

STRAND CAPITAL LIMITED

(in special administration)

Joint administrators' progress report for the period
from 17 May 2023 to 16 November 2023

12 December 2023

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1. Glossary

| Abbreviation | Description |
|-----------------------|---|
| Company / Strand | Strand Capital Limited (in special administration) |
| JSAs / we | The joint special administrators, being Adam Henry Stephens and Henry Anthony Shinnors of Evelyn Partners LLP ("Evelyn") and Virgil Harsham Levy of LA Business Recovery Limited ("Labr") |
| Bar Date | 31 October 2018, being the date by which all Clients were required to agree their Client Statement, i.e. their claim in the special administration for Client assets |
| CASS | FCA "Client Assets Sourcebook" rules |
| Client(s) | Strand has two categories of Client: <ul style="list-style-type: none"> - 65 individuals or corporate entities; and - 11 trustees, managers, operators or administrators of SIPPs or other pension schemes, also known as scheme claimants. |
| Client Assets | Both Client Custody Assets and Client Monies |
| Client Custody Assets | Assets which Strand has undertaken to hold for a Client within the meaning of section 232(4) of the Banking Act 2009, and which does not include Client Monies |
| Client Money Pool | Pool of Client Monies that was formed when the special administration of Strand triggered a primary pooling event, pursuant to CASS |
| Client Monies | Money, of any currency, that Strand has received or holds for or on behalf of a Client, in accordance with CASS |
| Client Statement | A statement of Client Custody Assets and/or Client Monies that form the basis of each Client's claim for Client assets |
| Committee | Client and Creditors' Committee of Strand |
| Distribution Plan | Distribution Plan prepared pursuant to Part 5 of the Rules, as approved by the Court under Rule 146(5) |
| FCA | Financial Conduct Authority |
| FSCS | Financial Services Compensation Scheme |
| Funding Agreement | An agreement whereby the FSCS will pay compensation to cover the costs of the special administration arising in relation to Client Custody Assets on behalf of clients who are eligible to receive FSCS compensation |
| HMRC | His Majesty's Revenue & Customs |
| IA86 | Insolvency Act 1986 (if preceded by S this denotes a section number) |
| OWG | Optima Worldwide Group Plc |
| PPM | Post Pooling Monies, being income received post special administration which is derived from the Client Custody Assets held, e.g. dividend payments |
| Regulations | The Investment Bank Special Administration Regulations 2011 as amended by The Investment Bank (Amendment of Definition) and Special Administration (Amendment) Regulations 2017 |
| Rules | The Investment Bank Special Administration (England and Wales) Rules 2011 |
| Scheme Members | The underlying beneficiaries of schemes, being SIPPs or other pension schemes. The total number of scheme members for whom Client Custody Assets are held by Scheme Claimants is 2,106. |
| SIP | Statement of Insolvency Practice (England & Wales) |

2. Introduction and Summary

We, Adam Stephens and Henry Shinnars, of Evelyn Partners LLP, 45 Gresham Street, London EC2V 7BG and Virgil Levy, of LA Business Recovery Limited, 1 Beasley's Yard, 126 High Street, Uxbridge, Middlesex UB8 1JT, all being licensed insolvency practitioners, were appointed JSAs of Strand on 17 May 2017.

This report provides an update on the progress in the special administration of Strand for the six-month period ending 16 November 2023 and should be read in conjunction with the JSAs' proposals dated 6 July 2017 and our previous six-monthly progress reports.

Information about the Strand administration can be found at www.evelyn.com/services/restructuring-and-recovery-services/strand-capital-limited-in-special-administration/.

Appendix I contains information in respect of the Company and the JSAs that is required under the Rules.

2.1 Key points to note

This is the thirteenth six-month progress report of the special administration of the Company for the period ending 16 November 2023 and the JSAs are in the process of winding down the Special Administration.

At this stage in the special administration there are relatively few communications from Clients and Scheme Members, although we seek to respond to them appropriately. Creditors and Clients of Strand should note that all queries should be directed to telephone number 020 7131 4452.

2.2 Client Custody Assets

The JSAs have transferred all Clients' Custody Assets to new brokers, in accordance with Clients' instructions and the provisions of the Distribution Plan. No Client Custody Assets now remain in Strand's custody. Further information about the return of Client Custody Assets can be found in section 3.1.1. This section also contains information about the final distribution of PPM received since the commencement of the special administration.

As almost all Clients are eligible to receive compensation from the FSCS, an agreement was put in place between the FSCS and the JSAs whereby the FSCS will settle the costs for eligible Clients and Scheme Members arising in relation to each Client's Client Custody Assets claim directly with the JSAs. This means the JSAs were able to return Client Custody Assets in full.

2.3 Client Monies

The JSAs have now paid a final distribution of all Client Monies claims and have closed the Client Money Pool. The total amount paid to Clients with a Client Money claim was 89.91 pence in the pound.

2.4 Company

The JSAs expect the special administration to be brought to a close once the Company's tax affairs have been finalised with HM Revenue & Customs.

Following completion of the necessary forms, the FCA has now cancelled Strand's regulatory permissions.

2.5 Conclusion of the special administration

Due to delays encountered with HMRC in securing final VAT refunds and clearance, it is anticipated that the JSAs will be in a position to close the special administration of Strand during 2024.

3. Progress of the special administration

We summarise work under each of the objectives of the special administration.

3.1 Objective 1- To ensure the return of Client assets

3.1.1 Client Custody Assets

The JSAs have now distributed all Client Custody Assets, including transferring to Clients any entitlement Strand may have to receive distributions from the liquidators of OWG and Thameside Investment Group Plc (formerly Euler Investments London Plc).

The JSAs have also distributed all PPM received by Strand during the special administration.

3.1.2 Client Monies

As disclosed in previous progress reports, all monies in the Client Money Pool have been distributed to Clients.

3.2 Objective 2 - timely engagement with market infrastructure bodies and the Authorities

The JSAs have continued to liaise with the FCA and FSCS and the FCA have now cancelled Strand's regulatory permissions.

3.3 Objective 3 – to rescue the Company as a going concern or to wind it up in the best interests of creditors

By way of a reminder, the JSAs concluded some time ago that a sale of the company as a going concern was not possible and are winding it up in the best interests of creditors.

As noted in the previous report, the JSAs lodged a claim for £171,015.43 in the liquidation of OWG. At present it appears there will be insufficient assets realised in the liquidation of OWG to enable a dividend to be paid to unsecured creditors. The JSAs therefore expect no realisation in respect of this debt.

3.4 Receipts and payments account

A summary of our receipts and payments accounts for the period 17 May 2023 to 16 November 2023 are attached at Appendix II. Company assets, Client Custody Assets and Client Monies have been shown separately.

These accounts include cumulative figures from 17 May 2017 to 16 November 2023.

3.4.1 Company/house receipts

The sole receipt in the period comprises bank interest received of £1,723.60.

Payments in the period comprise the settlement of all outstanding legal fees totalling £7,828.50, plus bank charges of 40p:

Further VAT recoveries are anticipated in due course. The VAT refunds relate to the accounting entries for VAT suffered on payments in relation to Client Monies and Client Custody Assets costs incurred.

3.4.2 Client Monies receipts

As previously noted, the final distribution of Client Monies has been paid and the Client Money Pool is now closed. All Client Money bank accounts are now closed.

3.4.3 Client Custody Assets receipts

As noted in our previous progress reports, funding was received from the FSCS in relation to costs arising from reconciling, maintaining and distributing Client Custody Assets, per the terms of the Funding Agreement and the Distribution Plan. No further funding has been requested from the FSCS in the period of this report.

During the period of this report, bank interest has been earned on funds held of £3,126.54. Legal fees of £1,023 have been paid in the period, incurring bank charges of 20p.

4. JSAs' remuneration

The JSAs are entitled to receive remuneration for work undertaken in respect of:

- Objective 1, which will be paid out of Client assets (split between Client Custody Assets and Client Monies); and
- Objectives 2&3, which will be paid out of Company/house assets.

The basis of the JSAs' remuneration has been approved, by the Committee, for their time properly incurred in attending to matters in the special administration. The Committee approved this basis on 6 September 2017.

Further information about the JSAs' time costs incurred in the period of this report can be found at appendix IV. You should note that both Evelyn's and Labr's time costs have been shown separately. Both firms' time costs have also been analysed by whether the time spent was in pursuit of objective 1 or objectives 2&3.

The time incurred in the period from 17 May 2023 to 16 November 2023 are outlined in Appendix IV and total:

- 6 hours at a total cost of £3,230.40 in relation to Objective 1 tasks; and
- 54.64 hours at a total cost of £31,993.73 in relation to Objectives 2 & 3 tasks.

Also provided at appendix V are cumulative time costs analyses for all time spent from 17 May 2017 to 16 November 2023.

The JSAs' time costs are summarised on the following table, and the costs incurred in relation to Objective 1 have been apportioned between time spent in relation to:

- Client Monies; and
- Client Custody Assets.

The figures below summarise the time costs incurred by the JSAs to 16 November 2023.

| | Evelyn Partners LLP £ | LA Business Recovery Limited £ | Total £ |
|---|--------------------------|--------------------------------------|----------------|
| Custody Assets: total time costs incurred to 16 November 2023 | | | |
| Time incurred | 2,006,404.40 | 115,538.03 | 2,121,942.43 |
| Total invoiced | (1,378,170.14) | (90,000.00) | (1,468,170.14) |
| Amount outstanding | 628,234.26 | 25,538.03 | 653,772.29 |
| Client Monies: total time costs incurred to 16 November 2023 | | | |
| Time incurred | 625,431.47 | 62,813.40 | 688,244.87 |
| Total invoiced | (623,493.81) | (62,583.80) | (686,077.61) |
| Written off | (1,937.66) | (229.60) | (2,167.26) |
| Amount outstanding | 0.00 | (0.00) | 0.00 |
| Company / House: total time costs incurred to 16 November 2023 | | | |
| Total incurred | 529,575.68 | 57,863.47 | 587,439.15 |
| Total invoiced | (150,148.75) | (18,932.15) | (169,080.90) |
| Amount outstanding | 379,426.93 | 38,931.32 | 418,358.25 |

Note: the above figures exclude disbursements and VAT

The JSAs have drawn £2,154,247.75, plus VAT, against their objective 1 time costs to date. These are further broken down as:

- £686,077.61 in relation to the Client Monies; and
- £1,468,170.14 in relation to Client Custody Assets.

No remuneration has been drawn in the period of this report.

Clients should note that no further costs will be incurred in relation to Client Monies, and all outstanding costs incurred have been written off, as indicated above.

The costs drawn in relation to Client Custody Assets have been drawn against funding from the FSCS, in line with the Funding Agreement and the terms of the Distribution Plan. It's anticipated that some further costs will be incurred in relation to finalising matters relating to Client Custody Assets.

The JSAs have also drawn remuneration from the company/house estate of £169,080.90. No remuneration in relation to company/house time costs incurred has been drawn in the period of this report.

A creditors' and Clients' guide to special administrators' fees can be found on the [Strand Capital Limited in special administration | Evelyn Partners](#). Should you require a paper copy please telephone 020 7131 4452 and it will be sent to you at no cost.

Details of Evelyn's and Labr's charge out rates and policies in relation to the use of staff are provided at appendix VI.

5. Special administration expenses

5.1 Professional advisors

Foot Anstey LLP and Pinsent Masons LLP have both been engaged to provide legal advice. Both legal advisors are remunerated on a time incurred basis.

In the six-month period of this report, Foot Anstey LLP provided advice and assistance to the JSAs in relation to queries arising in relation to JSAs six month report, incurring fees of £80.

No work has been undertaken by Pinsent Masons in the period.

Both firms' costs incurred and paid to date are shown below.

| Legal fees and disbursements | Foot Anstey LLP | Pinsent Masons LLP | Total |
|------------------------------|--------------------|-----------------------|-------|
| | £ | £ | £ |

Objective 1 - Client Monies

| | | | |
|--|---------------|--------------|---------------|
| Legal fees incurred from 17 May 2017 to 16 May 2023 | 175,012.59 | 18,833.23 | 193,845.82 |
| Disbursements incurred from 17 May 2017 to 16 May 2023 | 20,940.64 | 14,670.01 | 35,610.65 |
| Legal fees paid to date | (175,012.59) | (18,833.23) | (193,845.82) |
| Disbursements paid to date | (20,940.64) | (14,670.01) | (35,610.65) |
| Unpaid legal fees | - | - | - |
| Unpaid disbursements | - | - | - |

Objective 1 - Client Custody Assets

| | | | |
|--|---------------|--------------|---------------|
| Legal fees incurred from 17 May 2017 to 16 May 2022 | 178,923.00 | 80,760.78 | 259,683.78 |
| Disbursements incurred from 17 May 2017 to 16 May 2023 | 69,356.89 | - | 69,356.89 |
| Legal fees paid to date | (178,923.00) | (80,760.78) | (259,683.78) |
| Disbursements paid to date | (69,356.89) | - | (69,356.89) |
| Unpaid legal fees | - | - | - |
| Unpaid disbursements | - | - | - |

Objectives 2&3

| | | | |
|--|--------------|--------------|--------------|
| Legal fees incurred from 17 May 2017 to 16 May 2022 | 25,756.10 | 48,907.10 | 74,663.20 |
| Disbursements incurred from 17 May 2017 to 16 May 2022 | 72.32 | 315.84 | 388.16 |
| Legal fees paid to date | (25,676.10) | (48,907.10) | (74,583.20) |
| Disbursements paid to date | (72.32) | (315.84) | (388.16) |
| Unpaid legal fees | 80.00 | - | 80.00 |
| Unpaid disbursements | - | - | - |

Note: costs incurred are shown net of VAT

5.2 JSAs' expenses

In the period of this report the JSAs quarterly charges for data hosting of £2,460 have been incurred. These have been accrued, but not yet billed. For details of expenses incurred outside of the period of this report, please refer to our previous progress reports.

To retrieve some of the Company's electronic records we have enlisted the services of our forensic technologies department. As we frequently need to search this data we have had to maintain it on a live system. The software and data usage is incurring a monthly charge to the special administration.

The use of Evelyn Partners LLP's forensic systems and software are classified as category 2 disbursements, so the JSAs sought approval from the Committee prior to paying these disbursements.

The following table shows the expenses already incurred, and those incurred and paid in the period of this report. These have been apportioned by objective.

| Description | Category 1 or 2 | Already incurred £ | Incurred in period £ | Paid in period £ | Outstanding at period end £ |
|--|--------------------|--------------------------|----------------------------|---------------------|-----------------------------------|
| Objective 1 - Client Monies | | | | | |
| Postage | 1 | 0.23 | - | - | 0.23 |
| Total disbursements | | 0.23 | - | - | 0.23 |
| Objective 1 - Client Custody Assets | | | | | |
| Forensics - Data Hosting | 2 | 8,405.00 | 1,230.00 | - | 9,635.00 |
| Forensics - User Fees | 2 | 150.00 | - | - | 150.00 |
| Total disbursements | | 8,555.00 | 1,230.00 | - | 9,785.00 |
| Objectives 2 & 3 | | | | | |
| Storage | 1 | 81.24 | - | - | 81.24 |
| Bonding | 1 | 765.00 | - | - | 765.00 |
| Forensics - Data Hosting | 2 | 12,095.00 | 1,230.00 | - | 13,325.00 |
| Forensics - User Fees | 2 | 600.00 | - | - | 600.00 |
| Insurance Fee - FSCS | 1 | 16,150.00 | - | - | 16,150.00 |
| Total disbursements | | 29,691.24 | 1,230.00 | - | 30,921.24 |
| Total Disbursements | | 38,246.47 | 2,460.00 | - | 40,706.47 |
| Total Category 1 disbursements | | 16,996.47 | - | - | 16,996.47 |
| Total Category 2 disbursements | | 21,250.00 | 2,460.00 | - | 23,710.00 |

Notes: Costs incurred are shown net of VAT

Total costs outstanding many include costs incurred in prior periods, but not yet paid.

5.3 Policies regarding use of third parties and disbursement recovery

Appendix VI provides details of Evelyn's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.

6. Estimated outcome for Clients & creditors

6.1 Clients

Based on the claims agreed by Clients on their Statements of Claim, the Client Money and Client Custody Assets position is outlined below.

6.1.1 Return of Client Custody Assets

As outlined in section 3.1.1, the JSAs have returned all Client Custody Assets, in full, to all Clients eligible to receive FSCS compensation.

Two Clients were not eligible to receive FSCS compensation. For each of these Clients their Client Custody Assets were:

- returned to them once they had made payment for the fixed costs apportioned to their holding; or
- liquidated to settle the costs outstanding

There remain three non-returnable Client Custody Assets, which comprise the Thameside Bonds, the OWG Bonds and Menasat Gulf shares.

6.1.2 Return of Client Money

The JSAs have paid the final distributions from the Client Money Pool totalling 89.91 pence in the pound of Client Monies claims.

By way of a combination of compensation from the FSCS and payment of the distributions, all Clients with a Client Monies claim have received their claim balance in full.

6.1.3 FSCS claims

The FSCS protects consumers when authorised firms fail or stop trading. In certain prescribed circumstances it protects private individuals and small businesses if an authorised firm becomes insolvent and cannot pay claims against it. The FSCS declared that the Company is in default and that eligible Clients will have a claim in the FSCS.

For eligible claims, the FSCS can pay up to £50,000 (this being the limit at the relevant time) in compensation per Client. Once compensation has been paid by the FSCS, the FSCS assumes the benefit of the Client's claims in respect of Client Monies against the Company. This is done by way of an assignment (or subrogation) of rights in respect of Client Monies to the FSCS.

Almost all of Strand's Clients have received compensation from the FSCS.

6.2 Creditors

6.2.1 Secured creditors

There are no secured creditors of the Company.

6.2.2 Preferential creditors

There is one preferential claim in the special administration, which is for less than £1,000.

The FSCS may also rank as a secondary preferential creditor in relation to certain monies advanced by it in compensation to Strand's Clients.

The JSAs remain of the opinion that there will not be sufficient monies to pay a dividend to any preferential creditor.

6.2.3 Unsecured creditors

Unsecured creditors' claims are broadly split into the following categories:

- A claim from the FSCS for certain compensation monies advanced to Clients;
- Client shortfall claims, which arise from any shortfall of Client Monies or Client Custody Assets in the Company or other Client Asset related claims that are claims against the Company; and
- Ordinary unsecured trade and other non- Client claims, including any employees' non preferential claims.

It remains unlikely there will be sufficient asset realisations to enable a dividend to be paid to unsecured creditors of the Company, including to Clients in respect of any shortfall in Client Custody Assets and Client Monies.

7. Outstanding matters

The following tasks remain outstanding, as required by statute and best practice. The JSAs will:

- finalise the Company's house estate and tax affairs to bring the special administration to a conclusion; and
- make an application to Court in respect of the conclusion of the special administration of Strand and the discharge from liability of the special administrators.

8. Privacy and data protection

As part of our role as joint administrators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at www.evelyn.com/rrsgdpr

If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact us if you believe this applies.

9. Creditors' rights

Creditors (which within this section includes Clients) have rights under Rules 201 and 202 to request further information and to challenge the JSAs' remuneration and/or expenses incurred. In summary:

- Within 21 days of the receipt of a progress report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors, including the creditor in question or the permission of the court) or Client (with the concurrence of at least 5% in value of the Client assets including the Client in question) may request in writing that the JSAs provide further information about their remuneration or expenses which have been itemised in the report.
- Any secured creditor, or an unsecured creditor or Client (with the concurrence of at least 10% in value of the unsecured creditor including the creditor in question, or the permission of the court) or Client (with the concurrence of at least 10% in value of the total claims in respect of the Client assets held by the investment bank, or with the permission of the court, or the FCA) may within 8 weeks of receipt of a progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the JSAs' is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the JSAs, as set out in the report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

The JSAs of Strand are appointed to manage its affairs, business and property. They act as agents and without personal liability.

Adam Henry Stephens and Henry Shinnars both of Evelyn Partners LLP are office-holders are authorised and licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. Virgil Levy of LA Business Recovery Limited is authorised and licensed in the United Kingdom to act as insolvency practitioners by the Insolvency Practitioners Association. Further details of their licensing body along with our complaints and compensation procedure can be accessed at:

[Insolvency licensing bodies | Evelyn Partners](#) and <https://www.labusinessrecovery.com/complaints-procedure> respectively.

The Special Administrators are bound by the Insolvency Code of Ethics which can be found at:

<https://www.icaew.com/technical/insolvency/sips-regulations-and-guidance/insolvency-code-of-ethics>

If you have any concerns regarding this matter, please call the current case telephone number 020 7131 4452.

On a general note, if you have any comments or concerns in connection with our conduct, please contact the JSAs. If the matter is not resolved to your satisfaction, you may contact Evelyn Partners LLP's Head of Legal by writing to 45 Gresham Street, London EC2V 7BG or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

Email: insolvency.enquiryline@insolvency.gsi.gov.uk

Telephone: +44 300 678 0015

Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA

10. Next report

The JSAs are required to provide a progress report within one month of the end of the next six months of the special administration, or earlier if the special administration has been finalised. At present it is envisaged that the special administration will be concluded in 2023.

Updates to Clients will be provided, as and when appropriate, and uploaded to our webpage: [Strand Capital Limited in special administration | Evelyn Partners](#).

As detailed above, the JSAs are now working to conclude the special administration of Strand. We thank the many Clients, intermediaries and other stakeholders for their work in facilitating all the distributions to date.

Thank you.

A handwritten signature in black ink, appearing to read 'A Stephens', with a stylized flourish at the end.

Adam Stephens

On behalf of the Joint Special Administrators

Date: 12 December 2023

Appendices



I Statutory Information

| | |
|------------------------------|---|
| Relevant Court | High Court of Justice, Chancery Division, Companies Court |
| Court Reference | CR-2017-003691 |
| Trading Name(s) | Strand Capital or Strand |
| Trading Addresses | 1 Tudor Street, London, EC4Y 0AH |
| Former Name(s) | London Capital Trading Limited (from June 2004 to February 2011) Curvalue Trading Limited (from June 2001 to June 2004) Interactive Clearing Services Limited (from April 1999 to June 2001) |
| Registered Office | 45 Gresham Street, London, EC2V 7BG |
| Registered Number | 03747386 |
| Joint special administrators | Adam Henry Stephens and Henry Anthony Shinnars both of Evelyn Partners LLP, 45 Gresham Street, London, EC2V 7BG and Virgil Harsham Levy of LA Business Recovery Limited, 1 Beasley Yard, 126 High Street, Uxbridge, Middlesex UB8 1JT (IP Nos. 9748, 9280 and 19090 respectively) In accordance with paragraph 100 (2) Schedule B1 of the Insolvency Act 1986 the Court order authorises the joint special administrators to act jointly and severally. |
| Date of Appointment | 17 May 2017 |
| Appointor | High Court of Justice upon the application of the Company acting by its sole director, Joseph Reginald Salisbury Egerton |
| Director | Joseph Reginald Salisbury Egerton |
| Company Secretary | Joseph Reginald Salisbury Egerton |
| Shareholder | Optima Worldwide Group Plc |
| Director's shareholding | N/A |

II Receipts and payments account

Company / House Receipts and Payments Account to 16 November 2023

| Statement of Affairs £ | | From 17/11/2022 To 16/05/2023 £ | From 17/05/2017 To 16/05/2023 £ |
|--|---|---------------------------------------|---------------------------------------|
| ASSET REALISATIONS | | | |
| | Computer Equipment | - | 250.00 |
| Uncertain | Book Debts | - | - |
| Uncertain | VAT Refund | - | - |
| 7,441.14 | Cash at Bank | - | 7,441.14 |
| Uncertain | Management Fees | - | - |
| | Income from 'house' custody assets | - | 58,281.57 |
| | Custody Asset Realisations - Interest | - | 3,957.81 |
| | VAT Recovery - Client Fund Payments | - | 582,721.28 |
| | Bank Interest Gross | 1,723.60 | 3,181.88 |
| | | <u>1,723.60</u> | <u>655,833.68</u> |
| COST OF REALISATIONS | | | |
| Pre appointment costs: | | | |
| | Evelyn fees - Objectives 2&3 | - | 43,769.25 |
| | LABR fees - Objectives 2&3 | - | 16,510.54 |
| | Pinsent Masons fees - Objectives 2&3 | - | 13,543.50 |
| Joint Administrators post appointment fees & expenses: | | | |
| | Evelyn fees | - | 150,148.75 |
| | LABR fees | - | 18,932.15 |
| | Evelyn category 1 expenses | - | 1,457.57 |
| | Evelyn category 2 expenses | - | 2,070.00 |
| | Legal Fees - Objectives 2&3 | 7,828.50 | 74,583.20 |
| | Legal Expenses | - | 388.16 |
| | Specific Bond | - | 93.34 |
| | Postage | - | 1,981.90 |
| | Re-Direction of Mail | - | 578.00 |
| | Statutory Advertising | - | 509.00 |
| | Storage Costs | - | 916.83 |
| | Bank Charges | 0.40 | (2.05) |
| | Custody Asset Bank Account Bank Charges | - | 2,689.48 |
| | Funds Held at Natwest Bank Plc | - | 3.85 |
| | | <u>7,828.90</u> | <u>328,173.47</u> |
| DISTRIBUTIONS | | | |
| (84.50) | Preferential Creditors - Employees | - | - |
| (4,731.76) | Unsecured Creditors - Employees | - | - |
| (220,177.78) | Unsecured Creditors - Trade & Expense | - | - |
| (387,600.00) | Ordinary Shareholders | - | - |
| | | <u>NIL</u> | <u>NIL</u> |
| (605,152.90) | | <u>(6,105.30)</u> | <u>327,660.21</u> |
| REPRESENTED BY | | | |
| | RBS Clients Deposit (Int Bear) | | 95,591.97 |
| | VAT Receivable Flt Chg | | 232,068.24 |
| | | | <u><u>327,660.21</u></u> |

Notes and further information required by SIP 7

- Company bank accounts became non-interest bearing on 17 October 2018, due to a Bank decision. The bank account was transferred to Royal Bank of Scotland, and interest is now received on funds held.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.
- The VAT recovered from Client fund payments has been adjusted in the prior period by £8,358.86 to correct an internal error.

Client Monies Receipts and Payments Account to 16 November 2023

| Statement of Affairs £ | | From 17/05/2023 To 16/11/2023 £ | From 17/05/2017 To 16/11/2023 £ |
|------------------------------|--|---------------------------------------|---------------------------------------|
| | CLIENT MONEY POOL | | |
| | Primary Pool - Funds Held at Gallium | - | 8,579,286.36 |
| | Primary Pool - Funds Held at Gallium Interest | - | 775.66 |
| | Primary Pool - Natwest Bank Plc | - | 3,944,469.66 |
| | Primary Pool - Natwest Bank Plc Interest | - | 45,655.45 |
| 12,484,175.74 | | - | 12,570,187.13 |
| | ASSET REALISATIONS | | |
| | Bank Interest Gross | - | 37.88 |
| | | - | 37.88 |
| | COST ARISING IN RELATION TO CLIENT MONIES | | |
| | Pre-appointment Costs: | | |
| | Evelyn - Objective 1 | - | 16,781.00 |
| | LABR - Objective 1 | - | 9,225.80 |
| | Pinsent Masons - Objective 1 | - | 89,334.00 |
| | Pinsent Masons disbursements - Objective 1 | - | 53,031.65 |
| | Foot Antsey - Objective 1 | - | 3,020.83 |
| | Joint Administrators post appointment fees & expenses: | | |
| | S&W fees | - | 623,493.81 |
| | LABR fees | - | 62,583.80 |
| | Evelyn category 1 expenses | - | 379.66 |
| | Evelyn category 2 expenses | - | 2,890.00 |
| | Foot Anstey - Objective 1 Post appt Fees | - | 175,012.59 |
| | Foot Anstey - Objective 1 Post appt Disbs | - | 20,940.64 |
| | Pinsent Masons - Objective 1 Post appt Fees | - | 18,833.23 |
| | Pinsent Masons - Objective 1 Post appt Disbs | - | 14,670.01 |
| | VAT Recovery - Transfer to Company | - | 217,981.81 |
| | | - | 1,308,178.83 |
| | RETURNS OF CLIENT MONIES | | |
| | Distribution of Client Monies | - | 11,262,046.18 |
| | | - | 11,262,046.18 |
| 12,484,175.74 | BALANCE IN HAND | - | - |

Notes and further information required by SIP 7

- The JSAs' pre appointment costs and post appointment remuneration and costs were drawn from the Client Money Pool, in line with the approval obtained by the creditors' committee.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.
- The Client Money Pool is now closed. The bank accounts are now closed.

Client Custody Assets Receipts and Payments Account to 16 November 2023

| | From 17/05/2023 To 16/11/2023 £ | From 17/05/2017 To 16/11/2023 £ |
|--|---------------------------------------|---------------------------------------|
| COSTS LEVIED / FUNDED BY THE FSCS | | |
| Advance from the FSCS | - | 2,425,000.00 |
| Bank Interest Gross | 3,126.54 | 6,405.53 |
| | <u>3,126.54</u> | <u>2,431,405.53</u> |
| COSTS ARISING IN RELATION TO CLIENT CUSTODY ASSETS | | |
| Joint Administrators post appointment fees & expenses: | | |
| Evelyn fees | - | 1,378,170.14 |
| LABR fees | - | 90,000.00 |
| Evelyn category 1 expenses | - | 7,433.30 |
| Evelyn category 2 expenses | - | 4,140.00 |
| Custodian Fees & Costs | - | 66,965.85 |
| Costs relating to SCNL | - | 4,211.00 |
| Tracing Agent's Fees | - | 5,422.46 |
| Legal Fees | 1,023.00 | 259,683.77 |
| Counsel Fees | - | 68,465.00 |
| Legal Expenses | - | 891.89 |
| Bank Charges | 0.20 | 56.85 |
| VAT Recovery Transferred to Company | - | 364,739.47 |
| | <u>1,023.20</u> | <u>2,250,179.73</u> |
| BALANCE IN HAND | <u><u>2,103.34</u></u> | <u><u>181,225.80</u></u> |
| REPRESENTED BY | | |
| RBS - Segregated Trust A/c | | 181,021.20 |
| VAT Receivable | | 204.60 |
| | | <u><u>181,225.80</u></u> |

Notes and further information required by SIP 7

- None of the investments held for Clients have been shown on the Client Custody Assets receipts and payments account.
- The JSAs' post appointment remuneration and costs have been drawn from the funds provided by the FSCS pursuant to the funding agreement and the Distribution Plan in line with the approval obtained by the Committee.
- Funding received for costs arising in relation to Client Custody Assets are held in an interest-bearing trust account with RBS.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.

III Summary of Client Custody Assets

Clients' assets at 17 May 2017

| Asset Name | ISIN | Company records | Final reconciled and agreed holdings |
|--|--------------|------------------------|--------------------------------------|
| 5alpha Adventurous UCITS | IE00BYX95950 | 256,642.906 | 256,642.906 |
| 5alpha Conservative UCITS | IE00BYX95K61 | 235,267.816 | 235,267.816 |
| BlackRock Gbl PrpSecEqTrk D Inc | GB00B848DD97 | 14,959.672 | 14,959.672 |
| BlackRock GF IEmMkLCBd D3RFH £ | LU0995345831 | 3,049.910 | 3,049.910 |
| BlackRock Idx Lnkd Gilt Trckr D Acc | GB00B83RVT96 | 17,197.254 | 17,197.254 |
| BlackRock NthAmrcn EqTrk D Acc | GB00B7QK1Y37 | 9,592.346 | 9,592.346 |
| BlackRock NURS II Global Equity D | GB00B8BTN16 | 11,332.897 | 11,332.897 |
| Blueprint Industrial Engineering PLC | GB00BVYY5H66 | 994,981.000 | 994,981.000 |
| Cherry Homes (Class A) | GB00BYQ65R15 | 47,722,473.000 | 47,722,473.000 |
| Cherry Homes (Class B) | GB00BYQ66013 | 63,661,234.000 | 63,661,234.000 |
| Elaine Securities PLC | GB00BWCH5D02 | 2,820,174.000 | 2,820,174.000 |
| Fidelity I Stg Cr + Bd Gr | GB00B19CHJ19 | 9,941.840 | 9,941.840 |
| Invesco Perp Corporate Bd NT Gr Acc | GB00B8N46Z18 | 104,404.770 | 104,404.770 |
| Investec Short Dtd Bd I Gr Acc GBP | GB00B94GN522 | 18,255.368 | 18,255.368 |
| Kames Abslut Rtrn Bd C Acc GBP | IE00B6SLQ646 | 23,766.120 | 23,766.120 |
| Lazard Emerging Markets S Acc | GB00B8QHFR21 | 23,936.254 | 23,936.254 |
| M&G Short Dated Corp Bd I GBP | GB00B8JXBQ82 | 24,999.518 | 24,999.518 |
| Minerva Lending | XS1481211412 | 2,097,000.000 | 2,097,000.000 |
| The Meredith Property Group PLC | GB00BY4K3J36 | 3,373,011.000 | 3,373,011.000 |
| Vanguard Gbl Bd Index Hdg A £ | IE00B50W2R13 | 1,782.910 | 1,782.910 |
| Vanguard UK ST Inv Grd Bd Idx A£ | IE00B9M1BB17 | 2,371.020 | 2,371.020 |
| Vernon Property PLC | GB00BWCH5G33 | 1,608,835.000 | 1,608,835.000 |
| Thameside bonds (formerly Euler) | GB00BYP4YT17 | 64,000.000 | 64,000.000 |
| Non Returnable Client Custody Assets: | | | |
| Thameside bonds (formerly Euler) | GB00BYP4YT17 | 994,983.000 | 994,983.000 |
| Optima Worldwide Group PLC 8.0% (Series A) | GB00BCLYDR27 | 1,263.000 | 1,251.000 |
| Optima Worldwide Group PLC 8.0% (Series C) | GB00BNY8CJ32 | 1,124.000 | 1,124.000 |
| Optima Worldwide Group PLC 8.0% (Series D) | GB00BY7S2204 | 9,982,050.000 | 10,042,050.000 |
| Menasat Gulf Group Holdings PLC | Unlisted | - | 37,509,586.000 |
| Total Units: | | 134,078,628.601 | 171,648,202.601 |

| | | |
|--|-----------------------|-----------------------|
| Client money requirement (as calculated under CASS rules) | £12,643,295.75 | £12,525,301.55 |
|--|-----------------------|-----------------------|

The above schedule is a breakdown of the total number of units held of each class of Client Custody Asset, it is not an indication of the current value of any holdings.

Clients should note that the following holdings have been categorised non-returnable:

- 994,983 bonds held in Thameside Investment Group Plc (In Liquidation);
- Bonds comprising series A, C and D held in Optima Worldwide Group PLC (In Liquidation); and
- Shares in Menasat Gulf Group PLC (dissolved and formerly In Administration).

To the fullest extent permitted by law, neither the JSAs, Strand Capital Limited, Evelyn Partners LLP or LA Business Recovery Limited assume any responsibility for the content of this information and do not accept any personal liability in respect of this document to any party.

IV Time analysis for the period

Overview

The JSAs' time costs have been apportioned between work undertaken in the pursuit of objective 1, and work undertaken in pursuit of objectives 2 and 3.

Furthermore, as the appointment of the JSAs comprises two separate firms, we have shown each firm's time costs separately for each of the apportionments between objectives.

The following pages show the apportionment of these time costs in accordance with best practice prescribed by SIP9, which can be summarised as follows:

| Objective | Firm | Hours | Total Costs £ | Average hourly rate £ |
|--------------|------------------------------|--------------|------------------|--------------------------|
| 1 | Evelyn Partners LLP | 6.00 | 3,230.40 | 538.40 |
| 1 | LA Business Recovery Limited | - | - | - |
| Total | | 6.00 | 3,230.40 | |
| 2&3 | Evelyn Partners LLP | 51.60 | 30,753.03 | 595.99 |
| 2&3 | LA Business Recovery Limited | 3.04 | 1,240.70 | 408.13 |
| Total | | 54.64 | 31,993.73 | |

Note: costs incurred are shown net of VAT

Objective 1 – Evelyn Partners LLP's time costs from 17 May 2023 to 16 November 2023

| Classification of work function | Hours | | | | | Total hours | Time cost | Average hourly rate |
|---|--------------------|--------------------|----------------------------|--------------------------|----------------------------|-------------|------------------|---------------------|
| | Partner / Director | Associate director | Manager/ Assistant Manager | Other professional staff | Assistants & support staff | | | |
| Client Specific matters | | | | | | | | |
| Agreeing claims and liaising with Clients | 0.6 | 1.2 | 4.2 | | | 6.0 | £3,230.40 | £538.40 |
| Grand Total | 0.6 | 1.2 | 4.2 | - | - | 6.0 | £3,230.40 | £538.40 |

Explanation of major work activities undertaken

The below provides commentary on the various categories above. Readers should also refer to the body of the report for further explanations of the work undertaken.

Client specific matters

- Time spent liaising with Clients, Scheme Members and IFAs to provide information and updates by telephone and email.
- Some of the costs involved in the responding to client specific DSAR correspondence.
- Liaising with the FSCS in relation to information requested.

Please note, no Objective 1 time costs were incurred by LA Business Recovery in the period.

Objectives 2 & 3 – Evelyn Partners LLP's time costs from 17 May 2023 to 16 November 2023

| Classification of work function | Hours | | | | | Total hours | Time cost | Average hourly rate |
|---------------------------------------|--------------------|--------------------|----------------------------|--------------------------|----------------------------|-------------|-------------------|---------------------|
| | Partner / Director | Associate director | Manager/ Assistant Manager | Other professional staff | Assistants & support staff | | | |
| Administration and planning | | | | | | | | |
| Statutory returns, reports & meetings | 2.5 | 14.6 | 3.2 | - | 0.8 | 21.0 | £13,908.60 | £663.89 |
| Cashiering & bonding | 0.5 | 2.9 | 1.9 | 1.2 | - | 6.5 | £3,603.77 | £555.87 |
| Post-appointment taxation | 1.9 | 6.7 | 6.7 | 1.8 | - | 17.1 | £9,528.05 | £557.74 |
| Filing & information management | - | - | - | 2.3 | - | 2.3 | £515.66 | £221.00 |
| Planning, reviews & progression | 0.8 | 2.9 | 1.1 | - | - | 4.8 | £3,196.95 | £673.04 |
| Grand Total | 5.6 | 27.1 | 13.0 | 5.1 | 0.8 | 51.6 | £30,753.03 | £595.99 |

Explanation of major work activities undertaken

The below provides commentary on the various categories above. Readers should also refer to the body of the report for further explanations of the work undertaken.

Administration and Planning

This section of the analysis encompasses the cost of the JSAs and their staff in complying with their statutory obligations, internal compliance requirements, and all tax matters. This work is required by statute and/or best practice and is unlikely to provide any direct financial benefit for Clients and creditors.

- Maintaining physical case files and electronic insolvency case details on IPS (case management software).
- Case reviews, reviews of the joint administrators bonding, case planning and strategy, review of general case progression and consideration of strategy to closure.
- Preparing progress reports and updates on the progress of the special administration to stakeholders.
- Maintaining and managing the JSAs' corporate cash book and bank accounts and also overseeing and managing the JSAs' Client cash book and bank accounts.
- Preparing and submitting VAT and Corporation Tax returns for the Company and its subsidiary, Strand Capital Nominees Limited.

Objectives 2 & 3 – LA Business Recovery Limited's time costs from 17 May 2023 to 16 November 2023

| Classification of work function | IP/Office Holder | IP/Manager | HOURS | | Total Hours | Time cost | Average Hourly Rate |
|---|------------------|------------|---------------------------|---------------|-------------|-----------|---------------------|
| | | | Senior Professional staff | Support Staff | | | |
| <u>Objectives 2&3 - General Insolvency Matters</u> | | | | | | | |
| Consider and review the draft progress report to creditors | 1.42 | 0.00 | 1.62 | 0.00 | 3.04 | 1,240.70 | 408.13 |
| | | | | | | | |
| Total Company-related work pertaining to Objectives 2 & 3 under SAR | 1.42 | 0.00 | 1.62 | 0.00 | 3.04 | 1,240.70 | 408.13 |

Explanation of major work activities undertaken

Objectives 2 & 3 – Client Custody Assets

- Review and consideration of the progress report

V Cumulative time analysis

Overview

The JSAs' time costs have been apportioned between work undertaken in the pursuit of objective 1, and work undertaken in pursuit of objectives 2 and 3.

Furthermore, as the appointment of the JSAs comprises two separate firms, we have shown each firm's time costs separately for each of the apportionments between objectives.

The following pages show the apportionment of these time costs in accordance with best practice prescribed by SIP9, which can be summarised as follows:

| Objective | Firm | Period | Hours | Total cost £ | Average hourly rate £ | Fees drawn £ |
|----------------------------------|--------|--|-----------------|---------------------|--------------------------|---------------------|
| 1 | Evelyn | 17 May 2017 - 16 May 2023 | 5,380.30 | 2,342,085.91 | 1,109.03 | 2,001,663.95 |
| 1 | Evelyn | Costs re-apportioned from Objectives 2&3 | 735.59 | 286,519.56 | 389.51 | - |
| 1 | Evelyn | 17 May 2023 - 16 November 2023 | 6.00 | 3,230.40 | 538.40 | - |
| | | | 6,121.89 | 2,631,835.87 | 429.91 | 2,001,663.95 |
| 1 | Labr | 17 May 2017 - 16 May 2023 | 291.56 | 158,412.10 | 1,103.28 | 152,583.80 |
| 1 | Labr | Costs re-apportioned from Objectives 2&3 | 37.25 | 19,939.33 | 535.28 | - |
| 1 | Labr | 17 May 2023 - 16 November 2023 | - | - | - | - |
| | | | 328.81 | 178,351.43 | 542.41 | 152,583.80 |
| Objective 1 total | | | 6,450.70 | 2,810,187.30 | 435.64 | 2,154,247.75 |
| 2&3 | Evelyn | 17 May 2017 - 16 May 2023 | 1,879.27 | 785,342.21 | 1,012.30 | 150,148.75 |
| 2&3 | Evelyn | Costs re-apportioned from Objectives 2&3 | (735.59) | (286,519.56) | 389.51 | - |
| 2&3 | Evelyn | 17 May 2023 - 16 November 2023 | 51.60 | 30,753.03 | 595.99 | - |
| | | | 1,195.28 | 529,575.68 | 443.06 | 150,148.75 |
| 2&3 | Labr | 17 May 2017 - 16 May 2023 | 153.25 | 76,562.10 | 880.51 | 18,932.15 |
| 2&3 | Labr | Costs re-apportioned from Objectives 2&3 | (37.25) | (19,939.33) | 535.28 | - |
| 2&3 | Labr | 17 May 2023 - 16 November 2023 | 3.04 | 1,240.70 | 408.13 | - |
| | | | 119.04 | 57,863.47 | 486.08 | 18,932.15 |
| Objectives 2&3 total | | | 1,314.32 | 587,439.15 | 446.95 | 169,080.90 |
| Total time costs incurred | | | 7,765.02 | 3,397,626.45 | 437.56 | 2,323,328.65 |

Note: costs incurred are shown net of VAT

Objective 1 – Evelyn Partners LLP's time costs from 17 May 2017 to 16 November 2023

| Classification of work function | Hours | | | | | Total hours | Time cost | Average hourly rate |
|---|--------------------|--------------------|----------------------------|--------------------------|----------------------------|----------------|-----------------------|---------------------|
| | Partner / Director | Associate director | Manager/ Assistant Manager | Other professional staff | Assistants & support staff | | | |
| Reconciliation of Client Assets | | | | | | | | |
| CASS reconcillation to establish client holdings | 190.6 | 24.6 | 303.2 | 164.3 | 4.0 | 686.7 | £ 278,694.15 | £ 405.86 |
| Identification of asset holdings | | | | | | | | |
| Identification of assets & liaison with sub-custodians | 39.9 | 6.0 | 176.8 | 47.5 | - | 270.2 | £ 99,512.75 | £ 368.36 |
| Reconciling 3rd party records to Client Records | 3.0 | - | 35.4 | 8.5 | - | 46.8 | £ 16,848.04 | £ 359.75 |
| Ascertaining shortfalls in client assets | 8.0 | 0.5 | 8.1 | 2.5 | - | 19.1 | £ 8,708.50 | £ 457.14 |
| Attributing shortfalls in client assets | - | - | 10.5 | - | - | 10.5 | £ 4,777.50 | £ 455.00 |
| Recovery and realisation of client assets | | | | | | | | |
| Recovery and safeguarding of client assets | 50.4 | 34.2 | 246.0 | 39.1 | - | 369.6 | £ 166,492.04 | £ 450.47 |
| Reconciling post pooling client receipts | 0.3 | 22.8 | 106.0 | 30.3 | - | 159.5 | £ 62,783.49 | £ 393.67 |
| Reconciling and verifying asset holdings | 5.8 | - | 11.1 | 5.4 | - | 22.3 | £ 9,259.50 | £ 416.16 |
| Client Specific matters | | | | | | | | |
| Objective 2 tasks necessary to achieve objective 1 | 48.2 | 59.5 | 208.2 | 40.4 | 0.5 | 356.7 | £ 165,011.78 | £ 462.58 |
| Agreeing claims and liaising with Clients | 56.8 | 79.9 | 177.5 | 469.9 | 1.3 | 785.3 | £ 288,475.03 | £ 367.34 |
| Distribution of Client Assets, Bar Date & FSCS compensation | 239.5 | 989.6 | 262.7 | 365.0 | 0.3 | 1,856.9 | £ 914,150.28 | £ 492.29 |
| Liasing on client claims with instructed 3rd parties | 8.3 | - | 99.5 | 188.9 | - | 296.7 | £ 105,527.50 | £ 355.67 |
| Preparing statement to each client to agree their position | 102.0 | 108.8 | 252.2 | 23.9 | 3.5 | 490.3 | £ 220,498.00 | £ 449.77 |
| AML/Compliance | | | | | | | | |
| AML - if done post appointment | - | - | 0.3 | - | - | 0.3 | £ 135.00 | £ 450.00 |
| Forensics | | | | | | | | |
| Forensics | - | 2.6 | 1.1 | 11.7 | 0.2 | 15.5 | £ 4,442.75 | £ 286.63 |
| Grand Total | 752.6 | 1,328.4 | 1,898.6 | 1,397.0 | 9.7 | 5,386.3 | £ 2,345,316.31 | £ 435.42 |

Objective 1 – LA Business Recovery Limited's time costs from 17 May 2017 to 16 November 2023

| Classification of work function | HOURS | | | | Total Hours | Time cost | Average Hourly Rate |
|--|---------------|------------|---------------------------------|------------------|-------------|------------|------------------------|
| | Office Holder | IP/Manager | Senior Professional staff | Support Staff | | | |
| Client monies | | | | | | | |
| Client money data access & queries - as part of the CASS reconciliation consideration | 10.50 | 7.20 | 0.00 | 0.00 | 17.70 | 9,480.00 | 535.59 |
| Job planning re: objective 1 matters, reviews & update progress of client money reconciliations | 24.11 | 0.00 | 0.00 | 2.80 | 26.91 | 14,271.60 | 530.35 |
| Reviewing books & records (including electronic data) in relation to client monies | 15.60 | 0.00 | 0.00 | 0.00 | 15.60 | 8,736.00 | 560.00 |
| Update concerning CASS reconciliations of client monies | 1.20 | 0.00 | 0.00 | 0.00 | 1.20 | 672.00 | 560.00 |
| Considerations of potential shortfalls to client monies, reviews of progress of reconciliation | 1.05 | 0.50 | 0.00 | 0.00 | 1.55 | 838.00 | 540.65 |
| Consider data extracted following reconciliations by CASS team on client monies | 3.60 | 1.00 | 0.00 | 0.00 | 4.60 | 2,516.00 | 546.96 |
| Strategy in relation to client money & consider SAR provisions re: client monies | 8.70 | 8.1 | 0.00 | 0.00 | 16.80 | 8,922.00 | 531.07 |
| Discussion with JSAs concerning communication to clients re: assets & monies (apportioned 50/50) | 0.70 | 0.00 | 0.00 | 0.00 | 0.70 | 392.00 | 560.00 |
| Consideration of draft correspondence to clients re: assets & monies (apportioned 50/50) | 0.40 | 0.00 | 0.00 | 0.00 | 0.40 | 224.00 | 560.00 |
| Consideration of the distribution plan and proposed handling of agreement of claims (app. 50/50) | 0.20 | 0.00 | 0.00 | 0.00 | 0.20 | 112.00 | 560.00 |
| Interaction with government bodies & clients re: client money | 2.20 | 0.00 | 0.00 | 0.00 | 2.20 | 1,232.00 | 560.00 |
| Discussions, strategy and correspondence relating to client money | 6.79 | 2.55 | 0.00 | 0.00 | 9.34 | 5,077.40 | 543.62 |
| Considered Gallium correspondence concerning the return of client monies | 1.40 | 0.00 | 0.00 | 0.00 | 1.40 | 784.00 | 560.00 |
| Stat. meetings & prep. re: proposals & committee meetings - apportioned to client monies | 9.80 | 0.00 | 0.00 | 0.00 | 9.80 | 5,488.00 | 560.00 |
| Consider correspondence re: client claim notification | 1.75 | 0.00 | 0.00 | 0.00 | 1.75 | 980.00 | 560.00 |
| Consider client money schedules & the agreement of claims (apportioned 50/50) | 3.05 | 1.25 | 0.00 | 0.00 | 4.30 | 2,333.00 | 542.56 |
| Consider the drafts of the distribution plan | 3.75 | 0.00 | 0.00 | 0.00 | 3.75 | 2,100.00 | 560.00 |
| Committee Meeting to approve Distribution Plan (apportioned 50/50) | 0.35 | 0.00 | 0.00 | 0.00 | 0.35 | 196.00 | 560.00 |
| Consideration of the FSCS' compensation deed (apportioned to Client Monies) | 1.00 | 0.00 | 0.00 | 0.00 | 1.00 | 560.00 | 560.00 |
| JSA email re: exchanges had between authorities since distribution plan approved & specific review | 0.64 | 0.00 | 0.00 | 0.00 | 0.64 | 358.40 | 560.00 |
| Consider the progress report element concerning the partial return of client money | 1.11 | 0.00 | 0.00 | 0.00 | 1.11 | 621.60 | 560.00 |
| Consider the shortfall due on management fees owed from client assets position in the progress report | 0.40 | 0.00 | 0.00 | 0.00 | 0.40 | 224.00 | 560.00 |
| Consider the estimated outcome statement in the progress report to clients | 0.38 | 0.00 | 0.00 | 0.00 | 0.38 | 212.80 | 560.00 |
| | | | | | | | |
| Custody assets | | | | | | | |
| Bond Investments / Instruments - considering identity on how held | 5.00 | 4.50 | 0.00 | 0.00 | 9.50 | 5,050.00 | 531.58 |
| Fund Investments - consideration of how held | 0.10 | 2.00 | 0.00 | 0.00 | 2.10 | 1,056.00 | 502.86 |
| Meetings with former officers & FSCS re: custody assets, identifying, reviewing | 3.00 | 2.00 | 0.00 | 0.00 | 5.00 | 2,680.00 | 536.00 |
| Internal JSA strategy discussions & correspondence concerning custody assets | 2.61 | 0.35 | 0.00 | 0.00 | 2.96 | 1,636.60 | 2517.85 |
| Strategy in relation to distributions & consider SAR provisions | 7.72 | 5.6 | 0.00 | 0.00 | 13.32 | 7,123.20 | 534.77 |
| Client interaction & handling correspondence re: custody assets | 0.70 | 0.00 | 0.00 | 0.00 | 0.70 | 392.00 | 560.00 |
| Consider recovery of assets of Fund Investments from 3rd Parties | 0.20 | 0.00 | 0.00 | 0.00 | 0.20 | 112.00 | 560.00 |
| Consider recovery of Bond Investments from 3rd Parties | 0.20 | 0.00 | 0.00 | 0.00 | 0.20 | 112.00 | 560.00 |
| Discussions & meetings with key personnel & FSCS re: custody assets | 11.68 | 11.40 | 0.00 | 0.00 | 23.08 | 12,240.80 | 530.36 |
| Consideration of the draft updates given to the FSCS & the FCA - apportioned to client assets | 5.60 | 1.00 | 0.00 | 0.00 | 6.60 | 3,636.00 | 550.91 |
| Consider client asset schedules & the agreement of claims (apportioned 50/50) | 3.05 | 0.00 | 1.25 | 0.00 | 4.30 | 2,333.00 | 542.56 |
| Strategy and liaison with legal advisers in relation to the bond information | 9.30 | 0.00 | 0.00 | 0.00 | 9.30 | 5,208.00 | 560.00 |
| Correspondence & review re: OWG bond reconciliations & coupon matters | 15.50 | 0.00 | 0.00 | 0.00 | 15.50 | 8,680.00 | 560.00 |
| Correspondence & consideration re: OWG series D bond position - legal matters | 16.12 | 5.95 | 0.00 | 0.00 | 22.07 | 12,002.20 | 543.82 |
| Consider legal advice & correspondence concerning the OWG & JSA responses | 10.60 | 2.5 | 0.00 | 0.00 | 13.10 | 7,186.00 | 548.55 |
| Stat. meetings & prep. re: proposals & committee meetings - apportioned to custody assets | 9.80 | 3.45 | 1.50 | 0.00 | 14.75 | 7,625.50 | 516.98 |
| Discussion with JSAs concerning communication to clients re: assets & monies (apportioned 50/50) | 0.70 | 0.00 | 0.00 | 0.00 | 0.70 | 392.00 | 560.00 |
| Consideration of draft correspondence to clients re: assets & monies (apportioned 50/50) | 0.40 | 0.00 | 0.00 | 0.00 | 0.40 | 224.00 | 560.00 |
| Consideration of the distribution plan and proposed handling of agreement of claims (app. 50/50) | 0.20 | 0.00 | 0.00 | 0.00 | 0.20 | 112.00 | 560.00 |
| Consider the drafts of the distribution plan / comparison amendments | 15.55 | 0.00 | 0.00 | 0.00 | 15.55 | 8,708.00 | 560.00 |
| Committee Meeting to approve Distribution Plan (apportioned 50/50) | 0.35 | 0.00 | 0.00 | 0.00 | 0.35 | 196.00 | 560.00 |
| Discussion with JSAs & updates concerning the distribution plan | 0.60 | 0.00 | 0.00 | 0.00 | 0.60 | 336.00 | 560.00 |
| Consideration of the FSCS' compensation deed (apportioned to Client Assets) | 3.60 | 0.00 | 0.00 | 0.00 | 3.60 | 2,016.00 | 560.00 |
| Consider correspondence received from FSCS re: OWG investment | 0.23 | 0.00 | 0.00 | 0.00 | 0.23 | 128.80 | 560.00 |
| JSA email re: exchanges had between authorities since distribution plan approved & specific review | 0.64 | 0.00 | 0.00 | 0.00 | 0.64 | 358.40 | 560.00 |
| Consider the progress report schedule concerning the return of custody assets (apportioned 50/50) | 3.68 | 0.00 | 0.00 | 0.00 | 3.68 | 2,060.80 | 560.00 |
| Consider the shortfall due on management fees owed from client assets position in the progress report | 0.40 | 0.00 | 0.00 | 0.00 | 0.40 | 224.00 | 560.00 |
| Consider the estimated outcome statement in the progress report to clients (apportioned equally between class of client assets) | 0.38 | 0.00 | 0.00 | 0.00 | 0.38 | 212.80 | 560.00 |
| | | | | | | | |
| Total Client Assets and Client Monies Time Costs | 226.59 | 59.35 | 2.75 | 2.80 | 291.49 | 158,372.90 | 543.33 |

Objectives 2 & 3 – Evelyn Partners LLP's time costs from 17 May 2017 to 16 November 2023

| Classification of work function | Partner / Director | Associate director | Hours | | | Total hours | Time cost | Average hourly rate |
|---------------------------------------|--------------------|--------------------|----------------------------|--------------------------|----------------------------|-------------|--------------|---------------------|
| | | | Manager/ Assistant Manager | Other professional staff | Assistants & support staff | | | |
| Administration and planning | | | | | | | | |
| Statutory returns, reports & meeting: | 52.2 | 263.9 | 99.4 | 89.3 | 4.0 | 508.7 | £ 257,190.28 | £ 505.58 |
| Notification of appointment | 5.5 | 5.0 | 9.1 | 3.4 | 0.5 | 23.5 | £ 10,460.50 | £ 446.06 |
| Cashiering & bonding | 3.0 | 5.1 | 14.0 | 12.6 | 0.5 | 35.2 | £ 15,637.52 | £ 444.05 |
| Post-appointment taxation | 14.5 | 15.5 | 53.9 | 39.7 | - | 123.7 | £ 56,398.31 | £ 456.11 |
| Protection of company records | - | 2.0 | 12.9 | 16.0 | - | 30.9 | £ 11,620.00 | £ 376.05 |
| Insurance & asset protection | 2.1 | 6.0 | 52.3 | 15.6 | - | 75.9 | £ 33,228.00 | £ 438.08 |
| Company searches | - | 0.5 | - | - | - | 0.5 | £ 262.50 | £ 525.00 |
| Correspondence with JSA | 6.8 | 5.5 | 34.1 | 4.2 | - | 50.5 | £ 23,305.25 | £ 461.49 |
| Filing & information management | - | 2.0 | 1.0 | 50.4 | - | 53.3 | £ 12,334.16 | £ 231.27 |
| Planning, reviews & progression | 18.5 | 12.9 | 53.4 | 35.1 | - | 119.7 | £ 53,943.98 | £ 450.53 |
| Travelling | 1.0 | - | 3.1 | 1.1 | - | 5.2 | £ 2,241.00 | £ 435.15 |
| Agents and advisers, general | 0.5 | 1.3 | 15.7 | 1.0 | - | 18.4 | £ 8,007.50 | £ 435.19 |
| Investigations | | | | | | | | |
| Directors' correspondence | 4.2 | 1.5 | 8.8 | 5.9 | - | 20.3 | £ 8,744.75 | £ 431.84 |
| Creditor & shareholder complaints | 1.7 | 3.5 | - | - | - | 5.2 | £ 2,942.50 | £ 565.87 |
| Review of Company records | - | - | 18.1 | 12.0 | - | 30.0 | £ 11,781.75 | £ 392.73 |
| SIP2 & CDDA obligations | 0.2 | - | 16.9 | 6.2 | - | 23.2 | £ 9,295.00 | £ 400.65 |
| Asset tracing | - | - | - | 0.3 | - | 0.3 | £ 87.00 | £ 290.00 |
| Enquiries of directors & advisers | 8.6 | 6.0 | 46.4 | 0.7 | - | 61.6 | £ 28,269.75 | £ 458.92 |
| Realisation of assets | | | | | | | | |
| Other chattel assets | 0.7 | - | 0.7 | 3.4 | - | 4.8 | £ 1,710.75 | £ 360.16 |
| Consideration of sale of business | 1.2 | 2.5 | 0.8 | 0.6 | - | 5.0 | £ 2,374.25 | £ 479.65 |
| Cash at Bank | 0.6 | - | - | 1.8 | - | 2.4 | £ 992.50 | £ 422.34 |
| Other | - | - | 2.6 | - | - | 2.6 | £ 1,160.25 | £ 455.00 |
| Creditors | | | | | | | | |
| Employee claims | - | - | 1.5 | 7.0 | - | 8.5 | £ 2,732.25 | £ 323.34 |
| Unsecured creditors | 9.8 | 0.5 | 35.1 | 16.1 | - | 61.5 | £ 27,185.75 | £ 442.04 |
| Creditors' committee | 12.0 | 4.0 | 33.5 | 15.0 | - | 64.5 | £ 29,154.75 | £ 452.36 |
| Distributions to creditors | 0.4 | - | - | - | - | 0.4 | £ 260.00 | £ 650.00 |
| Client Communications | 4.0 | 0.5 | 83.5 | 293.6 | - | 381.5 | £ 124,004.15 | £ 325.04 |
| Objective 2 activities | | | | | | | | |
| Liaison with regulatory bodies | 4.0 | 6.8 | 78.3 | 45.7 | 0.3 | 134.9 | £ 53,196.35 | £ 394.34 |
| Pursuing insurance claims | 0.8 | - | 29.7 | 15.7 | - | 46.2 | £ 18,933.50 | £ 409.82 |
| Other | - | - | 5.5 | - | - | 5.5 | £ 2,507.00 | £ 460.00 |
| Shareholders | | | | | | | | |
| Shareholder communications | 0.3 | 0.5 | - | - | - | 0.8 | £ 457.50 | £ 571.88 |
| Forensics | | | | | | | | |
| Forensics | - | - | 4.4 | 22.4 | - | 26.8 | £ 5,676.50 | £ 212.21 |
| Grand Total | 152.3 | 345.4 | 713.9 | 714.2 | 5.2 | 1,930.9 | £ 816,095.24 | £ 422.64 |

Objectives 2 & 3 – LA Business Recovery Limited's time costs from 17 May 2017 to 16 November 2023

| Classification of work function | HOURS | | | | Total Hours | Time cost | Average Hourly Rate |
|--|------------------|--------------|---------------------------|---------------|---------------|------------------|---------------------|
| | IP/Office Holder | IP/Manager | Senior Professional staff | Support Staff | | | |
| <u>Objectives 2&3 - General Insolvency Matters</u> | | | | | | | |
| Administrative Setup | 3.20 | 0.00 | 0.00 | 0.00 | 3.20 | 1,792.00 | 560.00 |
| Case Planning | 8.80 | 1.70 | 0.00 | 0.00 | 10.50 | 5,778.00 | 550.29 |
| Maintenance of Records, files and correspondence | 7.80 | 2.20 | 0.10 | 0.00 | 10.10 | 5432.50 | 530.00 |
| Appointment Notification | 0.50 | 0.00 | 0.00 | 0.00 | 0.50 | 280.00 | 560.00 |
| Case reviews | 2.41 | 0.00 | 0.62 | 0.00 | 3.03 | 1,519.30 | 501.42 |
| VAT queries & legal advice considered | 3.00 | 0.00 | 0.00 | 0.00 | 3.00 | 1,680.00 | 560.00 |
| Reviewing company records | 14.05 | 0.00 | 0.00 | 0.00 | 14.05 | 7,868.00 | 560.00 |
| Director interviews, conduct reporting and reviewing responses from directors | 7.44 | 0.00 | 0.00 | 0.00 | 7.44 | 4,166.40 | 560.00 |
| Considering and reviewing company data & records | 4.10 | 0.00 | 0.00 | 0.00 | 4.10 | 2,296.00 | 560.00 |
| Consideration of pre-appointment transactions; investigations into related parties | 1.90 | 0.00 | 0.00 | 0.00 | 1.90 | 1,064.00 | 560.00 |
| Communications with company creditors | 1.00 | 0.00 | 0.30 | 0.00 | 1.30 | 642.50 | 494.23 |
| Internal conference call updates - general steps and bar date | 2.40 | 0.60 | 0.00 | 0.00 | 3.00 | 1,644.00 | 548.00 |
| Consider draft progress reports to creditors (apportioned to company) | 26.64 | 0.00 | 21.81 | 0.00 | 48.45 | 19,675.45 | 406.10 |
| Statutory progress reports to creditors & initial meeting of creditors | 13.05 | 0.00 | 1.50 | 0.00 | 14.55 | 7,720.50 | 530.62 |
| Committee Meeting | 0.35 | 0.00 | 0.00 | 0.00 | 0.35 | 196.00 | 560.00 |
| JSAs' internal updates | 1.12 | 0.00 | 0.35 | 0.00 | 1.47 | 723.45 | 492.14 |
| | | | | | | | |
| <u>Objective 2 - FCA - in support of Objective 1</u> | | | | | | | |
| Communications/discussions with FCA | 0.60 | 1.15 | 0.00 | 0.00 | 1.75 | 911.00 | 520.00 |
| Consideration re: potential complaint to FCA | 0.18 | 0.00 | 0.00 | 0.00 | 0.18 | 100.80 | 560.00 |
| Consider the email request for information from Holden Chambers and Elite Chambers | 0.13 | 0.00 | 0.00 | 0.00 | 0.13 | 72.80 | 560.00 |
| <u>Objective 2 - FSCS - in support of Objective 1</u> | | | | | | | |
| Communications, discussions and meetings with FSCS | 1.00 | 2.00 | 0.00 | 0.00 | 3.00 | 1,560.00 | 520.00 |
| Compensation Deed organisation | 0.00 | 0.00 | 0.00 | 0.30 | 0.30 | 82.50 | 275.00 |
| <u>Company work re: Client Assets - in support of Objective 1</u> | | | | | | | |
| On-going consideration of corresp. with OWG (coupon); obj 2 & 3, reviews | 12.20 | 2.80 | 0.00 | 0.00 | 15.00 | 8,232.00 | 548.80 |
| General file administration | 0.00 | 0.00 | 0.00 | 4.48 | 4.48 | 1,232.00 | 275.00 |
| Consider internal JSA progress update | 0.13 | 0.00 | 0.00 | 0.00 | 0.13 | 72.80 | 560.00 |
| <u>Company Work re: Client Monies</u> | | | | | | | |
| Review of the amended distribution plan (apportioned 50/50) | 0.46 | 0.00 | 0.00 | 0.00 | 0.46 | 257.60 | 560.00 |
| <u>Company Work re: Client Assets</u> | | | | | | | |
| Review of the amended distribution plan (apportioned 50/50) | 0.46 | 0.00 | 0.00 | 0.00 | 0.46 | 257.60 | 560.00 |
| | | | | | | | |
| Total time costs | 112.92 | 10.45 | 24.68 | 4.78 | 152.83 | 75,257.20 | 492.42 |

VI Staffing, charging, subcontractor, and adviser policies and charge out rates

Introduction

Detailed below are policies in relation to staff allocation, the use of professional advisers and disbursement recovery, which are common to both Evelyn Partners LLP and LA Business Recovery Limited.

Also shown are charge out rates for the period applicable to the period of this report for both firms.

Staff allocation

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add value to the assignment.

Expenses and Disbursements

Category 1 expenses do not require approval by creditors. The type of disbursements that may be charged as a Category 1 expense to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are expenses which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Details of any Category 2 expenses incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

The rates applicable to this period are set out below. Rate changes were applied with effect from 1 July 2022, details of which can be found in the tables below:

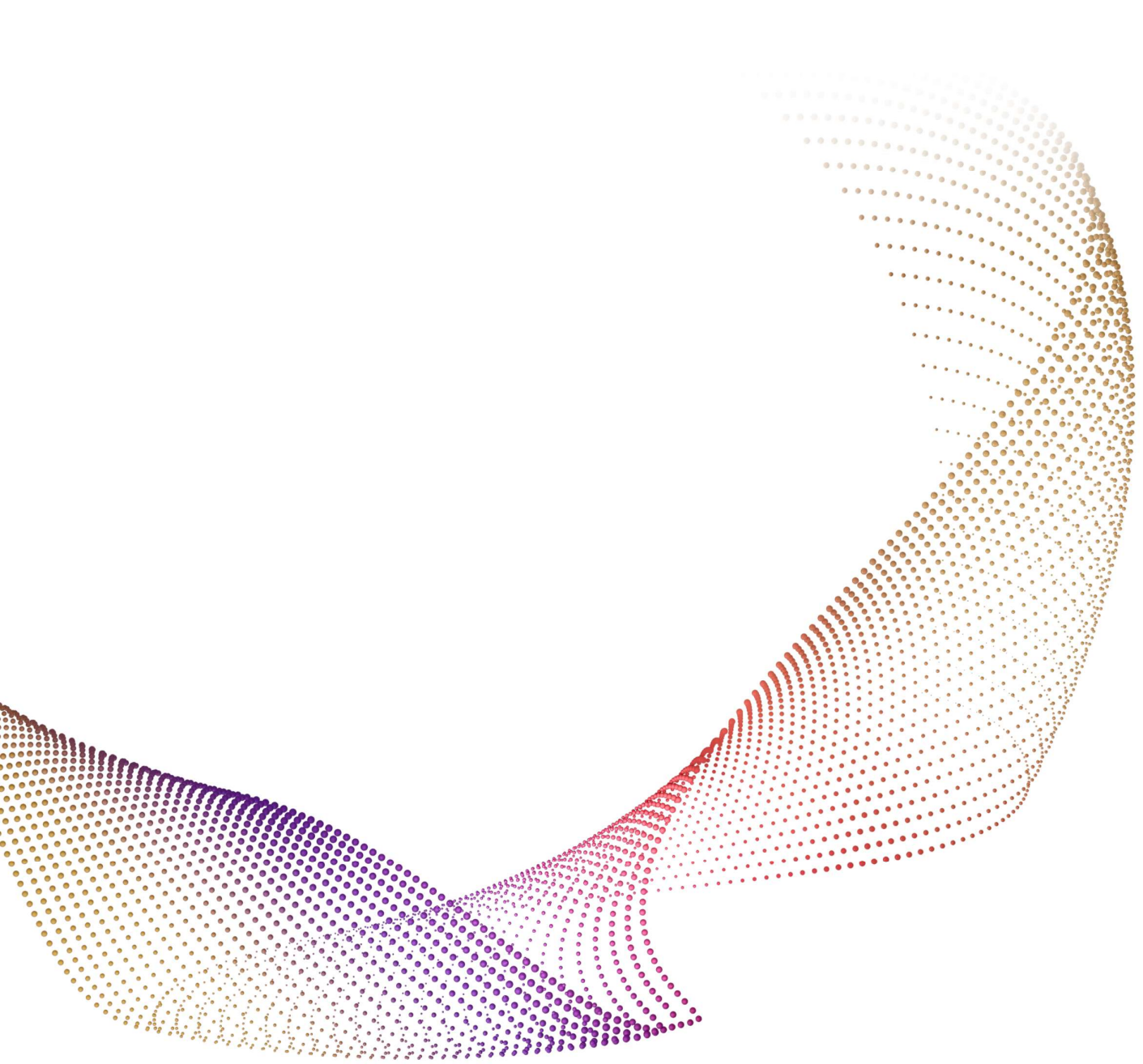
| Evelyn Partners LLP | Restructuring & Recovery Services |
|-------------------------------|--|
| Charge out rates | From 1 January 2023 |
| | £/hr |
| Partner | 835 - 885 |
| Director / Associate Director | 560 - 750 |
| Managers | 350 - 620 |
| Other professional staff | 210 - 360 |
| Support & secretarial staff | 120 - 140 |

| Evelyn Partners LLP | Business Tax |
|-------------------------------|----------------------------|
| Charge out rates | From 1 January 2023 |
| | £/hr |
| Director / Associate Director | 505 |
| Other professional staff | 145-170 |

| LA Business Recovery Ltd | £/hr |
|---------------------------------|-------------|
| Managers | 560 |
| Senior Professional Staff | 275 |

Notes:

- Evelyn Partners LLP recorded time in units representing three minutes until 31 July 2020 time. From 1 August 2020 time is recorded in 1 minute units or multiples thereof.
- Partner includes a Consultant acting as an office-holder or in an equivalent role. The word partner is used to refer to a member of Evelyn Partners LLP. A list of members is available at the registered office
- LA Business Recovery Limited records time in units representing 6 minutes or multiples thereof



www.evelynpartners.com

Principal offices: London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Jersey, Salisbury, and Southampton.

Evelyn Partners LLP is regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities and is registered in England at 45 Gresham Street, London, EC2V 7BG. No. OC 369631.

CLA Evelyn Partners Limited is registered to carry on audit work and regulated by the Institute of Chartered Accountants in England and Wales for a range of Investment business activities.

evelyn
PARTNERS