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Collateral (UK) Limited
Collateral Sales Limited
Collateral Security Trustee Limited
All In Creditors' Voluntary Liquidation

Joint Liquidators' progress report from
10 May 2025 to 9 May 2026

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Glossary of terms

Abbreviation or term	Meaning
'Act'	Insolvency Act 1986
'CSL'	Collateral Sales Limited
'CSTL'	Collateral Security Trustee Limited
'CUKL'	Collateral (UK) Limited
'HMRC'	HM Revenue & Customs
'Joint Liquidators' or 'we'	Shane Crooks and Kirsty McMahon
'net property'	Floating charge realisations after costs and payment of preferential creditors in full
'Period'	10 May 2025 to 9 May 2026
'preferential creditors'	Claims for unpaid wages earned in the four months prior to Liquidation up to £800, holiday pay and unpaid pension contributions in certain circumstances
'Prescribed Part'	Where a company has granted a floating charge after 15 September 2003, under Section 176A of the Act a proportion of the net property available to a QFCH is set aside for the unsecured creditors of that company
'QFCH'	Qualifying Floating Charge Holder
'Report'	This report, prepared in accordance with Rules 18.3 and 18.7 of the Rules
'Rules'	Insolvency (England and Wales) Rules 2016
'secured creditors'	Creditors whose debt is secured, in accordance with Section 248 of the Act
'the Companies'	Collateral (UK) Limited, Collateral Sales Limited, Collateral Security Trustee Limited
'unsecured creditors'	Creditors who are neither secured nor preferential

Key information

Background

The Companies are currently in Liquidation, having previously been in Administration. Shane Crooks and Mark Shaw, both of BDO LLP, were appointed as Joint Administrators in relation to the Companies on 27 April 2018, and subsequently as Joint Liquidators on 10 May 2019.

On 14 October 2024, an order was made by the High Court of Justice appointing Kirsty McMahon of BDO LLP, 55 Baker Street, London, W1U 7EU as Joint Liquidator in replacement of Mark Shaw. Accordingly, the current Joint Liquidators are Shane Crooks and Kirsty McMahon.

Purpose of the Report

This is the annual Report for the period from 10 May 2025 to 9 May 2026.

The main purpose of the Report is to provide you with an update on the progress of the Liquidations during the Period.

The Report can be reviewed in conjunction with all other reports regarding these Liquidations and the preceding Administrations. These can be found at https://www.bdo.co.uk/en-gb/collateral-companies-in-liquidation.

Return to creditors

The table below summarises the anticipated outcome for creditors and investors, based on the information currently available. Please note these figures may be subject to change.

Class of creditor	Current estimate	Previous estimate
Secured creditors	N/A	N/A
Preferential creditors	Nil	Uncertain
Unsecured creditors[1]	Nil	Uncertain
Investors	See below	See below

1. None of the Companies has granted a floating charge to any creditor after 15 September 2003 and consequently there will be no Prescribed Part in these Liquidations.

As explained in previous reports, in addition to claims received from creditors, the Companies hold money on behalf of investors who had invested in various loans available on the Collateral peer-to-peer lending platform. Each investor's return will vary, depending on their level of exposure to the various loans and the recoveries made from each loan.

An interim distribution to investors, representing the net realisations from certain loans, was paid in April 2023. Subsequent 'catch-up' payments have been made to investors who had not provided their payment details in time to receive the original interim distribution. A limited number of investors have still not claimed the funds due to them in respect of the interim distribution, despite regular attempts by the Joint Liquidators to obtain their payment details. Any investor who has not yet received an interim distribution and/or provided the Joint Liquidators with their payment details, is kindly requested to contact the Joint Liquidators.

Creditors of the Companies will have unsecured claims and will only receive a dividend from realisations from the Companies' estate (i.e. from 'non-trust' assets). As previously advised, based on available

information, it appears that there will be insufficient funds to allow a dividend to be paid to unsecured creditors.

What creditors need to do

The purpose of the Report is to provide you with an update only. Creditors and investors do not need to take any other action at this time in relation to the Report.

As noted above, any investors who have not yet received a payment in respect of the interim distribution should contact the Joint Liquidators at investorcollateral@bdo.co.uk.

Creditors' rights

An overview of the rights of creditors is attached at Appendix B.

Contact details

Email: investorcollateral@bdo.co.uk

Progress in the period

Asset realisations

The receipts and payments account attached at Appendix C details the asset realisations during the Period and in the Liquidations to date.

Bank interest

During the Period, the sum of £22,321 has been received in respect of bank interest.

Asset realisations

The sum of £519,336 was received in the Period, representing the net proceeds received in respect of the loan secured by the property at Great Moor Street, Bolton.

The loan books

Our previous reports set out the details of the two loan books operated by the Companies: the 'property' loan book and the smaller 'chattel' loan book, along with tables detailing the recovered amounts. We have continued to deal with the recovery of any unrealised loan amounts.

Property loans

In the Period, the loan secured by the Pembroke Street property was realised via a sale of the property. A number of matters needed to be resolved before the sale could take place, as a result of deficiencies in the security documentation held by the Companies and the fact that the borrower's director had been made bankrupt. After protracted negotiations, we reached an agreement on these issues with the Official Receiver's office, which ultimately allowed the Official Receiver to conduct a sale of the property.

The completion accounts are still being finalised following the sale but, given the significant time that was required to be spent in dealing with the issues connected to this loan and the accrued fees of the various professional advisors involved, the net realisations into the liquidation estate are likely to be minimal. As previously advised, we do not expect that any return will be possible to investors in relation to this loan.

There have been no further asset realisations in the Period, and the loans secured by the properties listed in the table below remain unsold:

Property	Principal loan £
Block C, Colne Hall, Manchester Rd, Huddersfield	1,601,000
12 student accommodation units at Appleton Point, Bradford	503,580

As noted in previous reports, the significant challenges associated with the above properties have prevented their realisation to date. The Joint Liquidators continue to liaise with their solicitors and professional advisors in relation to these properties, together with parties who have made proposals in relation to one of the properties. However, even if the properties can be realised, the costs that have been incurred in relation to progressing the realisation of these assets to date will significantly affect any available return to investors.

Chattel loans

As set out in our previous reports, all known chattel assets securing the chattel loan book had been collected by our agents, following the various borrowers' refusal to settle the outstanding amounts due.

We have previously advised that there are significant discrepancies between the book value of these assets in the Companies' records and the estimated values provided by the independent agents engaged

by the Joint Liquidators. We have also previously noted that the directors had been unable satisfactorily to explain these discrepancies.

As previously reported, the chattel assets sold to date have realised c£125,000. No further realisations are expected in respect of chattel asset loans.

Bank accounts

As previously advised, the Companies' bank accounts were secured immediately upon the appointment of the Joint Administrators and balances of £383,243.54 and £429,307.30, which were held in the CUKL office and client accounts respectively, were recovered.

As previously reported, the Companies' directors were unable to provide any explanation for the discrepancy in the client account balance. Investors who held funds in the client account have since received a first and final distribution of 93.79% in respect of these funds.

Investigations

The Joint Liquidators have a duty to investigate the affairs of the Companies and also the conduct of the directors and, in respect of the latter, to submit a confidential statutory report to the Secretary of State. I confirm that we have complied with our duties in this regard.

As investors and creditors will be aware, the FCA commenced criminal proceedings against the directors of the Companies, who were ultimately convicted of various counts of fraud and money laundering. The FCA commenced confiscation proceedings against the directors' assets, and a distribution was paid directly to investors by the FCA in 2024, representing the confiscation proceeds obtained from one of the directors. We understand that the FCA's enforcement process remains ongoing.

Distributions to creditors

Secured creditors

There are no known secured creditors in these Liquidations.

Preferential creditors

As detailed in previous reports, former employees of CUKL have claimed c£6.2k in respect of accrued holiday and payment in lieu of notice. The Government's Redundancy Payments Service has already paid c£5.9k of that amount. The balance of the amounts claimed by the former employees will be a preferential claim in the Liquidation of CUKL.

Based upon the information currently available, it is considered unlikely that a distribution will be declared to preferential creditors.

Prescribed Part

At the date of appointment, the Companies had no outstanding floating charge security granted after 15 September 2003 and therefore the Prescribed Part will not apply in these Liquidations.

Unsecured creditors

Based upon the information currently available, it is considered unlikely that a dividend will be declared to unsecured creditors.

Investors and further distributions

Our previous reports have set out the steps that the Joint Liquidators took to enable an interim distribution to be paid in April 2023 to those investors with exposure to client monies and/or platform loans realised to date. The Joint Liquidators continue to periodically make further payments to investors who are entitled to a distribution, but who did not participate in the previous payment runs. During the

Period, the Joint Liquidators sent further reminder emails to investors who had not yet provided their payment details and also organised letters to be sent by post. This resulted in a number of further investors providing their payment details, with the latest catch-up round of payments taking place earlier this year.

As detailed in the attached Receipts and Payments account, the Joint Liquidators still hold c£98.7k of unclaimed distributions. Any investors who are entitled to receive an interim distribution but who have not yet received payment do not lose their entitlement to the distribution. If any investor considers that they are entitled to a payment but have not yet received it, please contact investorcollateral@bdo.co.uk.

Once the remaining assets have been realised the Joint Liquidators intend to declare a second and final distribution to investors.

Other matters

In addition to the above matters, we have dealt with all statutory matters required by legislation and administrative work incidental to our duties as Joint Liquidators in these Liquidations.

Communication with stakeholders

Investors and creditors will recall that the Joint Liquidators have set up a dedicated website that provides information to investors, creditors and borrowers of the Companies. Please note the website below: https://www.bdo.co.uk/en-gb/collateral-companies-in-liquidation

The website is updated periodically and will be used to provide further appropriate updates to stakeholders on the progress of the Liquidations. Frequently asked questions ("FAQs") have been uploaded to the website to deal with the most common queries received from investors and creditors. This approach has been adopted so that we can share the answers to questions raised by individual investors/creditors with all investors/creditors.

Investors who have specific queries should continue to use the dedicated email address at investorcollateral@bdo.co.uk or write to the Joint Liquidators at c/o BDO LLP, 55 Baker Street, London W1U 7EU.

Joint Liquidators' remuneration

As reported previously, the Joint Administrators' and the Joint Liquidators' remuneration is complicated by the nature of the Companies' assets and the fact the Joint Liquidators are dealing with both 'trust' assets and 'non-trust' or 'Company' assets.

The Joint Liquidators continue to utilise an internal time recording protocol established at the outset of the Administrations to split time charged to this assignment between specific or general trust assets and non-trust/Company assets. No fees have been drawn in the Period.

A detailed report of the time incurred by the Joint Liquidators and a narrative of the work undertaken during the Period is attached at Appendix D. The Joint Liquidators will in due course liaise with the Liquidation Committee in relation to the approval of the further fees incurred.

Future actions

The following matters will be undertaken before the Joint Liquidators can conclude the Liquidations:

- Realisation, as far as possible, of the remaining property loan assets.
- Complete costs reconciliations in respect of realised assets.
- Continue to liaise with the FCA, as necessary.
- Payment of a further distribution to investors.
- Liaising with, and reporting to, the Committee.
- Statutory obligations and reporting in respect of the Liquidations.

It is not yet possible to estimate when all these matters will be fully concluded.

Appendix A

Statutory information

Information	
Company names	Collateral (UK) Limited, Collateral Sales Limited and Collateral Trustee Security Limited
Company registration numbers	CUKL: 09314729 CSL: 10390419 CSTL: 10390795
Registered office	C/o BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH
Date of appointment	10 May 2019
Joint Liquidators	Shane Crooks Kirsty McMahon appointed on 14 October 2024 *Under the provisions of section 231 of the Act the Joint Liquidators carry out their functions jointly and severally meaning any action can be done by one Liquidator or by both of them.* On 14 October 2024 an order was made by the High Court of Justice appointing Kirsty McMahon of BDO LLP, 55 Baker Street, London, W1U 7EU as Joint Liquidator in replacement of Mark Shaw.
Joint Liquidators' address	BDO LLP, 55 Baker Street, London, W1U 7EU
Data Control and GDPR	Shane Crooks and Kirsty McMahon are authorised to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales in the UK. The Joint Liquidators are Data Controllers as defined by the General Data Protection Regulations. BDO LLP will act as Data Processor on the instruction of the Data Controllers. Personal data will be kept secure and processed only for matters relating to the Liquidations of Collateral (UK) Limited, Collateral Sales Limited and Collateral Security Trustees Limited. Please see the privacy statement at https://www.bdo.co.uk/en-gb/privacy-notices/insolvencies

Appendix B

Creditors' rights

Within 21 days of receipt of the Report: (1) a secured creditor; (2) an unsecured creditor with the concurrence of at least 5% in value (including the creditor in question) of the unsecured creditors; or (3) any unsecured creditor with the permission of court, may request in writing that the Joint Liquidators provide further information about their remuneration or expenses which are itemised in the Report.

Within 14 days of receipt of the request, the Joint Liquidators must provide all of the information asked for, unless they think that:

- the time or cost in preparing the information would be excessive; or
- disclosure of the information would be prejudicial to the conduct of the Liquidations or might reasonably be expected to lead to violence against any person; or
- the Joint Liquidators are subject to confidentiality obligations in respect of the information.

The Joint Liquidators must give reasons for not providing all of the requested information.

Any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors may, within eight weeks of receipt of the Report, make an application to court that the basis fixed for the Joint Liquidators' remuneration, the remuneration charged, or the expenses incurred by the Joint Liquidators, as set out in the Report, are excessive.

Copies of BDO LLP's charging and expenses policy, 'A Creditors' Guide to Liquidators' Fees' and information on the rights, duties and functions of a liquidation committee are available at https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency Practitioners. In the event that you make a complaint to us but are not satisfied with the response, then you should visit https://www.gov.uk/complain-about-insolvency-practitioner where you will find further information on how you may pursue the complaint.

The Joint Liquidators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to these Liquidations. A copy of the code can be found at https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics.

Appendix C

Receipts and payments account

Consistent with our previous reports, all receipts and payments have been consolidated and included on the summary of receipts and payments for CUKL, notwithstanding the fact that certain receipts and payments relate to the realisation of assets held on trust by one or more of the Companies for investors.

Collateral UK Limited - in Creditors' Voluntary Liquidation
Summary of receipts and payments for the period 10 May 2019 to 9 May 2026

	Period 10 May 2025 to 9 May 2026	Period 10 May 2019 to 9 May 2026
Receipts	£	£
Surplus from the Administrations	-	1,625,249.99
Net Loan Redemptions	519,335.99	4,823,845.45
Bank interest	22,321.52	77,641.94
Refund received from JMW solicitors	-	40,000.00
Sundry Refund	-	1,183.60
	541,657.51	6,567,920.98
Payments		
Professional Fees	-	5,997.80
Committee Expenses	-	1,714.32
Security Costs	-	49,038.61
Property Agents	-	20,386.15
Legal fees pre-appointment	-	8,180.61
Legal fees (trust)	-	426,857.57
Legal fees (non-trust)	-	137,333.06
Legal disbursements	-	46,407.34
Storage Costs	41.40	2,089.71
Insurance of Assets	-	8,899.86
Bank Charges	-	2,718.00
Corporation Tax	17,555.62	17,555.62
JAs' pre-appointment fees	-	36,463.23
JAs' pre-appointment disburesements	-	1,108.00
Joint Administrators' fees (non-trust)	-	144,277.72
Joint Administrators' fees (trust)	-	443,117.58
Joint Administrators' disbursements	-	2,244.34
Joint Liquidators' fees (trust)	-	1,055,059.78
VAT input	-	477,403.53
	17,597.02	2,886,852.83
First interim distribution to investors declared 28 April 2023[2]		2,030,729.77
Balance in hand		1,650,338.38
		6,567,920.98

BDO LLP
55 Baker Street
London
W1U 7EU

Shane Crooks
Joint Liquidator
6 July 2026

Notes

1 The directors have not submitted a Statement of Affairs for the Companies.

2 Includes unclaimed dividends of £98,700.68 as at 9 May 2026.

Appendix D

Joint Liquidators'remuneration

A breakdown of the time costs incurred by the Joint Liquidators is provided:

- At Appendix D1, for the period 10 May 2025 to 9 May 2026 for 'Trust' and 'Non-Trust' costs; and
- At Appendix D2, for the period 10 May 2019 to 9 May 2026 for 'Trust' and 'Non-Trust' costs.

The work undertaken in the Period for the Companies is detailed below.

Planning and strategy

- Case reviews
- Internal meetings and discussions
- Preparation of strategy documents including estimated outcome statements

General administration

- Ongoing maintenance and reconciliation of the Liquidation bank accounts and other cashiering functions
- Liaising with the FCA
- General meetings and discussions
- Instructing and liaising with solicitors
- General administration/correspondence
- Executing payments of catch-up distributions to investors

Assets

- Instructing and liaising with property agents and legal advisors
- Dealing with any remaining assets in the loan books

Investor and creditor queries

- Dealing with investor and creditor queries
- Updating investor information records
- Correspondence with investors regarding the catch-up distributions

Reporting

- Preparation and distribution of the progress report to members and creditors
- Reporting to and liaising with the Committee
- Reporting to investors and creditors

As set out in our previous reports, the hourly charge out rates for all BDO partners and staff working on the Liquidations have been discounted to the rates agreed with the FCA prior to our initial appointment as Joint Administrators. The charge out rates per hour of staff within the firm who may be involved in working on the Liquidations are as follows:

Grade	£
Partner	600
Director	462
Senior Manager	392-428
Manager	295-333
Senior Executive	266
Executive	248
Trainee	92-165

Appendix D1

TIME COSTS INCURRED FOR THE PERIOD 10 May 2025 TO 9 May 2026

Collateral UK Limited
Collateral Sales Limited
Collateral Security Trustee Limited - All in Creditors' Voluntary Liquidation

Joint Liquidators' time spent dealing with trust asset matters

Summary of time charged and rates applicable for the period from 10 May 2025 to 9 May 2026

	PARTNER		SENIOR MANAGER/MANAGER		EXECUTIVE		GRAND TOTAL		AV RATE
Description	Hours	£	Hours	£	Hours	£	Hours	£	£
Assets Realisation/Dealing (i.e dealing with realisation of loan books, dividend matters, general trust matters)	2.00	1,200.00	134.30	57,480.40	32.55	8,072.40	168.85	66,752.80	395.34
Investor claims and queries		0.00	42.05	17,997.40	32.70	8,109.60	74.75	26,107.00	349.26
Liaising with committee on trust asset matters	1.25	750.00	9.50	4,066.00			10.75	4,816.00	448.00
Time attributed to specific trust assets.	0.75	450.00	48.25	20,651.00			49.00	21,101.00	430.63
	4.00	2,400.00	234.10	100,194.80	65.25	16,182.00			
					Net Total		303.35	118,776.80	391.55

Collateral UK Limited
Collateral Sales Limited
Collateral Security Trustee Limited - All in Creditors' Voluntary Liquidation

Joint Liquidators' time spent dealing with non-trust matters

Summary of time charged and rates applicable for the period from 10 May 2025 to 9 May 2026

	PARTNER		SENIOR MANAGER/MANAGER		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AV RATE
Description	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	£
General Administration, including investigations, liasing with lawyers and the FCA, cashiering, planning and strategy.			41.05	17,569.40	23.80	5,495.35	73.75	6,514.50	138.60	29,579.25	213.41
Reporting, including statutory reports, maintenance of dedicated webpage and FAQ's.	1.90	1,140.00	9.70	4,151.60	3.90	967.20	6.70	638.00	22.20	6,896.80	
Liaising with, and reporting to, the Creditors' Committee	1.25	750.00	9.50	4,066.00					10.75	4,816.00	448.00
	3.15	1,890.00	60.25	25,787.00	27.70	6,462.55	80.45	7,152.50			
								Net Total	171.55	41,292.05	240.70

Appendix D2

TIME COSTS INCURRED FOR THE PERIOD 10 May 2019 to 9 May 2026

Collateral UK Limited
Collateral Sales Limited
Collateral Security Trustee Limited - All in Creditors' Voluntary Liquidation

Joint Liquidators' time spent dealing with trust asset matters

Summary of Time Charged and Rates Applicable for the Period From 10 May 2019 to 9 May 2026

	PARTNER		DIRECTOR		SENIOR MANAGER / MANAGER		EXECUTIVE		GRAND TOTAL		AV RATE
Description	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	£
IT platform specific work	14.00	8,400.00	7.25	2,283.75	16.45	5,477.85	14.95	2,167.75	52.65	18,329.35	348.14
General administration, including liasing with lawyers, meetings and correspondence with the Directors					8.00	2,664.00			8.00	2,664.00	333.00
Assets Realisation/Dealing and Investigations (i.e dealing with realisation of loan books, dividend matters, general trust matters)	98.90	59,340.00	15.50	4,743.00	1,413.84	588,045.64	202.84	43,070.06	1,731.08	695,198.70	401.60
Investor claims and queries	10.25	6,150.00			304.10	125,245.20	163.00	38,192.50	477.35	169,587.70	355.27
Liaising with committee on trust asset matters	48.25	28,950.00			124.20	49,926.35	4.00	804.00	176.45	79,680.35	451.57
Time attributed to specific trust assets.	207.63	124,575.00	4.40	2,167.40	898.17	343,600.13	14.75	2,474.75	1,124.95	472,817.28	420.30
	379.03	227,415.00	22.75	9,194.15	2,764.76	1,114,959.17	399.54	86,709.06			
								Net Total	3,570.48	1,438,277.38	402.82

Collateral UK Limited
Collateral Sales Limited
Collateral Security Trustee Limited - All in Creditors' Voluntary Liquidation

Joint Liquidators' time spent dealing with non-trust matters

Summary of Time Charged and Rates Applicable for the Period From 10 May 2019 to 9 May 2026

Description	PARTNER		SENIOR MANAGER/MANAGER		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AV RATE
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	£
General Administration, including investigations, liasing with lawyers and the FCA, cashiering, planning and strategy.	44.80	26,611.70	371.10	142,055.60	189.00	31,561.20	833.85	58,680.89	1,438.75	258,909.39	179.95
Creditor claims and queries	2.00	1,200.00	11.85	4,107.55	8.00	1,160.00			21.85	6,467.55	296.00
Reporting, including statutory reports, maintenance of dedicated webpage and FAQ's.	20.45	12,270.00	70.50	29,053.00	5.90	1,391.10	31.90	2,790.68	128.75	45,504.78	
Liaising with, and reporting to, the Creditors' Committee	30.75	18,450.00	72.50	29,226.80	4.00	804.00			107.25	48,480.80	452.04
	98.00	58,531.70	525.95	204,442.95	206.90	34,916.30	865.75	61,471.57			
								Net Total	1,696.60	359,362.52	211.81