUK respectively. The full LUK funding and £100k of the LHUK funding has subsequently been repaid to PFG.
- The Administrators also executed a cost sharing agreement with Deloitte as the Receivers of the Group's Australian and New Zealand entities on 10 July 2024. The cost sharing agreement ensured that the Companies and the Receivers could maintain access to the Laybuy Platform, data and certain employee roles, to support with the mutual managed wind-down strategy.
- During the Period, LUK incurred costs of £104k which were due to the Receiverships, primarily relating to the recharge of IT and non-UK employee recharges. The Receivers set off cost recharges of £29k due to LHUK, before issuing LUK with an invoice for £74k, which was paid during the Period.
- The Administrators consider that LUK should repay all of LHUK's employee-related expenses in the sum of £60.5k, of which £57.5k was paid by LHUK to the relevant parties during the Period. The work undertaken by the retained employees facilitated significant realisations in the form of Stripe account and BNPL book debt / late fee recoveries and these were wholly realised by the LUK estate.
- We therefore propose that LHUK recharge c.£31k to LUK, which represents an element of employee costs and expenses incurred directly on behalf of LUK and which have contributed to overall asset realisations. We are also seeking approval for LHUK to recharge a further £50k of administration costs to LUK, so that those costs are apportioned to the estate which has gained an economic benefit from the work performed. Details of the proposed cost recharges are provided in Appendix C.
- Formal approval to the proposed basis and quantum of this payment will be sought from the secured and preferential creditors of LUK at the appropriate time.

Realising the Assets – (2/3)

The wind-down process principally involved the gradual decommissioning of the Laybuy platform over five weeks to maximise returns from debtors whilst minimising issues from ongoing trading.

BNPL and Stripe Collections

- As set out in our initial strategy, we implemented a decommissioning of the Laybuy Platform after a short five-week managed wind down period. Any remaining residual BNPL balances which were in default at the end of this period were then transferred to a third-party collection agent to recover on a contingent fee basis.
- As noted in our Proposals, the Group ceased originating new customer loans on the 12 June 2024, following the failure of the proposed solvent sale of the Group. At the date of our appointment, LUK had a BNPL ledger with a total book value of c.£2.9m. In their Statement of Affairs (“SOA”), the directors estimated that c.£1.9m of this ledger would be recoverable.
- The BNPL balances accrued no interest but were subject to late fees if customers missed contractual repayment dates. The directors SOA also estimated late fees would realise £85k for LUK’s estate.
- Finally, at the date of our appointment, Stripe (a merchant services provider) held funds owing to LUK in the sum of c.£1.7m, which the directors’ estimated in their SOA would be recoverable in full.
- During the managed wind-down period, customer payments against BNPL balances and late fees continued to be directed to LUK’s pre-Administration Stripe account, to maintain a ‘business as usual’ strategy and maximise debtor recoveries.
- As a result, during that period, the BNPL receipts and late fee recoveries accumulated in the Stripe account, together with the balance held at appointment. We have recovered £3.468m from Stripe against these asset classes, after adjustments made by Stripe for customer disputes and chargebacks.
- Recoveries from Stripe have now been substantially recovered in full, with only nominal balances left in the LUK account.
- The decision was made to decommission the Laybuy Platform on 29 July 2024. At this stage, recoveries from customers had slowed significantly due to loan originations ceasing from 12 June 2024.
- The Companies’ existing collection agent (CRS) was engaged on a contingent fee basis to collect the residual BNPL ledger of c.£1.1m (excluding late fees).
- We worked with LHUK’s retained employees and the Receivers to carefully manage the Laybuy Platform shutdown to ensure the residual ledger was transferred to CRS in an efficient and controlled manner.
- With the support of the Receivers, we also issued several communications to customers to ensure that they were sufficiently informed and provided with the necessary information to continue making repayments to CRS.
- Gross recoveries made during the Period in respect of the residual BNPL ledger are co-mingled in our Receipts and Payments account with the CRS-Ledger commented on below. Total gross realisations to date across the two ledgers are £449k. We have not performed a reconciliation of recoveries between the two ledgers as this work would have no benefit to creditors.
- Customers with outstanding balances should contact CRS via email at: info@creditresourcesolutions.co.uk or via phone at: +44 1422 324 510, in order to make payments or discuss any matter relating to their account.

Pre-Administration CRS Ledger

- As noted previously, in the ordinary course of business the Companies engaged CRS to collect fully provisioned overdue debts on a contingent fee basis. At the date of appointment, the value of these fully provisioned BNPL customer balances was c.£4.1m, with an estimated realisable value per the directors’ SOA of £332k.
- As detailed above, total gross CRS recoveries are £449k across the CRS-Ledger and the residual BNPL-Ledger which was transferred to CRS once the Laybuy Platform closed.
- CRS will be retained to pursue recoveries whilst our other work in the Administration continues and until such time that further recoveries become unlikely, or an alternative realisation strategy is implemented.
- As above, customers with outstanding balances should contact CRS via email at: info@creditresourcesolutions.co.uk or via phone at: +44 1422 324 510, in order to make payments or discuss any matter relating to their account.

Realising the Assets – (3/3)

Realisations from other assets have been made and continue to be pursued where beneficial for creditors. Our future progress reports for creditors will provide an update on ongoing matters.

Merchant & Affiliate Debtors

- At the date of our appointment, LHUK had amounts owing from Merchants totalling c.£790k. The directors' SOA estimated that £41,297.80 would be recoverable.
- We have written to all Merchants with material balances outstanding in order to recover the amounts due. During the Period, LUK recovered total merchant balances of £35,534.
- We are considering allocation of the Merchant debtor balances to the estate of LHUK due to them being listed in this entity's statement of affairs and its activities being primarily concerned with Merchants. We will update creditors on the outcome of this assessment in our next progress report.

Cyber-Attack Insurance Claim

- As detailed in our Proposals, the Companies were victims of fraud and cyber-attacks, which caused material cash losses which contributed to their eventual insolvency. The Group's insurers were put on notice of potential claims for costs and damages incurred as a result of these events pre-Administration.
- We have continued to progress this claim and have entered a cost and proceeds sharing agreement with the Receivers, which will ensure the claim is progressed efficiently whilst mitigating the risk of future dispute over any recoveries.
- The potential recoveries from the insurance claim are uncertain and a further update will be provided in our next progress report.

VAT Bad Debt Relief

- The Companies were part of a VAT group and had previously submitted successful claims to HMRC for relief from VAT (a bad debt relief claim), in relation to BNPL loans which had been written off in full as commercially irrecoverable.
- Alongside FTI's internal VAT specialists, we are reviewing the Companies' rationale for submitting these claims and, where appropriate, further claims will be submitted in respect of the BNPL and CRS ledgers. We are continuing to engage with our internal tax specialists and plan on pursuing a BDR claim once we feel we have sufficient information to make a substantiated claim which we anticipate will be in the next few months.

- Any amounts agreed by HMRC as owing to the Companies in respect of any future claims, will likely be offered for Crown set-off, meaning the refund could be set-off against any other debts owing to HMRC or other Government departments.

EML

- LHUK previously operated a merchant services account with EML, which ceased operations on 29 March 2024 and shortly thereafter held a credit balance of c.£966k. LHUK's contract with EML including the benefit of any credit balance in the EML account had been assigned by LHUK to LUK ("Laybuy (UK) Limited") by the Companies' directors in conjunction with EML pre-Administration. We have reviewed certain charges and adjustments outlined by EML in respect of this account and believe that LUK may be entitled to a remaining balance.
- Unfortunately, a resolution with EML has not yet been achieved. We have sought legal advice in respect of this matter and continue to explore all available options to recover value. A further update will be provided in our next progress report.

Other assets

- Our work in recovering value from other assets during the Period is summarised below:
 - **Cash at bank** - At the time of our appointment, LHUK and LUK held cash balances at HSBC in the amounts of £75,671 and £13,115 respectively. All funds have been recovered.
 - **Bank interest** - LUK and LHUK have received interest of £5,786 and £757 respectively.
 - **Other debtors** - LHUK recovered a deposit paid to a former serviced office provider of £14,160.
 - **Intellectual property and customer lists** - a number of parties expressed interest in the Companies' IP assets. We are not actively pursuing this as a potential realisation as the main credible party withdrew and other interest seems to have dissipated.
 - **Intercompany unsecured claims** - the Companies each have several unsecured claims against insolvent Group entities, with respect to pre-Administration intercompany trading balances. We will submit claims into the respective insolvency estates, although the value of future returns is uncertain.

Employees

The majority of the workforce was made redundant immediately following our appointment. A number of employees were retained for a short period to assist us with various aspects of the Administrations.

Redundancies

- At the date of our appointment, all 29 employees in the UK business were employed by LHUK. As set out in our Proposals, advanced notification of the anticipated redundancies was given to the Insolvency Service by both the directors pre-Administration and again by the Joint Administrators immediately following our appointment.
- On the day of our appointment, we held virtual meetings with employees and communicated the impact of the Administrations. In total, 18 of LHUK's 29 employees were made redundant on 24 June 2024.
- Our future work in respect of employees made redundant has (and will) principally relate to liaising with IPERA and the RPS with regards to employees' claims and responding to any queries.

Retained Staff

- The 11 LHUK retained employees were required to assist us with:
 - the winding-down of the core business, including providing and updating the Companies' financial records, assisting with asset recoveries, handling customer queries and supporting the decommissioning of the Laybuy platform; and
 - other matters relating to the Administrations and managing the Company's affairs during this wind-down period, including customer collections, customer service, HR, finance and risk/regulatory compliance.
- Retained employees have been paid for work done after the date of our appointment and were subsequently made redundant as and when it was deemed that their roles were no longer required to assist in the wind-down process and provide a benefit to creditors. The final staff member was made redundant on 2 August 2024.
- As shown on the enclosed Receipts and Payments Account, net wages of £36,471 were paid to employees in the Period. The associated tax deductions of £21,031 have been paid to HMRC, with a further payment of c.£3k paid to LHUK's pension provider and other relevant parties.

- LHUK's employees were retained, and the related employee expenses incurred, predominately to support the managed down of the Laybuy platform, which has helped us maximise BNPL and merchant debtor realisations for LUK.
- In order to appropriately reallocate these costs to the estate which received the economic benefit from the employees' work, we will be seeking approval (in due course) from the Secured Creditors and preferential creditors of LUK, to recharge [c.£60k] of LHUK's employee related costs to LUK.
- As required by employment legislation, in the period following our appointment, we took what steps were possible in the circumstances to consult directly with the affected employees about their likely redundancy.

Claims process

- Employees made redundant are required to make claims against the RPS in the first instance, in respect of redundancy pay and other statutory entitlements, including pay in lieu of notice, holiday pay, and arrears of wages.
- The RPS is responsible for paying claims up to statutory limits and will notify us when they have done so. Any amounts owed to employees in excess of statutory limits can be claimed against LHUK and we will provide employees with the relevant information at the appropriate time, in order to make such a claim, but only if a dividend is expected.
- Former employees have also been invited to submit a proof of debt to us for any outstanding claims not relating to salary, such as expenses incurred before the date of Administration that remain unpaid.

Queries from Employees

- In preparation for our appointment, we set up a dedicated telephone number and email address for employees to contact us. We have received (and continue to respond to) a number of queries relating to payroll and employee data, queries on how to access payslips, assistance with claims, how to claim expenses, and reference requests.
- We will continue to respond to queries in a timely manner and to the extent possible.

Dealing with Stakeholders and Creditors

We have reported regularly to the Secured Creditors and have responded to creditor queries where required.

- We set out below the work done in the Period relating to each class of creditor. The current estimates for amounts owed to the various classes of creditors, the anticipated recovery in each case and (where appropriate) the likely timing of distributions, are set out later in this report. There will be no return to the Companies' shareholders as there will be a material shortfall to the Companies' creditors.

Secured Creditors

- A regular dialogue has been held with the Secured Creditors, given their proprietary interest over the Companies' assets and this will continue until such time as they have been repaid in full. They have been updated as required on Administration expenses, funding, transition, asset realisations and other matters of interest to them.

Preferential creditors

- Preferential creditors are described in the highlighted box opposite.
- Immediately following our appointment, we engaged specialist agents (IPERA Services Limited) to assist us with certain employee matters, including:
 - Collation of employee data from LHUK's records to ensure that employee claims could be accurately processed for payment;
 - Completion of the RP14 / RP14a (redundancy payments information) and submission to the RPS;
 - Completion of the RP15 / RP15a claim form in respect of the LHUK's pension scheme arrears;
 - Assistance in the resolution of queries from employees and the RPS; and
 - Processing the RP1 claims from the redundant employees.
- In due course, IPERA will assist us with the agreement of employee claims and the submission of RTI returns following the anticipated payment of dividends.
- We currently await the initial claim from the RPS required for a dividend to first-ranking preferential creditors. HMRC was also notified of our appointment, and we await their secondary preferential claims.

Unsecured creditors

- In preparation for our appointment, we set up a dedicated email address and helpline number in order for creditors to contact us, other than by post. We have received queries and information requests from creditors on matters relating to their claims or the impact of the Administrations. We have responded to queries to the extent possible and using the information currently available to us.
- We have also received correspondence from customers that have returned products (purchased through the Laybuy Platform) to merchants and are unable to receive a refund.
- We must advise that certain post-Administration customer merchant refunds have not been remitted to the Companies, as we understand that the funds were remitted to a third-party intermediary, EML. Customers affected in this way should contact EML regarding remittance of these funds. Creditors who feel that they have claims against the Companies with respect to these unrecovered refunds are invited to submit a claim in the Administrations.
- We have invited creditors to submit their claims to us via the Turnkey Insolvency Portal as an unsecured dividend from LUK is expected, as explained later.
- In addition, we have spent considerable time responding to queries and liaising with creditors in respect of the submission of their claims and the timing of any dividend, reissuing paperwork and dealing with general queries in respect of the progress of the Administration.

Preferential creditors

- Preferential creditors are certain categories of unsecured creditors that have preferential status under insolvency legislation.
- They are typically employee-related debts in relation to arrears of wages and unpaid holiday pay, subject to statutory limits. The RPS becomes a preferential creditor in place of the employees once it has paid their statutory entitlements.
- Since December 2020, HMRC is also a preferential creditor for certain specified debts but ranks behind the preferential debts described above.

Managing the Companies' affairs

Until such time as the Administrations end, the Companies must continue to fulfil many of their usual obligations. Whilst appointed to manage their affairs, we are responsible for ensuring these obligations are met.

VAT

- Following our appointment, we notified HMRC (for both VAT and tax purposes) that the Companies had been placed into Administration, a consequence of which is the creation of a new period for both CT and VAT reporting that commences on the date of the Administrations.
- Our internal VAT and CT specialists performed a review of the Companies' tax affairs to understand their position in relation to the filing of returns and whether any tax assets may exist.
- As noted earlier in this report, we intend to submit a claim for VAT Bad Debt Relief in respect of the current BNPL and CRS ledgers and anticipate that this will be submitted in the next few months.
- Any amounts agreed by HMRC as owing to the Companies in respect of any future claims, will likely be offered for Crown set-off, meaning the refund could be set-off against any other debts owing to HMRC or other Government departments.
- Returns will be prepared and filed until such time as the Companies is deregistered for VAT purposes.

Tax

- Our internal tax specialists have been utilised to prepare the pre-Administration tax returns.
- Returns for the Administration proceedings will be prepared and filed until such a time when the Companies no longer generates taxable income.

Treasury and accounting

- An account of receipts and payments for the period covered by this report is provided at Appendix B for each of the Companies.
- For LUK, payments in the period correspond to distributions to PFG, CRS fees, trading costs under the SSA, legal fees, repayment of AFA funding and other related standard expenses of the Administration. Receipts largely consisted of recoveries from the various debtor ledgers, pre-Administration cash at bank, AFA funding and bank interest.
- For LHUK, the categories of payment are largely the same as that for LUK with the exception of employee costs such as wages, salaries and related employment taxes on earnings. Receipts consisted of pre-Administration cash at bank, AFA funding, settlement of the lease deposit and bank interest.

Books and records

- As part of our statutory duties, we have secured the Companies' statutory books and records, financial records, Tax and VAT records, bank statements and Board Minutes.
- These will be retained until 12 months after the Companies are dissolved, at which time they will be destroyed in accordance with insolvency legalisation.

Fulfilling our Statutory Duties

As a consequence of the insolvency of the Companies, we have a number of responsibilities that do not necessarily or directly have a financial benefit for creditors but are required by insolvency legislation.

Statutory investigations

- As required by Section 7A CDDA, we have submitted information in regard to the conduct of the Companies' directors to the DBT. The content of our investigatory findings is confidential. However, it was concluded that there were no recovery actions that could be pursued.
- Our investigation work was performed in accordance with SIP 2 and included a review of:
 - Questionnaires submitted by the directors of the Companies who held office in the three-year period prior to the Administrations;
 - The statements of affairs prepared by the directors of each of the Companies;
 - The Companies' Board Minutes in the 12 months leading up to appointments;
 - Correspondence received from creditors (who had been invited to bring any matters to our attention) in respect of the management of the Companies;
 - Specialist forensic reports commissioned in respect of the Companies' pre-appointment bank transactions in the two-year period prior to Administrations; and
 - Certain of the Companies' financial information.

Other statutory matters

- Our other work in the Period as a consequence of our appointment as joint administrators has included:
 - Sending required statutory notices of our appointment to creditors and other parties;
 - Assessing statutory bonding requirements and arranging cover;
 - Preparing and issuing our Proposals for achieving the purpose of the Administrations, seeking their approval and giving notice of such; and
 - Undertaking internal periodic case reviews to ensure the strategy continues to be appropriate, and that the Administrations are progressing on a timely basis.

Evaluation of Statutory Objectives and Outcomes

- In our Proposals, we said the statutory objective of the Administrations was to achieve a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in Administration).
- For LUK we continue to believe the objective of the Administration will be achieved by virtue of taking control of the Companies' affairs immediately on appointment to protect value in key assets and effecting an orderly wind down of the business. In broad terms, this included retaining employees, securing Administration funding and support from the Receivers to facilitate continued operation of the customer platform for the seamless continuance of debtor recoveries once the Administrations commenced.
- Since issuing our Proposals, we have further reviewed the Companies' records and identified that material assets, including potential recoveries from EML, were formally assigned to LUK pre-Administration. As a result, LHUK's asset recoveries have been limited to cash at bank and sundry debtors, that would likely have been realisable to the same degree in any liquidation scenario.
- However, the Administration enabled LHUK's employees to be retained in order to support the wind-down of the business and in particular, improve recoveries for the Companies' Secured Creditors. Therefore, a better result for LHUK's creditors as a whole than would be likely if LHUK was wound up (without first being in Administration) is still expected.
- In any event, we do expect to make a small distribution to the Secured Creditors from the LHUK estate, which would achieve one of the alternative purposes of an administration.

Fulfilling our Statutory Duties

Insolvency legislation sets a 12-month maximum duration for an administration, unless the duration is extended by the Court or the creditors. We expect the Companies to be dissolved once the Administrations end.

Extension to the period of the Administrations

- Insolvency legislation sets a 12-month maximum duration for administrations, unless this period is extended by the Court or creditors. This initial period ends 23 June 2025.
- On the basis of present information, we believe that the Administrations may require an extension to the period of our appointment beyond the statutory 12-month period.
- We will seek consent to any extension from the relevant classes of creditors at the appropriate time.

Exit route from Administration

- In our Proposals we explained the manner in which we anticipated the Administrations would be brought to an end once their purpose had been achieved and our work had been completed.
- The Administrations may end at different times and in different ways. The mostly likely exit routes are set out below.
 - If there are funds available to be distributed to the unsecured creditors (in addition to the Prescribed Part), we may make an application to Court to allow us to distribute the funds; after which the Companies will exit Administration by way of dissolution. This requires filing a notice of dissolution with the Registrar of Companies and the Companies will then automatically be dissolved by the Registrar of Companies three months after the notice is registered.
 - Alternatively, the Companies will exit Administration by way of a Creditors Voluntary Liquidation, and Samuel Alexander Ballinger, Matthew Boyd Callaghan and Christopher Jon Bennett, would be appointed the joint liquidators of the Companies, and that they will act jointly and severally in their duties. In this scenario, the liquidators would make the distribution to creditors.
 - In the event that there are no funds available for distribution to the unsecured creditors (aside from the Prescribed Part), the Companies will exit the Administration by way of dissolution.

- The Administrations may end at different times and in different ways. However, at the present time, no funds are expected to be available for distribution to the unsecured creditors of either of the Companies (aside from the Prescribed Part fund in LUK), and therefore we expect both Administrations to end by moving the Companies to dissolution.

Joint Administrators' Remuneration

- In Appendix C, we have provided an update on matters relating to our remuneration and expenses, including the costs that have been incurred and the manner in which our remuneration will be approved.

Discharge from liability

- Pursuant to Paragraph 98 of Sch B1 IA86, our discharge from liability (in respect of our actions as joint administrators) takes effect at a time determined by the relevant classes of creditors, or the Court.
- We are likely to propose that discharge should take effect at the time our appointment ceases to have effect. We will seek approval to this at the appropriate time.

Future reporting

- We are required to provide a further progress report to all creditors within one month of the end of the period ending 23 June 2025, or when the Administrations comes to an end, whichever is sooner.
- All documents will be retained on the website and will remain available until at least two months after the conclusion of the proceedings. If you require any hard copy documents, please contact us using the details provided earlier, and you will be provided (free of charge) with a hard copy of documents posted to the website, either now or in the future.



Estimated Outcomes for Creditors

Estimated Outcomes

PFG is expected to recover between 95-100% of its secured claim, primarily through asset realisations in LUK, with a total recovery to Secured Creditors of 52-58% from the UK insolvency estates.

Secured Creditors

Secured debt

- At the date of Administrations, the amounts owed to PFG as the Companies' first ranking Secured Creditor was c.£3.139m, including advances, interest, costs and fees. This amount has increased to c.£3.257m due to post-appointment interest and other related charges since our appointment.
- The lending was secured by way of fixed and floating charges over certain assets of the Companies dated 21 October 2021, 31 July 2023 and 25 October 2023.
- In particular, PFG holds fixed charge security over the BNPL ledger and Stripe balances in LUK, the principal assets in the Administrations.
- Kiwibank also has secured debentures with c.£3.188m outstanding from the Companies at the time of our appointment. The lending was secured by way of a purported fixed charge and floating charges over the Companies' assets dated 25 October 2023.
- Pinsent Masons' review of this security and its validity is ongoing.

Distributions

- As shown on the enclosed Receipts and Payments Account and from asset realisations to date, LUK made has made total distributions to PFG of c.£3.36m. This comprises a repayment of £385k equivalent to the AFA amount drawn-down by LUK and fixed charge distributions of c.£2.874m. Some £100k of the £200k AFA drawn down by LHUK has also been repaid.
- PFG's residual claim of c.£482k relates to further interest and charges in relation to their secured lending and the remaining £100k of the AFA outstanding from LHUK. We expect to make a distribution in respect of this in due course. It is anticipated that PFG will recover 95-100% of its secured debt.
- As PFG may be repaid in full, Kiwibank could expect a return of up to 13% subject to the validity of their security. In aggregate, this would be a total return to Secured Creditors of 52-58%.

Preferential Creditors

- The categories of preferential creditors are described in the highlighted box below. The directors' Statement of Affairs stated preferential creditors as follows:

Preferential category	LHUK £k	LUK £k
First-ranking	79	-
Second-ranking (HMRC)	137 (PAYE and VAT)	26 (VAT)
Total	216	26

- Dividends to preferential creditors are paid from floating charge realisations, after the costs of the Administration. Based on our current assumptions, we estimate that LHUK will have insufficient asset realisations to enable a distribution be made to preferential creditors, whilst LUK may be able to repay preferential in full (unless discharged by Crown set-off).
- Should funds be available for preferential creditors, the timing of any future dividend is largely dependent on receiving final claims from the RPS (in LHUK only) and HMRC, which usually takes several months. We will provide creditors with an update in our next progress report.

- Preferential creditors are certain categories of unsecured creditors that have preferential status under insolvency legislation. They are typically employee-related debts in relation to arrears of wages and unpaid holiday pay, subject to statutory limits. The RPS becomes a preferential creditor in place of the employees once it has paid their statutory entitlements.
- Since December 2020, HMRC is also a preferential creditor for certain specified debts but ranks behind the preferential debts described above.

Estimated Outcomes

A return is expected to be available to the unsecured creditors of LUK from the Prescribed Part fund only, but there will be no return available to the unsecured creditors of LHUK.

Amounts Available for Unsecured Creditors

- In an administration, dividends may become available for unsecured creditors from two sources:
 - The statutory (ring-fenced) Prescribed Part fund; and/or
 - The surplus remaining after any secured and preferential creditors have been repaid in full.
- The Prescribed Part applies in this case as there is a floating charge created on or after 15 September 2003, in each of the Companies.
- The following table shows our dividend expectations for each of the Companies:

Unsecured dividends	LHUK £k	LUK £k
Net Property	-	0 – 519
Prescribed Part	-	0 – 97
Surplus (other than Prescribed Part)	-	-
Total Available for Creditors	-	0 – 97
Estimated Value of Claims (Statement of Affairs)	55,635	12,280
Estimated Dividend	-	< 1p/£

- These estimates are based on a number of highly uncertain future events, including the final level of realisations from the Companies' assets and the final level admitted claims. The amount of Administration expenses will also be a factor. Therefore, the estimates should be treated with an appropriate degree of caution.
- Please note that this guidance is only an indication and should not be used as the main basis of any bad debt provision.

Dividends and Timing

- Where dividends may be available, payment typically takes several months, sometimes longer, as the Companies' assets first need to be realised and priority claims settled. However, in the meantime, we have invited creditors to submit their claims to us via the Turnkey Insolvency Portal. Creditors should contact us if they need assistance in accessing the Portal.
- We will provide a further update in our next report to creditors in July 2025.

The Prescribed Part






- Under Section 176A of the Act, where after 15 September 2003 a company has granted floating charge security, a proportion of the net property of the company (achieved from floating charge asset realisations) must be made available for the benefit of the Company's unsecured creditors.
- The Prescribed Part applies where there are net floating charge realisations (i.e. after costs of realisation) and is calculated as follows:
 - 50% of net property up to £10k;
 - Plus 20% of the net property in excess of £10k; and
 - Subject to a maximum of £800k (prior to the deduction of the costs of distributing).

Shareholders

- There will be no return to the Companies' shareholders as there will be a material shortfall to the Companies' creditors.

Work We Still Need To Do

The remaining steps that need to be taken ahead of concluding the Administrations are shown below, in addition to certain periodic statutory duties we must fulfil whilst we remain appointed.

Area	Company Affairs 	Other assets 	Tax / VAT 	Distributions 	Winding-down 
Work Required	<ul style="list-style-type: none"> ■ Administering the Companies' affairs while they continue to be in Administration, including cashing, maintaining creditor information, reporting to creditors, liaising with Companies House and responding to <i>ad hoc</i> queries from creditors and shareholders. ■ Dealing with LHUK's obligations under its FCA registration. 	<ul style="list-style-type: none"> ■ Work with our internal tax specialists in order to progress a claim for VAT BDR. ■ Further recoveries in relation to the residual debtor books. Further pursuit of the cyber-attack insurance claim alongside the Receivers. ■ Recovery of balances due from EML. ■ Realisation of any other remaining assets where possible. 	<ul style="list-style-type: none"> ■ Preparation and submission of VAT and CT returns when required. ■ VAT deregistration and potential preparation of VAT 427 forms (for input VAT recovery post-deregistration). 	<ul style="list-style-type: none"> ■ Ongoing responses to inbound queries received, including supporting creditors on the Turnkey Insolvency Portal. ■ Where required, agreement of preferential and unsecured claims (with support from creditors). ■ Distributions of funds to secured, preferential and unsecured creditors. ■ Exit the Administrations via dissolution (mostly likely option). 	<ul style="list-style-type: none"> ■ Progress any other matters required to wind-down the Companies' affairs generally prior to the Administrations concluding. ■ Complete statutory requirements to conclude the Administrations.
Timing	<ul style="list-style-type: none"> ■ Management of the Companies' affairs is continuous while we remain in office. 	<ul style="list-style-type: none"> ■ Three to six months. 	<ul style="list-style-type: none"> ■ Periodic returns until such time as the Companies are deregistered, which will be dependent on confirmation that all the Companies' assets have been sold. 	<ul style="list-style-type: none"> ■ Six to twelve months. 	<ul style="list-style-type: none"> ■ Uncertain, but prior to the first anniversary of the Administrations. ■ Should the Administrations continue beyond the first anniversary, an extension will be sought from the relevant class(es) of creditors in due course.



Administrators' Remuneration

Our Fees and How They Are Determined

We are proposing that our remuneration for acting as joint administrators is to be calculated on a time cost basis using our standard charge-out rates for work of this nature.

Requirement for Fee Approval

- When a company enters a formal insolvency process under the control of an insolvency practitioner, the costs of the proceedings are paid out of the assets of the company and include the insolvency practitioner's fees and expenses.

Insolvency Legislation

- Insolvency law allows fees to be calculated in the three ways set out below. Different bases (or a combination of them) can be used for different parts of the work.
 - As a percentage of the value of the property realised and/or distributed (often referred to as a "percentage basis").
 - By reference to the time properly given by the office-holders and their staff in attending to the matters arising ("time cost basis"); or
 - A set amount (a fixed fee).
- The office-holders must seek approval to the proposed basis (or combination of bases) and provide sufficient supporting information in order for the fee approving body to decide whether it represents the most appropriate mechanism in the circumstances of the case. This information must include details of:
 - the expenses the office-holders consider will be (or are likely to be) incurred; and
 - the work the office-holders propose to undertake.
- Insolvency law says that in determining the basis of remuneration, regard must be had to the following:
 - The complexity (or otherwise) of the case;
 - Any exceptional responsibility falling on the office-holders;
 - The effectiveness with which the office-holders are carrying out, or have carried out, their duties; and
 - The value and nature of the property with which the office-holders have to deal.

- If any part of the remuneration is intended to be taken on a time cost basis, the office-holders must also provide a fees estimate to all creditors, containing:
 - the hourly charge-out rate(s) proposed for each part of that work;
 - the time the office-holders anticipate each part of that work will take; and
 - whether (and if so, why) the office-holders anticipate it will be necessary to seek further approval to exceed these fee estimates. The office-holders cannot draw remuneration in excess of the total amount set out in the fees estimate without approval.

Proposed Basis of Remuneration

- In both cases, we are proposing that our remuneration in respect of each of the Companies, be determined on a time cost basis.
- A time cost basis is the most accurate reflection of our costs for the work anticipated to be required. It is often appropriate where there is material ongoing uncertainty on the amount of work that will be necessary to realise the Companies' assets and complete the necessary work in the case.
- In the remainder of this section, we have set out details of the following:
 - Our fees estimate and time charging policy;
 - An explanation of the work we expect to do (to be read in conjunction with our Proposals and this report generally) and;
 - Details of the expenses that we consider will be, or are likely to be, incurred.
- In the circumstances of these cases, the basis of our remuneration and certain categories of expenses must be approved by the Secured Creditors and (if a dividend is available for them) the preferential creditors. Approval will be sought at the appropriate future time.
- Our comments on the potential outcome for creditors and our receipts and payments to date have been included within this report.
- We will furnish creditors free of charge with any information concerning the Companies which they may reasonably require.

Fees Estimate - LUK

Our fees estimate for LUK is £429,531 based on costs to date of £248,324 and our assessment of future work.

Laybuy (UK) Limited - Fee Estimate Breakdown

	Incurred to date			To be incurred			Total fee estimate		
	Avg £/Hr	Hr	£	Avg £/Hr	Hr	£	Avg £/Hr	Hr	£
Controlling our Appointment	891	23	20,591	927	25	23,176	910	48	43,767
Asset Realisations	793	81	64,494	825	45	37,125	805	126	101,619
Wind-down Process	692	39	27,000	-	-	-	692	39	27,000
Dealing with Creditors	686	24	16,472	714	60	42,827	706	84	59,299
Managing the Company's Affairs	712	102	72,658	740	60	44,406	722	162	117,064
Fulfilling Our Statutory Duties	540	87	47,109	561	60	33,672	548	147	80,781
Administrators' fee estimate (excluding VAT)	696	357	248,324	725	250	181,207	708	607	429,531

Fees Estimate

- The above table shows the time expected to be required in each area of LUK's Administration and the estimated cost based on the charge-out rates given later in this section. Our total fees estimate is £429,531, representing an estimated 607 hours at an average hourly rate of £708 per hour.
- Earlier in this report, we provided an overview of the case, highlighted our progress to date and explained key areas of future work. In Appendix C, we provide further explanation of the work required in each area of work.
- In the period from our appointment to 23 December 2024, a total of 357 hours were incurred at a cost of £248,324, representing 58% of the fees estimate. A more detailed breakdown of our time costs in accordance with SIP 9, is set out in Appendix C.
- The fees estimate therefore includes an approximation of the cost of our future work based on information currently available to us, our experience in these matters and certain assumptions regarding the time likely to be required.
- Complexities surrounding the asset realisations specific to this case such as non-standard book debt realisations from the Companies' various ledgers and the BDR claim has resulted in a higher than average estimated hourly rate rate of £805 for this workstream. This is due to more senior staffing resources being required to facilitate these complex realisations.

Further Approval

- At this stage, we do not envisage it will be necessary to seek further approval later in the Administration to exceed the fees estimate.
- However, we may seek further approval should circumstances change and incurring additional time be necessary. This would most likely be a result of one of the following:
 - pursuing further asset realisations if it is believed that such realisations may be of material benefit to creditors;
 - any material issues or complexities arise that are not currently expected;
 - our appointment goes beyond its first anniversary; and/or
 - the agreement of claims is more complex or takes longer than expected.

Fees Estimate - LHUK

Our fees estimate for LHUK is £98,586 based on costs to date of £72,808 and our assessment of future work.

Laybuy Holdings (UK) Limited - Fee Estimate Breakdown

	Incurred to date			To be incurred			Total fee estimate		
	Avg £/Hr	Hr	£	Avg £/Hr	Hr	£	Avg £/Hr	Hr	£
Controlling our Appointment	978	8	7,627	1,017	5	5,085	993	13	12,712
Asset Realisations	564	6	3,218	587	5	2,935	575	11	6,153
Wind-down Process	403	4	1,774	-	-	-	403	4	1,774
Dealing with Creditors	385	13	4,885	400	10	4,000	391	23	8,884
Managing the Company's Affairs	589	18	10,842	613	10	6,128	598	28	16,970
Fulfilling Our Statutory Duties	489	91	44,463	509	15	7,631	492	106	52,093
Administrators' fee estimate (excluding VAT)	520	140	72,808	573	45	25,778	533	185	98,586

Fees Estimate

- The above table shows the time expected to be required in each area of LHUK's Administration and the estimated cost based on the charge-out rates given later in this section. Our total fees estimate is £98,586, representing an estimated 185 hours at an average hourly rate of £533 per hour.
- Earlier in this report, we provided an overview of the case, highlighted our progress to date and explained key areas of future work. In Appendix C, we provide further explanation of the work required in each area of work.
- In the period from our appointment to 23 December 2024, a total of 140 hours have been incurred at a cost of £72,808, representing 74% of the fees estimate. A more detailed breakdown of our time costs in accordance with SIP 9, is set out in Appendix C.
- The fees estimate therefore includes an approximation of the cost of our future work based on information currently available to us, our experience in these matters and certain assumptions regarding the time likely to be required.
- In this case, our remuneration will be discharged from a combination of fixed charge realisations (subject to secured creditor consent) and a contribution to costs from LUK, in relation to work performed which has directly benefited the insolvency estate of LUK.

Further Approval

- At this stage, we do not envisage it will be necessary to seek further approval later in the Administration to exceed the fees estimate.
- However, we may seek further approval should circumstances change and incurring additional time be necessary. This would most likely be a result of one of the following:
 - pursuing further asset realisations if it is believed that such realisations may be of material benefit to creditors;
 - any material issues or complexities arise that are not currently expected;
 - our appointment goes beyond its first anniversary; and/or
 - the agreement of claims is more complex or takes longer than expected.

Time Charging Policy and Hourly Rates

As we are proposing a time cost basis for our remuneration, the manner in which we allocate staff, charge our time and the hourly rates we use, are all important factors.

Staff Allocation and Time Charging Policy

- Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team at any point in time will usually consist of one or more of the grades shown in the table opposite, depending on the anticipated size and complexity of the assignment.
- Work is delegated to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed. They are supervised accordingly to maximise the cost effectiveness of the work done. Complex issues or important matters of exceptional responsibility are handled by more experienced senior staff or the office-holders themselves.
- All of our staff who work on the case charge time directly to it and are included in any analysis of time charged. Only if there is a large block of time incurred by a member of the secretarial team, e.g. report compilation and distribution, do we seek to charge and recover our time in this regard. Time is charged in six-minute units. We do not charge general overhead costs.
- During the administration of the insolvency, we will also utilise the services of specialist teams within FTI Consulting LLP, principally in relation to VAT and tax matters and the costs of which are included within our fees estimate. We consider that the rates chargeable for these services are in line with general market practice and that the service is at least comparable to similar firms of professional advisors. In addition, by working closely with our internal teams, we believe a more coordinated and efficient approach to the relevant workstreams is possible.

Hourly Charge-Out Rates

- In the table below, we set out the hourly charge-out rates for the various grades of staff who may work on the case. In common with many professional firms, these rates may be subject to change periodically, for example to cover annual inflationary cost increases.

Grade of Staff	To 30-Sep-24 Restructuring Rate (£/hour)	To 30-Sep-24 Tax Rate (£/hour)	From 1-Oct-24 Restructuring Rate (£/hour)	From 1-Oct-24 Tax Rate (£/hour)
Senior Managing Director	1,145	1,250	1,200	1,315
Managing Director	985	1,000	1,035	1,050
Senior Director	915	900	960	945
Director	815	685 - 795	855	720 - 835
Senior Consultant	725	480	760	505
Consultant	620	410	650	430
Associate (experienced)	420	-	440	-
Associate	290	275	305	290
Secretarial	225	195	235	205



Appendices

Appendix A: Statutory Information

Company Information

	LUK	LHUK
■ Company name	Laybuy (UK) Limited	Laybuy Holdings (UK) Limited
■ Previous name	N/A	N/A
■ Trading name:	Laybuy (UK) Limited	Laybuy Holdings (UK) Limited
■ Company number:	12712197	11156956
■ Date of incorporation:	1 July 2020	18 January 2018
■ Trading address:	33 Foley Street, London, England, W1W 7TL	33 Foley Street, London, England, W1W 7TL
■ Current registered office:	c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD	c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD
■ Previous registered office	33 Foley Street Fitzrovia London W1W 7TL	33 Foley Street Fitzrovia London W1W 7TL
■ Principal trading activity:	Consumer financing through a buy now, pay later model	Consumer financing through a buy now, pay later model
■ Administrators:	Samuel Alexander Ballinger, Matthew Boyd Callaghan and Christopher Jon Bennett	Samuel Alexander Ballinger, Matthew Boyd Callaghan and Christopher Jon Bennett
■ Administrators' address:	c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD	c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD
■ Date of appointment:	24 June 2024	24 June 2024
■ Court name and reference:	High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD) Court Reference: CR-2024-003704	High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD) Court Reference: CR-2024-003703
■ Appointment made by:	Partners for Growth VI, L.P.	Partners for Growth VI, L.P.

Appendix A: Statutory Information

Company Information

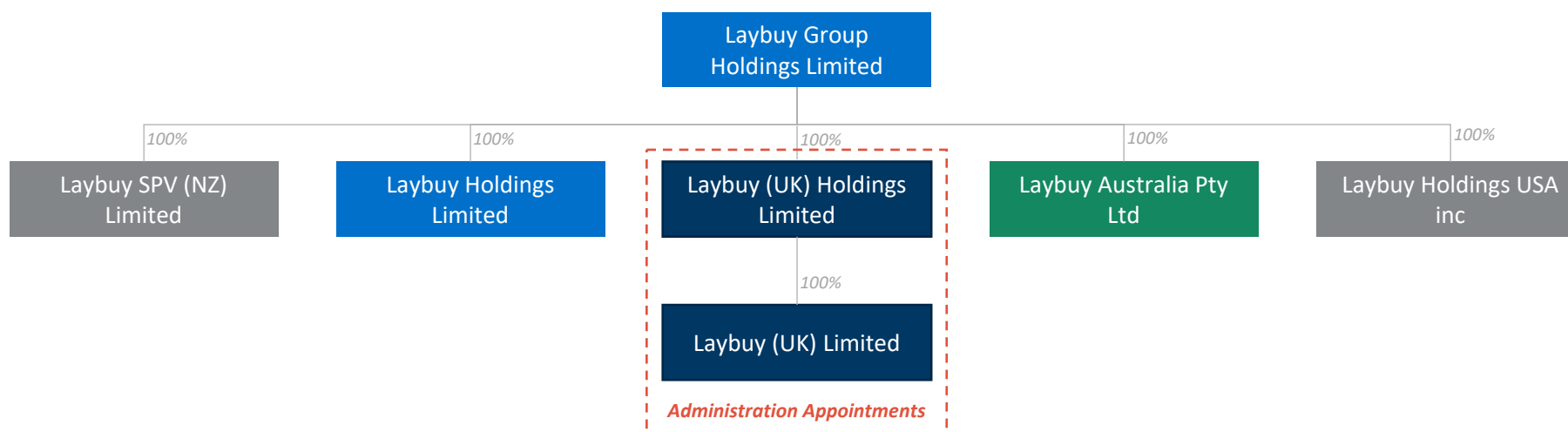
Laybuy (UK) Limited

Laybuy Holdings (UK) Limited

■ Officers of the Company:	Gary Raymond Rohloff, Phillip John Smith	Gary Raymond Rohloff, Phillip John Smith
■ Actions of Administrators:	For the purposes of paragraph 100(2) of Schedule B1 the administrators may exercise any of the powers conferred on them by the IA86 jointly or individually.	For the purposes of paragraph 100(2) of Schedule B1 the administrators may exercise any of the powers conferred on them by the IA86 jointly or individually.
■ Share Capital	100 Ordinary A Shares	1,020 Ordinary A Shares
■ Shareholdings held by the directors and company secretary:	n/a	n/a
■ Company Secretary	Taylor Wessing Secretaries Limited	Taylor Wessing Secretaries Limited
■ EU Regulation on Insolvency Proceedings:	<p>The proceedings flowing from the appointment are COMI proceedings for the following reasons:</p> <ul style="list-style-type: none"> ■ the place of the company's registered office (within the meaning of Article 3(1) of the EU Regulation is in England and Wales (within the United Kingdom) and has been for the previous three months; ■ the company's administrative functions are carried out in England and Wales (within the United Kingdom); and ■ accordingly, the place where the company conducts the administration of its interests in a regular basis and which is ascertainable by third parties in England and Wales (within the United Kingdom), and the company's centre of main interests (as defined in rule 1.2) is in England and Wales (within the United Kingdom). 	<p>The proceedings flowing from the appointment are COMI proceedings for the following reasons:</p> <ul style="list-style-type: none"> ■ the place of the company's registered office (within the meaning of Article 3(1) of the EU Regulation is in England and Wales (within the United Kingdom) and has been for the previous three months; ■ the company's administrative functions are carried out in England and Wales (within the United Kingdom); and ■ accordingly, the place where the company conducts the administration of its interests in a regular basis and which is ascertainable by third parties in England and Wales (within the United Kingdom), and the company's centre of main interests (as defined in rule 1.2) is in England and Wales (within the United Kingdom).

Appendix B: Group Structure

The diagram below shows the organisation structure of the Group. FTI were appointed as joint administrators of the UK Companies and Deloitte were appointed over the Australian and New Zealand entities.



Administration Entities

- In Administration - Samuel Alexander Ballinger, Christopher Jon Bennett and Matthew Boyd Callaghan appointed joint administrators, c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate St, London, EC12 4HD.

Receivership Entities (NZ)

- In Receivership - David Webb and Robert Campbell appointed as Receivers and Managers, c/o Deloitte, 1 Queen Street, Auckland, 1010, New Zealand.

Receivership Entities (AUS)

- In Receivership - Glen Kanevsky and Jason Tracy appointed as Receivers and Managers, c/o Deloitte, Quay Quarter Tower, Level 46, 50 Bridge St, Sydney NSW 2000.

Other

- n/a

Appendix C: Joint Administrators' Remuneration and Expenses

Analysis of time costs for the period from 24 June 2024 to 23 December 2024 for LUK.

Task	Senior Managing Director	Managing Director	Senior Director	Director	Senior Consultant	Associate	Total Time	Total Cost	Average Rate
Controlling our Appointment									
Strategy & Planning	1.0	12.1	-	-	9.5	0.5	23.1	20,591.00	891.39
Subtotal	1.0	12	-	-	9.5	0.5	23.1	20,591.00	
Realising the Assets									
Sale of Business	-	2.1	-	6.0	4.0	-	12.1	9,858.50	814.75
Book Debt Realisations	-	22.0	-	-	26.3	2.7	51.0	41,570.50	815.11
Other Assets	-	-	-	-	17.9	0.3	18	13,064.50	717.83
Subtotal	-	24.1	-	6.0	48.2	3.0	81.3	64,493.50	
Wind-down Process	3.9	-	-	-	28.3	6.8	39.0	27,000.00	
Dealing with Creditors									
Secured creditors	-	5.1	-	-	2.2	3.4	10.7	7,735.50	722.94
Unsecured Claims Agreement	-	-	-	-	-	0.2	0.2	84.00	420.00
Creditor Queries	-	5.1	-	-	-	8.0	13.1	8,652.50	660.50
Subtotal	-	10.2	-	-	2.2	11.6	24.0	16,472.00	
Managing the Company's Affairs									
Tax	3.3	3.8	15.9	-	1.5	7.5	32.0	25,586.50	799.58
VAT	-	-	16.3	-	21.7	1.7	39.7	27,200.50	685.15
Employees	-	4.2	-	-	13.9	3.0	21.1	15,129.50	717.04
Books & Records	-	-	-	-	-	2.9	2.9	841.00	290.00
Bank Account Management	-	0.3	-	-	-	1.0	1.3	806.50	620.38
Receipts, Payments & Journals	-	0.7	-	-	0.5	2.5	3.7	1,845.00	498.65
FCA and Other Regulatory	-	0.9	-	-	0.5	-	1.4	1,249.00	892.14
Subtotal	3.3	9.9	32.2	-	38.1	18.6	102.1	72,658.00	
Fulfilling Statutory Duties									
Initial Letters & Notices	-	4.1	-	6.6	-	25.4	36.1	18,148.50	502.73
Statement of Affairs	-	-	-	-	1.0	2.1	3.1	1,334.00	430.32
Proposals	2.2	6.5	-	-	4.6	12.6	25.9	15,558.50	600.71
Progress Reports	-	-	-	-	-	4.6	4.6	2,058.50	447.50
CDDA & SIP2 Assessment	-	0.2	-	-	1.5	1.2	2.9	1,632.50	562.93
Other Statutory Matters	-	-	-	-	8.8	5.9	14.7	8,377.00	569.86
Subtotal	2.2	10.8	-	6.6	15.9	51.8	87.3	47,109.00	
Total Time by Grade	10.4	67.1	32.2	12.6	142.2	92.3	356.8		
Total Cost by Grade	11,902.50	66,245.50	29,205.00	10,269.00	99,489.50	31,212.00	248,323.50		
Average Rate by Grade									
Total Costs to Date	Time Costs		Category 1		Category 2	Total			
	248,323.50		61.71		-	248,385.21			

Appendix C: Joint Administrators' Remuneration and Expenses

Analysis of time costs for the period from 24 June 2024 to 23 December 2024 for LHUK.

Task	Senior Managing Director	Managing Director	Senior Director	Director	Senior Consultant	Associate	Total Time	Total Cost	Average Rate
Controlling our Appointment									
Strategy & Planning	0.3	7.1	-	-	0.4	-	7.8	7,627.00	977.82
Subtotal	0.3	7	-	-	0.4	-	7.8	7,627.00	
Realising the Assets									
Sale of Business	-	0.1	-	0.6	-	0.4	1.1	703.50	639.55
Book Debt Realisations	-	0.8	-	-	0.6	2.4	3.8	1,934.00	508.95
Other Assets	-	-	-	-	0.8	-	0.8	580.00	725.00
Subtotal	-	0.9	-	0.6	1.4	2.8	5.7	3,217.50	
Wind-down process	0.2	-	-	-	0.7	3.5	4.4	1,774.00	
Dealing with Creditors									
Secured creditors	-	0.2	-	-	-	0.3	0.5	397.00	794.00
Creditor Queries	-	0.1	-	-	-	12.1	12.2	4,487.50	367.83
Subtotal	-	0.3	-	-	-	12.4	12.7	4,884.50	
Managing the Company's Affairs									
Tax	0.2	0.6	-	-	0.7	0.6	2.1	1,583.50	754.05
VAT	-	-	1.0	-	1.0	0.5	2.5	1,709.00	683.60
Employees	-	0.2	-	-	3.1	1.9	5.2	3,060.50	588.56
Pensions	-	-	-	-	-	3.5	3.5	1,470.00	420.00
Books & Records	-	-	-	-	0.8	-	0.8	580.00	725.00
Bank Account Management	-	0.2	-	-	-	1.9	2.1	1,071.00	510.00
Receipts, Payments & Journals	-	0.7	-	-	-	1.4	2.1	1,269.50	604.52
FCA and Other Regulatory	-	0.1	-	-	-	-	0.1	98.50	985.00
Subtotal	0.2	1.8	1.0	-	5.6	9.8	18.4	10,842.00	
Fulfilling Statutory Duties									
Initial Letters & Notices	-	10.6	-	-	-	38.1	48.7	22,959.00	471.44
Statement of Affairs	-	-	-	-	1.0	2.4	3.4	1,421.00	417.94
Proposals	-	2.9	-	-	2.4	8.0	13.3	6,916.50	520.04
Progress Reports	-	-	-	-	-	4.6	4.6	2,058.50	447.50
CDDA & SIP2 Assessment	-	0.2	-	-	1.5	1.2	2.9	1,632.50	562.93
Other Statutory Matters	-	0.3	-	-	7.3	10.4	18.0	9,475.00	526.39
Subtotal	-	14.0	-	-	12.2	64.7	90.9	44,462.50	
Total Time by Grade	0.7	24.1	1.0	0.6	20.3	93.2	139.9		
Total Cost by Grade	822.50	23,782.50	927.00	489.00	14,629.50	32,157.00	72,807.50		
Average by Grade	1,175.00	986.83	927.00	815.00	720.67	345.03			
	Time Costs		Category 1		Category 2	Total			
Total Costs to Date	72,807.50		-		-	72,807.50			

Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Companies' assets, quantifying its liabilities and returning funds to creditors, managing the Companies' affairs and fulfilling our statutory obligations as liquidators.

Area of Work	Description of Work	Reason and Benefit for Creditors
Controlling our Appointment	<ul style="list-style-type: none"> ■ Strategy and planning: including devising and maintaining appropriate strategies for achieving the purpose of the Administrations, engagement team meetings and documenting key decisions (O). ■ Case reviews: periodic reviews of the Administrations, typically after the completion of the first month, after the completion of the first six months, and for six-month periods thereafter (O). ■ Financial management: preparing and maintaining cost budgets, estimated outcome statements etc, as appropriate for the case (O). ■ Remuneration: giving information to creditors, seeking fee approval in accordance with insolvency legislation requirements, maintaining budgets and drawing fees when approved (O). ■ Closure matters: planning and preparation for ending the Administrations (F). 	<ul style="list-style-type: none"> ■ We have a duty to perform our functions as quickly and efficiently as reasonably practicable, in the best interests of the creditors as a whole. ■ Whilst not necessarily generating a direct financial benefit for creditors, these areas of our work ensure that our strategies to maximise realisations and minimise costs (and liabilities where possible), are kept under review and amended as appropriate.
Asset Realisations	<ul style="list-style-type: none"> ■ Book debt realisations: recovering amounts due from the various BNPL and Stripe debtor ledgers via the wind-down strategy. Work will continue in this area until it is deemed that the time costs incurred in pursuit of further realisations is detrimental to creditor returns (O). ■ Cash at bank: Liaising with the Companies' bankers regarding the collection of cash from the Companies' pre-Administration bank accounts (C). ■ EML: Review and identification of material debtor balances held by EML and undertake work to review LUK's security interests over the account. Although not yet realised, we continue to pursue the recovery of this balance (O). ■ Insurance claim: The Companies were victims of fraud and cyber-attacks, which caused material cash losses which contributed to their eventual insolvency. We have entered a cost and proceeds sharing agreement with the Receivers and continue to work to pursue recoveries in relation to the claim (O). 	<ul style="list-style-type: none"> ■ Realisation of assets is a primary objective of any insolvency case because it is necessary to recover the value of the Companies' assets in order to realise funds to distribute to creditors. ■ Pursuit of asset realisations are only undertaken if the expected recovery is greater than the time costs and expenses that will be incurred in realising the assets, so that the net return to creditors is positive.

Key

C – Completed

O – Ongoing

F – To be completed in the future

Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Companies' assets, quantifying its liabilities and returning funds to creditors, managing the Companies' affairs and fulfilling our statutory obligations as liquidators.

Area of Work	Description of Work	Reason and Benefit for Creditors
Asset Realisations(continued)	<ul style="list-style-type: none"> ■ Insurance: arranging 'open cover' insurance immediately on appointment, work with our insurance brokers to agree the scope of any ongoing insurance requirements and manage the policies as required; including cancellation and payment of premiums (C). ■ Bonding: arrange specific penalty bonding for each of the joint administrators following their appointment, paying premiums and cancelling the bonds once the appointment comes to an end (O). 	<ul style="list-style-type: none"> ■ Insurance cover is a necessary financial loss protection for the Companies, their creditors and the Administrators in respect of assets held (and any insurable risks arising) during the Administrations. ■ Bonding provides financial protection for preferential and unsecured creditors in respect of the actions of the insolvency practitioners and up to the value of the Companies' assets estimated to be available for those classes of creditors. Bonding is a statutory requirement for all insolvency practitioners.
Wind-down Process	<ul style="list-style-type: none"> ■ Customers: liaising with former customers on specific issues relevant to them. For example, there has been an ongoing issue with customers who have returned items when seeking a refund and the funds have been "trapped" in EML accounts, preventing remittance. We are seeking to determine the best way of dealing with this and other such issues whilst not incurring time costs on uncertain outcomes (O). ■ Employees: overseeing, allocating and assessing work of retained employees in order to ensure that the five-week wind-down period was executed to maximise creditors returns. We also fulfilled all of our statutory obligations in relation to the employees, such as ensuring all relevant income tax, national insurance contributions, pension contributions and employee insurance schemes payments were made. Additionally, we engaged IPERA to ensure that employees were able to submit claims via the RPS (O). ■ SSA: Work was undertaken upon appointment to agree the terms and enter into the SSA with the Receivers as this would be necessary to facilitate the five-week wind-down period. In turn this allowed the Companies to continue collections throughout that period which maximised BNPL / Stripe debtor recoveries (C). ■ Decommissioning the platform: At the end of the five-week period, we facilitated the decommissioning of the platform because from this point onwards the benefit of continuing to pursue BNPL / Stripe debtor recoveries was outweighed by the costs of doing so, such as increasing customer disputes. Therefore, creditor returns were preserved through decommissioning the platform at this time (O). 	<ul style="list-style-type: none"> ■ The five-week wind-down process allowed us maximise debtor collections and generate significant positive returns for creditors whilst simultaneously preventing the Companies from incurring unnecessary costs from an extended trading process. ■ 11 LHUK retained employees were required to assist us with the winding-down of the core business, including providing and updating the Companies' financial records, assisting with asset recoveries, handling customer queries and supporting the decommissioning of the Laybuy platform. ■ The main areas in which the employees assisted were in customer collections, customer service, HR, finance and risk/regulatory compliance. ■ Retained employees have been paid for work done after the date of our appointment and were subsequently made redundant as and when it was deemed that their roles were no longer required to assist in the wind-down process and provide a benefit to creditors.

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Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Companies' assets, quantifying its liabilities and returning funds to creditors, managing the Companies' affairs and fulfilling our statutory obligations as liquidators.

Area of Work	Description of Work	Reason and Benefit for Creditors
Dealing with Creditors	<ul style="list-style-type: none"> ■ Secured creditors: liaising with / periodic reporting to the Secured Creditors; and making distributions from asset realisations under security entitlements (O). ■ Preferential claims agreement: reviewing and adjudicating on claims where a preferential dividend is expected; including liaising with the creditors regarding the provision of supporting information and responding to queries. To date, we have not received any preferential claims (F). ■ Preferential dividends: preparing calculations and issuing statutory notices in advance of declaring dividends; followed by the payment of dividends and resolution of subsequent queries. At this stage it is unclear if a preferential dividend will be paid (F). ■ Unsecured claims agreement: reviewing and adjudicating on claims where an unsecured dividend is expected; including liaising with the creditors regarding the provision of supporting information and responding to queries (F). ■ Unsecured dividends: preparing calculations and issuing statutory notices in advance of declaring dividends; followed by the payment of dividends and resolution of subsequent queries. As required, liaising with the Insolvency Service in respect of any unbanked dividend cheques (F). ■ Where required, maintain our systems to record and maintain creditor details, claims received, the determination thereon and the payment of dividends (O). ■ Creditor queries: for all classes of creditors, shareholders and other third parties: responding to inbound queries received to the extent possible and necessary (O). 	<ul style="list-style-type: none"> ■ Where available, distributions and dividends represent a repayment to creditors in respect of the amounts owed to them by the Companies and therefore is a tangible financial benefit from the insolvency proceedings. ■ During the course of claims agreement, we perform proportionate work with an appropriate degree of scrutiny taking into account the quantum of the dividend available, to avoid incurring unnecessary costs and to avoid adversely impacting the recovery for creditors. ■ The objective of our adjudication work is to ensure that only genuine and accurate claims are admitted for dividend purposes and where necessary we apply our expertise and commercial judgement to mitigate liabilities where possible; for the benefit of the wider body of creditors. ■ Responding to general inbound queries can take considerable time and does not have a direct financial benefit for creditors, except for example (for individual creditors) where it is to provide debt confirmations for the purpose of credit insurance claims. To the extent possible, we encourage creditors to review information already available on our website. ■ Ensuring employees understand their position in light of the Administration assists in the employees being correctly compensated.

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Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Companies' assets, quantifying its liabilities and returning funds to creditors, managing the Companies' affairs and fulfilling our statutory obligations as liquidators.

Area of Work	Description of Work	Reason and Benefit for Creditors
Managing the Company's Affairs	<ul style="list-style-type: none"> ■ Corporation Tax: prepare and submit the necessary and periodic tax returns falling due during the Administrations (O). ■ VAT: prepare and submit the necessary and periodic VAT returns falling due during the Administrations. This work will include making payments to (or requesting refunds from) HMRC and maintaining adequate VAT accounts (O). ■ To facilitate the above work, an initial review has been performed by our internal Tax and VAT specialists; and all the information likely to be required has been obtained from the Companies' records and HMRC (C). ■ Books and records: safeguarding and destruction (when required) of the Companies' records. This includes a data capture of certain of the Companies electronic records, taking possession of the statutory books and other records likely to be required for the purpose of the Administrations; including in respect of our duties to review the conduct of the directors (O). ■ Bank account management: opening bank accounts (under our control) for the purpose of depositing asset realisation proceeds and other receipts, paying expenses and making distributions to creditors. Accounts are closed when no longer required and before we cease to act; and are reconciled on a monthly basis (O). ■ Receipts, payments and accounting journals: maintaining adequate accounting records for the period of the Administrations, including the payment of costs and expenses (O). ■ FCA & Other Regulatory: LHUK is FCA regulated for Money Laundering Reporting purposes only. We have incurred costs notifying the FCA of our appointment and the administration strategy. This includes work reviewing and complying with regulatory obligations. We intend to apply for deregistration once no further BNPL customer collections are expected (O). 	<ul style="list-style-type: none"> ■ We have a statutory responsibility to complete and submit post-insolvency tax and VAT returns and account for any tax due. ■ As circumstances can often be complex, the involvement of our VAT and tax specialists ensures that the Companies pay the correct amount of tax, to avoid adversely impacting any amounts available for creditors. ■ Dealing with the Companies' books and records does not necessarily give a financial benefit to creditors, although they are essential when any defending actions against the Companies from third parties and when adjudicating creditor claims. ■ Opening bank accounts for the Administrations avoids the costs and logistics of taking control of the Companies' existing accounts (which are usually closed shortly after appointment). Regular reconciliations of the new accounts assist in maintaining accurate records for the Administrations.

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Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Companies' assets, quantifying its liabilities and returning funds to creditors, managing the Companies' affairs and fulfilling our statutory obligations as liquidators.

Area of Work	Description of Work	Reason and Benefit for Creditors
Managing the Company's Affairs (continued)	<ul style="list-style-type: none"> ■ Company Employees: dealing with all relevant employee-related matters, including redundancies, consultation, payroll, pensions and queries (O). 	<ul style="list-style-type: none"> ■ We have a responsibility to complete all statutory obligations in relation to redundancies made and permitting employees to make accurate claims in relation to their prior employment with LHUK.
Fulfilling Our Statutory Duties	<ul style="list-style-type: none"> ■ Initial letters and notices: issuing all necessary correspondence following our appointment to creditors, directors, Companies House, HMRC and others (C). ■ Statement of affairs: requesting statements from the directors, responding to queries from the directors and filing signed statements with Companies House (C). ■ Proposals: preparing and issuing our statement of proposals (for achieving the purpose of the Administrations) to creditors, members and filing with Companies House. Obtaining approval of the proposals and giving notice of the approval of the proposals to the above parties and the Court. (C) ■ Progress reports: preparing and issuing six-monthly (and final) progress reports to creditors, including receipts and payments accounts (O). ■ CDDA and SIP2 Assessment: gathering information from the directors and other sources, conducting an initial assessment of the Companies' affairs and the conduct of their current and former directors; and submitting information to the Insolvency Service (acting for the Secretary of State). Undertaking any necessary further investigations in respect of any potential asset recovery actions or dealing queries from the Insolvency Service (C). 	<ul style="list-style-type: none"> ■ Due to the impact of insolvency on a company's creditors and members, there are statutory requirements to give notice of the appointment of administrators to affected parties. There is no financial benefit to creditors. ■ The various other workstreams arise from statutory requirements due to the Companies being in an insolvency process and similarly do not have any financial benefit for creditors. Many requirements are for the purpose of keeping creditors informed about the Administrations and to protect their interests generally.

Key

C – Completed

O – Ongoing

F – To be completed in the future

Appendix C: Joint Administrators' Remuneration and Expenses

Costs are necessarily incurred by the Companies and their administrators during the course of the Administrations. Certain categories of these costs must be approved in the same manner as remuneration prior to payment.

SIP9 Definition of Expenses

- SIP9 states that expenses are any payments from the estate which are neither officeholders' remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the officeholder and then reimbursed to the officeholder from the estate.
- Expenses are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2):
 - Category 1 expenses: these are payments to persons providing the service to which the expense relates who are not an associate of the officeholder. Category 1 expenses can be paid without prior approval.
 - Category 2 expenses: these are payments to associates or which have an element of shared costs. Before being paid, category 2 expenses require approval in the same manner as an officeholder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.
- The types of disbursements categorised as Category 1 expenses typically include external supplies of incidental services specifically identifiable to the case such as postage, statutory case advertising, bonding, invoiced travel and external services such as printing, room hire and document storage. Also included would be any properly reimbursed expenses incurred by personnel in connection with the case.
- The types of disbursements categorised as Category 2 expenses typically include mileage, in-house printing and electronic data storage.
- On LHUK (the contractual employer), we have incurred employee costs which we believe should be shared between the administration estates of LHUK and LUK. The work undertaken contributed to the successful managed wind-down and recovery of the BNPL ledger, which has generated economic benefit for LUK and the Receivers. We propose to recharge an element of this work between the Laybuy Group estates and approval to the proposed treatment must be approved in the same manner as Category 2 disbursements.
- A detailed breakdown of these Category 2 disbursements can be found later in this appendix.

Professional Advisors and Subcontractors

- The table on the next page provides details of professional advisors and subcontractors that we have engaged on this project. The use of subcontractors is in relation to work that we could have been done (subject to the exceptions detailed below) but that we have outsourced.
- Our choice of professional advisors and subcontractors was based on our perception of their experience and ability to perform this type of work and the complexity and nature of the assignment.
- We also considered that the basis on which they will charge their fees is appropriate in the circumstances. Other than the legal advice and insurance services, the work could have been undertaken by our teams, but we have outsourced it as we consider it to be more cost effective and the providers have relevant specialist experience. We have reviewed the fees they have charged and are satisfied that they are reasonable in the circumstances of the case.
- Details of the expenses incurred in the Period with these third parties (whether paid or not) are set out later in this Appendix. The amounts paid are shown in the Receipts and Payments account at Appendix D.
- Also shown are our costs incurred to date and total estimates of expenses.
- We have also utilised the services of other teams within FTI Consulting LLP to assist with the Administration process. The fees of our Tax and Technology teams have been included within the basis of our remuneration. We consider that the rates chargeable for these services are in line with general market practice and that the service is at least comparable to similar firms of professional advisors. In addition, by working closely with our internal teams, we believe that a more coordinated and cost-effective approach to the Administration work streams has been possible.

Appendix C: Joint Administrators' Remuneration and Expenses

The table shows the professional advisors and subcontractors engaged on the Administrations.

Payee / firm	Engaged by	Service provided	Reason selected	Basis of fees/costs
CRS	■ LUK	■ Collection of the residual BNPL ledgers	■ Regulated incumbent service provider with knowledge of the customer profile and BNPL industry	■ Contingent fees as a percentage of realisations
IPERA Services Ltd	■ LHUK	■ Employee and Pensions claims review, assisting with employee queries and issuing P45's	■ Experienced provider to insolvency practitioners and specialists in employee redundancy claims	■ Agreed fixed fee
Pinsent Masons LLP	■ The Companies	■ Legal advice on the appointment, Administration funding, security review and ad hoc matters	■ Experienced legal advisors with prior knowledge of the Companies due to being incumbent legal counsel on appointment.	■ Time costs and expenses
EPE Reynell	■ The Companies	■ Gazette Notices	■ Experienced provider to insolvency practitioners.	■ Agreed tariff for Gazette notices
Aon UK Limited	■ LHUK	■ Insurance Risk Services	■ Experienced provider of insurance broking services to insolvency practitioners, with an approved facility in place for appointments taken by insolvency practitioners at FTI.	■ Insurance premiums

Appendix C: Joint Administrators' Remuneration and Expenses

The table below should be read in conjunction with the receipts and payments account which shows expenses actually paid during the Period and the total paid to date.

Expenses Estimates

- The table opposite shows our estimates of the expenses likely to be incurred during the course of the Administrations. All estimates exclude VAT unless otherwise stated.
- There is no requirement for us to seek approval to any Category 1 expenses and the overall estimates provided do not represent a cap on the amount that can be paid. However, when reporting to creditors, we will provide an update on the amounts incurred and paid, together with an explanation for any material differences compared to this estimate.
- We are satisfied that the amounts expected to be incurred are reasonable in the circumstances of the case.

Notes

1. LUK's retained employee costs. The final employee was made redundant in August 2024 and no further costs are expected to be incurred. Once creditor approval has been obtained, we will recharge c.£31k of these to LUK and c.£29k to the Receivers.
2. LUK's recharged administration costs. We are also seeking approval to recharge £50k of expenses from LHUK to LUK as outlined overleaf. This has not been deducted from LHUK expenses as it will offset against the Joint Administrators' time costs.
3. CRS charge commissions on BNPL recoveries at agreed rates. We have estimated their future costs based on forecasted future recoveries.
4. SSA wind-down costs related to shared service agreement between the Companies and the Receivers, to cover the IT and employee costs for winding down and decommissioning the Laybuy Platform. No further costs are expected to be incurred. £29,262 is incorporated into this balance to reflect the recharge of employee costs to the Receivers.
5. Future legal fees may be incurred progressing asset recoveries, such as a sale of the residual BNPL ledgers, collection of merchant balances and/or recoveries from EML.
6. LUK is forecast to incur further statutory advertising costs when notice of a Prescribed Part dividend is advertised.

Category (GBP)	Notes	LUK		LHUK	
		Incurred to Date	Estimated Total	Incurred to Date	Estimated Total
Wages & salaries	1	-	-	36,470.91	36,470.91
PAYE/NIC deductions	1	-	-	21,031.38	21,031.38
Employee expenses	1	-	-	2,955.96	2,955.96
Employee cost recharges to the Receivers	1	-	-	(29,262.00)	(29,262.00)
Employee cost recharges to LUK	1	-	31,196.25	-	(31,196.25)
Administration cost recharges to LUK	2	-	50,000.00	-	-
CRS BNPL commissions	3	114,183.98	150,000.00	-	-
SSA wind down costs	4	102,346.76	102,346.76	-	-
Legal fees	5	12,577.25	35,000.00	19,545.25	35,000.00
Legal disbursements		40.00	40.00	40.00	40.00
Bordereau premium		225.00	225.00	225.00	225.00
Insurance premiums		-	-	327.60	327.60
Redirection of mail		627.00	627.00	627.00	627.00
Statutory advertising	6	198.00	396.00	198.00	396.00
Total		230,197.99	369,831.01	52,159.10	36,615.60

Appendix C: Joint Administrators' Remuneration and Expenses

We propose to seek approval for LUK to reimburse LHUK for certain employee-related costs incurred by LHUK for LUK's benefit.

Disbursements and recovery policy

Category 1

- Category 1 costs do not require approval prior to payment. We propose to draw them simultaneously with our remuneration once we are able to do so.
- There has only been Category 1 disbursements for LUK as shown in the table.

Category 2

- Expected Category 2 disbursements relate to employee expenses and other Administration costs incurred by LHUK to the sum of £31,196.25 and £50,000.00 respectively. Although incurred by LHUK, the benefit of the five-week trading period to which the employee and Administration costs relate to, was wholly for the benefit of LUK.
- Specifically, the employees were retained during that period to maintain the Laybuy platform, deal with customer queries and support customer collections.
- The proposed disbursement in respect of Administration costs is a contribution to officeholders' remuneration for time incurred in the LHUK Administration to date, dealing with employee matters, case strategy and controlling the managed winddown of the Laybuy Platform.
- These workstreams facilitated significant realisations for LUK in the form of Stripe account and BNPL book debt / late fees recoveries. As shown in our Receipts and Payments account in Appendix D, these recoveries were wholly realised by LUK despite LHUK incurring the related employee and Administration holding costs.
- We therefore propose to recharge the amounts shown in tables opposite to LUK, which total £81,196. Approval for the proposed treatment and recharge of these costs between the Administration estates must be approved in the same manner as our remuneration. Approval will be sought in due course from the relevant classes of creditors in LUK.

Category	Description	Incurring in the Period by LUK only (£)
1	Reimbursed at cost:	
	■ Hotels and subsistence	22
	■ Information Commissioner's Office renewal fee	40
	Total	62

Category	Description	Incurring in the Period by LUK only (£)
2	■ Proposed recharge of LHUK's employee-related costs and expenses	31,196
	■ Proposed recharge of LHUK's Administration Costs	50,000
	Total	81,196

Appendix C: Pre-Administration Costs

The payment of unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 IR16 and did not form part of our Proposals subject to approval under Paragraph 53 Sch.B1 IA86.

	LHUK			LUK		
£ (GBP excluding VAT)	Unpaid	Paid	Paid by	Unpaid	Paid	Paid by
Our fees as administrators-in-waiting	12,532.50	-	n/a	12,532.50	-	n/a
Expenses incurred by us as administrators-in-waiting:						
Legal Fees - Pinsent Masons	15,450.00	4,200.00	n/a	15,450.00	4,200.00	n/a
Legal Fees - Osbourne Clark	-	5,065.00	PFG	-	5,065.00	PFG
Fees charged by other persons qualified to act as an insolvency practitioner	-	-	n/a	-	-	n/a
Expenses incurred by other persons qualified to act as an insolvency practitioner	-	-	n/a	-	-	n/a
Total	27,982.50	9,265.00		27,982.50	9,265.00	

- The table above provides details of costs which were incurred before our appointment as administrators but with a view to the Companies entering Administration.

Fees as administrators-in-waiting

- Given the proximity of the insolvency following FTI's engagement by PFG, no formal instruction was put in place. The key areas of our work included:
 - Gathering and assimilating information from the Companies and PFG that was required to prepare the strategy and for its orderly implementation;
 - Negotiating the terms of the funding agreement (AFA) with PFG and its legal advisors;
 - Briefing team members on strategy and key actions and mobilising staff in readiness for the appointment (including the engagement of IPERA); and
 - Preparing key documents required upon appointment, in particular communications to employees.
- FTI's pre-Administration fees were £12,532.50 for each of LUK and LHUK and they remained unpaid at the time of our appointment.
- We are not aware of any costs or expenses incurred by other Insolvency Practitioners in waiting.

Expenses incurred by us as administrators-in-waiting

- Pinsent Masons were engaged by the Companies on 8 April 2024 to:
 - provide a review of the validity of the security of PFG;
 - advise on the recoverability of funds from EML and Stripe;
 - advise on other matters relating to the Administrations, including the arrangements with Deloitte and the New Zealand entities; and
 - facilitate the AFA with PFG of £585k, which would fund the ongoing expenses of the Administrations.
- At the time of our appointment, Pinsent Masons were owed £15,450 plus VAT by each Company.
- Osborne Clarke facilitated the signing of the notices of appointment filed by PFG, with no formal engagement in place with the Companies. At the time of our appointment, they were owed £5,065 plus VAT by each of the Companies. PFG have since paid these Osborne Clarke fees directly and it will form part of their secured claim against the Companies.
- In conjunction with seeking approval to the basis of our remuneration in due course, we will also seek approval for the unpaid pre-Administration costs to be paid as an⁴⁰ expense of the Administrations.

Appendix D: Receipts and Payments Account - LHUK

For the period from 24 June 2024 to 23 December 2024

Receipts and Payments (£)	Notes	Directors' Statement of Affairs	Receipts and Payments
HSBC Cash at Bank	1	66,559	67,164
EML Account Balance	2	200,000	-
Merchant Receivables	1	37,699	-
Affiliate Receivables	1	3,599	-
Fixed Charge Payments			
Distribution to PFG	3	(3,139,445)	-
Balance on the Fixed Charge Account		(2,831,588)	67,164
Floating Charge Receipts			
PFG Funding Agreement	4	-	200,000
HSBC Cash at Bank	1	8,649	8,508
Bank interest		-	757
Other Debtors and pre-payments	5	18,360	14,160
Total Floating Charge Receipts		27,009	223,425
Floating Charge Payments			
PFG Funding Repayment	4	-	(100,000)
Legal Fees	6	-	(10,000)
Bordereau Premium		-	(225)
Re-Direction of Mail		-	(627)
Statutory Advertising		-	-
Wages & Salaries	7	-	(36,471)
PAYE & NIC	7	-	(21,031)
Total Floating Charge Payments		-	(168,354)
Net Floating Charge Receipts/(Payments)		27,009	55,071
Funds represented by:			
VAT Receivable		-	2,000
Bank account		-	120,234
Balance		-	122,234

Notes

- These amounts relate to pre-appointment HSBC bank accounts held by the Company. The LUK account that remained open until 30 September 2024 received c.£36k in post-appointment merchant receipts as shown previously. As only LHUK transacted with merchants and affiliates we are investigating whether the recovery should be allocated to LHUK instead despite the account being in the name of LUK; but at this point we have reflected it as a realisation for LUK. Additionally, certain LHUK accounts are not subject to fixed charge security as shown in the table.
- Represents amounts held in the EML account that are estimated to be realised once the position is finalised. We have reviewed company records and identified that this asset had been assigned to LUK, so there will be no realisations in relation to this asset for the LHUK estate.
- Four distributions (excluding repayment of the AFA) have been made to PFG. The remaining balance on their debt is c.£482k and relates to transaction fees.
- The AFA of £585k was entered into with PFG and facilitated by Pinsent Masons. LHUK had the benefit of £200k of which £100k has been repaid.
- Receipt of deposit less charges from landlord upon surrender of lease.
- Post-appointment legal fees paid to Pinsent Masons. Some legal fees for LHUK are fixed charge payments but we are yet to allocate legal fees between fixed and floating charge accounts. A reconciliation between the accounts will be undertaken in the future and will be disclosed in a future progress report.
- Wages and salaries paid to employees retained post-appointment and relevant employment taxes on such wages.
- The Statement of Affairs figures are the directors' estimates of what the Company's assets might realise in the Administration and are shown only for comparative purposes.
- Where relevant, all amounts are shown net of VAT.

Appendix E: An introduction to insolvency

If you are unfamiliar with an insolvency process, please read this page which describes the typical work and role of an insolvency practitioner. This is only a general overview and does not necessarily reflect our work in this case.

What is an insolvency process?

There are several types of insolvency process, but all are intended to achieve the same basic objective: to realise assets that the company owns and repay (to the extent possible) what it owes to creditors.

The type of process depends on the circumstances and the amount distributable to creditors (in accordance with statutory priorities) depends on the value of assets, the costs of the process and level of claims received.

What is an insolvency practitioner?

Commonly referred to as an 'IP', an insolvency practitioner is an experienced and qualified individual who is licensed and authorised to act in relation to an insolvent company, partnership or person.

IPs typically use the staff and resources of their own firm to complete the work, supported by third party professionals and other specialists as required.

IPs are routinely monitored by their professional body to ensure continued adherence to standards.

Realising the Assets

The IP evaluates possible options and pursues the best route for maximising value for creditors. Options could include an immediate sale of the business, a period of ongoing trading (prior to a sale) or a closure/wind-down of operations.

The costs of realising the assets can vary significantly, so an IP is looking to maximise the net value (after costs). Securing the ongoing employment of the workforce can materially reduce claims against the company.

Work done on realising the assets has a direct financial benefit for creditors.

Managing the Company's Affairs

Until such time as the company is dissolved, it must continue to fulfil many of its usual obligations, such as submitting VAT/tax returns and keeping adequate accounting records.

Whilst appointed to manage the affairs of the company, the IP is responsible for ensuring these obligations are met. Support from VAT/tax specialists in insolvency situations helps to ensure accuracy and minimise liabilities.

Other work might include complying with any licensing or regulatory requirements.

Dealing With Creditors

It can take several months, often longer, but if and when funds become available, the IP will distribute these to creditors once their claims have been received and agreed.

As secured creditors usually have priority rights over the assets, the amount left over for other non-preferential unsecured creditors can often be very small.

IPs keep creditors updated on their work, either through periodic reports or responding to their queries and correspondence.

Fulfilling our Statutory Duties

The impact of an insolvency can be wide ranging, so IPs are required to issue notices and periodic reports to notify those affected parties and keep them updated.

The company's affairs and conduct its directors must also be investigated to see whether any asset recovery (or other actions) need to be taken.

Whilst this work does not have any direct financial benefit for creditors, the purpose of insolvency law is to protect the interests of creditors.

Regular internal case reviews ensure the process progresses cost effectively and on a timely basis.

Appendix F: Legal Notices

We have set out below some important notices regarding this report and the appointment of administrators.

About this report

- This report has been prepared by the Joint Administrators solely to comply with their statutory duty to report to creditors under the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 on the progress of the insolvency proceedings.
- 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 Companies subject to these insolvency proceedings.
- Any person that chooses to rely on this report for any purpose or in any context other than under the Rules does so at its 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 this report to any such person.
- Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Provision of Services Regulations

- To comply with the Provision of Services Regulations, some general information about FTI Consulting LLP, including about our complaints policy and Professional Indemnity Insurance, can be found online at: <https://www.fticonsulting.com/uk/creditors-portal>.

Information on creditors' rights

- A creditors' guide to administrations can be found on our website below. It includes information to help creditors understand their rights and describes how best these rights can be exercised.
<https://www.fticonsulting.com/uk/creditors-portal/forms-and-information>
- The website also has a creditors' guide to administrators' fees which is intended to help creditors be aware of their rights under legislation to approve and monitor fees; and explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.
- The above documents on our website are called:
 - Creditors Guide to Administration (Scotland)
 - Guide to Administrators' Fees (Scotland, January 2022)
- Details of the above rights are also set out on the right.

Data Protection

- FTI Consulting LLP ("FTI") uses personal information in order to fulfil the legal obligations of its insolvency practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how FTI uses your personal information in our Data Privacy statement on our website at <https://www.fticonsulting.com/uk/creditors-portal>.

Creditors' Right to Challenge Remuneration and/or Outlays

- Any creditor or creditors of the Company representing in value at least 25 percent of the creditors may apply to the court not later than eight weeks after the end of an accounting period for an order that the administrators' remuneration or outlays be reduced on the grounds that they are, in all the circumstances, excessive (in accordance with Rule 3.100 IR18).

Creditors Right to Inspect the Accounts

- As required by Rule 3.96 IR18, the accounts submitted to the Committee for audit and the Committee's determination of our remuneration, are available for inspection by the members of the Company and the creditors. Anyone wishing to do so, should contact us in writing using the details provided earlier.



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