



**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' Fourth Progress Report**

**Report period  
5 February 2021 to 4 August 2021**

**27 August 2021**

<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
"CASS"	the Client Asset Sourcebook, the FCA's rules for holding Client Money and Custody Assets
"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
"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, Insolvency and Companies 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

<b>"Directors"</b>	the registered directors of the Company, being Ruchir Rupani, Demetrios Hadjigeorgiou and Kulvir Virk
<b>"Distribution Plan"</b>	the plan approved by the Court on 7 May 2020, as published on <a href="http://www.leonardcurtis.co.uk/SVS">www.leonardcurtis.co.uk/SVS</a>
<b>"Effective Date"</b>	the date the sealed order approving the Distribution Plan was provided by the Court (7 May 2020)
<b>"EPC"</b>	Elective professional clients as described further at paragraph 4.1.6 below
<b>"EUI"</b>	Euroclear UK and Ireland, the operator of the CREST system
<b>"Explanatory Statement"</b>	the statement explaining terms of the Distribution Plan, as published on 12 May 2020 on <a href="http://www.leonardcurtis.co.uk/SVS">www.leonardcurtis.co.uk/SVS</a>
<b>"FCA"</b>	the Financial Conduct Authority
<b>"FSCS"</b>	the Financial Services Compensation Scheme, the UK's statutory investors' compensation scheme for customers of authorised financial services firms
<b>"FX"</b>	foreign exchange
<b>"Hard Bar Date"</b>	means 30 July 2021, being the final date for the submission of claims for the return of Custody Assets and/or Client Money, being the date set out in the Hard Bar Date Notice
<b>"Hard Bar Date Notice"</b>	<p>means the hard bar date notice dated 4 May 2021, uploaded to the dedicated website and made available to all Clients whose claim for the return of Custody Assets and/or Client Money the Administrators were aware, such notice being in the form required pursuant to Regulation 12B(13) (in respect of Custody Assets) or Regulation 12C(7) (in respect of Client Money) which specifies the Hard Bar Date and includes a statement that, after the end of the Hard Bar Date, the Administrators:</p> <ul style="list-style-type: none"><li>(a) in the case of Custody Assets, may dispose of Custody Assets still held by the Company after the Administrators have returned Custody Assets to any eligible claimants; and</li><li>(b) may, consequently be unable to meet any further Custody Asset claims; and/or</li><li>(c) in the case of Client Money, may, in accordance with Client Money rules, transfer to the Company's own bank accounts any balance of the CMP which the Company holds after the return of Client Money to eligible claimants; and</li><li>(d) may not meet any further final money claims</li></ul>
<b>"House Assets"</b>	the Company's own assets (excluding Custody Assets and Client Money)
<b>"House Accounts"</b>	the Administrators' bank accounts dedicated to holding House Assets
<b>"Initial Meeting"</b>	the initial meeting of Clients and Creditors held on 10 October 2019
<b>"ISA"</b>	individual savings account
<b>"ITI"</b>	ITI Capital Limited – the nominated broker for the transfer of Client Assets under the Distribution Plan.

<b>"Leonard Curtis"</b>	Leonard Curtis Recovery Limited and/or Leonard Curtis Limited
<b>"Longstop Date"</b>	means 4 May 2021, being the date on which the Administrators issued the Longstop Date Notice
<b>"Longstop Date Notice"</b>	the longstop date notice dated 4 May 2021, uploaded to the dedicated website and made available to all Clients whose claim for the return of Custody Assets and/or Client Money the Administrators were aware, being a notice stating that the Administrators have determined that they have done all that is reasonably achievable to pursue Objective 1
<b>"LSE"</b>	the London Stock Exchange
<b>"NEX"</b>	the NEX Exchange
<b>"Objectives"</b>	the Administrators' three objectives, which are set out in the Regulations, namely:
<b>"Objective 1"</b>	to ensure the return of Client Assets as soon as is reasonably practicable
<b>"Objective 2"</b>	to ensure timely engagement with market infrastructure bodies and the Authorities
<b>"Objective 3"</b>	to either rescue the investment bank as a going concern, or to wind it up in the best interests of the Company's creditors.
<b>"PPE"</b>	primary pooling event
<b>"Pre-Administration Outstanding Amounts"</b>	any amounts owed by a Client to the Company as notified to such Clients by the Administrators in their Client Statements.
<b>"Premises"</b>	4 <sup>th</sup> Floor, Princes Court, 7 Princes Street, London EC2R 8AQ, being the Company's former registered office and trading address
<b>"Proposals"</b>	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
<b>"Regulations"</b>	the Investment Bank Special Administration Regulations 2011 (as amended)
<b>"Reverse Transfer"</b>	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
<b>"Rules"</b>	the Investment Bank Special Administration (England and Wales) Rules 2011
<b>"Settlement Date"</b>	23 July 2020
<b>"SPA"</b>	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
<b>"Special Administration"</b>	the special administration of the Company following the appointment of the Administrators to the Company on 5 August 2019, by order of the Court
<b>"Transfer Date"</b>	11 June 2020

**"UK Insolvency Regulation"**      Regulation (EU) 2015/848 as given effect in English law by the European Withdrawal Act 2018, as amended

**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 2021 to 4 August 2021. This is the Administrators' fourth 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 2021. Please be aware, however, that where reference is made to "the period of this report", this specifically means from 5 February 2021 to 4 August 2021.

You are encouraged to read this progress report in conjunction with the Administrators' previous progress reports and the Proposals, copies of which can be found at [www.leonardcurtis.co.uk/SVS](http://www.leonardcurtis.co.uk/SVS).

### **1.1 Summary of action**

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

- continued to seek instructions from Clients who were not eligible to transfer to ITI in relation to the return of their Custody Assets and/or Client Money and actioned the return of Custody Assets and/or Client Money where possible;
- continued to seek instructions from Clients who requested a Reverse Transfer in relation to the return of their Custody Assets and/or Client Money following the Reverse Transfer;
- applied to the High Court for, and obtained on 30 April 2021, directions in relation to the setting of the Longstop Date and for approval in relation to the setting of the Hard Bar Date for Custody Assets and Client Money;
- set the Longstop Date and Hard Bar Date, both such dates having passed as at the date of this report;
- liaised with ITI in order to resolve a number of Client queries received by the Administrators relating to the transfer of Client Assets to ITI;
- 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, including in relation to the Client queries received relating to the transfer of Client Assets to ITI;
- continued to liaise with the Creditors' Committee on a regular basis;
- 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; and
- closed the EPC FX Claims Portal, which opened for claims in November 2020 and submitted the claims received to the FSCS.

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

As previously reported, all eligible Clients transferred to ITI by way of a single bulk transfer, representing over 99% of the Company's Clients.

A very small number of Clients were not eligible to be transferred to ITI or elected to Reverse Transfer back to the Company in the three months following the Settlement Date. These Clients have been contacted separately by the Administrators regarding options available for the return of their Custody Assets and/or Client Money.

**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 are deductible from the Custody Asset and Client Money, 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 £29.6m to £31m. 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, has only been 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 using the contact details 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 and remain with the Company, then please contact us as soon as possible by:

- Email: [svs@leonardcurtis.co.uk](mailto:svs@leonardcurtis.co.uk)
- Telephone: +44 (0)161 831 9999 (open 9am – 5pm Monday to Friday)
- In writing: SVS Securities plc (in special administration), c/o Leonard Curtis, 5<sup>th</sup> Floor, Grove House, 248a Marylebone Road, London NW1 6BB

## **2 STATUTORY INFORMATION**

The Company traded from Premises located at 4<sup>th</sup> 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 4<sup>th</sup> 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.

Please note that neither the EU Regulation on Insolvency Proceedings (2015/848) nor the UK Insolvency Regulation apply to the Special Administration.

## **3 JOINT SPECIAL ADMINISTRATORS' OBJECTIVES AND PROPOSALS**

As set out in the Administrators' previous progress reports, 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 of the Company 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 2021.

### **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 Transfer to Nominated Broker**

As previously reported, the Administrators transferred the Custody Assets and Client Money of 18,353 Clients to ITI on the Transfer Date, representing over 99% of the Company's total Clients as at 5 August 2019.

Following the transfer to ITI, transferred 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. This included that Clients switching to a different broker within six months of the Settlement Date would not be required to pay exit fees to ITI. Due to the delays to the on-boarding process experienced by clients, ITI agreed to extend this six month period by a further two months, to 23 March 2021. As part of the transfer, ITI's standard terms of business were also amended to provide that, for a period of three months from the Settlement Date, fees payable under ITI's terms of business would be equal to the fees paid by Clients for comparable services under the Company's terms of business as at 5 August 2019. This three month period ended in October 2020.

#### **4.1.1.1 Physical custody stock**

As previously advised, the Company held a relatively small number of share certificates in its physical custody. On completion of the transfer to ITI, 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 still in progress. The re-registration process will be conducted by ITI in conjunction with the relevant registrar / company. The Administrators are continuing to liaise with ITI in relation to options for the return of this relatively small amount of physical custody stock to Clients, including doing so in physical rather than dematerialised form.

#### **4.1.1.2 Securities which have not transferred to ITI**

There were approximately 130 stock lines held by the Company which were disabled and/or suspended within the CREST system as at the Transfer Date. While a stock has this status, no dealing activity, including the transfer of the stock, may take place. During the period of this report, the Administrators have continued to work to resolve this situation with EUI. As a result of the Administrators' further efforts, at the date of this report there are only 3 such stock lines remaining. The 3 stock lines are all disabled stocks which the Administrators are waiting to be removed from the CREST system by the relevant registrars. The Administrators are liaising separately with affected Clients.

#### **4.1.1.3 Dividend and corporate action sweep to ITI**

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 regular basis. During the period of this report, the Administrators have transferred a further £17,000 to ITI in respect of dividend and corporate action monies received by the Company post-Settlement Date. Until ITI concludes the re-registration process of physical custody stock, the Company will continue to receive dividends in respect of these stock lines.

#### **4.1.2 Reverse Transfer Requests**

For a period of three months following the Settlement Date, Clients were 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) and may therefore experience a further delay in gaining access to their Client Assets.

In total, the Administrators received 43 Reverse Transfer requests from Clients, 23 of which were received from Clients holding Client Money only, with the remaining 20 relating to Clients holding both Custody Assets and Client Money.

All of the Client Money Reverse Transfers have been completed and the Client Money returned to Clients accordingly.

With regards to the 20 Custody Asset and Client Money Reverse Transfers:

- 18 have been completed and the Custody Assets and Client Money returned or distributed to Clients accordingly; and
- 2 have been partially completed (i.e. the majority of the relevant Clients' Custody Assets and Client Money has been returned or distributed to those Clients' selected brokers, and the Company continues to hold only a residual balance of their stock holdings pending resolution of issues currently preventing the return/distribution of the remaining Custody Assets (such as re-registration or physical return of physical stock certificates);

#### **4.1.3 Clients who did not transfer to ITI**

As previously reported, 68 Clients were not eligible to be transferred to ITI at the Transfer Date and remained Clients of the Company.

During the period of this report, the Administrators issued a number of communications to Clients with remaining Custody Assets and/or Client Money entitlements, in order to obtain additional information (if required) and elections 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.

To date, we have returned the Custody Assets and/or Client Money entitlements of 20 of the 68 Clients. A further 5 Clients have given instructions to the Administrators to liquidate their Custody Assets or return assets by way of transfer. The Administrators are continuing to liaise with ITI concerning the completion of these instructions.

The remaining 43 Clients have failed to engage with Administrators and have not yet provided instructions as to how they would like their Custody Assets and/or Client Money returned. These Clients' Custody Assets and/or Client Money will now be dealt with in accordance with the Distribution Plan and the provisions of the Regulations which allow actions to be taken by the Administrators to resolve the position and bring finality to the Special Administration following the Hard Bar Date, as referred to below.

#### **4.1.4 Longstop Date and Hard Bar Date application**

On 15 March 2021, the Administrators gave notice, including via the dedicated website, that an application had been made to Court by the Administrators for directions in relation to the setting of the Longstop Date and for approval in relation to the setting of the Hard Bar Date in respect of each of Custody Assets and Client Money.

The Court hearing took place on 30 April 2021 and the Administrators' application was successful. The Administrators accordingly set a Longstop Date of 4 May 2021 and a Hard Bar Date of 30 July 2021.

The Hard Bar Date has recently passed, and the Administrators are in the process of dealing with any remaining Custody Assets and/or Client Money where Clients have or have not provided instructions. Subject to the legislation governing the special administration regime, as a consequence of the Hard Bar Date, the Administrators are now entitled to dispose of and transfer any Custody Assets, Client Money or proceeds of sold Custody Assets which remain with the Company (if any) to the Company's house accounts. This means that any affected Clients would no longer have any entitlement to have Custody Assets and/or Client Money returned to them, and any remaining claims that Clients have for the return of their Custody Assets or Client Money after the Hard Bar Date would constitute an unsecured claim. This would involve the loss of the Client's proprietary rights to the Custody Assets or Client Money in question. Once all Client Assets have either been returned or liquidated, the Administrators will close the Client Money Pool.

#### **4.1.5 Shortfalls in Client Money and Custody Assets**

As previously detailed in the Administrators' previous progress reports, certain Client Money and Custody Asset shortfalls had been identified by the Administrators. The shortfalls were rectified by the Administrators, as set out in those progress reports.

During the period of this report, no further shortfalls in respect of Client Money or Custody Assets have been identified.

#### **4.1.6 Elective professional clients with title transfer collateral arrangements**

As noted in the Administrators' previous progress reports, 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.

As previously reported, the Administrators developed an online claims portal to enable the Company's FX EPC customers to:

- (a) agree their historic FX EPC account balance as at 5 August 2019;
- (b) elect whether to make a claim for FSCS compensation in respect of their account balance; and
- (c) select a broker (between two options provided) to whom the FSCS would pay the EPC customer's compensation directly on their behalf.

Following the launch of the online claims portal, the Administrators received claims from 224 FX EPC customers, representing around 98% (in value) of the total amount owed to the Company's FX EPC customers. The FSCS have processed the payment of the compensation due to all FX EPC customers who submitted a claim prior to the portal being closed in mid-March 2021. Any remaining FX EPC customers who did not submit a claim via the portal but who now wish to submit a claim are encouraged to contact the FSCS directly via <https://claims.fscs.org.uk/PreScreening/EnterDetails>.

With regards to the Company's advisory EPC customers, a similar process was undertaken whereby those customers were able to claim FSCS compensation via a paper form.

#### **4.1.7 Open Transactions**

As previously reported, there were 676 unsettled transactions as at the date of the Administration. 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. As previously reported, this produced two related work streams during the Special Administration (the second work stream was concluded in March 2020):

- (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. There are around 139 unsettled agency transactions which remain to be settled, being 82 trades and 57 dividend claims
- (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 prior to the bulk transfer of clients to ITI.

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

## **4.2 Communications**

### **4.2.1 Client Communications**

During the period of this report, the Administrators have continued to liaise with Clients by a range of different methods in a coordinated, timely and cost-effective manner. This has included issuing various communications to Clients and updates on the dedicated webpage. Since the date of administration, there have been over 124,000 website visits to 4 August 2021, with 1,000 of these occurring during the reporting period.

In addition, the Administrators have continued to liaise with Clients via the dedicated email address and helpdesk telephone number in order to deal with any queries/issues arising for Clients following the transfer of their Custody Assets and Client Money to ITI.

The Administrators would encourage you to remain vigilant and to exercise caution when dealing with correspondence regarding the Special Administration of the Company. If you are in any doubt regarding the authenticity of any correspondence you may receive, please do not hesitate to contact the Administrators on +44 (0)161 831 9999 or by email at [svs@leonardcurtis.co.uk](mailto:svs@leonardcurtis.co.uk). Support is available to all Clients and further information on the Special Administration of the Company should be sought in the first instance from [www.leonardcurtis.co.uk/svs](http://www.leonardcurtis.co.uk/svs).

### **4.2.2 Consolidated Tax Vouchers**

The Administrators have issued to all Clients consolidated tax vouchers for the tax years 2019/2020 and 2020/2021, where applicable.

### **4.2.3 Data Subject Access Requests ("DSARs")**

During the period of this report, the Administrators have received a significant number of DSARs. Since the date of the Administrators' appointment, they have received over 1,280 DSARs, 274 of which were received during the period of this report. The Administrators have complied with the relevant legislation or otherwise and have addressed each DSAR that has been received.

The majority of DSARs received are from claims management companies ("CMCs").

The vast majority of the DSARs received relate to mis-selling claims, which are being handled by the FSCS. The Administrators continue to liaise with the FSCS directly, without the need to engage CMCs. The Administrators would like to remind Clients that you should proceed with caution if you are approached by a CMC.

### **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 June 2021. 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**

The cost base associated with the Company's operations continues to be closely monitored. As advised previously, the Administrators vacated the Premises in September 2020 and moved to smaller serviced offices. These were also vacated at the end of February 2021.

The majority of services/contracts with key IT suppliers have now been terminated, save for the main SVS back-office system, the CRM system and the SVS IT platform, which the Administrators continue to use daily to assist with client queries and to respond to DSARs and client information requests received from the FSCS.

**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.

The Administrators continue to liaise with the FSCS and resolve information requests received from the FSCS in relation to mis-selling and negligence claims for the purposes of paying compensation to eligible Clients. The Administrators remain fully committed in assisting the FSCS in this process where required.

Other matters in relation to which the Administrators are liaising with the FSCS include:

- updates on the transfer to ITI and client migration process; and
- funding.

**4.6 Euroclear / CREST**

CREST is the share settlement system that was used by the Company, which electronically held 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 with EUI to reduce the number of disabled and/or suspended securities within the CREST system as at the Transfer Date. Where instructions have been given to transfer assets through CREST, they have been effected through ITI (as sub-custodian of non-transferred Clients' Custody Assets).

**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.

The Administrators continue to assist the LSE in conjunction with the settlement of the remaining 200 transactions which are yet to be resolved by Clients. During the period of this report, assistance provided to the LSE has included investigative work into disputed trades and the provision of information, such as contract notes and call recordings from SVS' records, to the LSE in order to aid settlement.

**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' previous progress reports, 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) vacated the Company's leasehold premises;
- (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 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 continued to occupy the Premises, a sale of the office furniture and equipment prior to the period of this report was not possible.

As previously reported, the Premises were vacated on 25 September 2020 and the office furniture and IT equipment was sold to third party companies, realising £6,100 plus VAT. During the period of this report, residual computer equipment was sold, realising £500 plus VAT.

There is a residual amount of server equipment which is still being used by the Company. The outcome of any future sales will be reported to Clients and Creditors in a future progress report.

**5.2 Stocks / Securities**

The Company held various securities on its own account as principal with a book value of £638,360. While certain of the stock lines are considered by the Administrators to have realisable value, the Administrators have determined other securities to have no value, meaning that there are not expected to be any realisations in regard to those nil value holdings.

The Administrators instructed ITI to sell the realisable stock holdings in November 2020. £43,845 has been realised as at the date of this report, of which £1,805 was realised during the period of this report.

The Company continues to hold a few remaining securities on its own account, which may be sold in due course if the Administrators determine that they have realisable value. The outcome of any future sales will be reported to Clients and Creditors in a future progress report.



### **5.3 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. The Administrators consider it to be unlikely that any recoveries will be made in respect of these holdings.

### **5.4 Trade Debtors**

To date, the Administrators have realised £31,790 in respect of trade debtors.

The remaining trade debts have proved uncollectable and have been written off.

### **5.5 Client Debtors – Pre Administration Outstanding Amounts**

At the date of Administration, £352,882 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 Custody Assets and/or Client Money can be returned by transfer or distribution.

The sum of £58,828 was repaid by Clients during the period of this report, bring total realisations to £257,476.

The Administrators continue to pursue unsettled amounts totalling £90,871 from two Clients, who remain clients of the Company.

The remaining Client debts of £4,535 have been written off as uncollectable.

### **5.6 Unsettled Principal Transactions Debts**

There were a number of unsettled trades at the date of the Company's 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 was owed to the Company by three counterparties. The Administrators have recovered £4,527 from these three counterparties, of which £3,783 was received during the period of this report. The balance of £2,606 was written off by way of set-off against an amount owed by the Company to the debtor.

No further realisations are anticipated.

### **5.7 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.

During the period of the report, the landlord submitted a claim for arrears, dilapidations and damages to the Administrators, which exceeded the amount of the rent deposit. Following a review of the claim, it was determined that the sums claimed were claimable under the terms of the lease and rent deposit deed. Accordingly, there were no sums in the rent deposit which could be returned to the Company.

### **5.8 Sub-Lets**

As previously reported, the Company sublet a small part of the Premises and rent of £114,981 was collected. As the Premises were vacated in September 2020, no further rent has been collected during the period of this report.

### **5.9 Loans**

It was previously reported that the Directors' statement of affairs showed director and employee loans totalling £66,716.

The Administrators have recovered circa £20,000 relating to employee travel loans through monthly salary deductions paid during the Administration. Residual employee loan balances of circa £10,000 were written off as uncollectable.

A balance of £36,260 owing on a former director's loan account has been set-off against amounts owed by the Company to the director in question. As such, no further realisations are expected.

#### **5.10 Prepayments**

It was previously reported that 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.

Following a review of the prepayments, it has been established that over £4,640,000 of the recorded prepayments related to marketing fees prepaid by the Company and set-up fees for FX trading, which will not be recoverable.

The remaining £265,000 of prepayments related to IT system costs/licence fees, service charges, business rates and insurance costs.

No recoveries will be made in respect of the prepayments and they have been written off as uncollectable.

#### **5.11 Balance at Bank (House Accounts)**

As mentioned previously, the sums of £87,088, \$26,566, €35,826 and CHF 5,024 have been recovered from the Company's firm accounts held at Barclays, the Company's former bankers, and was remitted into the House Accounts. A residual balance at is still retained with Barclays to cover any further bank charges which may be applied to ongoing dividend receipts and transfers to ITI.

#### **5.12 Surplus CMP Monies**

As previously reported, 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. The Administrators have concluded that no Client is entitled to these surplus funds.

The surplus is now held within the House Accounts, together with some small currency balances which were firm monies held in the Company's client accounts at the date of Administration.

#### **5.13 Other**

The Administrators have realised bank interest of £1 during the period of this report.

#### **5.14 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 the 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.

#### **5.15 Assets not yet realised**

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

- Office furniture and equipment;
- Stocks/securities;
- Shares held in SVS Crypto Ltd and SVS FX China Ltd;

- Trade debtors; and
- Client debtors.

## **6 ESTIMATED OUTCOME FOR CLIENTS AND CREDITORS**

### **6.1 Clients**

As previously stated, following the approval of the Distribution Plan, the Administrators 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 1.3.

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/](http://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 (<http://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, during the period of the Administrators' second progress report, the Administrators 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 former 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 CMP, nor entitled to any Custody Assets (including EPC customers with title transfer collateral arrangements, as referred to in paragraph 4.1.6); and
- (c) claims from other creditors who are owed amounts by the Company (including the Redundancy Payments Service and former 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 of the Company.

## **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 in 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 periods from 5 August 2019 to 4 February 2021, 5 February 2021 to 4 August 2021 and cumulative to 4 February 2021.

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 received further compensation money from the FSCS to cover eligible Clients' share of costs totalling £1,231,500. To date, the FSCS has advanced compensation monies totalling £25,886,394. FSCS compensation has been paid in respect of shortfalls which would otherwise have been allocated to Clients' Custody Assets and Client Money, including the costs of the Special Administration which can be attributed to Custody Assets and Client Money.

House realisations have totalled £73,695 during the period of this report.

### **8.2 Payments**

In pursuing Objective 1, it has been necessary to maintain critical operations to assist with the transfer of Custody Assets and Client Money. In the period covered by this report, £201,378 has been paid to IT suppliers, contractors and for general overheads.

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 and Appendix C. During the period of this report, the Administrators have paid £42,180 to third party agents (excluding Ashurst's fees), of which £13,925 has been paid out of the House Accounts, 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 February 2021 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:

<b>Charged by</b>	<b>Services provided</b>	<b>Total amount charged (£)</b>	<b>Total amount paid (£)</b>	<b>Total amount unpaid (£)</b>
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	-
<b>Totals</b>		<b>82,562.30 plus VAT</b>	<b>82,562.30 plus VAT</b>	<b>-</b>

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 the 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 the 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 costs	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	-
	<b>Total</b>	<b>223,060.69 plus VAT</b>	<b>223,060.69 plus VAT</b>	<b>-</b>

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.

## 9.4 Post-Appointment Costs

### 9.4.1 Basis for fixing the Administrators' Remuneration

The Creditors' Committee has 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 has 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.

### 9.4.2 The Administrators' Time Costs to Date

The Administrators' time costs are summarised below:

	Hours No.	Rate / hr (£)	Total Value of Time (£)
Time previously reported	27,867	432.09	12,040,811.70
Time previously over-reported*	(17)	-	(16,040.60)
Time incurred in the period of this report	2,577	440.36	1,134,726.90
<b>Total Administrators' time costs</b>	<b>30,427</b>	<b>432.49</b>	<b>13,159,498.00</b>

\*The time costs in the Administrators' Third Progress Report were overstated by £16,041. This has been amended in this reporting period and deducted from the total time costs.

During the period from 5 February 2021 to 4 August 2021, the Administrators have incurred time costs of £1,134,727 (encompassing general costs, costs of dealing with Client Money and costs of dealing with Custody Assets) which represents 2,577 hours at an average rate of £440.36 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 2021 to 4 August 2021, 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 2021 are £13,159,498 representing 30,427 hours at an average rate of £432.49 per hour, which are summarised at Appendix D.

#### **9.4.3 The Administrators' Remuneration to Date**

During the period of this report, remuneration drawn by the Administrators totalled £2,050,429 plus VAT from the Client Asset estate and £88,751 from the House estate, in accordance with the agreed fee proposal.

Total remuneration drawn by the Administrators to date totals £10,659,124 plus VAT from the Client Asset estate and £259,985 plus VAT from the House estate.

#### **9.5 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.

#### **9.6 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 +44 (0)161 831 9999.

#### **9.7 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.

#### **9.8 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 2021, the Administrators have engaged the professional advisors listed below:

<b>Name of advisor</b>	<b>Services provided</b>	<b>Basis of fees</b>
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	Data backup of servers, computers and mobile devices -£31,018 plus VAT Email backup - £18,280 plus VAT PEN Test - £9,000 plus VAT
Pelstar Computing Ltd	Construction of Client Portal	Time costs
Berg Kaprow Lewis LLP	Preparation of corporation tax returns	Pre-appointment tax return and advice - £3,000 plus VAT Post-appointment tax return (1 <sup>st</sup> year) - £1,380 plus VAT
Berg Kaprow Lewis LLP	Forensic accountants	Time costs



**SVS Securities plc (in special administration)**

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 of £35 per employee  Submitting monthly pension reports - fixed fee per month of £200 plus VAT
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 of 60p per minute
Blacks Solicitors LLP	Pursuing any debts which the Administrators considered to be commercially viable for litigation	Time costs
Black & Callow Limited	Printing and distribution of Client and Creditor correspondence	Approximately 33p per letter (to cover printing & enveloping) plus postage costs
Cerberus Receivables Management Ltd	Collection of book debts	Fixed fee of £15k for initial review of ledger plus a percentage of collections (20%)
Cerberus Asset Management Ltd	Advice, securing and supervising specialist security agent	Fixed fee of £3,500 plus VAT and agent disbursements
Cerberus Asset Management Ltd	Telephone re-direct to assist with remote working and client communications	Initial Fixed Fee for initial assessment and finding solution (£3,000 plus VAT) and ongoing monthly service fee of £500 plus VAT per month
Jamie Drummond-Smith	Independent Cost Assessor	Time costs
Zeus Capital Limited	Bond valuations	Time cost basis capped at £45,000 plus VAT
Hilco	Advise on the landlord's dilapidations claim and prospects for mitigating	Fixed Fee - £1,000 for inspection of premises 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
Ardenta Consulting Ltd	Review of data back-ups containing Company books and records. Obtaining	Time costs

	Client data back-ups from third party IT suppliers.	
Moore & Smalley LLP	Advice on pension contributions and salary sacrifice position	Time costs
E3 Employment Law	Legal advice regarding the contracts of remaining Company employees	Time costs
Freeths LLP	Legal advice provided to the Directors regarding CREST services	Fixed Fee of £2,000 plus VAT
Opus 2 International Ltd	Transcription of court hearing for the Administrators' Longstop Date and Hard Bar Date application	Fixed Fee of £475.26 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 a special administration for the creditors of the company in question 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) applying for a Court order ending the Special Administration and terminating the Administrators' appointment; or
- (c) 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 may take up to a further six months to complete (subject to the time taken to complete the process of returning or otherwise resolving the position for the remaining Clients on whose behalf Client Assets and/or Client Money is still being held and the process of ending the special administration and obtaining a discharge of liability for the Administrators).

## **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 the 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.**

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

Email: [svs@leonardcurtis.co.uk](mailto:svs@leonardcurtis.co.uk)

Telephone: +44 (0)161 831 9999 (open 9am - 5pm Monday to Friday)

In writing: SVS Securities plc (in special administration), c/o Leonard Curtis, 5<sup>th</sup> Floor, Grove House, 248a Marylebone Road, London NW1 6BB

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 neither the EU Regulation on Insolvency Proceedings (2015/848) nor the UK Insolvency Regulation 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 2021, 5 FEBRUARY 2021 TO 4 AUGUST 2021 AND CUMULATIVE TO 4 AUGUST 2021**

Statement of Affairs	PREVIOUSLY REPORTED							5 FEBRUARY 2021 TO 4 AUGUST 2021					Total	
	House Account	House Account	House Account	House Account	Objective 1 Account	FSCS Funding Account	House Account	House Account	House Account	House Account	Objective 1 Account	FSCS Funding Account		
	£	EUR	CHF	£	£	£	USD	EUR	CHF	£	£	£		
	(GBP equiv)*	(GBP equiv)*	(GBP equiv)*				(GBP equiv)*	(GBP equiv)*	(GBP equiv)*					
<b>Receipts</b>														
FSCS Cost Recovery	-	-	-	-	-	24,654,894.43	-	-	-	-	-	1,231,500.00	25,886,394.43	
FSCS Monies to Cover Objective 1 Operational Costs	-	-	-	-	1,940,000.00	(1,940,000.00)	-	-	-	-	200,000.00	(200,000.00)	-	
Non FSCS eligible Client Costs Recovery	-	-	-	-	84,681.71	-	-	-	-	-	-	-	84,681.71	
Repayable Loan Funding	-	-	-	-	5,250,000.00	-	-	-	-	-	-	-	5,250,000.00	
ITI Contribution towards Wages	-	-	-	-	24,468.96	-	-	-	-	-	-	-	24,468.96	
FX EPC Client Data	-	-	-	-	-	-	-	-	-	9,680.33	-	-	9,680.33	
Client Contracts	500,000	-	-	-	399,995.00	-	-	-	-	-	-	-	399,995.00	
Post PPE Assets	-	-	-	-	1.00	-	-	-	-	-	-	-	1.00	
Investment in Subsidiaries	Uncertain	-	-	-	4.00	-	-	-	-	-	-	-	4.00	
Software and IT Infrastructure	33,932	-	-	-	-	-	-	-	-	-	-	-	-	
Office Equipment	10,000	-	-	-	6,100.00	-	-	-	-	500.00	-	-	6,600.00	
Investment Stock/Securities	144,838	-	-	-	42,040.43	-	-	-	-	1,805.05	-	-	43,845.48	
VAT Debtor	19,624	-	-	-	15,840.03	-	-	-	-	-	-	-	15,840.03	
Trade Debtors	256,061	-	-	-	31,790.52	-	-	-	-	-	-	-	31,790.52	
Client Debtors	191,948	443.26	-	-	198,196.72	-	-	-	-	58,827.67	-	-	257,467.65	
Unsettled Principal Transaction Debts	-	-	-	-	744.00	-	-	-	-	3,783.37	-	-	4,527.37	
Rent Deposit	Uncertain	-	-	-	7,824.09	-	-	-	-	-	-	-	7,824.09	
Director and Employee Loans	56,878	-	-	-	-	-	-	-	-	-	-	-	-	
Balance at Bank	102,949	19,100.87	30,505.85	3,984.89	87,088.18	-	-	-	-	-	-	-	140,679.79	
Cash in Hand	-	-	-	-	5,178.00	-	-	-	-	-	-	-	5,178.00	
Sundry Receipts	-	-	8.52	-	2,681.62	-	-	-	-	-	-	-	2,690.14	
Rent Received	-	-	-	-	114,981.25	-	-	-	-	-	-	-	114,981.25	
Surplus CMP Monies	-	531.89	3.13	-	24,948.03	-	-	-	-	(901.60)	-	-	24,581.44	
Deposit Interest Gross	-	3,367.90	-	-	74,524.89	501.45	-	0.50	-	-	0.26	-	-	78,394.99
<b>Total Receipts</b>	<b>816,230</b>	<b>23,443.92</b>	<b>30,517.49</b>	<b>3,984.89</b>	<b>1,011,937.76</b>	<b>7,299,652.12</b>	<b>22,714,894.43</b>	<b>0.50</b>	<b>-</b>	<b>-</b>	<b>73,695.08</b>	<b>200,000.00</b>	<b>1,031,500.00</b>	<b>32,389,626.18</b>

## SVS Securities plc (in special administration)

PAYMENTS													
Funding Loan Arrangement Fee	-	-	-	-	(75,000.00)	-	-	-	-	-	(75,000.00)		
Repayment of Funding Loan (including interest fees and charges)	-	-	-	-	(750,000.00)	(5,332,278.11)	-	-	-	-	(6,082,278.11)		
Solicitors' Fees and Expenses - re Funding	-	-	-	-	(21,250.00)	-	-	-	-	-	(21,250.00)		
Other Professional Fees	-	-	-	(122,507.67)	(653,460.03)	-	-	(13,925.21)	(28,255.26)	-	(818,148.17)		
Insurance	-	-	-	(39,454.25)	-	-	-	-	-	-	(39,454.25)		
Cost of Creditors' and Clients' Meeting	-	-	-	-	(8,127.00)	-	-	-	-	-	(8,127.00)		
Wages and Salaries incl. PAYE/NI and Pension Deductions	-	-	-	-	(2,921,435.29)	-	-	-	(18,969.30)	-	(2,940,404.59)		
Employee Costs	-	-	-	-	(52,657.03)	-	-	-	(1,278.20)	-	(53,935.23)		
IT Suppliers	-	-	-	-	(1,342,602.95)	-	-	-	(173,561.18)	-	(1,516,164.13)		
Asset Finance	-	-	-	-	(56,490.16)	-	-	-	-	-	(56,490.16)		
Property Charges	-	-	-	-	(543,280.82)	-	-	-	26,207.02	-	(517,073.80)		
General Overheads	-	-	-	-	(187,226.55)	-	-	-	(7,568.85)	-	(194,795.40)		
Committee Meeting Expenses	-	-	-	-	(165.62)	-	-	-	-	-	(165.62)		
Disbursements	-	-	-	(14,558.19)	(130,985.01)	-	-	(314.57)	(7,404.34)	-	(153,262.11)		
Costs for selling Company Stock	-	-	-	(4,062.50)	-	-	-	-	-	-	(4,062.50)		
House monies utilised to top up CMP/PPE Receipts	(58.75)	(9,568.48)	-	(43,038.86)	-	-	(32.61)	182.50	-	-	(52,516.20)		
Barclay's - Bank Charges	-	(18.29)	-	(554.70)	-	-	(27.16)	-	-	-	(600.15)		
AIB - Bank Payment Charges	(183.60)	-	(14.49)	(80.00)	(847.50)	(60.00)	(20.64)	-	(35.00)	-	(1,241.23)		
FSCS Monies to cover Asset Shortfalls	-	-	-	-	-	(70,643.09)	-	-	-	-	(70,643.09)		
Pre-Appointment Costs	-	-	-	(45,807.80)	-	(259,577.60)	-	-	-	-	(305,385.40)		
Solicitors' Fees and Expenses - House Estate	-	-	-	(71,194.03)	-	-	-	(9,088.69)	-	-	(80,282.72)		
Solicitors' Fees and Expenses - Client Estate	-	-	-	-	-	(3,357,042.59)	-	-	-	(108,081.50)	(3,465,124.09)		
Joint Special Administrators' Remuneration - House Estate	-	-	-	(171,234.31)	-	-	-	(88,751.15)	-	-	(259,985.46)		
Joint Special Administrators' Remuneration - Client Estate	-	-	-	-	-	(8,608,695.06)	-	-	-	(2,050,429.21)	(10,659,124.27)		
Irrecoverable VAT	-	-	-	-	-	-	-	(71,587.27)	(292,504.82)	(2,166,057.71)	(2,530,149.80)		
VAT Output/(Input)	-	-	-	(57,238.48)	(351,259.41)	(2,445,063.05)	-	-	32,611.90	279,120.52	1,882,947.16	(658,881.36)	
<b>Total Payments</b>	<b>(242.35)</b>	<b>(9,586.77)</b>	<b>(14.49)</b>	<b>(569,730.79)</b>	<b>(7,094,787.37)</b>	<b>(20,073,359.50)</b>	<b>(80.41)</b>	<b>£0.00</b>	<b>-</b>	<b>(150,872.49)</b>	<b>(224,249.41)</b>	<b>(2,441,621.26)</b>	<b>(30,564,544.84)</b>
<b>Balance in Hand</b>	<b>23,201.56</b>	<b>20,930.72</b>	<b>3,970.40</b>	<b>442,206.97</b>	<b>204,864.75</b>	<b>2,641,534.93</b>	<b>(79.91)</b>	<b>-</b>	<b>-</b>	<b>(77,177.41)</b>	<b>(24,249.41)</b>	<b>(1,410,121.26)</b>	<b>1,825,081.35</b>

\*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 2021:

1 USD = GBP	0.719
1 EUR = GBP	0.8515
1 SWISS = GBP	0.7931

### 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 have agreed with HMRC that the percentage which can be recovered is 6.42%. To date we have made a VAT reclaim to the end of October 2020, which has resulted in £2.5m of VAT being written-off as irrecoverable. We are in the process of submitting the next VAT reclaim to end of July 2021.

### Represented By:

House Account - USD (GBP equiv)	23,121.65
House Account - EUR (GBP equiv)	20,930.72
House Account - CHF (GBP equiv)	3,970.40
House Account - GBP	365,029.56
Objective 1 Account - GBP	180,615.34
FSCS Funding Account - GBP	1,231,413.67
	<b>1,825,081.35</b>

CLIENT MONEY SUMMARY RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM 5 FEBRUARY 2021 TO 4 AUGUST 2021

	GBP	USD	EUR	CHF
<b>Client Money Balances as at 5 February 2021 (b/f)</b>	<b>30,481</b>	<b>540</b>	-	-
<b>Receipts</b>				
PPE Dividends / Corporate Action Income	15,592	533	1,597	-
Monies Received from ITI re Reverse Clients	507	-	-	-
Monies Received from ITI re Reverse Clients (converted from USD to GBP)	184	-	-	-
Monies Received from ITI re SVS Client Asset Liquidation Proceeds	-	-	-	-
House monies to top up PPE Receipts	-	-	-	-
<b>Total Receipts</b>	<b>16,283</b>	<b>533</b>	<b>1,597</b>	-
<b>Payments</b>				
PPE Dividends / Corporate Action Income transferred to ITI	(15,592)	(533)	(1,597)	-
CMP Waived	-	-	-	-
Distributions to Reverse Clients	(3,302)	-	-	-
Distributions to SVS Clients	(930)	-	-	-
Monies moved to House Account to repay Pre-Administration Outstanding Amounts	-	-	-	-
Monies moved to House Account to cover non FSCS eligible Client Costs Recovery	-	-	-	-
Surplus CMP Monies moved to House Account	-	-	-	-
USD converted to GBP	-	(265)	-	-
<b>Total Payments</b>	<b>(19,824)</b>	<b>(797)</b>	<b>(1,597)</b>	-
<b>Client Money Balances as at 4 August 2021</b>	<b>26,941</b>	<b>275</b>	-	-

**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 2021

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

	Incurring in previous reporting period (5 August 2019 to 4 February 2021)	Incurring in the period (5 February 2021 to 4 August 2021)	Estimated future costs to 31 December 2021	Estimated total costs	Contingency if Administration extends into 2022	Estimated total costs incl. Contingency
	£'m	£'m	£'m	£'m	£'m	£'m
<b>Administrators*</b>	12.1	1.2	0.5	<b>13.8</b>	0.5	14.3
<b>Ashurst*</b>	3.9	0.2	0.1	<b>4.2</b>	0.5	4.7
<b>Operational</b>	6.3	0.2	0.2	<b>6.8</b>	0.2	7.0
<b>Loan</b>	0.9	-	-	<b>0.9</b>	-	0.9
<b>VAT</b>	3.5	0.3	0.1	<b>3.9</b>	0.2	4.1
<b>Totals</b>	<b>26.7</b>	<b>1.9</b>	<b>0.9</b>	<b>29.6</b>	<b>1.4</b>	<b>31.0</b>

\* 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.

The Administrators' anticipated total cost budget is currently estimated to total £31m, which includes a provision of £1.4m for various contingent scenarios which may or may not arise. In our last report, the total cost budget was estimated at £32m. The total cost budget will be subject to ongoing reassessment and may increase or decrease based on the facts and circumstances of the Special 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 2021

## 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	-	823.33	823.33	-	823.33	-
Pelstar Computing	Hosting of documents for creditors	-	203.00	203.00	40.60	203.00	-
Pelstar Computing	Software licence fee	-	87.00	87.00	-	87.00	-
Courts Advertising	Statutory advertising	11,660.58	171.90	11,832.48	5,811.48	11,832.48	-
Total Data Management	Storage	2,707.61	-	2,707.61	670.66	2,707.61	-
	<b>Totals</b>	<b>14,368.19</b>	<b>1,510.23</b>	<b>15,878.42</b>	<b>6,522.74</b>	<b>15,878.42</b>	<b>-</b>

## 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	8,945.68	168.41	9,114.09	239.39	9,114.09	-
Royal Mail	Post Redirect	-	519.00	519.00	-	519.00	-
Leonard Curtis	Printing/Photocopying - Category 2	37.90	23.20	61.10	61.10	61.10	-
Personnel Checks	DBS checks	1,001.28	-	1,001.28	-	1,001.28	-
Travel Perk / Trainline	Accommodation / travel	113,867.21	12,651.91	126,519.12	75.97	126,519.12	-
Leonard Curtis	Mileage - Category 2	178.20	19.80	198.00	-	-	198.00
Creditors' meeting	Venue hire	8,127.00	-	8,127.00	-	8,127.00	-
Leonard Curtis	Telephone Charges	122.08	-	122.08	-	122.08	-
Leonard Curtis	Trading costs	31,945.81	-	31,945.81	1,527.00	31,945.81	-
Leonard Curtis	Subsistence	3,782.73	77.20	3,859.93	-	-	3,859.93
Eddisons Insurance Services Ltd	Insurance	-	39,454.25	39,454.25	-	39,454.25	-
	<b>Totals</b>	<b>168,007.89</b>	<b>52,913.77</b>	<b>220,921.66</b>	<b>1,903.46</b>	<b>216,863.73</b>	<b>4,057.93</b>

## 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 including disbursements (Counsel etc)	4,068,659.76	88,596.80	4,157,256.56	288,316.50	3,545,406.81	611,849.75
Baldwins	Reconciliation and audit of Custody Assets and Client Money	119,213.49	-	119,213.49	-	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	-	191,042.00	-
Hilco	Valuation and realisation of the Company's physical assets	-	15,783.38	15,783.38	27.98	15,783.38	-
Hilco	Advise on the landlords dilapidations claim and prospects for mitigating	-	1,750.00	1,750.00	-	1,750.00	-
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	18,700.00	-	18,700.00	-	18,700.00	-
Pelstar Computing Ltd	Produced Client Statements as at Effective Date	14,000.00	-	14,000.00	-	14,000.00	-
Berg Kaprow Lewis LLP	Forensic accountants	-	40,000.00	40,000.00	-	40,000.00	-
Berg Kaprow Lewis LLP	Corporation tax returns	-	4,380.00	4,380.00	-	4,380.00	-
Harold Sharp Limited	Accountants to assist with VAT recovery on Special Administration expenses	12,500.00	-	12,500.00	2,500.00	5,000.00	7,500.00
Evolve IS Limited	Employee claim assistance and pension advice	4,050.00	1,700.00	5,750.00	500.00	5,250.00	500.00
Evolve IS Limited	Printing and distribution of initial client correspondence	10,561.96	-	10,561.96	-	10,561.96	-
Montague Kaye Ltd	Payroll services	7,330.00	2,680.00	10,010.00	640.00	9,370.00	640.00
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	-	8,586.20	-
Blacks Solicitors LLP	Pursuing debts which the Administrators considered to be commercially viable for litigation	-	28,213.22	28,213.22	5,099.00	28,213.22	-
Black&Callow Limited	Printing and distribution of client and creditor correspondence	42,687.48	-	42,687.48	-	42,687.48	-
Cerberus Receivables Management Ltd	Collection of book debts	-	33,937.91	33,937.91	-	33,937.91	-
Cerberus Asset Management Ltd	Advice, securing and supervising specialist security agent	4,700.00	-	4,700.00	-	4,700.00	-
Cerberus Asset Management Ltd	Telephone re-direct to assist with remote working and client communications	7,500.00	-	7,500.00	-	7,500.00	-
Zeus Capital Limited	Bond valuations	45,000.00	-	45,000.00	-	45,000.00	-
Jamie Drummond-Smith	Cost accessor	64,800.00	-	64,800.00	8,730.00	58,500.00	6,300.00
E3 Employment Law LLP	Employee advice	3,080.90	-	3,080.90	-	3,080.90	-
Moore and Smalley LLP	Pension advice	300.00	-	300.00	-	300.00	-
Ardenta Consulting Ltd	Obtaining Client data back-ups from third party IT suppliers	9,330.00	-	9,330.00	3,505.00	9,330.00	-
Ardenta Consulting Ltd	Review of data back-ups containing Company books and records	-	8,488.37	8,488.37	8,488.37	8,488.37	-
Freeths LLP	Legal advice	2,000.00	-	2,000.00	-	2,000.00	-
Opus 2 International Ltd	Transcripts of Court Hearing	475.26	-	475.26	475.29	475.26	-
	<b>Totals</b>	<b>4,764,815.05</b>	<b>225,529.68</b>	<b>4,990,344.73</b>	<b>318,282.14</b>	<b>4,363,554.98</b>	<b>626,789.75</b>

**SUMMARY OF THE ADMINISTRATORS' TIME COSTS FOR THE PERIOD  
FROM 5 FEBRUARY 2021 TO 4 AUGUST 2021**

	Director		Senior Manager		Manager 1		Administrator 1		Administrator 3		Administrator 4		Total		Average
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Hourly Rate £
Statutory & Review	85	5,710.40	439	25,173.40	119	6,121.00	8	280.00	3	91.80	36	771.50	690	38,148.10	552.87
Receipts & Payments	27	1,841.60	415	24,011.50	5	256.60	-	-	107	3,274.20	380	8,241.40	934	37,625.30	402.84
Insurance	-	-	-	-	-	-	-	-	-	-	1	20.60	1	20.60	206.00
Assets	16	1,100.80	31	1,801.10	55	2,817.80	-	-	7	205.20	55	1,191.50	164	7,116.40	433.93
Liabilities (including general Client correspondence)	108	7,369.60	2,226	129,053.10	2,210	112,697.20	905	32,077.80	2,167	65,800.80	898	19,542.70	8,514	366,541.20	430.52
Landlords	-	-	15	856.50	-	-	-	-	-	-	4	82.40	19	938.90	494.16
Trading	11	728.00	344	19,701.40	185	9,460.60	-	-	101	3,072.60	432	9,315.20	1,073	42,277.80	394.01
Debenture Holder	7	481.60	-	-	-	-	-	-	-	-	-	-	7	481.60	688.00
General Administration	23	1,556.80	47	2,705.70	3	150.60	219	7,756.20	170	5,000.40	104	2,242.50	566	19,412.20	342.97
Planning & Strategy	530	36,134.40	815	47,099.00	267	13,607.40	45	1,588.30	164	4,919.40	568	12,291.00	2,389	115,639.50	484.05
Post Appointment Creditors' Reporting and Meetings	12	787.20	352	19,916.20	-	-	-	-	49	1,499.40	199	4,133.20	612	26,336.00	430.33
Creditors & Clients' Committee	19	1,265.60	57	3,311.70	-	-	-	-	-	-	24	525.60	100	5,102.90	510.29
Investigations	23	1,563.20	-	-	-	-	-	-	-	-	-	-	23	1,563.20	679.65
SAR - Transfer to Nominated Broker	43	2,958.40	960	55,666.00	103	5,304.20	27	945.00	151	4,620.60	615	13,386.60	1,899	82,880.80	436.44
SAR - Client Money Pool	21	1,444.80	10	581.00	2	103.60	-	-	3	91.80	15	316.80	51	2,538.00	497.65
SAR - Client Assets Pool	420	28,480.00	1,878	108,506.80	249	12,675.00	-	-	235	7,191.00	1,215	26,413.50	3,997	183,266.30	458.51
SAR - FX	17	1,150.40	79	4,534.90	25	1,278.20	71	2,485.00	-	-	339	7,244.70	531	16,693.20	314.37
SAR - FCA / FSCS	404	27,504.00	1,202	69,751.20	783	40,314.60	143	5,092.40	1,186	34,990.20	478	10,451.30	4,196	188,103.70	448.29
SAR - Agreeing Clients' Claims / Portal	-	-	-	-	-	-	-	-	-	-	2	41.20	2	41.20	206.00
<b>Total</b>	<b>1,766</b>	<b>120,076.80</b>	<b>8,870</b>	<b>512,669.50</b>	<b>4,006</b>	<b>204,786.80</b>	<b>1,418</b>	<b>50,224.70</b>	<b>4,343</b>	<b>130,757.40</b>	<b>5,365</b>	<b>116,211.70</b>	<b>25,768</b>	<b>1,134,726.90</b>	
<b>Average Hourly Rate (£)</b>		<u><u>679.94</u></u>		<u><u>577.98</u></u>		<u><u>511.20</u></u>		<u><u>354.19</u></u>		<u><u>301.08</u></u>		<u><u>216.61</u></u>		<u><u>440.36</u></u>	

All Units are 6 minutes

## SUMMARY OF THE ADMINISTRATORS' TOTAL TIME COSTS INCURRED TO 4 AUGUST 2021

	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	1,723	113,163.20	1,139	64,093.40	1,265	62,733.40	93	4,008.30	219	7,665.00	10	313.00	3	91.80	82	1,719.10	4,534	253,787.20	559.74
Receipts & Payments	337	22,177.60	1,463	82,280.30	973	48,075.80	519	22,368.90	628	21,980.00	-	-	198	5,895.00	1,670	34,815.40	5,788	237,593.00	410.49
Insurance	140	9,184.00	26	1,445.60	65	3,211.00	61	2,629.10	52	1,820.00	-	-	15	432.00	11	226.60	370	18,948.30	512.12
Assets	586	38,492.80	232	12,976.70	1,253	61,999.00	211	9,094.10	285	9,975.00	725	22,692.50	2,758	79,434.00	746	15,426.10	6,796	250,090.20	368.00
Liabilities (including general Client correspondence)	6,511	427,406.40	3,312	189,434.70	10,326	513,627.60	731	31,506.10	26,563	930,107.80	18,818	589,003.40	12,250	356,191.20	3,044	63,750.30	81,555	3,101,027.50	380.24
Landlords	72	4,723.20	68	3,803.30	171	8,447.40	5	215.50	-	-	-	-	172	4,953.60	49	1,009.40	537	23,152.40	431.14
Trading	4,408	289,171.20	1,558	87,199.80	4,789	236,888.30	3,794	163,521.40	3,962	138,670.00	110	3,443.00	7,304	210,519.00	2,319	48,187.40	28,244	1,177,600.10	416.94
Debenture Holder	41	2,712.00	-	-	50	2,470.00	-	-	76	2,660.00	-	-	-	-	-	-	167	7,842.00	469.58
General Administration	874	57,382.40	233	13,047.30	474	23,418.00	370	15,947.00	2,303	80,696.20	488	15,274.40	2,691	77,605.20	1,210	25,026.10	8,643	308,396.60	356.82
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	7,775	511,406.40	2,373	133,723.80	3,841	190,163.00	811	34,954.10	3,279	114,778.30	1,818	56,903.40	1,577	45,613.80	2,059	43,005.60	23,533	1,130,548.40	480.41
Post Appointment Creditors' Reporting and Meetings	2,253	147,796.80	753	42,211.80	1,767	87,289.80	2,312	99,647.20	1,554	54,390.00	648	20,282.40	404	11,723.40	891	18,388.40	10,582	481,729.80	455.24
Creditors & Clients' Committee	2,155	141,387.20	358	20,047.30	1,003	49,548.20	209	9,007.90	1,275	44,380.00	46	1,439.80	-	-	125	2,606.20	5,171	268,416.60	519.08
Investigations	817	53,649.60	10	556.00	246	12,152.40	28	1,206.80	401	14,035.00	401	12,551.30	67	1,929.60	-	-	1,970	96,080.70	487.72
SAR - Transfer to Nominated Broker	9,080	595,248.50	2,272	128,613.20	2,769	137,004.60	99	4,266.90	958	33,530.00	54	1,690.20	151	4,620.60	1,462	30,834.80	16,845	935,808.80	555.54
SAR - Client Money Pool	1,486	97,548.80	402	22,376.20	1,284	63,434.40	336	14,481.60	770	26,950.00	-	-	18	523.80	511	10,534.40	4,807	235,849.20	490.64
SAR - Client Assets Pool	12,839	843,166.40	5,323	300,048.80	10,660	526,978.40	2,799	120,636.90	6,609	231,315.00	6,840	214,092.00	741	21,763.80	3,446	72,372.10	49,257	2,330,373.40	473.11
SAR - FX	1,764	115,753.60	652	36,393.70	410	20,297.20	31	1,336.10	684	23,940.00	288	9,014.40	358	10,310.40	1,331	27,679.90	5,518	244,725.30	443.50
SAR - FCA / FSCS	5,031	331,035.20	1,908	109,004.80	3,583	178,634.60	143	6,163.30	7,347	257,232.40	232	7,261.60	12,542	362,043.00	1,059	22,419.90	31,845	1,273,794.80	400.00
SAR - Agreeing Clients' Claims / Portal	3,644	239,046.40	-	-	2,349	116,040.60	2	86.20	3,694	129,290.00	6,260	195,938.00	487	14,025.60	2	41.20	16,438	694,468.00	422.48
LC Legal Services	674	44,214.40	294	16,346.40	-	-	51	2,198.10	127	4,445.00	-	-	-	-	-	-	1,146	67,203.90	586.42
<b>Total</b>	<b>62,277</b>	<b>4,089,061.30</b>	<b>22,406</b>	<b>1,265,271.10</b>	<b>47,363</b>	<b>2,346,612.70</b>	<b>12,709</b>	<b>547,757.90</b>	<b>60,856</b>	<b>2,130,309.70</b>	<b>36,738</b>	<b>1,149,899.40</b>	<b>41,905</b>	<b>1,212,543.00</b>	<b>20,017</b>	<b>418,042.90</b>	<b>304,271</b>	<b>13,159,498.00</b>	
<b>Average Hourly Rate (£)</b>		<b>656.59</b>		<b>564.70</b>		<b>495.45</b>		<b>431.00</b>		<b>350.06</b>		<b>313.00</b>		<b>289.36</b>		<b>208.84</b>		<b>432.49</b>	

All Units are 6 minutes

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

- |  |   |
|--|---|
| <b>Custody Assets /<br/>and Client Money</b> | <ul style="list-style-type: none"><li>• Monitored progress made by ITI in regard to the migration of Clients onto its trading platform and back office systems;</li><li>• Attended regular meetings with ITI to monitor the migration progress and deal with various matters;</li><li>• Assisted ITI with a number of individual stock queries;</li><li>• Dealt with a number of Client queries regarding the transfer of their Custody Assets to ITI, including reconciliation queries;</li><li>• Continued to seek instructions from Clients who were not eligible to transfer to ITI in relation to the return of their Custody Assets and Client Money;</li><li>• Continued to seek repayment or liquidation instructions from Clients owing Pre-Administration Outstanding Amounts;</li><li>• Continued to seek instructions from Clients who requested a Reverse Transfer of their Custody Assets and/or Client Money back to the Company;</li><li>• Processing the instructions received from Reverse Transfer Clients and Clients who were not eligible to transfer to ITI, including facilitating the transfer of Client Assets to Clients own selected brokers, liquidating Custody Assets and transferring the proceeds as instructed;</li><li>• Gave notice to Clients that the Administrators had applied to Court for directions in relation to the setting of a Longstop Date and for approval in relation to the setting of a Hard Bar Date in respect of each of Custody Assets and Client Money;</li><li>• Prepared for and attended the Court hearing on 30 April 2021 in relation to the setting of a Longstop Date and Hard Bar Date;</li><li>• Set a Longstop Date of 4 May 2021 and Hard Bar Date of 30 July 2021;</li><li>• Paid Client Money directly to Clients' bank accounts;</li><li>• Processed the abandonment of Custody Assets and/or Client Money from Clients who waived their entitlements;</li><li>• Liaised with registrars to obtain outstanding Client dividends and corporate action receipts;</li><li>• Regular reconciliations of client bank accounts;</li><li>• Corresponded with banks regarding specific transfers and foreign exchange transactions where relevant;</li><li>• Processed the sweep of dividends and corporate action receipts on a regular basis to ITI;</li><li>• Review of dividends and corporate actions suspended within the CREST system;</li><li>• Allocated dividend receipts to client accounts and any stock liquidations as required; and</li><li>• Liaised with relevant IT and data providers to ensure continuity of services.</li></ul> |
| <b>EPC Customers</b>                         | <ul style="list-style-type: none"><li>• Monitored the submission of EPC customer claims;</li><li>• Provided data to the FSCS to enable them to process the payment of compensation on behalf of EPC customers who submitted claims;</li><li>• Provided FX EPC customer data to the two selected brokers; and</li><li>• Closed the FX EPC claims portal in March 2021.</li></ul>   |
| <b>House Assets</b>                          | <ul style="list-style-type: none"><li>• Continued to pursue Clients who owe Pre Administration Outstanding Amounts;</li><li>• Continued to pursue the outstanding trade debtors;</li><li>• Corresponded with our instructed solicitors regarding any debts which were deemed commercially viable for litigation;</li><li>• Corresponded with our instructed agents, Hilco, regarding the sale of the office furniture and IT equipment;</li><li>• Corresponded with ITI regarding the sale of the realisable stock holdings held by the Company; and</li><li>• Considered the landlord's claim for arrears, dilapidations and damages, and corresponded with our instructed solicitors in relation to the claim.</li></ul>  |

### Statutory and compliance

- Ensured compliance with all statutory obligations within the relevant timescales;
- Regular review of staff allocation to specific work streams, including 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;
- Regular review of bonding requirements to ensure that adequate cover remained in place; and
- Review of time costs data to ensure accurate posting of time and to ensure compliance with Statement of Insolvency Practice 9 (SIP9).

### Planning, strategy and reviews

- Held regular meetings with senior management and the Administrators to discuss ongoing strategy, monitor progress and resolve outstanding matters;
- Held regular team meetings with case staff to update on strategic matters and discuss 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 regularly via telephone conferencing. 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 all work streams;
- Reviewed matters affecting the outcome of the Special Administration;
- Allocated and managed staff / case resourcing and budgeting exercises and reviews;
- Complied with internal filing and information recording practices, including documenting strategy decisions;
- Updated checklists and diary management system;
- Liaised with the independent cost assessor and providing information related to the time properly incurred for assessment; and
- Managed fee budgets and ongoing monitoring of costs.

### Authorities and regulatory bodies

- Met with and provided regular, detailed written and oral updates to representatives of the Authorities regarding the progress of the Special Administration and case strategy;
- Liaised with the FSCS regarding claims for mis-selling, EPC Clients and funding. A significant amount of time has been incurred in providing client data which has been requested by the FSCS (on an individual client basis) to assist them processing client mis-selling and negligence claims;
- Ongoing dialogue with key market infrastructure bodies regarding the Special Administration, including correspondence with the LSE regarding unsettled transactions, EUI in relation to the ongoing requirement to operate the CREST system and the treatment of disabled/suspended stocks and Barclays regarding the wind down of the Company's CREST linked bank accounts; 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

- Reconciled post-appointment bank accounts to internal systems;
- Ensured compliance with appropriate risk management procedures in respect of receipts and payments;
- Dealt with receipts, payments and journals;
- 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; and
- Controlled and monitored Client Money bank accounts in accordance with the regulations.

## SVS Securities plc (in special administration)

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<b>Tax / HMRC</b>	<ul style="list-style-type: none"><li>• Analysed VAT related transactions;;</li><li>• Corresponded with HMRC regarding a submitted post appointment VAT return and obtaining payment of the VAT reclaim;</li><li>• Dealt with post-appointment tax compliance;</li><li>• Corresponded with HMRC regarding the submission of pre-administration and post appointment corporation tax returns;</li><li>• Ongoing correspondence with HMRC with regards to pre-administration amounts owing</li><li>• Review ISA accounts and consider tax implications to ensure ISA status was maintained and obligations in relation to ISA accounts were met with the assistance of the Company's ISA manager; and</li><li>• Oversaw the preparation and submission of annual ISA returns to HMRC.</li></ul>
<b>General</b>	<ul style="list-style-type: none"><li>• General office and filing;</li><li>• Ongoing storage of Company books and records;</li><li>• Review of data backups obtained on Appointment and obtaining updated backups where necessary; and</li><li>• Correspondence with current and former Company directors.</li></ul>
<b>Trading and IT Suppliers</b>	<ul style="list-style-type: none"><li>• Monitored and updated the trading cash flow and projections;</li><li>• Monitored the scale of the Company's operations and cost base and made reductions where possible;</li><li>• Safeguarded the Company's IT and data systems;</li><li>• Managed ongoing supplies including attending to supplier queries and correspondence;</li><li>• Raised, approved and monitored the payment of supplier invoices;</li><li>• Negotiated and made direct contact with various suppliers as necessary to provide additional information and renewing terms, licences and/or undertakings, including agreeing terms and conditions, in order to ensure continued support; and</li><li>• Termination of contracts with various suppliers.</li></ul>
<b>Employees</b>	<ul style="list-style-type: none"><li>• Responded to a number of reference requests for former employees.</li></ul>
<b>Pensions</b>	<ul style="list-style-type: none"><li>• Reconciled employee pension contributions for the pre-administration and post-appointment periods.</li></ul>
<b>Property matters</b>	<ul style="list-style-type: none"><li>• Vacated the serviced offices in February 2021; and</li><li>• Considered the landlord's claim for arrears, dilapidations and damages, and corresponded with our instructed solicitors in relation to the claim.</li></ul>
<b>Open cover insurance</b>	<ul style="list-style-type: none"><li>• Periodic review of insurance requirements over physical assets, to minimise costs to the estate; and</li><li>• Liaised with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover is in place.</li></ul>



**Clients, Creditors and claims**

- Maintaining Client communication and dealing with Client queries received via telephone, email and post. A significant amount of time has been spent dealing with client queries throughout the Special Administration;
- Continued to oversee the Client helpdesk team and ensured the team was updated and briefed to answer individual Client queries up until the helpdesk was closed in March 2021;
- Preparation of a number of client updates for publication on the dedicated website for the Special Administration;
- Investigating and responding to a number of Client complaints regarding the transfer to ITI;
- Executing several outbound telephone and email campaigns to Clients who were not eligible to be transferred to ITI;
- Dealing with a substantial number of DSARs 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;
- Corresponding with the Creditors' Committee and providing regular updates;
- Responding to enquiries from Creditors and submission of claims; and
- Preparation and submission of the Administrators' third progress report to Clients and Creditors.

**Investigations**

- Reviewing various pre-appointment transactions; and
- Ongoing liaisons with regulatory bodies.

## 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 the appropriate body of creditors 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 request and obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rates given below.

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

	6 Jan 2014 onwards		1 Aug 2019 onwards		1 March 2021 onwards	
	Standard	Complex	Standard	Complex	Standard	Complex
	£	£	£	£	£	£
Director	450	562	525	656	550	688
Senior Manager	410	512	445	556	465	581
Manager 1	365	456	395	494	415	518
Manager 2	320	400	345	431	365	456
Administrator 1	260	325	280	350	295	369
Administrator 2	230	287	250	313	265	331
Administrator 3	210	262	230	288	245	306
Administrator 4	150	187	165	206	175	219
Support	0	0	0	0	0	0

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

### Use of Associates

We are required to disclose to those responsible for approving our remuneration whether any payments we intend to make from an insolvency estate are to Associates of Leonard Curtis. The term "Associate" is defined in s435 of the Insolvency Act 1986 but we are also required to consider the substance or likely perception of any association between the appointed insolvency practitioner, their firm (LC) or an individual within the firm and the recipient of a payment. Payments to Associates are subject to the same level of approval as the office holder's fees and category 2 expenses (see table below).

Whilst we are not aware of any third parties who meet the legal definition of "Associate" we are aware that there is a perceived association between LC and Pelstar Limited. Pelstar Limited provides insolvency case management software and document hosting facilities to LC. LC employs an individual who is married to a director of Pelstar Limited. Pelstar Limited's costs are set out in the tables below.

### Use of 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.

### Use of 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.

## SVS Securities plc (in special administration)

### Categorisation of 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 via Smartsearch	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																								
Bond / Bordereau fee via AUA Insolvency Services	Insurance bond to protect the insolvent entity against any 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 via Companies House	Extraction of company information from Companies House	£1.00 per document unless document can be accessed via the free service																								
Document hosting via Pelstar Limited (see Use of Associates and Category 2 expenses)	Hosting of documents via a secure portal for access by creditors/shareholders. Costs are charged per upload plus VAT and are generally dependent upon the number of creditors. The costs are commensurate with those charged by other providers of comparable services.	<table border="1"> <thead> <tr> <th>Type</th> <th>First 100</th> <th>Every addtl 10</th> </tr> </thead> <tbody> <tr> <td>ADM</td> <td>£14.00</td> <td>£1.40</td> </tr> <tr> <td>CVL</td> <td>£7.00</td> <td>£0.70</td> </tr> <tr> <td>MVL</td> <td>£7.00</td> <td>£0.70</td> </tr> <tr> <td>CPL</td> <td>£7.00</td> <td>£0.70</td> </tr> <tr> <td>CVA</td> <td>£10.00</td> <td>£1.00</td> </tr> <tr> <td>BKY</td> <td>£10.00</td> <td>£1.00</td> </tr> <tr> <td>IVA</td> <td>£10 p.a. or £25 for life of case</td> <td></td> </tr> </tbody> </table>	Type	First 100	Every addtl 10	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	
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Software Licence fee hosting via Pelstar Limited (see Use of Associates and Category 2 expenses)	Payable to software provider for use of case management system. The costs are commensurate with those charged by other providers of comparable services.	£87.00 plus VAT per case																								
Postage via Royal Mail or Postworks	Cost of posting documents which are directly attributable to a case to external recipients	Calculated in accordance with applicable supplier rates and dependent on the number of pages and whether the document is sent by international, first or second class post.																								
Post re-direction via Royal Mail	Redirection of post from Company's premises to office-holders' address	0-3 months £216.00 3-6 months £321.00 6-12 months £519.00																								
Statutory advertising via advertising agents	Advertising of appointment, notice of meetings etc. - London Gazette - Other	£91.80 - £102.00 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 but may not be restricted to:

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 expenses	See Category 1 and 2 expenses notes below	See Category 1 and 2 expenses notes below

Please note that expenses are generally categorised as Category 1 or Category 2:

## SVS Securities plc (in special administration)

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- a) Category 1 expenses: These are payments to independent third parties providing the service to which the expense relate. These may include, for example, advertising, external room hire, storage costs, postage costs, telephone charges, travel expenses (excl. mileage), and equivalent costs reimbursed to the office holder or his or her staff. Category 1 expenses may be paid without prior approval.
- b) Category 2 expenses: These are costs that are directly referable to the appointment in question, but not paid to an independent third party. They may include costs which have an element of shared cost. The following items of expenditure are recharged on this basis and are charged at HMRC approved rates:

Business mileage	45p per mile
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Payments to Associates (as defined above) are categorised by LC in the same way as Category 2 expenses.

Category 2 expenses and payments to Associates may only 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.
- 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. 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;
- (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; 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;
- (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](mailto:svs@leonardcurtis.co.uk)

Phone: +44 (0)161 831 9999

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.*