



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**SVS SECURITIES PLC
(IN SPECIAL ADMINISTRATION)**

In the High Court of Justice, Business and Property Courts of England and Wales
Case Number: CR-2019-005229

Company registered number: 04402606
**Registered office address: c/o Leonard Curtis, Riverside House, Irwell Street,
Manchester M3 5EN**

Joint Special Administrators' Second Progress Report

**Report period
5 February 2020 to 4 August 2020**

26 August 2020

<https://www.leonardcurtis.co.uk/svs/>

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GLOSSARY OF ABBREVIATIONS USED IN THIS REPORT

The following table shows the abbreviations and insolvency terms that may be used during this report:

Client and Creditor Definitions

"Client"	a person for whom the Company holds (or held prior to the Transfer Date) Client Assets
"Money Client"	a client for whom the Company has undertaken to hold (and held prior to the Transfer Date) Client Money and who may be entitled to receive a distribution from the CMP
"Asset Client"	a client for whom the Company has undertaken to receive or hold (and held prior to the Transfer Date) Custody Assets and who may be entitled to a distribution from those Custody Assets
"Creditor"	includes: (i) a client who is not entitled to participate in the CMP nor entitled to Custody Assets held by the Company; (ii) a Client with a shortfall (in respect of that shortfall); (iii) any other creditor who is owed an amount from the Company, and may include secured, preferential or ordinary unsecured creditors

NB: All of the above are subject to adjudication by the Administrators

Other abbreviations and definitions

"Act"	the Insolvency Act 1986
"Administrators"	the joint special administrators of the Company, being Andrew Poxon, Alex Cadwallader and Andrew Duncan
"Ashurst"	Ashurst LLP, the Administrators' solicitors
"Authorities"	the Bank of England, HM Treasury and the FCA
"Baldwins"	Baldwins Holdings Limited
"Bar Date"	the deadline for Asset Clients and Money Clients to submit their claims to their holdings of Client Money and/or Custody Assets
"CASS"	the Client Asset Sourcebook, the FCA's rules for holding Client Money and Custody Assets
"Cerberus"	Cerberus Receivables Management Limited
"Client Assets"	Client Money and Custody Assets
"Client Money"	Client cash balances held by the Company as at the Administrators' appointment on 5 August 2019 and which are subject to CASS
"Client Money Order"	the order granted by the Court dated 7 May 2020 approving the Administrators' plan for distribution of Client Money
"Client Portal"	the Company's online Client claims portal developed by the Administrators for the purpose of facilitating the return of Custody Assets and Client Money

"Client Statements"	the statements prepared by the Administrators for each claimant setting out their claims to Custody Assets made available on the Client Portal, as updated in accordance with the Distribution Plan
"CMP"	the pool of Client Money which is held on trust by the Company in accordance with CASS and which has been pooled in accordance with those rules for the purpose of distribution
"Company"	SVS Securities plc (in special administration) (company number 04402606)
"Court"	The High Court of Justice, Business & Property Courts of England & Wales Company and Insolvency List
"Creditors' Committee"	the committee established in order to take certain decisions on behalf of the Clients and Creditors as a whole
"Custody Assets"	the Client securities held by the Company as at the Administrators' appointment on 5 August 2019
"Directors"	the registered directors of the Company, being Ruchir Rupani, Demetrios Hadjigeorgiou and Kulvir Virk
"Disputes Clearance Period"	the period from 18 May 2020 to 9 June 2020 during which clients with a dispute in respect of their claims to Custody Assets and/or Pre-Administration Outstanding Amounts were able to apply to Court for the Administrators' decision to be reversed or varied.
"Distribution Plan"	the plan approved by the Court on 7 May 2020, as published on www.leonardcurtis.co.uk/SVS
"Effective Date"	The date the sealed order approving the Distribution Plan was provided by the Court (7 May 2020)
"EPC"	Elective professional clients as described further at paragraph 4.1.11 below
"EUI"	Euroclear UK and Ireland, the operator of the CREST system
"Explanatory Statement"	the statement explaining terms of the Distribution Plan, as published on 12 May 2020 on www.leonardcurtis.co.uk/SVS
"FCA"	the Financial Conduct Authority
"FSCS"	the Financial Services Compensation Scheme, the UK's statutory investors' compensation scheme for customers of authorised financial services firms
"FX"	foreign exchange
"House Assets"	the Company's own assets (excluding Custody Assets and Client Money)
"House Accounts"	the Administrators' bank accounts dedicated to holding House Assets
"Hilco"	Hilco Valuation Services
"Initial Meeting"	the initial meeting of Clients and Creditors held on 10 October 2019
"ISA"	individual savings account

"ITI"	ITI Capital Limited
"Leonard Curtis"	Leonard Curtis Recovery Limited and/or Leonard Curtis Limited
"LSE"	the London Stock Exchange
"NEX"	the NEX Exchange
"Objectives"	the Administrators' three objectives, which are set out in the Regulations, namely:
"Objective 1"	to ensure the return of Client Assets as soon as is reasonably practicable
"Objective 2"	to ensure timely engagement with market infrastructure bodies and the Authorities
"Objective 3"	to either rescue the investment bank as a going concern, or to wind it up in the best interests of the Company's creditors.
"PPE"	primary pooling event
"Pre-Administration Outstanding Amounts"	any amounts owed by a Client to the Company as notified by to such Clients by the Administrators in their Client Statements.
"Premises"	4 th Floor, Princes Court, 7 Princes Street, London EC2R 8AQ, being the Company's former registered office and trading address
"Proposals"	the Administrators' proposals for achieving the statutory objectives of the Special Administration dated 25 September 2019, which were approved by Clients and Creditors on 10 October 2019 at the Initial Meeting
"Regulations"	the Investment Bank Special Administration Regulations 2011 (as amended)
"Reverse Transfer"	the transfer of a Client's Custody Assets and/or Client Money back from ITI to the Company on any such Client's request received within a period of three months following the Settlement Date
"Rules"	the Investment Bank Special Administration (England and Wales) Rules 2011
"Settlement Date"	23 July 2020
"SPA"	the sale and purchase agreement entered into between the Company, the Administrators and ITI on 16 March 2020 under which the vast majority of Client Assets were transferred to ITI
"Special Administration"	a process introduced in 2011 to deal with, among other things, insolvent investment firms holding Custody Assets and Client Money
"Transfer Date"	11 June 2020

**TO: THE REGISTRAR OF COMPANIES
ALL CLIENTS
ALL CREDITORS**

1 INTRODUCTION AND EXECUTIVE SUMMARY

This progress report has been produced in accordance with Rule 122 of the Rules to provide Clients and Creditors with an update on the progress of the Special Administration of the Company for the six month period from 5 February 2020 to 4 August 2020. This is the Administrators' second progress report to Clients and Creditors.

Much of the information contained in this report encompasses the whole period of the Special Administration to 4 August 2020. Please be aware, however, that where reference is made to "the period of this report", this specifically means 5 February 2020 to 4 August 2020.

You are encouraged to read this progress report in conjunction with the Administrators' first progress report and the Proposals, copies of which can be found at www.leonardcurtis.co.uk/SVS.

1.1 Summary of action

During the period of this report, the Administrators have (among other things):

- maintained non-trading operations at the Company's Premises with a view to achieving the Objectives of the Special Administration;
- prepared, and obtained approval of, the Distribution Plan and the Client Money Order from the High Court on 7 May 2020, and prepared and distributed the Explanatory Statement to Clients explaining the distribution of Custody Assets under the Distribution Plan;
- negotiated a sale and purchase agreement for the return of Clients' Custody Assets and Client Money by way of a single bulk transfer to ITI;
- completed the legal transfer under the SPA to ITI of the vast majority of Custody Assets and Client Money held by the Company;
- maintained the Client Portal to allow Clients to agree their holdings of Custody Assets and Client Money ahead of the transfer to ITI;
- completed a process of adjudicating claims to Custody Assets and Client Money and resolved the claims of Clients who disputed their entitlements to the Custody Assets and/or Client Money;
- issued each Client a Client Statement as at 7 May 2020;
- transferred the Custody Assets and Client Money of 18,359 Clients to ITI, representing over 99% of the Company's total Clients as at 5 August 2019;
- liaised with and provided irrevocable instructions to the Company's bankers to transfer the CMP and Client Money received following the PPE to ITI and liaised with Euroclear for the transfer of Custody Assets to ITI;
- transferred to ITI the Custody Assets and Client Money held by Clients who were eligible to be transferred to ITI by the Settlement Date;

- instructed third party auditors, Baldwins, to assist with the Administrators' final reconciliation of the Custody Assets and Client Money as at the Transfer Date;
- sought instructions from Clients who were not eligible for the transfer to ITI in relation to the return of their Custody Assets and Client Money;
- continued to liaise with Clients via the use of the dedicated webpage (<https://www.leonardcurtis.co.uk/svs/>), designated email address and in-house helpdesk operated by the Company's own employees and Leonard Curtis staff;
- liaised routinely with all of the relevant market infrastructure bodies and Authorities and, in particular, have been in frequent contact with the FCA and the FSCS;
- continued to liaise with the Creditors' Committee on a regular basis, including regarding the Distribution Plan and the basis of the Administrators' remuneration.

1.2 Return of Custody Assets and Client Money by way of transfer to ITI

During the period of this report, a significant milestone was reached when obtaining approval of the Distribution Plan and Client Money Order from the High Court on 7 May 2020. This has allowed the Administrators to return the vast majority of Custody Assets and Client Money by way of a single bulk transfer to a new nominated broker, ITI.

The Administrators have undertaken a significant amount of work with ITI in order to agree the terms, and the operational mechanics, of the transfer of the majority of the Client accounts. The legal transfer of the vast majority of Custody Assets and Client Money to ITI took place on 11 June 2020.

The Administrators also reached agreement with the FSCS in relation to the strategy and timing of compensation to be paid to Clients to cover the shortfall which would otherwise be created by deducting the costs of the Administration from Client Money and Custody Assets. This has meant that for the vast majority of Clients their Custody Assets and Client Money have been returned to them (by way of transfer to ITI) without any deduction to meet the costs of the Administration.

The Administrators have issued to Clients, via the website (<https://www.leonardcurtis.co.uk/svs/>), three updates on the transfer to ITI following the Settlement Date and up to 4 August 2020. As noted in these updates, the Administrators are aware that ITI have experienced technical issues with regards to the clients on-boarding process and that this has caused unexpected delays for some clients being able to have access to the Phoenix trading platform in order to access their Custody Assets and/or Client Money.

The Administrators are in frequent dialogue with ITI as well as the FCA and FSCS regarding these issues and are closely monitoring the position including through continued liaison with Clients during this period. In addition, the Administrators have provided some additional staff resource to ITI to support their account management team to attempt to resolve Client issues and to enable Clients to gain access to their Custody Assets and /or Client Money as soon as possible.

The Administrators will continue to work constructively with ITI, the FSCS and the FCA to ensure that Clients can access their Client Money and Custody Assets with ITI as efficiently and effectively as possible, and will continue to provide Clients with updates in the period following this report.

All eligible Clients transferred to ITI by way of a single bulk transfer, representing over 99% of the Company's Clients. The transaction involved the transfer of:

- The CMP as at the PPE of approximately £24.8m;

- Approximately £8m of Client Money received during the Administration (post PPE) and held by the Administrators;
- The vast majority of Custody Assets, with an indicative value of over £250m as at 5 August 2019

A very small number of Clients were not eligible to be transferred to ITI and these Clients have been contacted separately by the Administrators regarding options available for the return of their Custody Assets and/or Client Money.

To summarise the Client transfer process:

- 18,359 Clients have had their Custody Assets and Client Money returned by way of the transfer to ITI.
- 68 Clients were ineligible to be transferred to ITI for various reasons and remain Clients of the Company.
- 152 Clients have waived their claims to their holdings entirely during the claims agreement process.

The Administrators continue to receive a small number of dividends and receipts in respect of corporate actions post-Settlement Date. All such receipts received by the Company are being transferred to ITI on a weekly basis. To date, the Administrators have transferred a further £250k to ITI in respect of PPE monies received by the Company.

Further details of action taken by the Administrators during the period of this report can be found below in Section 4.

Anticipated Outcome for Clients and Creditors

1.3 Clients

The Administrators confirm that, other than a very small number of exceptions, the full Custody Asset and Client Money entitlements of Clients have been or are expected to be returned in accordance with the Regulations. For the vast majority of Clients, their Custody Assets and Client Money have been returned in accordance with the Regulations by way of transfer to ITI on the Transfer Date. The very small number of exceptions for whom the full entitlement of Custody Assets or Client Money will not be returned relate to Clients who are not FSCS eligible (less than 1% of the total Clients). The reason for this is explained further below.

The legislation governing the special administration regime provides that the costs of returning custody assets are to be paid out of the custody assets. In respect of client money, the legislation requires the costs of returning client money to be deducted in a manner that results in every client having its entitlement to client money reduced by the same percentage. This means that the costs of returning Custody Assets and/or Client Money are ultimately borne by the Company's Clients.

At this stage, the overall costs of returning Custody Assets and Client Money are still to be determined. In accordance with the Distribution Plan, the costs will be a fixed, capped cost per client for Custody Assets and a percentage of Client Money. Clients are encouraged to refer to the Distribution Plan and Explanatory Statement which provides the rationale for the basis upon which the costs were allocated between Custody Assets and Client Money and their allocation across Clients.

In connection with the Distribution Plan, an initial cost reserve needed to be set for the costs of the special administration of the Company, which was set using a conservative estimated budget of £44.5m. As advised to Clients previously, this figure is expected to be subject to reductions and rebates in due course as greater certainty as to the ultimate level of costs is achieved. It is also subject to assessment by an independent fee assessor appointed by the Creditors' Committee. Based on current information, the anticipated total costs of the Administration are expected to be in the region of £34.8m (which includes a £4.9m provision for contingent scenarios which may or may not arise). Further information on this can be found at Appendix C.

Although the costs of returning Custody Assets and Client Money are notionally borne by the Company's Clients, the vast majority of the Company's Clients are eligible for FSCS compensation, and so those costs will be, or have been, effectively paid by the FSCS. **This enables the return of the full entitlement to Custody Assets and Client Money of Clients** (other than a few corporate clients not eligible for FSCS compensation and one individual client with a large Client Money claim whose losses exceed the FSCS' compensation limit of £85,000 per claimant). The Administrators have liaised directly with these affected Clients.

The full return to Clients, by way of the transfer to ITI, is only possible because of compensation paid by the FSCS to cover the shortfall which would otherwise be created by deducting the costs of the Administrators from Client Money and/or Custody Assets.

1.4 Creditors

Any potential distribution to preferential and unsecured creditors is dependent upon the level of realisation of House Assets, the associated costs of realisation and the costs involved in pursuing Objectives 2 and 3.

At this stage, and as indicated previously, the Administrators do not anticipate that there will be sufficient House Asset realisations, after costs, to enable a dividend to be declared to preferential or unsecured creditors. Should you have any queries, please contact us as set out in paragraph 1.5 below.

1.5 What Do Clients Need to Do?

This report is provided for information purposes and you do not need to take any further action. If your Custody Assets and/or Client Money have not transferred to ITI, or you wish to request a Reverse Transfer back to the Company, then please contact us as soon as possible by:

- Email: svs@leonardcurtis.co.uk
- Telephone: 020 3457 4871 (open 9am – 5pm Monday to Friday)
- In writing: SVS Securities plc (in special administration), Princes Court, 7 Princes St, London EC2R 8AQ

The implication of a Reverse Transfer is that you would become a client of the Company (in special administration) and therefore there may be a further delay in gaining access to your Custody Assets and Client Money which would need to be transferred or distributed in accordance with the Distribution Plan. In such circumstances, the SPA further provides that ITI will hold the Custody Assets of those Clients who have reverse transferred on behalf of the Company and acting on the Administrator's instructions.

2 STATUTORY INFORMATION

The Company traded from Premises located at 4th Floor, Princes Court, 7 Princes Street, London EC2R 8AQ. The Company traded under the following names involving the "SVS" prefix: SVS Securities plc, SVS, SVS Capital Markets, SVS FX, SVS ISA, SVS Markets, SVS Online, SVS Securities, SVS Sharewatch, SVS SIPP, SVS Trading and SVS XO.

The registered office address of the Company at the date of appointment of the Administrators was 4th Floor, Princes Court, 7 Princes Street, London EC2R 8AQ. Following the appointment of the Administrators, this was changed to Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ and subsequently, to Riverside House, Irwell Street, Manchester M3 5EN on 27 December 2019 following the relocation of Leonard Curtis' Manchester office. The registered number of the Company is 04402606.

For the purposes of paragraph 100(2) of Schedule B1 of the Act (as amended and as applied by Regulation 15 of the Regulations), it should be noted that, during the period in which the Special Administration regime is in force, any act or function required to be authorised under any enactment to be done by the Administrators may be exercised by all or any of the persons holding that office.

During the period of the report, there has been a change in joint special administrators of the Company. Mr Julien Irving ceased to act as a joint special administrator of the Company on 12 May 2020 and Mr Andrew Duncan was appointed in his place. Mr Andrew Duncan is licensed in the UK by the Institute of Chartered Accountants in England and Wales.

Please note that the EU Regulation on Insolvency Proceedings (2015/848) does not apply to the Special Administration.

3 JOINT SPECIAL ADMINISTRATORS' OBJECTIVES AND PROPOSALS

As set out in the Administrators' first progress report, the Administrators have three Objectives, which are set out in the Regulations, namely:

- a) Objective 1, which is to ensure the return of Client Assets as soon as is reasonably practicable;
- b) Objective 2, which is to ensure timely engagement with market infrastructure bodies and the Authorities; and
- c) Objective 3, which is either: (i) to rescue the investment bank as a going concern; or (ii) to wind it up in the best interests of its creditors.

The Regulations require the Administrators to commence work on each Objective immediately following their appointment, prioritising the order of work on each Objective as they think fit in order to achieve the best outcome overall for Clients and Creditors.

The FCA have not given directions to the Administrators under Regulation 16 to prioritise one or more of the Objectives.

The Administrators commenced work on achieving each of the three Objectives immediately following their appointment. The Administrators are continuing to pursue Objective 1 as a priority, whilst concurrently pursuing Objectives 2 and 3.

The Regulations require that in order to "return" Client Assets the investment bank must relinquish full control over the assets for the benefit of clients. At this stage, the Administrators have returned the vast majority of Client Assets, by way of a transfer to ITI. The Administrators consider that it is not possible to rescue the Company as a going concern (as referred to in (c)(i) above) and, therefore, in pursuing Objective 3, the Administrators are taking appropriate steps to wind up the Company's affairs (in accordance with (c)(ii) above).

On 25 September 2019, the Administrators circulated their Proposals for achieving the purpose of the Special Administration to all known Clients and Creditors. An Initial Meeting of Clients and Creditors was held on 10 October 2019 and the Proposals were approved without modification.

There have been no amendments to, or deviations from, the Proposals during the course of the Special Administration to date.

Attached at Appendix A is a summary of the Administrators' approved Proposals for achieving the Administrators' Objectives, as detailed above.

4 SUMMARY OF ACTIONS DURING THE PERIOD OF REPORT

This section provides Clients and Creditors with an update on the Administrators' strategy for the Special Administration and progress made to 4 August 2020.

Objective 1: Ensuring the return of Client Assets as soon as reasonably practicable

4.1 Return of Custody Assets and Client Money

4.1.1 Claims

As set out in the Administrators' first progress report, on 27 November 2019, the Administrators set the Bar Dates under Regulation 11 (in respect of Custody Assets) and Regulation 12A (in respect of Client Money) for Clients to submit claims to holdings of Client Assets via the Client Portal. The Bar Dates expired at 5.00pm on 10 January 2020.

Following expiry of the Bar Dates, a notice under Rule 143 was issued on 15 January 2020 to Clients who, according to the Company's records or information received by the Administrators, were eligible to make a claim, but from whom the Administrators had not received a claim to Custody Assets or Client Money. The notice permitted eligible Clients an additional 14 business days from receipt of the notice to submit a claim in accordance with the Rules. This additional period expired on 6 February 2020. The Client Money deadline was further extended to 11 May 2020 to allow further time for disputes ahead of the Distribution Plan (and related order of the Court concerning Client Money) becoming effective.

In total, Custody Asset and/or Client Money claims were submitted in respect of over 12,300 Client accounts, either through the Client Portal or via post.

Around 300 Clients raised disputes in relation to their Custody Assets and/or Client Money holdings during the claims process. Where a dispute was received, the Administrators undertook an investigation exercise and liaised with the relevant Clients regarding the position and/or the need for further evidence. Around 150 of the disputes were resolved. However, prior to issuing the Distribution Plan, there were 46 Client disputes yet to be resolved, of which, 3 were upheld by the Administrators on the basis that a Custody Asset shortfall had been identified (see below). The remaining 43 disputes were subsequently formally rejected in writing by the Administrators as not being valid disputes.

The distribution of the Client Statements on 18 May 2020 commenced a 21 day Disputes Clearance Period, in which Clients with an outstanding dispute in respect of the Administrators' determination of their Custody Asset holdings and/or Pre-Administration Outstanding Amounts were able to apply to Court for the Administrators' decision to be reversed or varied. A similar period applied for the making of an application to Court for the Administrators' decision on Client Money claims to be reversed or varied. The Administrators are not aware of any such applications having been made to Court. By a notice dated 9 June 2020, the Administrators notified Clients of the expiry of the Disputes Clearance Period.

4.1.2 Shortfalls Identified

Client Money Shortfalls

As set out in the Administrators' first progress report, as part of the reconciliation process, it was established that there was a small Client Money shortfall of £38,795, which had arisen as a result of the way in which the Company operated its client accounts. In addition, two further Client Money shortfalls were identified during the period of the report, totalling £899 and €9,791 respectively. Under the Rules, the Administrators are required to transfer house monies to make up any shortfall in the CMP.

Following a final reconciliation ahead of the transfer to ITI, it was established that there was a small surplus within the CMP, which related to unsettled trades. Taking account of the client money shortfalls referred to above a net surplus in the CMP of £21,500 has been returned to the House Estate.

Custody Asset Shortfalls

During the period of the report, the Administrators identified six Custody Asset shortfalls totalling £70,600, which affected around 40 Clients.

As set out in the Administrators' first progress report, under the Regulations and Rules, Custody Asset shortfalls are treated in one of two ways - either by:

- (1) the entire pool of Clients who hold the same asset bearing the shortfall on a pro-rated basis, which would be calculated by reference to Clients' beneficial entitlement to the asset; or
- (2) if there is no such Pool and only a single Client holds the specific asset bearing the shortfall, then that Client will bear the shortfall alone.

Of the six Custody Asset shortfalls identified, three fell within limb (1) and three fell within limb (2) above.

We have taken steps during the period of this report to rectify these Custody Asset shortfalls through arrangements with the FSCS to compensate Clients in respect of these asset shortfalls and Clients' accounts have been adjusted accordingly.

4.1.3 Open Transactions

As previously reported, there were 676 outstanding and unsettled transactions as at the date of the Administrators' appointment, but due to the restrictions placed upon the Company in relation to conducting regulated business activity and the disablement of its CREST access, the Administrators were not in a position following their appointment to complete any of the unsettled transactions. As such, the Administrators declared the Company in default to EUI, LSE and NEX, triggering their respective default rules. Consequently, the Administrators commenced a process to reverse all unsettled transactions in the Company's records.

Accordingly, the Administrators implemented a process to comply with the Default Rules. This has produced two related work streams during the Special Administration:

(i) *the settling of trades under the LSE and NEX Default Rules*: which involved (i) facilitating the conclusion of agency trades between the Company's underlying clients and relevant market counterparties, and (ii) in relation to principal trades, enforcing debts against counterparties in accordance with a price determined by the LSE/NEX Default Rules. These processes, although largely concluded by the Administrators, remain on-going. In particular, in relation to the agency trade specific process, ITI has assumed the Administrators' role in finalising this aspect of the work stream.

(ii) *match-deletions under the CREST Default Rules, which are distinct from one another*: which involved a process of deleting transactions from the CREST system, concluded on 12 March 2020. Following the 'match deletion' of unsettled transactions and associated interest and claims being deleted from CREST, a reconciliation exercise was conducted with EUI and the relevant market counterparties to ensure that all trades had been accounted for. This position was subsequently verified by the independent CASS Auditor in work which commenced on 4 May 2020.

The Administrators consider that they have complied with all relevant obligations under CREST, LSE and NEX Default Rules.

4.1.4 Distribution Plan

In order to return Custody Assets, under the Regulations, the Administrators were required to prepare a Distribution Plan and accompanying Explanatory Statement for approval by the Creditors' Committee and the Court.

The Distribution Plan was unanimously approved by the Creditors' Committee on 21 April 2020 and circulated to Clients on 24 April 2020 ahead of the Court hearing scheduled for 7 May 2020.

The Distribution Plan was approved by Mr Justice Miles at a Court hearing held on 7 May 2020. The sealed order approving the Distribution Plan was provided by the Court on the same day, and, accordingly, the Effective Date of the Distribution Plan was also 7 May 2020. The approved Distribution Plan, together with the Explanatory Statement and other ancillary documents setting out key aspects of the Distribution Plan are available to view and download at the web address below:

Web Address: <https://www.leonardcurtis.co.uk/svs/>

The Distribution Plan has been implemented and the majority of Clients have had their Custody Assets and Client Money returned in full by way of transfer to ITI.

4.1.5 Client Money Order

Clients who had a claim in respect of the CMP held by the Company were notified on 1 May 2020 that a Court hearing was listed for 7 May 2020 (i.e. at the same time as the Distribution Plan hearing) for an application concerning Client Money held by the Company. The purpose of the application was to seek confirmation from the Court that the Company could transfer the CMP to the nominated broker (ITI) in accordance with the Regulations and the Rules. Directions were also sought in relation to the process of resolving any disputes as to the existence or extent of Clients' Client Money entitlements and protection of the Company and the Administrators from any claims which might be made by someone who established their Client Money entitlement only after the transfer has been made in circumstances where the Administrators were not aware of that entitlement at the Transfer Date.

The Bar Date for Client Money was extended from 6 February 2020 to 7 May 2020 (the date that the Administrators received the Court order approving the Distribution Plan), which allowed Clients additional time to submit a claim in respect of their Client Money holdings to the Administrators.

The application to Court to approve the methodology of distribution of Client Money was approved by the Court on 7 May 2020 in parallel with the approval of the Distribution Plan.

4.1.6 Transfer to Nominated Broker

The Administrators considered that the quickest and most cost-effective way for Custody Assets and Client Money to be returned to Clients was by way of transfer to one or more brokers who are regulated by the FCA.

The single regulated broker selected by the Administrators was ITI. ITI is a registered company in England and Wales (registration no. 02926252), is authorised and regulated in the UK by the FCA under registration no. 171487, and is a member of the LSE. The identity of the Administrators' selected broker was disclosed to the FCA and the FSCS, in relation to which no objections were received. The Creditors' Committee were also consulted on the Administrators' choice of ITI. On 3 June 2020, the identity of the nominated broker was notified to Clients.

The transfer to ITI of the vast majority of the Custody Assets and Client Money held by the Company completed on 11 June 2020, in accordance with:

- (i) the Rules and Regulations, forming part of the legislative regime governing the Special Administration of the Company;

- (ii) the sale and purchase agreement entered into between the Company, ITI and the Administrators on 16 March 2020; and
- (iii) the Court order obtained sanctioning the Distribution Plan and the Client Money Order on 7 May 2020.

Following completion, the SPA required a period of up to six weeks for ITI to finalise preparing its systems to operate and reconcile the Custody Assets and Client Money received and to conclude its on-boarding checks. The expiry of this six week period was referred to in the SPA as the Settlement Date and occurred on 24 July 2020.

Following the transfer, Clients became subject to ITI's terms of business. As part of the transfer amendments were made to ITI's standard terms of business to provide for certain necessary protections for Clients, including that (a) Clients switching to a different broker within six months of the Settlement Date will not be required to pay exit fees to ITI, and (b) for a period of three months from the Settlement Date, fees payable under ITI's terms of business will be equal to the fees paid by Clients for comparable services under the Company's terms of business as at 5 August 2019.

For a period of three months following the Settlement Date, Clients are able to request a Reverse Transfer of their Custody Assets and/or Client Money back to the Company. The implication of a Reverse Transfer is that the Client would revert to being a Client of the Company (rather than a client of ITI). To date, we have received 20 requests from Clients to Reverse Transfer, of which 7 clients, who were holding Client Money only, have had their Client Money returned by way of a distribution. The remaining 13 requests we are currently processing.

4.1.7 Physical Certificate

The Company held a number of share certificates in its physical custody. The physical certificates were reviewed as part of the CASS reconciliation conducted by Baldwins, prior to the transfer to ITI. On completion of the transfer, the share certificates were delivered by the Administrators to ITI. A process of re-registration of the share certificates from the Company to ITI is currently in progress. The re-registration process will be conducted by ITI in conjunction with the relevant registrar / company.

4.1.8 Securities which have not transferred to ITI

There are approximately 130 stock lines held by the Company which are currently disabled and/or suspended within the CREST system. Whilst a stock has this status, no dealing activity, including the transfer of the stock, may take place. This means that these types of stock are currently frozen with the Company. The Administrators are working to resolve this situation with EUI and will keep the affected Clients updated.

4.1.9 Clients who have not transferred to ITI

68 Clients were not eligible to be transferred to ITI and remain Clients of the Company. The Client Money belonging to these Clients (totalling c. £115,000) continues to be retained and safeguarded by the Administrators in accordance with the Rules. On 2 July 2020, the Administrators provided these Clients with an instruction form in order to obtain additional information (if required) and elections from the Clients in order to facilitate the return of their Custody Assets and/or Client Money, either by way of a distribution to the Client or a transfer to an alternative broker at a later date.

4.1.10 Liquidation process of Custody Assets for clients owing Pre-Administration Outstanding Amounts or who were otherwise ineligible for transfer to ITI

A small number of Clients who owe Pre-Administration Outstanding Amounts and/or were otherwise ineligible for transfer to ITI may need to liquidate certain of their Custody Assets in order to have them returned to them under the terms of the Distribution Plan. In some instances these assets are currently held by ITI acting on the instructions of the Company, in accordance with the terms of the SPA and the Distribution Plan. The Administrators

are currently in the process of making arrangements with ITI to facilitate the liquidation of certain Custody Assets where appropriate, in accordance with the Distribution Plan and the Rules, for those Clients affected.

4.1.11 Elective professional clients with title transfer collateral arrangements

As noted in the Administrators' first progress report, approximately 355 of the Company's FX clients (holding approximately 500 accounts) and 27 of its advisory clients were classified as elective professional clients ("**EPC**") and entered into terms with the Company which created title transfer collateral arrangements with respect to the treatment of those EPCs' monies.

The effect of the title transfer arrangements was that monies deposited with the Company by those EPCs prior to the Company's entry into Special Administration were not treated as Client Money subject to the FCA's rules and, instead, formed part of the Company's own house monies at the date of Company's entry into Special Administration (such that, in respect of those monies, the relevant EPCs are to be treated as Creditors rather than as Clients).

On 1 November 2019, the FSCS posted an update on their website (<https://www.fscs.org.uk/failed-firms/svs/>) regarding the status of the Company's EPCs, confirming that eligible EPCs (i.e. individuals and small businesses) will be protected by FSCS compensation up to the FSCS compensation limit of £85,000 per claimant.

The Administrators are currently working constructively with the FSCS regarding payment of that compensation to the EPCs by the FSCS. Further information will be made available to affected EPCs in due course.

4.2 Client Communication

The Administrators have continued to liaise with and provide updates to Clients by a range of different methods in a coordinated, timely and cost-effective manner. This has included issuing several mass communications to Clients, updates on the dedicated webpage, and continued use of the dedicated email address and helpdesk telephone number.

During the period of the report, the Administrators' client service team has:

- received over 6,300 inbound phone calls from Clients; and
- responded to nearly 5,700 emails from Clients.

The dedicated Special Administration website has been regularly updated to include copies of issued client communications, press releases and updated frequently asked questions. There have been over 44,809 website visits to 4 August 2020.

In addition, several outbound telephone and email campaigns have been executed, focusing on:

- Clients not engaging with the claim agreement process where their Custody Assets and/or Client Money holdings are of significant value;
- Clients not classified as eligible for FSCS compensation by default, in order to request that the Clients either provide evidence of their eligibility or confirm how they wish to pay their costs;
- Clients with Pre-Administration Outstanding Amounts which required payment prior to their inclusion in the transfer to ITI; and
- Clients excluded from the transfer to ITI, requesting that they complete and return the instruction form made available to them to elect how any outstanding Pre-Administration Outstanding Amounts and/or costs will be settled and what action they wish to take regarding their Custody Assets and/or Client Money.

The Administrators have continued to liaise with Clients and the FSCS where potential hardship cases have been brought to the Administrators' attention and have continued to facilitate Clients claiming hardship.

In addition, the Administrators have continued to liaise with Clients and deal with issues arising for Clients as a consequence of ITI's technical issues following the transfer to ITI of Custody Assets and Client Money.

4.2.1 Client Portal

Claims to holdings of Custody Assets and/or Client Money were submitted to the Client Portal in respect of 12,322 Client accounts. Clients were also requested to confirm via the Client Portal whether they elected to apply for FSCS compensation to cover the costs of the transfer. In the event that Clients did not engage with the Client Portal, such Clients were still eligible to transfer to ITI in accordance with the Rules, the Distribution Plan and the Client Money Order, and receive FSCS compensation if eligible.

To date, the Administrators have published two Client Statements on the Portal. The statements remain available to view on the Client Portal, but Clients are no longer able to agree their holdings of Custody Assets and/or Client Money.

During the period of this report, Client Statements were issued on 18 May 2020 to Clients via the Client Portal. The statements identified the Custody Assets and/or Client Money intended to be transferred to ITI and provided indicative valuations of the Custody Assets as at the Effective Date (7 May 2020). In addition, the Client Statements detailed each Client's share of costs, calculated in accordance with the Distribution Plan. The statements also confirmed each Client's FSCS eligibility status.

Clients who are unable to log onto the Client Portal have been able to request their Client Statement via post instead.

4.2.2 FSCS Eligibility Campaign for Corporates

The Company had 141 corporate Clients who were sent instruction forms requesting additional information in order to enable the Administrators to assess their eligibility for FSCS compensation. As at 4 August 2020, the Administrators' were awaiting responses from 7 non-responding clients

4 corporate Clients confirmed their ineligibility to apply for FSCS compensation and, prior to the transfer to ITI, paid their share of costs (including any costs associated with the Client Money) to the Administrators.

4.2.3 Consolidated Tax Vouchers

The Administrators have recently begun issuing consolidated tax vouchers for the tax years 2019/2020 and 2020/2021 to Clients who have transferred to ITI. This process is not expected to be finalised until the end of September 2020, given the number of Client accounts held by the Company during the relevant periods.

4.2.4 Creditors' Committee

The Administrators continue to liaise with the Creditors' Committee on a regular basis and last reported to the Creditors' Committee during the period of this report on 16 July 2020. The Administrators are very grateful for the time given by members of the Creditors' Committee and the appointed observers.

There have been no changes to the Creditors' Committee members and observers since its formation.

4.3 Cost reductions

4.3.1 Staff

Following the transfer of the majority of Clients to ITI, the number of retained employees has now reduced to 12, in line with the demands of the Special Administration process. The resourcing needs of the Company continue to be monitored and further redundancies will be made as the Special Administration progresses.

4.3.2 Leasehold premises

The cost base associated with the Company's operations continues to be closely monitored. The Company continues to occupy the Premises (the Company's London head office), however, the Administrators are endeavouring to vacate the Premises in a timely manner, which will represent a significant cost saving. The Administrators are exploring the option of leasing a small serviced office as appropriate, if it becomes necessary.

4.3.3 Loan Funding

As stated in the Administrators' first progress report, it was necessary for the Administrators to secure a loan facility in order to meet the initial expenses being incurred to support the return of Custody Assets and Client Money to Clients, which were incurred in advance of the Distribution Plan being approved and the Client Money Order being obtained. The loan has been repaid and the receipts and payments account included at Appendix B provides details of the level of funding that was drawn and the repayments made.

Objective 2: Ensuring timely engagement with market infrastructure bodies and the Authorities

4.4 FCA

Dialogue with the FCA has been ongoing since the Administrators' appointment and regular updates have been provided in relation to various matters, including Client positions, work carried out relating to Custody Assets and Client Money (including in relation to the open transactions), the transfer to ITI, regulatory and reporting requirements, ongoing investigations and strategy as regards achieving the Objectives.

4.5 FSCS

The Administrators continue to work closely with the FSCS to ensure that Clients' interests are protected, and to assist the FSCS where appropriate as regards any entitlements to compensation that eligible Clients may have. Other matters in relation to which the Administrators are liaising with the FSCS include:

- Client positions and progress made on the agreement of claims;
- transfer of Clients;
- the FSCS' requirements in connection with the transfer;
- funding;
- hardship cases;
- Client Asset shortfalls;
- FX and advisory EPCs and the agreement of their claims for compensation; and
- negligence claims.

4.6 Euroclear / CREST

CREST is the share settlement system used by the Company, which electronically holds each Client's portfolio. CREST is administered by EUI. Access to CREST was frozen following the appointment of the Administrators.

During the period of this report, the Administrators have worked closely with EUI to progress the match deletion process of the unsettled transactions and open trades as at 5 August 2019. In addition, we were also required to coordinate with EUI in relation to the migration and transfer of the securities from the Company to the ITI, and its custodian ECB.

4.7 London Stock Exchange

The Administrators liaise with the LSE on a regular basis, partly as a result of the formal notice of default served on the Company on 9 August 2019 pursuant to the AIM Rules.

We continue to assist and correspond regularly with the LSE in conjunction with the settlement of the remaining 200 transactions which are yet to be resolved by Clients. Regular update calls are held with the LSE and information in relation to disputed trades is provided on request. This often entails reviewing the Company's records for information such as telephone recordings and contract notes which must be reviewed for accuracy prior to being sent to the LSE.

Objective 3: To rescue the Company as a going concern or to wind it up in the interests of Clients and Creditors

4.8 Summary of Actions

As reported in the Administrators' first progress report, the Administrators have focused on winding up the remainder of the Company's affairs in the best interests of Clients and Creditors. The Administrators have:

- (a) monitored the requirement for retained staff and have made redundancies where necessary;
- (b) regularly assessed the requirement of various IT operations and have cancelled services, where necessary;
- (c) endeavoured to vacate the Company's leasehold premises as soon as reasonably practicable;
- (d) liaised with Creditors (i.e. non-Client creditors);
- (e) notified the insurers of any potential claims made against the Company; and
- (f) arranged collection of certain assets with the assistance of third party agents.

5 HOUSE ASSETS

This section provides Clients and Creditors with an update on House Asset realisations for the benefit of Creditors during the period of this report.

5.1 Transfer to ITI

ITI paid a non-refundable deposit during a period of exclusivity in January/February 2020 in respect of the transfer of Custody Assets and Client Money which was later completed on 11 June 2020, at which time the remainder of the sale consideration was received in accordance with the SPA.

5.2 Investments in Subsidiaries

The Company's key subsidiaries, being the three nominee companies that act as custodians of the vast majority of Clients' Custody Assets, were purchased by ITI as part of the transfer of Custody Assets and Client Money.

No interest has been received for the shares held in SVS Crypto Ltd and SVS FX China Ltd.

5.3 Office furniture and Equipment

As at the Administrators' appointment on 5 August 2019, the Company had office furniture and IT equipment at the Premises. As the Administrators continue to occupy the Premises, a sale of the office furniture and equipment has not been possible.

As the Administrators endeavour to vacate the Premises as soon as reasonably practicable, their instructed agents from Hilco are currently seeking purchasers of the office furniture and equipment. The outcome of any sales will be reported to Clients and Creditors in a future progress report.

5.4 Stocks / Securities

The Company holds various securities on its own account as principal with a book value of £638,360.

We have not attempted to realise these during the period of the report, given the current market conditions.

5.5 Trade Debtors

To date, the Administrators have realised £13,791 in respect of trade debtors, of which £3,743 was received during the period of this report.

Debts totalling £75,900 have been written off as uncollectable, leaving a total of approximately £110,150 debts which the Administrators continue to pursue. Cerberus Receivables continue to assist the Administrators with the collection of the outstanding book debts.

5.6 Client Debtors – Pre Administration Outstanding Amounts

At the date of Administration, £351,102 was owed by Clients to the Company, relating primarily to share purchases that the Company had covered on behalf of certain Clients. Clients are required to settle their Pre-Administration Outstanding Amounts before their Client Assets and/or Client Money can be returned by transfer or distribution.

The sum of £179,026 was repaid by Clients during the period of this report.

The Administrators continue to pursue unsettled amounts totalling £172,076 from Clients. Of this amount, £132,340 is owed by 8 Clients who remain clients of the Company. The balance of £39,736 is owed by 11 Clients who have instructed the Administrators to liquidate their Custody Assets in order to settle their outstanding balances and who will be unable to trade until that liquidation has occurred; ITI have agreed to assist with that liquidation process.

5.7 Unsettled Principal Transactions Debts

There were a number of unsettled trades at the date of the Company entry into special administration and the LSE has issued a number of final determinations with regards to the unsettled trades. Of these final determinations, £7,133 is owed to the Company by three counterparties. To date, we have recovered £744 from two of the three counterparties.

5.8 Rent Deposit

It was previously reported that the landlord of the Company's Premises is holding a rent deposit of £162,297 and that it was uncertain what recoveries (if any) would be made as the Company continues to occupy the Premises. There are also rent arrears of approximately £24,000 owing to the landlord in respect of periods prior to the Company entry into special administration.

As the Administrators intend to vacate the Premises in due course, the landlord has recently submitted a dilapidations claim. The Administrators have instructed Hilco to assist with reviewing the claim received from the landlord. The recoverability of the rent deposit is dependent on any mitigation of the claim.

We have recovered residual funds held relating to the rent deposit paid by the Company in respect of its former trading premises at 20 Ropemaker Street (which were vacated in March 2019) of £7,824.

5.9 Loans

It was previously reported that the Directors' statement of affairs showed director and employee loans totalling £66,716 with an estimated to realise value of £56,878.

No recoveries have yet been made in respect of these loans.

5.10 Balance at Bank (House Accounts)

The sum of £2 has been received from Barclays and was remitted into the Administrators' bank account.

5.11 Cash in Hand

The Administrators have realised a sundry refund totalling £5,178 in respect of funds held in the client account of solicitors instructed by the Company prior to the Administration.

5.12 Sub-Lets

As previously reported, the Company sublets a small part of the Premises and, accordingly, rent of £40,000 has been realised during the period of this report.

The Administrators intend to vacate the Premises in due course and, accordingly, notice has been provided to the sub-tenants to vacate the Premises by a specified date.

5.13 Surplus CMP Monies

As mentioned in paragraph 4.1.2, following cash sweeps and the reversal of the open transactions, it has been established that there were surplus funds of £21,500 held within the CMP, which primarily relates to trades which the Company was covering that did not settle. This surplus is now held within the House Account, together with some small currency balances which were firm monies held in the Company's client accounts at the date of Administration.

5.14 Other

The Administrators have realised bank interest of £32,100 and \$14 during the period of this report.

5.15 Prepayments

It was previously reported the Company's draft management accounts as at 31 May 2019 recorded prepayments of £5,154,801. The Directors have provided updated information to suggest that the prepayments totalled £4,903,318 as at 30 June 2019.

Although the Administrators' investigations into the nature of these prepayments are ongoing, no recoveries are anticipated.

5.16 Connected party transactions

The Administrators have a duty (under Statement of Insolvency Practice No. 13: Disposal of Assets to Connected Parties in an insolvency process) to disclose any disposal of assets in a special administration to a director or other connected party, regardless of the nature or value of the assets concerned.

The Administrators can confirm that no such transactions have occurred to date.

5.17 Assets not yet realised

As mentioned above, the assets still to be realised (to the extent possible) include the following:

- Trade debtors;
- Client debtors;
- Unsettled principal transaction debts;
- Rent from sub-lets;
- Rent deposit;
- Stocks/securities;
- Shares held in SVS Crypto Ltd and SVS FX China Ltd;
- Office furniture and equipment; and
- Director and employee loans.

6 ESTIMATED OUTCOME FOR CLIENTS AND CREDITORS

6.1 Clients

As previously stated, following the approval of the Distribution Plan, we have transferred the Custody Assets and/or Client Money held by 18,359 Clients to ITI. Other than a very small number of exceptions, there has therefore been a full return to Clients in respect of Custody Assets and Client Money, by way of a transfer to ITI, as referred to in paragraph 1.2.

The Administrators have sought instructions from the 68 non-transferred Clients concerning their Custody Assets and/or Client Money.

Clients are now able to submit claims for (among other things) breach of contract or negligence via the FSCS online portal at www.fscs.org.uk/your-claim/. This is separate from any claim a Client may have in relation to a shortfall in the Client's Custody Assets and/or Client Money that were held by the Company, but is subject to the same overall cap on FSCS compensation of £85,000 in total per claimant. Please visit the FSCS website for further information (www.fscs.org.uk/failed-firms/svs/).

6.2 Secured Creditors

There are no secured creditors of the Company.

As at the date of the Administrator's appointment there was a charge registered at Companies House in favour of Corporate Finance Bonds Limited ("CFB"), which included fixed and floating charges over the Company's assets.

Since their appointment, the Administrators have determined that CFB does not hold a valid security interest and the Administrators have subsequently received confirmation in that regard from CFB. Therefore, the Administrators have filed a statement of satisfaction in full or in part of charge (MR04) at Companies House.

6.3 Preferential Creditors

The only categories of claims which have preferential status in this case are those of employees in respect of their arrears of wages, unpaid holiday pay and certain unpaid pension contributions. Such claims will be met by the Redundancy Payments Service, a department within the Department for Business, Energy and Industrial Strategy, who will then have a subrogated preferential claim in the Special Administration.

To date, an interim claim of £24,145 has been received from the Redundancy Payments Service.

Any potential distribution to preferential creditors will depend upon the level of realisation of House Assets, the associated costs of such realisation and the costs involved in pursuing Objectives 2 and 3.

6.4 Prescribed Part

As the Company has no secured creditors, there is no requirement to set aside a prescribed part in this case.

6.5 Unsecured Creditors

Unsecured creditor claims include:

- (a) Money Client and Asset Client shortfall claims;
- (b) claims from clients who are not entitled to participate in the Client Money Pool, nor entitled to any Custody Assets (including EPCs with title transfer collateral arrangements, as referred to at paragraph 4.1.11); and

- (c) claims from other creditors who are owed amounts by the Company (including the Redundancy Payments Service and employees with residual unsecured claims, and the holders of the retail bonds issued by the Company).

The Administrators do not anticipate that there will be sufficient asset realisations after the deduction of costs attributable to the House Estate to enable a dividend to be declared to unsecured creditors, therefore the Administrators have not conducted a process to adjudicate creditor claims at this stage and do not anticipate that such a process will be necessary as part of the special administration.

7 INVESTIGATIONS

The Administrators have complied with their statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority. The contents of that report are confidential.

The Administrators also have a duty to investigate historic transactions and identify and pursue (where cost-effective) any claims against third parties which may result in additional recoveries for the benefit of Creditors. The Administrators' investigations are still ongoing in this regard.

Any Clients or Creditors who have any information they consider may assist the Administrators in carrying out their investigations are invited to provide details to the Administrators as soon as possible, using the contact details set out below paragraph 13. Any such information will be treated in confidence. Please note that this request for information forms part of the standard investigation procedure and should not be taken as implying that there may be any cause of action against any person concerned in the Company's affairs prior to its entry into Special Administration.

8 RECEIPTS AND PAYMENTS ACCOUNT

Attached at Appendix B is the Administrators' receipts and payments account covering the six month periods from 5 August 2019 to 4 February 2020 and 5 February 2020 to 4 August 2020 and cumulative to 4 August 2020.

The Administrators enclose a separate receipts and payments account in respect of the Client Money balances held in the CMP and PPE accounts. The summaries are largely self-explanatory, however, the Administrators would comment in respect of the most significant receipts and payments during the period of this report, as follows:

8.1 Receipts

During the period of this report, the Administrators drew down a further £1,500,000 under the loan facility made available by Filefigure 30 Limited. The loan facility was subsequently repaid by the Administrators following receipt of an initial tranche of compensation money from the FSCS to cover eligible Clients' shares of costs. To date, the FSCS has advanced compensation monies totalling £21,545,894.

House realisations have totalled £577,496 during the period of this report, which includes the £320,000 received from ITI in respect of the sale consideration for the client contracts, post PPE Assets and shares in the nominee companies.

8.2 Payments

In pursuing Objective 1, it has been necessary to maintain critical operations at the Premises and to retain a number of Company staff to assist with the transfer of Custody Assets and Client Money. In the period covered by this report, £272,455 has been paid in rent, service charge and business rates and general overheads have totalled £64,338. Wages and salaries totalling £1,046,655 have also been paid during the period covered by this report, together with associated employee costs of £17,402.

It has also been necessary to continue to retain a number of IT trading systems hosted by external software providers to secure the continued provision of existing systems. A total of £410,766 has been paid to IT suppliers during the period of this report.

As previously mentioned, the Administrators have engaged third party agents to assist in achieving the Objectives of the Special Administration. Further details in respect of the third party agents engaged are included in paragraph 10. During the period of this report, the Administrators have paid £438,412 to third party agents, of which £81,485 has been paid out of the House Account, as these were incurred in relation to pursuing Objectives 2 and 3.

9 COSTS OF THE SPECIAL ADMINISTRATION

9.1 Costs of the Special Administration

The Distribution Plan sets out in some detail the arrangements for allocating costs for the return of Custody Assets and Client Money to Clients and addressing any shortfalls in respect of any Clients which arise as a result, including the arrangements for FSCS compensation to be payable in respect of such Clients. However the Administrators are also required to consider and record the costs of the Special Administration which are attributable from the House Estate, as set out below.

The professional costs of the Special Administration to 4 August 2020 can be split into the following categories:

- (a) the costs incurred by Leonard Curtis and Ashurst in connection with the Court application for the appointment of the Administrators;
- (b) the pre-administration costs incurred by Leonard Curtis and Ashurst;
- (c) the Administrators' post-appointment remuneration; and
- (d) the Administrators' disbursements.

These are explained further below.

9.2 Costs connected with the Court application

As previously advised, the costs incurred by Leonard Curtis in connection with the Court application for the appointment of the Administrators are as follows:

Charged by	Services provided	Total amount charged (£)	Total amount paid (£)	Total amount unpaid (£)
Leonard Curtis	Preparation of documents and court related issues	22,500.80 plus VAT	22,500.80 plus VAT	-
Ashurst	Assistance with Court application	60,061.50 plus VAT	60,061.50 plus VAT	-
Totals		82,562.30 plus VAT	82,562.30 plus VAT	-

The Court ordered that the costs of, and those incidental to, the application be paid as an expense of the Special Administration. The Creditors Committee approved these costs for payment on 21 April 2020.

9.3 Pre-administration costs

Pre-administration costs are defined as fees charged and expenses incurred by the Administrators or another person qualified to act as an insolvency practitioner before the Company entered into Special Administration, but with a view to its doing so. "Unpaid pre-administration costs" are pre-administration costs which had not been paid at the point at which the Company entered into Special Administration.

Pre-administration costs charged and expenses incurred by the Administrators and their legal advisors in the period prior to their appointment are summarised below:

Charged by	Services provided	Total amount charged (£)	Total amount paid (£)	Total amount unpaid (£)
Leonard Curtis	Pre-administration fees	131,653.60 plus VAT	131,653.60 plus VAT	-
Leonard Curtis	Pre-administrations expenses	237.59 plus VAT	237.59 plus VAT	-
Ashurst	Solicitors' costs and appointment formalities	91,169.50 plus VAT	91,169.50 plus VAT	-
	Total	223,060.69 plus VAT	223,060.69 plus VAT	-

The pre-administration costs for both Leonard Curtis and Ashurst have been calculated on a time costs basis.

The Administrators consider that the pre-administration costs were incurred in pursuance of all three of the Objectives and therefore required the approval of the Creditors' Committee. The Creditors Committee approved these costs for payment on 21 April 2020.

Post-Appointment Costs

9.4 Basis for fixing the Administrators' Remuneration

The Creditors' Committee have approved that the basis of the Administrators' remuneration be fixed by reference to the time properly given by the Administrators (as administrators) and their staff in attending to matters arising in the Special Administration, and the allocation of the remuneration between the Client Asset estate and House Asset estate.

The Creditors' Committee also approved the Administrators' fee proposal. Under the fee proposal, a ratcheted discount on the Administrators' and Ashurst's remuneration based on the total costs incurred in the Special Administration will be applied.

An independent cost assessor has been engaged by the Creditors' Committee to undertake quarterly fee assessments.

9.5 The Administrators' Time-Costs to Date

The Administrators' time costs are summarised below:

	Hours No.	Rate / hr (£)	Total Value of Time (£)
Time previously reported	10,239	463.66	4,747,675.70
Time incurred but not previously reported*	146	432.13	63,091.00
Time incurred in the period of this report	10,396	426.00	4,434,731.90
Total Administrators' time costs	20,781	444.90	9,245,498.60

*These time costs were incurred in the previous reporting period, but had not been processed at the date of the first progress report and, accordingly, were not previously reported.

During the period from 5 February 2020 to 4 August 2020, the Administrators have incurred time costs of £4,434,731.90 (encompassing general costs, costs of dealing with Client Money and costs of dealing with Custody Assets) which represents 10,396 hours at an average rate of £426 per hour. Attached at Appendix D is a time analysis which provides details of the activity costs incurred by staff grade during the period from 5 February 2020 to 4 August 2020, together with a detailed description of the work carried out in respect of those time costs at Appendix E.

Total time costs incurred to 4 August 2020 are £9,245,498.60, representing 20,781 hours at an average rate of £444.90 per hour, which are summarised at Appendix D.

9.6 The Administrators' Remuneration to Date

During the period of this report, remuneration drawn by the Administrators totals £6,598,154 plus VAT from the Client Asset estate and £171,234 plus VAT from the House Estate, in accordance with the agreed fee proposal.

9.7 Information on Charge-Out Rates etc.

Clients and Creditors are referred to Appendix F for further details regarding Leonard Curtis' charge-out rates. As a result of the complexities associated with a Special Administration, the firm's complex rates have been applied in this case. The rates have been agreed by the Creditors' Committee.

Appendix F also includes details of Leonard Curtis' policies regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors.

9.8 Further Information on Costs

Further guidance may be found in "A Creditors' Guide to Administrators' Fees", although it should be noted that the requirements for approval of the Administrators' remuneration differ from a normal administration. This guide may be downloaded from <http://www.leonardcurtis.co.uk/resources/creditorsguides>. If you would prefer this to be sent to you in hard copy, please call us on 0203 457 4871.

9.9 Disbursements

On 21 April 2020, the Creditors' Committee approved the basis of the Administrators' category 2 disbursements and the basis of the calculation of their recharge is detailed in Appendix F. Any specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as a "category 1 disbursement". Category 1 disbursements will generally include items such as case advertising and travel costs. Also included will be services specific to the case that cannot practically be provided internally such as printing, room hire and storage of company records.

At Appendix C is a schedule of category 1 and 2 disbursements incurred since appointment, including whether they have been incurred in respect of pursuing Objective 1 and/or Objectives 2 & 3, together with confirmation as to whether those amounts have been paid or remain unpaid.

9.10 Creditors' and Clients' Rights

If

- (a) within 21 days of receipt of this report,
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (iii) a Client with the concurrence of Clients claiming for at least 5% in value of the Client Assets (including the Client in question); or

- (b) with the permission of the Court upon an application made within that period of 21 days, any unsecured creditor,

makes a request in writing to the Administrators for further information about their remuneration or expenses (other than pre-administration costs), the Administrators must, within 14 days of receipt of the request, comply with the request in accordance with the Rules.

In addition, an unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the Court, any secured creditor, any Client with the concurrence of Clients representing at least 10% of the total claims in respect of Client Assets held by the Company or with the permission of the Court, or the FCA may apply to Court if they believe the remuneration charged or expenses incurred by the Administrators to be excessive or the basis fixed for the Administrators' remuneration to be inappropriate. Any application should be made within eight weeks of receipt of this report.

10 PROFESSIONAL ADVISORS

During the course of the Special Administration to 4 August 2020, the Administrators have engaged the professional advisors listed below:

Name of advisor	Services provided	Basis of fees
Ashurst LLP	Legal advice	Time costs
Baldwins	Reconciliation and audit of Custody Assets and Client Money	Time costs
Seneca Partners Limited	Marketing and assistance with negotiating a sale of the whole / part of the business and its assets	Time costs
Hilco	Valuation of the Company's physical assets	Time costs
Veritas Digital Services Limited	Securing the Company's electronic data and advice regarding IT security	Fixed fee per each instruction
Pelstar Computing Ltd	Construction of Client Portal	Time costs
Berg Kaprow Lewis LLP	Preparation of corporation tax returns	Fixed fee
Berg Kaprow Lewis LLP	Forensic accountants	Time costs
Harold Sharp Limited	Accountants to assist with VAT recovery on Special Administration expenses	Time costs
Evolve IS Limited	Employee claim assistance and pension advice	Fixed fee per employee
Montague Kaye Ltd	Payroll services	Time costs
CAPA	Property audit and review of any refunds due to the Company in respect of historic payments of non-domestic rates	Percentage of realisations (25%)
Intalekt Ltd	Call centre	Fixed fee per minute
Blacks Solicitors LLP	Legal advice in relation to a book debt	Time-costs
Black&Callow Limited	Printing and distribution of Client and Creditor correspondence	Fixed fee per mailing
Cerberus Receivables Management Ltd	Collection of book debts	Fixed fee of £15k for initial review of ledger plus a percentage of collections (20%)
Eddisons Insurance Services Ltd	Insurance	Fixed fee
Jamie Drummond-Smith	Independent Cost Assessor	Time Cost basis

SVS Securities plc (in special administration)

Zeus Capital Limited	Bond valuations	Time cost basis capped at £45k plus VAT
Hilco	Advise on the landlords dilapidations claim and prospects for mitigating	Fixed Fee - £1,000 for inspection of premise and initial advice Any landlord negotiation on a time cost basis
SSW Pragmatic Solutions	Legal advice under Polish law	Time cost basis capped at 3,750 EUR plus VAT

At Appendix C is a schedule of the expenses incurred by our instructed professional advisors since appointment, including whether they have been incurred in respect of pursuing Objective 1 and/or Objectives 2 & 3, together with confirmation as to whether those amounts have been paid or remain unpaid.

Details of Leonard Curtis' policy regarding the choice of advisors and the basis for their fees are given in Appendix F.

11 DURATION OF THE SPECIAL ADMINISTRATION

The appointment of the Administrators does not automatically end after one year, as is the case in a normal administration. This is principally because the Regulations provide for a process within the Special Administration for the Company's Creditors to prove and receive a distribution, rather than this needing to be dealt with in a subsequent liquidation.

When the Administrators consider that the Objectives of the Special Administration have been met, they are able to exit by either:

- (a) filing a notice of the Company's dissolution at Companies House; or
- (b) putting forward proposals for a company voluntary arrangement.

The Administrators consider that the most appropriate exit route will be to file a notice of the Company's dissolution once all relevant distributions have been made and all statutory obligations have been dealt with.

We currently anticipate that the administration process will take a minimum of a further year to complete.

12 FUTURE REPORTS

The Administrators aim to provide Clients and Creditors with frequent and timely updates on progress and to provide relevant information and guidance to assist Clients and Creditors through the Special Administration process.

The Administrators are required to provide a progress report to Clients and Creditors within one month of the end of each period of six months commencing on the date the Company entered into Special Administration.

13 DATA PROTECTION

Finally, when Clients and Creditors submit details of their claims in the Special Administration, they may disclose personal data to the Administrators. The processing of personal data is regulated in the UK by the General Data Protection Regulation EU 2016/679 as supplemented by the Data Protection Act 2018, together with other laws which relate to privacy and electronic communications. Leonard Curtis acts as data controller in respect of personal data obtained in relation to the Company's Special Administration and is therefore responsible for complying with data protection law in respect of any personal data Leonard Curtis process. Leonard Curtis' privacy notice, which is attached to this report at Appendix G, explains how Leonard Curtis processes the personal data of Clients and Creditors. Terms used in this paragraph bear the same meanings as are ascribed to them in data protection law.

Insolvency practitioners at Leonard Curtis are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

The Administrators are agents of the Company and contract without personal liability.

SVS Securities plc (in special administration)

In respect of any queries regarding this report, please contact the team at:

Email: svs@leonardcurtis.co.uk

Telephone: 0203 457 4871 (open 9am - 5pm Monday to Friday)

In writing: SVS Securities plc (in special administration), Princes Court, 7 Princes St, London EC2R 8AQ

for and on behalf of

SVS SECURITIES PLC (IN SPECIAL ADMINISTRATION)



ANDREW POXON
JOINT SPECIAL ADMINISTRATOR

Andrew Poxon, Alex Cadwallader and Andrew Duncan are all licensed in the UK by the Institute of Chartered Accountants in England and Wales.

Notwithstanding the Joint Special Administrators' appointment under The Investment Bank Special Administration Regulations 2011, the Company remains an FCA regulated entity.

The affairs, business and property of the Company are being managed by the special administrators, who act as agents of the Company without personal liability

IMPORTANT NOTICE

This Progress Report has been prepared by Andrew Poxon on behalf of the Administrators solely to comply with the Administrators' statutory duty under **Rule 122** to lay before the Clients and Creditors a progress report, and for no other purpose. It should not be relied upon by any other person, or for any other purpose, or in any other context.

Any estimated outcomes for Clients or Creditors included in this progress report are provided for illustrative purposes only and cannot be relied upon as guidance as to the actual outcomes for Clients or Creditors.

Any person who chooses to rely on this report for any purpose or in any context other than under **Rule 122** does so at their own risk. To the fullest extent permitted by law, the Administrators do not assume any responsibility and will not accept any liability in respect of this progress report.

The Administrators are authorised to act as insolvency practitioners in the UK by The Institute of Chartered Accountants in England and Wales.

The Administrators act as agents of the Company and contract without personal liability. The Administrators' appointments are personal to them and, to the fullest extent permitted by law, Leonard Curtis Business Solutions Group (including any of its group companies) does not assume any responsibility and will not accept any liability to any person in respect of these proposals or the conduct of the Special Administration.

Please note that the EU Regulation on Insolvency Proceedings (2015/848) does not apply to the Special Administration.

SUMMARY OF THE ADMINISTRATORS' APPROVED PROPOSALS

- (a) that the Special Administration Objectives be pursued, being: (i) Objective 1, to ensure the return of Client Assets (including both Custody Assets and Client Money) as soon as is reasonably practicable; (ii) Objective 2, to ensure timely engagement with market infrastructure bodies and the Authorities; and (iii) Objective 3, to either rescue the Company as a going concern or wind it up in the best interests of the creditors (note that, at this stage, the Administrators do not consider that the first limb of Objective 3, namely the rescue of the Company as a going concern, is capable of being achieved because of the circumstances set out at Section 3.1 of the Proposals);
- (b) that, in the absence of a direction from the FCA under Regulation 16, the Special Administration Objectives continue to be addressed in parallel;
- (c) that the Administrators shall do all such things and generally exercise all powers as they, at their discretion, consider desirable in order to achieve the Objectives of the Special Administration, or to protect and preserve the assets of the Company, or to maximise realisations for any other purpose incidental to the Proposals;
- (d) that the Administrators continue to enable the Company to employ staff to assist in the various work identified as necessary in the pursuit of the Objectives of the Special Administration;
- (e) that the Administrators move funds realised or held on behalf of Clients into bank accounts controlled by the Administrators and, to avoid currency fluctuations, convert foreign currency accounts to sterling accounts as appropriate;
- (f) that the Administrators move and hold funds realised on behalf of the Company into bank accounts controlled by the Administrators;
- (g) that Client Money and Custody Assets be returned to Clients prior to any distribution to any other class of Creditors being made;
- (h) that the Administrators realise the Company's remaining assets in pursuit of the Objectives of the Special Administration;
- (i) that the Administrators make distributions to the Company's secured, preferential and unsecured Creditors as appropriate;
- (j) that the Administrators continue to investigate, and if appropriate, pursue any claims that an officeholder and/or the Company may have under the Companies Act 2006, the Act or other legislation against any parties concerned with the affairs of the Company; and
- (k) that, once the Objectives of the Special Administration have been fulfilled, the Administrators seek to conclude the case by either: (i) filing appropriate notices that the Objectives have been achieved, that the Company no longer holds Client Assets (including both Custody Assets and Client Money) and the Company will be dissolved thereafter without further recourse to the Clients or Creditors of the Company, or (ii) put forward further proposals for a company voluntary arrangement.

**SUMMARY OF THE ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIODS FROM 5 AUGUST 2019 TO 4 FEBRUARY 2020, 5 FEBRUARY 2020 TO 4 AUGUST 2020 AND CUMULATIVE TO 4 AUGUST 2020**

	PREVIOUSLY REPORTED						5 FEBRUARY 2020 TO 4 AUGUST 2020						Total £
	Statement of Affairs	House Account	House Account	House Account	House Account	Objective 1 Account	House Account	House Account	House Account	House Account	Objective 1 Account	FSCS Funding Account	
	£	USD (GBP equiv)*	EUR (GBP equiv)*	CHF (GBP equiv)*	GBP	GBP	USD (GBP equiv)*	EUR (GBP equiv)*	CHF (GBP equiv)*	GBP	GBP	GBP	
Receipts													
FSCS Cost Recovery	-	-	-	-	-	-	-	-	-	-	-	21,545,894	21,545,894
FSCS Monies to Cover Objective 1 Operational Costs	-	-	-	-	-	-	-	-	-	1,240,000	(1,240,000)	-	-
Non FSCS eligible Client Costs Recovery	-	-	-	-	-	-	-	-	-	84,092	-	-	84,092
Repayable Loan Funding	-	-	-	-	-	3,750,000	-	-	-	-	1,500,000	-	5,250,000
Purchaser's Non-Refundable Deposit	-	-	-	-	80,000	-	-	-	(80,000)	-	-	-	-
Client Contracts	500,000	-	-	-	-	-	-	-	399,995	-	-	-	399,995
Post PPE Assets	-	-	-	-	-	-	-	-	1	-	-	-	1
Investment in Subsidiaries	Uncertain	-	-	-	-	-	-	-	4	-	-	-	4
Software and IT Infrastructure	33,932	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment	10,000	-	-	-	-	-	-	-	-	-	-	-	-
Investment Stock/Securities	144,838	-	-	-	-	-	-	-	-	-	-	-	-
VAT Debtor	19,624	-	-	-	15,840	-	-	-	-	-	-	-	15,840
Trade Debtors	256,061	-	-	-	42,632	-	-	-	(28,842)	-	-	-	13,791
Client Debtors	191,948	-	-	-	-	-	-	-	179,026	-	-	-	179,026
Unsettled Principal Transaction Debts	-	-	-	-	-	-	-	-	744	-	-	-	744
Rent Deposit	Uncertain	-	-	-	-	-	-	-	7,824	-	-	-	7,824
Director and Employee Loans	56,878	-	-	-	-	-	-	-	-	-	-	-	-
Balance at Bank	102,949	20,309	28,843	4,221	86,873	-	-	-	2	-	-	-	140,247
Cash in Hand	-	-	-	-	-	-	-	-	5,178	-	-	-	5,178
Sundry Receipts	-	-	-	-	2,649	-	-	-	-	-	-	-	2,649
Rent Received	-	-	-	-	56,000	-	-	-	40,000	-	-	-	96,000
Surplus CMP Monies	-	29	3	-	9	-	458	-	21,497	-	-	-	21,996
Deposit Interest Gross	-	3,571	-	-	42,923	-	11	-	31,598	501	-	-	78,604
Total Receipts	816,230	23,909	28,846	4,221	326,925	3,750,000	469	-	-	577,027	2,824,593	20,305,894	27,841,885

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PAYMENTS												
Funding Loan Arrangement Fee	-	-	-	-	(75,000)	-	-	-	-	-	-	(75,000)
Repayment of Funding Loan (including interest fees and charges)	-	-	-	-	(750,000)	-	-	-	-	-	(5,332,278)	(6,082,278)
Solicitors' Fees and Expenses - re Funding	-	-	-	-	(21,250)	-	-	-	-	-	-	(21,250)
Other Professional Fees	-	-	-	(14,433)	(247,897)	-	-	-	(81,485)	(356,927)	-	(700,743)
Insurance	-	-	-	-	(39,454)	-	-	-	(39,454)	39,454	-	(39,454)
Cost of Creditors' and Clients' Meeting	-	-	-	-	(8,022)	-	-	-	-	(105)	-	(8,127)
Wages and Salaries incl. PAYE/NI and Pension Deductions	-	-	-	-	(1,218,136)	-	-	-	-	(1,046,655)	-	(2,264,791)
Employee Costs	-	-	-	-	(21,952)	-	-	-	-	(17,402)	-	(39,354)
IT Suppliers	-	-	-	-	(492,985)	-	-	-	-	(410,766)	-	(903,751)
Asset Finance	-	-	-	-	(20,472)	-	-	-	-	(29,328)	-	(49,800)
Property Charges	-	-	-	-	(191,057)	-	-	-	-	(272,455)	-	(463,512)
General Overheads	-	-	-	-	(84,838)	-	-	-	-	(64,338)	-	(149,177)
Committee Meeting Expenses	-	-	-	-	-	-	-	-	-	(166)	-	(166)
Disbursements	-	-	-	-	-	-	-	-	(12,088)	(115,738)	-	(127,825)
House monies utilised to top up CMP/PPE Receipts	(0.2)	(31)	-	(39,032)	-	-	(8,817)	-	(903)	-	-	(48,784)
Barclay's - Bank Charges	-	(14)	-	(142)	-	-	-	-	(308)	-	-	(464)
AIB - Bank Payment Charges	-	-	-	-	(420)	(149)	-	(15)	(80)	(345)	(60)	(1,069)
FSCS Monies to cover Asset Shortfalls	-	-	-	-	-	-	-	-	-	-	(68,853)	(68,853)
Pre-Appointment Costs	-	-	-	-	-	-	-	-	(45,808)	-	(259,578)	(305,385)
Solicitors' Fees and Expenses - House Estate	-	-	-	-	-	-	-	-	(66,929)	-	-	(66,929)
Solicitors' Fees and Expenses - Client Estate	-	-	-	-	-	-	-	-	-	-	(3,163,739)	(3,163,739)
Joint Special Administrators' Remuneration - House Estate	-	-	-	-	-	-	-	-	(171,234)	-	-	(171,234)
Joint Special Administrators' Remuneration - Client Estate	-	-	-	-	-	-	-	-	-	-	(6,598,154)	(6,598,154)
VAT Output/(Input)*	-	-	-	8,313	(134,728)	-	-	-	(64,921)	(142,194)	(2,004,294)	(2,337,823)
Total Payments	(0.2)	(45)	-	(45,294)	(3,306,212)	(149)	(8,817)	(15)	(483,210)	(2,416,966)	(17,426,955)	(23,687,663)
Balance in Hand	23,909	28,801	4,221	281,631	443,788	320	(8,817)	(15)	93,817	407,627	2,878,940	4,154,222

*At this stage, the Administrators have not sought to exchange foreign currency balances into sterling. The above figures have been converted for representation purposes only based on the following Bank of England exchange rates as at 4 August 2020:

1 USD = GBP	0.7646
1 EUR = GBP	0.9005
1 SWISS = GBP	0.8400

Notes:

- The Company's own House Assets may be used to defray the associated costs of pursuing Objective 2 and 3 (insofar as realisations permit);
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. The Company was partially exempt for VAT and therefore only a proportion of VAT will be recoverable in the Administration. We are working with our advisors and HMRC to agree the percentage that can be recovered but currently envisage that this will only be around 6%. The remaining VAT will be irrecoverable.

Represented By:	£
House Account - USD (GBP equiv)	24,229
House Account - EUR (GBP equiv)	19,984
House Account - CHF (GBP equiv)	4,205
House Account - GBP	3,859
House Account - GBP	221,589
House Account - GBP	150,000
Objective 1 Account	851,415
FSCS Funding Account	2,878,940
	4,154,222

CLIENT MONEY SUMMARY RECEIPTS AND PAYMENTS ACCOUNT

	GBP	USD	EUR	CHf
Client Money Balances as at 5 August 2019	24,075,967	775,686	104,136	1,052
Receipts				
PPE Dividends / Corporate Action Income	7,755,887	243,080	66,943	-
Bank Interest Received	45,443	-	-	-
House monies to top up CMP/PPE Receipts	39,935	-	9,826	-
Monies Received from FSCS to cover Asset Shortfalls	68,853	-	-	-
Euros converted to GBP	629	-	-	-
Total Receipts	7,910,747	243,080	76,769	-
Payments				
Monies transferred to ITI	(31,473,819)	(1,016,995)	(180,108)	(992)
Monies moved to House Account to repay Pre-Administration Outstanding Amounts	(47,046)	-	-	-
Monies moved to House Account to cover non FSCS eligible Client Costs Recovery	(73,465)	-	-	-
Interest moved to House Account	(45,443)	-	-	-
Hardship Payments (Monies repaid to the FSCS)	(197,894)	-	-	-
Hardship Payment paid directly to Client	(12,000)	-	-	-
Surplus CMP Monies moved to House Account	(21,505)	(637)	(4)	-
Euros converted to GBP	-	-	(718)	-
Total Payments	(31,871,173)	(1,017,632)	(180,830)	(992)
Client Money Balances as at 4 August 2020	115,541	1,134	76	60

Notes:

1. Client Money within the CMP was/is held separately to the House Accounts and Objective 1 Account in designated Client Accounts and held on trust for Clients
2. Client Money received following the PPE are held in Post Pooling Accounts and segregated from the CMP, House Account and Objective 1 Account

SCHEDULE OF EXPENSES INCURRED FOR THE PERIOD FROM 5 AUGUST 2019 TO 4 AUGUST 2020

The below table provides details of our expenses incurred to date and estimated future costs.

	Incurring in previous reporting period (5 August 19 to 4 February 20)	Incurring in the period (5 February 20 to 4 August 20)	Estimated future costs	Contingency	Estimated total costs
	£'m	£'m	£'m	£'m	£'m
Administrators*	5.0	4.4	3.9	2.0	15.3
Ashurst*	2.0	1.6	0.4	1.5	5.5
Operational	2.3	2.5	3.0	0.6	8.4
Loan	-	0.9	-	-	0.9
VAT	1.5	1.4	1.0	0.8	4.7
Totals	10.8	10.8	8.3	4.9	34.8

* Pre-appointment fees for the Administrators and Ashurst of £151k and £154k, respectively, are included in the costs incurred in the previous reporting period (5 August 2019 to 4 February 2020).

This table includes costs incurred in pursuing Objective 1, as well as costs incurred in pursuing Objectives 2 and 3.

The Administrators initial cost reserve in respect of Objective 1 for the purposes of the Distribution Plan was set at £44.5m of which £42m was allocated to Custody Assets and £2.5m to Client Money. This budget unavoidably had to make provision for a scenario where a transfer to a single broker could not be achieved and/or that multiple transfers of Client Assets would need to be carried out on a piecemeal basis to a number of alternative brokers. Now that the transfer to ITI has completed, the Administrators anticipated total cost budget has been revised to £34.8m, which includes a provision of £4.9m for various contingent scenarios which may or may not arise. The total cost budget will be subject to ongoing reassessment and may increase or decrease based on the facts and circumstances of the Administration. Although the costs of returning Custody Assets and Client Money are notionally borne by the Company's Clients, the vast majority of the Company's Clients are eligible for FSCS compensation, and so those costs will be, or have been, met by the FSCS.

The level of fees ultimately drawn will be in line with the fee resolutions agreed with the Creditors' Committee and the funding arrangements agreed with the FSCS, which among other things provide for assessment by an independent fee assessor and for appropriate ratcheted discounts to apply to the Administrators' time costs and certain professional expenses (including legal fees of Ashurst) based on the total costs incurred in the Special Administration, subject to certain assumptions.

Please refer to the next page for a detailed breakdown of our disbursements and professional fees incurred to date.

DETAILED BREAKDOWN OF EXPENSES INCURRED FOR THE PERIOD FROM 5 AUGUST 2019 TO 4 AUGUST 2020

Standard Disbursements

Charged by	Description	Objective 1 (£)	Objective 2 & 3 (£)	Total Amount Incurred to Date (£)	Amount Incurred in this Period (£)	Amount Paid (£)	Amount Unpaid (£)
Business Tax Centre	Electronic client verification	-	225.00	225.00	-	225.00	-
AUA Insolvency Risk Services	Insurance bond	-	883.33	883.33	623.32	399.99	483.34
Pelstar Computing	Hosting of documents for creditors	-	121.80	121.80	40.60	81.20	40.60
Pelstar Computing	Software licence fee	-	87.00	87.00	-	87.00	-
Courts Advertising	Statutory advertising	5,816.35	118.70	5,935.05	-	-	5,935.05
Total Data Management	Storage	842.34	-	842.34	154.38	637.96	204.38
	Totals	6,658.69	1,435.83	8,094.52	818.30	1,431.15	6,663.37

Case Specific Disbursements

Charged by	Description	Objective 1 (£)	Objective 2 & 3 (£)	Total Amount Incurred to Date (£)	Amount Incurred in this Period (£)	Amount Paid (£)	Amount Unpaid (£)
Royal Mail	Postage	7,823.34	-	7,823.34	-	7,823.34	-
Personnel Checks	DBS checks	1,001.28	-	1,001.28	-	1,001.28	-
Travel Perk / Trainline	Accommodation / travel	121,174.65	2,472.95	123,647.60	14,571.94	111,385.07	12,262.53
Leonard Curtis	Mileage	119.07	2.43	121.50	30.00	-	121.50
Creditors' meeting	Venue hire	8,127.00	-	8,127.00	-	8,127.00	-
Leonard Curtis	Trading costs	21,815.12	-	21,815.12	8,367.31	14,231.88	7,583.24
Leonard Curtis	Subsistence	3,680.48	75.11	3,755.59	585.32	-	3,755.59
Eddisons Insurance Services Ltd	Insurance	-	39,454.25	39,454.25	-	39,454.25	-
	Totals	163,740.94	42,004.74	205,745.68	23,554.57	182,022.82	23,722.86

SVS Securities plc (in special administration)

Case Specific Expenses							
Charged by	Description	Objective 1 (£)	Objective 2 & 3 (£)	Total Amount Incurred to Date (£)	Amount Incurred in this Period (£)	Amount Paid (£)	Amount Unpaid (£)
Ashurst	Legal advice	3,503,500.00	71,500.00	3,575,000.00	1,606,738.50	3,230,667.95	344,332.05
Baldwins	Reconciliation and audit of Custody Assets and Client Money	119,213.49	-	119,213.49	31,385.00	119,213.49	-
Seneca Partners Limited	Marketing and assistance with negotiating a sale of the whole / part of the business and its assets	191,042.00	-	191,042.00	7,411.00	191,042.00	-
Hilco	Valuation of the Company's physical assets	-	20,000.00	20,000.00	5,000.00	15,000.00	5,000.00
Hilco	Advise on the landlords dilapidations claim and prospects for mitigating	-	1,000.00	1,000.00	1,000.00	-	1,000.00
Veritas Digital Services Limited	Securing the Company's electronic data and advice regarding IT security	58,298.00	-	58,298.00	-	58,298.00	-
Pelstar Computing Ltd	Construction of Client Portal and Back Office System	72,000.00	-	72,000.00	-	72,000.00	-
Pelstar Computing Ltd	Construction of Client Portal for FX Clients	10,000.00	-	10,000.00	10,000.00	-	10,000.00
Pelstar Computing Ltd	Produced Client Statements as at Effective Date	14,000.00	-	14,000.00	14,000.00	-	14,000.00
Berg Kaprow Lewis LLP	Forensic accountants	-	40,000.00	40,000.00	5,308.50	40,000.00	-
Berg Kaprow Lewis LLP	Corporation tax returns	-	3,000.00	3,000.00	3,000.00	3,000.00	-
Harold Sharp Limited	Accountants to assist with VAT recovery on Special Administration expenses	7,350.00	-	7,350.00	2,350.00	5,000.00	2,350.00
Evolve IS Limited	Employee claim assistance and pension advice	2,850.00	1,200.00	4,050.00	800.00	4,050.00	-
Evolve IS Limited	Printing and distribution of initial client correspondence	10,561.96	-	10,561.96	-	10,561.96	-
Montague Kaye Ltd	Payroll services	4,590.00	2,680.00	7,270.00	2,640.00	7,270.00	-
CAPA	Property audit and review of any refunds due to the Company in respect of historic payments of non-domestic rates	-	-	-	-	-	-
Intalekt Ltd	Call centre	8,586.20	-	8,586.20	100.00	8,586.20	-
Blacks Solicitors LLP	Legal advice in relation to a book debt	-	5,188.77	5,188.77	3,145.27	4,623.77	565.00
Black&Callow Limited	Printing and distribution of client and creditor correspondence	38,469.80	-	38,469.80	16,347.20	38,469.80	-
Cerberus Receivables Management Ltd	Collection of book debts	-	35,297.02	35,297.02	13,780.22	29,414.18	5,882.84
Zeus Capital Limited	Bond valuations	45,000.00	-	45,000.00	45,000.00	45,000.00	-
Jamie Drummond-Smith	Cost accessor	44,730.00	-	44,730.00	44,730.00	43,650.00	1,080.00
	Totals	4,130,191.45	179,865.79	4,310,057.24	1,812,735.69	3,925,847.35	384,209.89

**SUMMARY OF THE ADMINISTRATORS' TIME COSTS FOR THE PERIOD
FROM 5 FEBRUARY 2020 TO 4 AUGUST 2020**

	Director		Senior Manager		Manager 1		Manager 2		Administrator 1		Administrator 2		Administrator 3		Administrator 4		Total		Average
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Hourly Rate £
Statutory and Review	316	20,729.60	228	12,676.80	325	16,055.00	2	86.20	16	560.00	-	-	-	-	-	-	887	50,107.60	564.91
Receipts & Payments	63	4,132.80	399	22,184.40	551	27,219.40	87	3,749.70	502	17,570.00	-	-	21	604.80	145	2,987.00	1,768	78,448.10	443.71
Insurance	-	-	-	-	4	197.60	34	1,465.40	39	1,365.00	-	-	-	-	-	-	77	3,028.00	393.25
Assets	215	14,104.00	45	2,502.00	697	34,431.80	126	5,430.60	223	7,805.00	717	22,442.10	1,872	53,913.60	10	206.00	3,905	140,835.10	360.65
Liabilities (including general Client correspondence)	1,096	71,897.60	204	11,342.40	303	14,968.20	133	5,732.30	7,224	252,840.00	6,934	217,034.20	2,974	85,651.20	299	6,159.40	19,167	665,625.30	347.28
Landlords	51	3,345.60	13	722.80	48	2,371.20	-	-	-	-	-	-	49	1,411.20	6	123.60	167	7,974.40	477.51
Trading	981	64,353.60	376	20,905.60	2,053	101,408.30	446	19,222.60	1,428	49,980.00	-	-	2,652	76,377.60	499	10,279.40	8,435	342,527.10	406.08
Debenture Holder	23	1,508.80	-	-	23	1,136.20	-	-	9	315.00	-	-	-	-	-	-	55	2,960.00	538.18
General Administration	306	20,073.60	17	945.20	137	6,767.80	3	129.30	776	27,160.00	305	9,546.50	659	18,979.20	45	927.00	2,248	84,528.60	376.02
Planning & Strategy	2,049	134,414.40	679	37,752.40	1,665	82,251.00	207	8,921.70	2,325	81,375.00	1,200	37,560.00	853	24,566.40	201	4,140.60	9,179	410,981.50	447.74
Post Appointment Creditors' Reporting and Meetings	30	1,968.00	5	278.00	137	6,767.80	252	10,861.20	574	20,090.00	-	-	-	-	-	-	998	39,965.00	400.45
Creditor and Clients' Committee	1,003	65,796.80	147	8,173.20	434	21,439.60	199	8,576.90	725	25,375.00	46	1,439.80	-	-	10	206.00	2,564	131,007.30	510.95
Investigations	87	5,707.20	10	556.00	62	3,062.80	28	1,206.80	208	7,280.00	401	12,551.30	57	1,641.60	-	-	853	32,005.70	375.21
SAR - Transfer to Nominated Broker	3,418	224,220.80	451	25,075.60	1,678	82,893.20	93	4,008.30	430	15,050.00	24	751.20	-	-	-	-	6,094	351,999.10	577.62
SAR - Client Money Pool	540	35,424.00	279	15,512.40	112	5,532.80	47	2,025.70	538	18,830.00	-	-	-	-	98	2,018.80	1,614	79,343.70	491.60
SAR - Client Assets Pool	6,720	440,832.00	1,767	98,245.20	6,560	324,064.00	1,564	67,408.40	5,116	179,060.00	4,743	148,455.90	476	13,708.80	-	-	26,946	1,271,774.30	471.97
SAR - FX	835	54,776.00	206	11,453.60	241	11,905.40	-	-	59	2,065.00	149	4,663.70	298	8,582.40	663	13,657.80	2,451	107,103.90	436.98
SAR - FCA / FSCS	1,714	112,438.40	259	14,400.40	1,156	57,106.40	28	1,206.80	4,212	147,420.00	187	5,853.10	5,164	148,723.20	10	206.00	12,730	487,354.30	382.84
SAR - Agreeing Clients' Claims / Portal	120	7,872.00	-	-	579	28,602.60	-	-	835	29,225.00	1,940	60,722.00	-	-	-	-	3,474	126,421.60	363.91
LC Legal Services	272	17,843	-	-	-	-	51	2,198	20	700	-	-	-	-	-	-	343	20,741.30	604.70
Total	19,839	1,301,438.40	5,085	282,726.00	16,765	828,181.10	3,300	142,230.00	25,259	884,065.00	16,646	521,019.80	15,075	434,160.00	1,986	40,911.60	103,955	4,434,731.90	
Average Hourly Rate (£)		<u>656.00</u>		<u>556.00</u>		<u>493.99</u>		<u>431.00</u>		<u>350.00</u>		<u>313.00</u>		<u>288.00</u>		<u>206.00</u>		<u>426.60</u>	

All Units are 6 minutes

SUMMARY OF THE ADMINISTRATORS' TOTAL TIME COSTS INCURRED TO 4 AUGUST 2020

	Director		Senior Manager		Manager 1		Manager 2		Administrator 1		Administrator 2		Administrator 3		Administrator 4		Total		Average
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Hourly Rate £
Statutory & Review	1,475	96,760.00	418	23,240.80	1,105	54,587.00	89	3,835.90	186	6,510.00	10	313.00	-	-	-	-	3,283	185,246.70	564.26
Receipts & Payments	260	17,056.00	412	22,907.20	889	43,916.60	234	10,085.40	624	21,840.00	-	-	91	2,620.80	172	3,543.20	2,682	121,969.20	454.77
Insurance	136	8,921.60	-	-	65	3,211.00	49	2,111.90	52	1,820.00	-	-	15	432.00	-	-	317	16,496.50	520.39
Assets	505	33,128.00	45	2,502.00	1,045	51,623.00	141	6,077.10	285	9,975.00	717	22,442.10	2,433	70,070.40	24	494.40	5,195	196,312.00	377.89
Liabilities (including general Client correspondence)	4,094	268,566.40	319	17,736.40	4,997	246,851.80	305	13,145.50	15,625	546,875.00	14,157	443,114.10	7,300	210,240.00	338	6,962.80	47,135	1,753,492.00	372.01
Landlords	51	3,345.60	13	722.80	142	7,014.80	-	-	-	-	-	-	49	1,411.20	6	123.60	261	12,618.00	483.45
Trading	4,166	273,289.60	385	21,406.00	4,214	208,161.70	2,954	127,317.40	3,604	126,140.00	64	2,003.20	4,956	142,732.80	1,052	21,671.20	21,395	922,721.90	431.28
Debenture Holder	34	2,230.40	-	-	50	2,470.00	-	-	76	2,660.00	-	-	-	-	-	-	160	7,360.40	460.03
General Administration	764	50,118.40	45	2,502.00	401	19,809.40	366	15,774.60	1,673	58,555.00	385	12,050.50	1,849	53,251.20	674	13,884.40	6,157	225,945.50	366.97
Appointment	67	4,395.20	30	1,668.00	85	4,199.00	104	4,482.40	70	2,450.00	-	-	169	4,867.20	-	-	525	22,061.80	420.22
Planning & Strategy	4,861	318,881.60	679	37,752.40	3,006	148,496.40	374	16,119.40	2,695	94,325.00	1,321	41,347.30	937	26,985.60	201	4,140.60	14,074	688,048.30	488.88
Post Appointment Creditors' Reporting and Meetings	2,236	146,681.60	15	834.00	1,767	87,289.80	1,609	69,347.90	1,554	54,390.00	643	20,125.90	355	10,224.00	622	12,813.20	8,801	401,706.40	456.43
Creditors & Clients' Committee	2,019	132,446.40	147	8,173.20	1,003	49,548.20	207	8,921.70	1,225	42,875.00	46	1,439.80	-	-	15	309.00	4,662	243,713.30	522.77
Investigations	693	45,460.80	10	556.00	246	12,152.40	28	1,206.80	401	14,035.00	401	12,551.30	67	1,929.60	-	-	1,846	87,891.90	476.12
SAR - Transfer to Nominated Broker	8,051	528,145.60	451	25,075.60	2,089	103,196.60	93	4,008.30	530	18,550.00	54	1,690.20	-	-	-	-	11,268	680,666.30	604.07
SAR - Client Money Pool	1,420	93,152.00	279	15,512.40	1,226	60,564.40	290	12,499.00	649	22,715.00	-	-	15	432.00	98	2,018.80	3,977	206,893.60	520.23
SAR - Client Assets Pool	11,257	738,459.20	1,767	98,245.20	9,701	479,229.40	2,332	100,509.20	5,767	201,845.00	5,399	168,988.70	506	14,572.80	-	-	36,729	1,801,849.50	490.58
SAR - FX	1,273	83,508.80	206	11,453.60	379	18,722.60	27	1,163.70	377	13,195.00	288	9,014.40	358	10,310.40	663	13,657.80	3,571	161,026.30	450.93
SAR - FCA / FSCS	3,833	251,444.80	259	14,400.40	2,258	111,545.20	84	3,620.40	5,579	195,265.00	207	6,479.10	6,210	178,848.00	10	206.00	18,440	761,808.90	413.13
SAR - Agreeing Clients' Claims / Portal	3,497	229,403.20	-	-	2,349	116,040.60	-	-	3,694	129,290.00	6,260	195,938.00	487	14,025.60	-	-	16,287	684,697.40	420.40
LC Legal Services	653	42,837	288	16,013	-	-	51	2,198	55	1,925	-	-	-	-	-	-	1,047	62,972.70	601.46
Total	51,345	3,368,232.00	5,768	320,700.80	37,017	1,828,629.90	9,337	402,424.70	44,721	1,565,235.00	29,952	937,497.60	25,797	742,953.60	3,875	79,825.00	207,812	9,245,498.60	
Average Hourly Rate (£)		<u>656.00</u>		<u>556.00</u>		<u>494.00</u>		<u>431.00</u>		<u>350.00</u>		<u>313.00</u>		<u>288.00</u>		<u>206.00</u>		<u>444.90</u>	

All Units are 6 minutes

DETAILS OF THE ADMINISTRATORS' POST-APPOINTMENT WORK DURING THE PERIOD OF THIS REPORT

**Custody Assets /
stocks and shares**

- Regular correspondence (email and telephone calls) by all members of the case administration team with key market infrastructure regarding the progression of the Special Administration, the transfer of Custody Assets and Client Money, and the provision of information in compliance with regulatory requests;
- Planning and strategy with regard to the movement of Custody Assets from the securities depository accounts of the Company to the nominated broker.
 - This included resolving all 767 open positions as at 5 August 2020. A significant amount of time was incurred at management level in seeking necessary legal advice from Ashurst and market infrastructure. Substantial time has also been spent in liaising with approximately 20 different market counter parties, the LSE and NEX exchanges and a number of the 1,400 impacted clients;
 - An in-depth reconciliation of the open positions with EUI, the LSE and NEX and taking advice from independent auditors at Baldwins and legal advice from Ashurst.
 - Overseeing the reversal of open positions by retained members of the Company's staff during certain settlement windows which were often outside of normal working hours;
 - Adjustment of Company records to reflect the cancellation of open positions;
 - Preparing and distributing correspondence to principal debtors outlining the Administrator's considerations and acknowledging the position with regard to pursuing debts from Clients. As well as a communication to Clients with agency trades, reminding them of their settlement obligations and encouraging the Clients to engage directly with the respective market counter party;
- Resolving matters highlighted in the CASS audit. Baldwins carried out two CASS audits during the period of this report and time has been spent liaising with Baldwins to provide them with various information/reports for the purposes of the reconciliations;
- Liaising with registrars to obtain Client dividends and corporate action receipts;
- Review of corporate actions suspended within the CREST system;
- Dealing with Client queries regarding Custody Assets and Corporate Actions;
- Liaising with the FCA as regards CASS, dividends received post appointment.
- Undertaking weekly dividend reconciliations;
- Transferring dividend receipts on a weekly basis from the Company's bank accounts held with Barclays to the custody of the Administrators bank accounts;
- Dealing with Client Asset Shortfalls including reconciliations, corresponding with affected clients and the FSCS with regards to compensation;
- A significant amount of time has been spent at managerial level and above in liaising with the Company's bankers, Barclays, and EUI as regards the enablement of the CREST securities depository to facilitate the transfer of securities to the nominated broker. This included seeking advice from Ashurst on documentation required by Barclays to enable the bank accounts linked with the CREST system to be reactivated. This resulted in negotiations with Barclay's legal team. Further time was spent in corresponding with the operations departments of both EUI and Barclays to coordinate the transfer within specific timeframes and settlement windows so as to mitigate any associated risks of transferring securities;
- Liaising with legal advisors in connection with correspondence with EUI, the LSE, banks and the FCA;
- Securing of physical share certificates;
- Preparation of Client statements as at the Effective Date;
- Reconciling pre-administration amounts outstanding by Clients, issuing instruction forms to Clients, processing the return of these forms, including payments received from Clients or those who wanted to off-set PPE monies against amounts outstanding;
- Liaising with relevant IT and data providers to ensure continuity of services; and
- Consideration of the repatriation of Client Assets and the Bar Dates process and taking legal advice and liaising with FCA and FSCS.

SVS Securities plc (in special administration)

Client Money	<ul style="list-style-type: none">• Processing payments from the CMP if clients wanted to use CMP funds to off-set against pre-administration amounts outstanding or their Claimants' share of costs and reconciling the CMP;• Regular meetings with the Company's ISA manager to review ISA accounts and to consider tax implications to ensure ISA status was maintained and obligations in relation to ISA accounts were met;• Regular reconciliations of bank accounts post-appointment;• Preparation of Client statements as at Effective Date; and• Dealing with Client Money related queries.
Transfer of Custody Assets and Client Money	<ul style="list-style-type: none">• Planning the strategy for the transfer of Custody Assets and Client Money to the nominated regulated broker, including instruction and liaison with professional advisors;• Finalisation of the Bar Dates and resolving outstanding disputes in relation to the Custody Assets and/or Client Money;• Working with Counsel and Ashurst on the drafting of the Distribution Plan, Explanatory Statement and various ancillary documents to facilitate the return of Custody Assets;• Assisting with the drafting of the Client Money Order;• Presenting the Distribution Plan to the Creditors' Committee at a meeting, considering the views of the Committee and discussing, answering and implementing queries raised by members of the Committee in regard to the Distribution Plan;• Obtaining the Creditors' Committee approval to the Distribution Plan;• Attending the Court hearing in respect of the Distribution Plan and liaising with Counsel and Ashurst throughout the hearing to provide information required by the Court;• Preparing the announcement of the identity of the nominated broker and coordinating the publication with the nominated broker and FSCS;• Undertaking the complex transfer of the vast majority of Custody Assets and Client Money to the nominated broker over a two week period, working with key market infrastructure as well as the nominated broker. This included working out of hours within defined settlement windows with retained Company staff, reconciling the position of transferred securities and those which had not with the nominated broker and its clearing bank. Regular meetings and video conferencing calls to discuss specific issues associated with the transfer of a number of individual and complex securities;• Continue to transfer a small number of dividend receipts and corporate actions post-transfer to the nominated broker;• Provided assistance to the nominated broker following the transfer;• Corresponding with a small number of Clients who were not eligible to be transferred to ITI and dealing with the distribution of their Custody assets and/or client money; and• Issuing press releases.
FX EPC Clients	<ul style="list-style-type: none">• Reconciliation of Client positions. This included obtaining data related to the positions on appointment from the specific FX platform operated by the Company. An exercise was duly conducted with the assistance of retained members of the Company to identify the initial cash deposits to verify the position for each FX EPC Client;• Reviewing Client's on-boarding documents to confirm EPC status and KYC;• Development of a specific claims portal for the FX EPC Clients; and• Corresponding with the FSCS regarding the compensation process and liaising with the FSCS regarding the development of the FX EPC claims portal.
Statutory and compliance	<ul style="list-style-type: none">• Arranging bonding and complying with statutory requirements;• Ensuring compliance with all statutory obligations within the relevant timescales;• Regular review of staff allocation to specific work streams management of staff, case resourcing and budgeting;• Review of work carried out by more junior members of staff to ensure quality of work and adherence to standards, legislation and best practice.• Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9 (SIP9); and• Obtaining the Administrators fee approval from the Creditors' Committee.

SVS Securities plc (in special administration)

Strategy documents, checklists and reviews	<ul style="list-style-type: none">• Formulating, monitoring and reviewing the Special Administration strategy;• Briefing of Leonard Curtis staff on the Special Administration strategy and matters in relation to various work streams. Since the onset of remote working as a result of the impact of COVID-19, the case administration team has been required to meet via telephone conferencing on a daily basis. This has allowed the Administrators and management staff to effectively delegate and monitor the progression of ongoing work streams and case specific tasks;• Regular case management meetings and reviewing of progress of certain work streams;• Regular meetings with senior management and the Administrators to review and update strategy and monitor progress;• Dealing with queries arising during the appointment;• Reviewing matters affecting the outcome of the Special Administration;• Allocating and managing staff / case resourcing and budgeting exercises and reviews;• Complying with internal filing and information recording practices, including documenting strategy decisions; and• Updating checklists and diary management system.
Authorities and regulatory bodies	<ul style="list-style-type: none">• Meeting with and providing regular detailed written and oral updates to representatives of the Authorities regarding the progress of the Special Administration and case strategy;• Liaising with the FSCS regarding funding, hardship payments and claims for miss-selling;• Time spent compiling various data sets in relation to client correspondence and engagement with, inter alia, the claim portal, dispute resolution process and general helpdesk calls and emails; and• Preparation and review of detailed progress updates to the FCA and FSCS on a number of key issues within the Special Administration.
Receipts and Payments	<ul style="list-style-type: none">• Reconciling post-appointment bank accounts to internal systems;• Ensuring compliance with appropriate risk management procedures in respect of receipts and payments;• Managing estate expenses;• Processing of receipts; and• A significant amount of time has been spent monitoring, reconciling, checking and validating the receipts and payments accounts. This has been required to be conducted at senior management level given the level and extent of funds involved within the Special Administration, the number of bank accounts and regular movements required and the requirement to segregate Client and House monies and maintain specific and accurate records of client monies.
Tax / HMRC	<ul style="list-style-type: none">• Submitting the Company's pre-appointment corporation tax returns to HMRC;• Processing monthly payments to HMRC in respect of PAYE/NI deductions;• Analysing VAT related transactions;• Dealing with post-appointment tax compliance;• Ongoing correspondence with HMRC with regards to pre-administration amounts owing and an outstanding pre-administration VAT appeal;• Corresponding with HMRC regarding the outstanding stamp duty reserve tax owing by clients as at the date of Administration;• Overseeing the preparation and submission of annual ISA returns to HMRC; and• Planning and making arrangements with regards to the issuing of consolidated tax vouchers to Clients.
General	<ul style="list-style-type: none">• General office and filing; and• Correspondence with current and former Company directors.

- Trading**
- Monitoring and updating the trading cash flow and projections;
 - Monitoring the scale of the Company's operations and cost base and making reductions where possible;
 - Safeguarding the Company's IT and data systems;
 - Attending to supplier queries and correspondence;
 - Raising, approving and monitoring the payment of supplier invoices;
 - Negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions, in order to ensure continued support;
 - Monitoring and control of Company staff;
 - Since the onset of COVID-19 and the adjustment to remote working, time has been spent conducting regular keeping in touch calls with retained Company staff. This responsibility has been delegated to various members of the Administrators staff; and
 - Locating relevant Company books and records, arranging for their collection and dealing with their ongoing storage.
- Employees**
- Dealing with queries from employees regarding various matters relating to the Special Administration and their employment;
 - Holding employee briefing meetings to update employees of progress in the Special Administration and the Administrators' strategy;
 - Administering the Company's payroll, including associated taxation and other deductions and preparing PAYE and NIC returns;
 - Reviewing and processing employee expense requests;
 - Dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to HM Revenue & Customs;
 - Monitoring the resourcing needs and requirement for retained employees and making redundancies where necessary;
 - Dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office;
 - Managing claims from employees; and
 - Responding to a number of reference requests for existing and prior employees.
- Pensions**
- Overseeing the payment of employee pension contributions.
- Property matters**
- Communicating with the landlord and its managing agents regarding rent, property occupation and other issues;
 - Periodic meetings with the landlord and facilitating landlord reviews and attendance at the Premises;
 - Correspondence with the managing agents with regards to the payment of rent and service charge and the position with regards to pre-administration arrears;
 - Reviewing the landlords dilapidations claim and instructing agents to review
 - Negotiating the terms of surrender for a car parking space at the Premises;
 - Liaising with the property manager as regards planned maintenance of the Premises and taking steps to safeguard IT infrastructure.
 - Various meetings with the sub-tenants of the Premises and discussing the Company's position and likelihood of future vacation of the Premises;
 - Invoicing and monitoring the payment of rent due from sub-tenants;
 - Pursuing rent arrears owed by sub-tenants of the Premises;
 - Taking legal advice as regards serving notice on sub-tenants to vacate the Premises; and
 - Liaising with previous landlord as regards rent deposit refund.

SVS Securities plc (in special administration)

Open cover insurance

- Reviewing and progressing any pre-appointment insurance claims;
- Periodic review of insurance requirements over physical assets, to minimise costs to the estate;
- Liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover is in place;
- Providing notification to the insurer of a potential claim against the Company's insurance by a claims management company, and liaising with the FSCS with regard to the impact of making such a claim on any award of compensation to a client by them; and
- Assessing the level of insurance premiums.

Clients, Creditors and claims

- Maintaining Client communication and dealing with queries. A significant amount of time has been spent dealing with client queries throughout the Administration
- Executing several outbound telephone and email campaigns to Clients;
- Dealing with a substantial number of Data Subject Access Requests and coordinating responses within statutory timeframes. Given the nature of such requests, these are often very time consuming given the level of information required to be obtained in order to comply with the request. Information is collated and reviewed prior to being packaged and sent securely. A significant and substantial amount of time has been spent preparing responses and liaising with a number of claims management companies and Clients;
- Regular meetings and correspondence with the Creditors' Committee
- Responding to enquiries from Creditors and submission of claims;
- Resolving the secured creditor position;
- Preparation and submission of the Administrators' first progress report to Clients and creditors; and
- Monitoring the Client Portal to agree Clients' claims.

Investigations

- Reviewing various pre-appointment transactions;
- Various reconciliations;
- Instructing forensic accountants and dealing with their information requests; and
- Meetings with the instructed forensic accountants and considering their final report and findings.

LEONARD CURTIS' POLICY REGARDING FEES, EXPENSES AND DISBURSEMENTS

The following Leonard Curtis policy information is considered to be relevant to Clients and Creditors:

Staff Allocation and Charge Out Rates

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters as set out in a fees estimate, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

The following hourly charge out rates apply to all assignments undertaken by Leonard Curtis:

6 Jan 2014 onwards	Standard	Complex	1 Aug 2019 onwards	Standard	Complex
	£	£		£	£
Director	450	562	Director	525	656
Senior Manager	410	512	Senior Manager	445	556
Manager 1	365	456	Manager 1	395	494
Manager 2	320	400	Manager 2	345	431
Administrator 1	260	325	Administrator 1	280	350
Administrator 2	230	287	Administrator 2	250	313
Administrator 3	210	262	Administrator 3	230	288
Administrator 4	150	187	Administrator 4	165	206
Support	0	0	Support	0	0

Office holders' remuneration may include costs incurred by the firm's in-house legal team, who may be used for non-contentious matters pertaining to the insolvency appointment.

Subcontractors

Where we subcontract out work that could otherwise be carried out by the office holder or his/her staff, this will be drawn to the attention of creditors in any report which incorporates a request for approval of the basis upon which remuneration may be charged. An explanation of why the work has been subcontracted out will also be provided.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Expenses

We are required to provide creditors with an estimate of the expenses we expect to be incurred in respect of an assignment and report back to them on actual expenses incurred and paid in our periodic progress reports. There are two broad categories of expenses: standard expenses and case specific expenses. These are explained in more detail below:

- a) Standard Expenses – this category includes expenses which are payable in order to comply with legal or regulatory requirements and therefore will generally be incurred on every case. They will include:

Type	Description	Amount
AML checks	Electronic client verification in compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017	£5.00 plus VAT per search

SVS Securities plc (in special administration)

Bond / Bordereau fee	Insurance bond to protect the insolvent entity against and losses suffered as a result of the fraud or dishonesty of the IP	£10.00 to £1,200.00 dependent on value of assets within case		
Company searches	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service		
Document hosting	Hosting of documents for creditors/shareholders. Cost per upload, plus VAT.	Type		
		S ADM	£14.00	£1.40
		ADM	£14.00	£1.40
		CVL	£7.00	£0.70
		MVL	£7.00	£0.70
		CPL	£7.00	£0.70
		CVA	£10.00	£1.00
		BKY	£10.00	£1.00
IVA	£10 p.a. or £25 for life of case			
Post re-direction	Redirection of post from Company's premises to office-holders' address	0-3 months £204.00 3-6 months £303.00 6-12 months £490.00		
Software Licence fee	Payable to software provider for use of case management system	£87.00 plus VAT per case		
Statutory advertising	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£85.95 plus VAT per advert Dependent upon advert and publication		
Storage costs	Costs of storage of case books and records	£5.07 plus VAT per box per annum plus handling charges		

- b) Case-specific expenses – this category includes expenses (other than office-holders' fees) which are likely to be payable on every case but which will vary depending upon the nature and complexity of the case and the assets to be realised. They will include:

Type	Description	Amount
Agents' fees	Costs of appointed agents in valuing and realising assets	Time costs plus disbursements plus VAT
Debt Collection fees	Costs of appointed debt collectors in realising debts	Generally agreed as a % of realisations plus disbursements plus VAT
Legal fees	Costs of externally appointed solicitors. Will generally comprise advice on validity of appointment, drafting of sale contracts, advice on retention of title issues and advice on any reviewable transactions.	Time costs plus disbursements plus VAT
Other disbursements	See disbursements section below	See disbursements section below

Disbursements

Included within both of the above categories of expenses are disbursements, being amounts paid firstly by Leonard Curtis on behalf of the insolvent entity and then recovered from the entity at a later stage. These are described as Category 1 and Category 2 disbursements.

- a) Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£81.25 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

PRIVACY NOTICE

PRIVACY NOTICE FOR SVS SECURITIES PLC (IN SPECIAL ADMINISTRATION)

Last updated: 28.07.2020

1. INTRODUCTION

- 1.1 Your privacy and trust are important to us. This data protection notice ("**Notice**") describes the types of personal information SVS Securities Plc (in special administration) ("**SVS**", "**we**", "**us**" or "**our**") collects about you, how that information is used and with whom such information is shared. It also describes the measures we take to protect your personal information, your rights in relation to your personal information and how you can reach us to answer any questions you may have about our privacy practices or this Notice.
- 1.2 We are a controller for the purposes of the applicable privacy laws in the jurisdiction in which we operate, including the General Data Protection Regulation (EU) 2016/679 ("**GDPR**"), and the European Privacy and Electronic Communications Directive (Directive 2002/58/EC) (together, the "**Data Protection Laws**").
- 1.3 For the purposes of this Notice references to "**you**" or "**your**" shall mean any personal investors, clients, creditors and employees, directors, and shareholders of our clients each of whom are located in a European Member State (including the United Kingdom) whose personal information is provided during the course of the special administration of SVS.
- 1.4 Julien Irving, Andrew Poxon and Alex Cadwallader, each qualified insolvency practitioners of Leonard Curtis, Riverside House, Irwell Street, Manchester M3 5EN were appointed to act as joint special administrators of SVS (the "**Special Administrators**") on 5 August 2019, pursuant to an application by the directors of SVS. Julien Irving was subsequently replaced as Joint Special Administrator by Andrew Duncan of Leonard Curtis on 12 May 2020.

2. PERSONAL INFORMATION WE COLLECT

- 2.1 We will use your personal information to carry out activities that form part of the operation of our business or the special administration of SVS. Personal information is information that either alone or in combination with other information can directly or indirectly identify you. Most of this information is necessary for us to comply with our legal obligations, to enter into a contract with you or your employer, or for a legitimate business purpose. This includes what you tell us about yourself and what we learn by having you as a client or creditor.
- 2.2 Whether this collection is mandatory, or voluntary, will depend on the reason why we are collecting your personal information. For example, if you are a client or creditor of ours, we may require certain mandatory information from you to be able to deal with any claims you may have in the Special Administration. If you refuse or fail to supply this information that may make it more difficult for us to be able to deal with such claims.
- 2.3 We have set out below a description of the types of personal information about you which we will collect and process in different situations when you interact with us.
- your first and last name, date of birth;
 - contact information including telephone number, business and/or personal address(es), email address;
 - information regarding your job including your employer/company, job title;

- financial information, such as your bank account information and information regarding any custody assets or client money held by us on your behalf;
- proof of identification in the form of copies of your passport, driving licence or other identity documents like utilities bills;
- personal information and contact information which you provide in correspondence with us, whether by email, written letter, or telephone call (this will be information volunteered by you, it could include the reasons why you have decided to invest, or where your investment money has come from, by way of example);
- IP address, login and browsing history on any data room or portal we may use, operate or provide;
- transaction history with us (including capital account balance and other account data, and participation in other investments); and
- information relating to your use of our services, any other SVS products and services you currently have, you have applied for or you have previously held.

2.4 We may also ask you to provide sensitive types of personal information such as any data about religious, ideological, political or trade union views or activities, your health, private life, the intimate sphere or racial origin, social security measures ("**Special Categories of Personal Information**").

2.5 If you provide personal information about someone else, it is your responsibility to ensure that you have obtained appropriate authority to disclose that personal information to us for the purposes as described in this Notice. In particular, you shall ensure the individual concerned is aware of the various matters detailed in this Notice, as those matters relate to that individual, how to contact us, the purposes of collection of personal information, the individual's right to obtain access to the information and the consequences if the information is not provided.

3. **WHY WE COLLECT YOUR PERSONAL INFORMATION**

3.1 We mainly use the personal information we hold about you where it is necessary for us to perform our contract with you and/or to enable us to comply with legal obligations. We will use personal information in accordance with this Notice and for the following purposes:

- (a) to verify your identity for the purpose of preventing fraud or other financial crime, complying with statutory, regulatory and internal compliance requirements for on-boarding in relation to anti-money laundering requirements;
- (b) in connection with applicable legal or regulatory requirements, including such obligations which arise as a result of the special administration of SVS;
- (c) to respond to requests and communication from competent authorities, which may include courts and tribunals;
- (d) in relation to services we receive from our professional advisors, such as lawyers, accountants and consultants;
- (e) managing and making information available to third party service providers (including providers of due diligence services);
- (f) in order to protect our rights and those of our clients;

- (g) for insurance purposes;
- (h) to send you invoices or reminder notices;
- (i) compiling statistical analysis;
- (j) to comply with our legal, taxation, regulatory and/or reporting obligations;
- (k) disclosing personal information to other functionaries of SVS for the purpose of accounting, legal, tax and regulatory filings, reporting and other administrative activities related to the special administration of SVS; and/or
- (l) in respect of any transfer of the business or assets in the business, restructuring or administration proceedings.

3.2 Your personal information will also be used when it is in our legitimate interest. A legitimate interest is when we (and sometimes third parties) have a business or commercial reason to use your information. Our legitimate interests include:

- (a) in the performance of activities that form part of the operation of our business or the special administration of SVS;
- (b) in the effective and lawful operation of our business so long as such interests are not outweighed by your interests; or
- (c) for tax purposes or providing information to a public body or law enforcement agency.

3.3 Examples of the 'legitimate interests' referred to above are: (i) to benefit from cost-effective services (e.g. we may opt to use certain IT platforms offered by suppliers); (ii) to verify the accuracy of information provided by a third party; (iii) to prevent fraud or criminal activity; (iv) to safeguard the security of our IT systems, architecture and networks, and of our physical premises; and (v) to exercise our rights under Articles 16 and 17 of the Charter of Fundamental Rights, including our freedom to conduct a business and right to property. But even then, our legitimate interest must not unfairly go against what is right and best for you.

3.4 We may use anonymous personal information in order to compile market research and statistical analysis.

3.5 Where we are relying on your consent to process your personal information, you are entitled to withdraw your consent at any time. Please note, if you do withdraw your consent, this will mean that we will stop similar future processing. However, the withdrawal of your consent will not invalidate any processing which we previously undertook before you withdrew your consent.

4. WHO WE SHARE YOUR PERSONAL INFORMATION WITH

4.1 In connection with one or more of the purposes set out above, we may disclose personal information to:

- (a) the Special Administrators (and employees of their firm, Leonard Curtis);
- (b) our and the Special Administrators' legal and other professional advisers, auditors, and independent consultants;
- (c) governmental and regulatory bodies such as tax authorities, financial regulators/ombudsmen and non-financial regulators (depending on the circumstances of the sharing);

- (d) other organisations and businesses who provide services to us under contract such as maintaining or servicing customer accounts, providing back up and server hosting providers, IT software and maintenance providers, document storage providers and suppliers of other back office functions;
- (e) buyers or successor brokers of SVS and their professional representatives as part of any transfer of custody assets and client money; and/or
- (f) identity verification agencies, credit-referencing agencies, anti-money laundering screening services.

5. TRANSFER OF PERSONAL INFORMATION

- 5.1 We may transfer your personal information to jurisdictions which do not offer the same level of protection as the European Union and in such circumstances we will comply with the requirements under applicable Data Protection Laws to ensure that there are appropriate safeguards in place to protect the personal information and will ensure that it will only disclose such information on a need to know basis and solely for the purposes of complying with its obligations in the context of providing its services to us. If you would like more information about the safeguards we have in place in respect of such transfers please contact us using the details set out below.

6. HOW WE KEEP PERSONAL INFORMATION SECURE

- 6.1 We take appropriate technical and organizational measures to keep your information confidential and secure in accordance with our internal procedures covering the storage, access and disclosure of information. Information may be kept on our information technology systems, in the information technology systems of our third party service providers, or in paper files.

7. HOW LONG WILL WE RETAIN YOUR PERSONAL INFORMATION

- 7.1 We may keep personal information provided we have an ongoing legitimate business need to do so (including without limitation to provide you with a service that you have requested or to comply with any applicable legal, tax or accounting requirements). We may also retain personal information for the purposes of responding to any questions or complaints, maintaining records according to rules that apply to you, or preventing fraud or other financial crime.

8. YOUR RIGHTS

- 8.1 We respect your legal rights in relation to your personal information.
- 8.2 You have a number of rights over your personal information including a right to object to the processing of your information. You will not be able to use these rights in all circumstances.
- 8.3 Where applicable, you have the right to:
- (a) be informed about our processing of your personal information;
 - (b) have inaccurate/incomplete personal information corrected/completed;
 - (c) object to the processing of your personal information;
 - (d) restrict the processing of your personal information;
 - (e) have your personal information erased;
 - (f) request access to your personal information and to obtain information about how we process it;

(g) move, copy or transfer your personal information digitally; and

(h) object to automated decision making, such as profiling.

8.4 To exercise your rights as set out above, please write to us using the contact details below. There is no fee for making these requests. However, if your request is excessive or unfounded, we can charge a reasonable fee or refuse to comply with it. We may request that you provide information necessary to verify your identity before responding to any request you make.

8.5 You also have the right to lodge a complaint with your local data protection regulator if you think that we have infringed any of your rights.

8.6 If you are unhappy about the way in which we collect or use the personal information or the way in which a complaint has been handled, you have a right to complain to the data protection authority in the jurisdiction in which you are domiciled, or where the alleged infringement of the Data Protection Laws has taken place. For more information please contact your local data protection authority. If you do not know who this is please contact us using the contact details below so we can help you identify the correct authority.

9. **CONTACTING US**

If you have any queries in respect of this Notice or would like to exercise your rights please contact using following details:

For the attention of Andrew Poxon, Alex Cadwallader and Andrew Duncan, Special Administrators.

Name: SVS Securities Plc (in special administration)

Address: c/o Leonard Curtis, Riverside House, Irwell Street, Manchester M3 5EN

Email: svs@leonardcurtis.co.uk

Phone: +44 (0)203 457 4871

10. **CHANGES TO THIS NOTICE**

10.1 We reserve the right to update this Notice at any time, and we will notify you when we make any substantial updates.

10.2 We will also notify you in other ways from time to time about the processing of your personal information.

The Special Administrators are issuing this Notice as agents for and on behalf of SVS and neither they, their firm, nor any of their partners, employees, agents or representatives shall incur any personal liability whatever under or in relation to this Notice including (without limitation) in respect of any of the obligations undertaken by SVS; or in respect of any failure on the part of SVS to observe, perform or comply with any such obligations; or under or in relation to any associated arrangements or negotiations; or under any document or assurance made pursuant to this Notice.