In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10

Notice of administrator's progress report

Companies House

WEDNESDAY

A8CTZSXE
A13 28/08/2019 #183
COMPANIES HOUSE

1 Company details

Company number	0 8 1 4 0 3 1 2
Company name in full	London Capital & Finance Plc

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

2 Administrator's name

Full forename(s)	Finbarr Thomas
Surname	O'Connell

3 Administrator's address

Building name/number	25 Moorgate
Street	London
Post town	EC2R 6AY
County/Region	
Postcode	
Country	

4 Administrator's name ❶

Full forename(s)	Adam Henry
Surname	Stephens

❶ **Other administrator**
Use this section to tell us about another administrator.

5 Administrator's address ❷

Building name/number	25 Moorgate
Street	London
Post town	EC2R 6AY
County/Region	
Postcode	
Country	

❷ **Other administrator**
Use this section to tell us about another administrator.

AM10
Notice of administrator's progress report

6 Period of progress report

From date	d 3 d 0	m 0 m 1	y 2 y 0 y 1 y 9
To date	d 2 d 9	m 0 m 7	y 2 y 0 y 1 y 9

7 Progress report

☑ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X	X
Signature date	d 2 d 7	m 0 m 8	y 2 y 0 y 1 y 9

Continuation page

Name and address of insolvency practitioner

What this form is for
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ❶
Use extra copies to tell us of additional insolvency practitioners.

What this form is NOT for
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

Filling in this form
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☑ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)	Colin
Surname	Hardman

3 Insolvency practitioner's address

Building name/number	25 Moorgate
Street	London
Post town	EC2R 6AY
County/Region	
Postcode	
Country	

AM10
Notice of administrator's progress report

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name: Camilla Mulholland

Company name: Smith & Williamson LLP

Address: 25 Moorgate
London

Post town: EC2R 6AY

County/Region:

Postcode:

Country:

DX: 119507 Finsbury Square EC2

Telephone: 020 7131 4000

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Continuation page

Name and address of insolvency practitioner

What this form is for
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form.[1]
Use extra copies to tell us of additional insolvency practitioners.

What this form is NOT for
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

Filling in this form
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☑ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

[1] You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)	Henry Anthony
Surname	Shinners

3 Insolvency practitioner's address

Building name/number	25 Moorgate
Street	London
Post town	EC2R 6AY
County/Region	
Postcode	
Country	

London Capital & Finance Plc
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 30/01/2019 To 29/07/2019 £	From 30/01/2019 To 29/07/2019 £
	ASSET REALISATIONS		
	Bank Interest Gross	3,709.09	3,709.09
	Cash at bank	3,657,283.95	3,657,283.95
	Insurance Refund	7,902.72	7,902.72
	Loan Accounts	100,383.28	100,383.28
		3,769,279.04	3,769,279.04
	COST OF REALISATIONS		
	Agents/Valuers Expenses	1,750.53	1,750.53
	Agents/Valuers Fees (1)	107,881.98	107,881.98
	Bank Charges	46.98	46.98
	Comittee Expenses	2,248.97	2,248.97
	Consultant expenses	574.90	574.90
	Insurance	6,994.42	6,994.42
	Internet & Telephone Costs	61,372.28	61,372 28
	Irrecoverable VAT	179,240 09	179,240.09
	Legal Expenses	48,965.27	48,965.27
	Legal Fees (1)	564,297.00	564,297.00
	Meeting costs	3,215.17	3,215 17
	Other Property Expenses	237.50	237.50
	PAYE & NI	245.73	245.73
	Pension contributions	822.80	822.80
	Petitioners Deposit	1,891.00	1,891.00
	Professional Expenses	750.00	750.00
	Professional Fees	75,565.00	75,565.00
	Rates	1,107.02	1,107.02
	Re-Direction of Mail	490.00	490.00
	Rents Payable	1,666.66	1,666.66
	Stationery & Postage	18,133.31	18,133.31
	Statutory Advertising	169.00	169.00
	Storage Costs	2,106.00	2,106.00
	Wages & Salaries	12,753.98	12,753.98
		(1,092,525.59)	(1,092,525.59)
		2,676,753.45	**2,676,753.45**
	REPRESENTED BY		
	Clients Deposit (Interest Bearing)		2,676,753.45
			2,676,753.45

Note:

Smith & Williamson

London Capital & Finance Plc (in administration)

Joint administrators' progress report for the period from 30 January 2019 to 29 July 2019

27 August 2019

Contents

1.	Glossary	1
2.	Introduction & Summary	2
3.	Progress of the administration	3
4.	Investigations	9
5.	Pre-administration costs	11
6.	Administrators' remuneration	11
7.	Administration expenses	12
8.	Estimated outcome for creditors	16
9.	Outstanding matters	18
10.	Privacy and data protection	19
11.	Ending the administration	19
12.	Creditors' rights	20
13.	Next report	20

Appendices

I	Statutory information	22
II	Group Structure Diagram	23
III	Borrower Schedule	24
IV	Receipts and payments account	25
V	Time analysis for the period	28
VI	Fee Estimate	38
VII	Staffing, charging, subcontractor and adviser policies and charge out rates	38

1. Glossary

Abbreviation	Description
the Company/LCF	London Capital & Finance Plc
the administrators/joint administrators	Finbarr Thomas O'Connell, Adam Henry Stephens, Henry Anthony Shinners and Colin Hardman
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
SOA	Statement of Affairs
ETR	Estimated to realise
HMRC	HM Revenue & Customs
the Landlord	The Marquess of Abergavenny
QFCH	Qualifying Floating Charge Holder - a secured creditor who has the power to appoint an administrator
RPS	Redundancy Payments Service
FSCS	Financial Services Compensation Scheme
S&WFS	Smith & Williamson Financial Services Limited
FCA	Financial Conduct Authority
SFO	Serious Fraud Office
SURGE	SURGE Financial Limited
LOG	London Oil & Gas Limited (in administration)

2. Introduction & Summary

This report provides an update on the progress in the administration of the Company for the six month period ended 29 July 2019. It should be read in conjunction with the joint administrators' Proposals dated 25 March 2019. By way of reminder, we, Finbarr Thomas O'Connell, Adam Henry Stephens, Henry Anthony Shinners and Colin Hardman of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed administrators of the Company on 30 January 2019.

- The Company effectively ceased to trade in December 2018, following the intervention of the FCA, which had concerns over how LCF was conducting its business.

- We were appointed joint administrators of the Company by the directors and with the consent of the QFCH, being the security trustee, Global Security Trustees Limited ("GST").

- There is a registered fixed and floating charge debenture over the assets of the Company held on trust, on behalf of the Bondholders, by GST. The Bondholders, therefore, are secured creditors of the Company. The Bondholders' claims total c.£237m.

- Objective 3(1)(b) of Sch B1 is currently being pursued, namely to achieve a better result for the creditors, which mostly represents the Bondholders, than would have been the case had the Company been wound up (without first being in administration).

- **The Administrators currently estimate a return to the Bondholders from the assets of the Company of as low as 25% of their investment. This is explained further in the body of this report.**

- The vast majority of the Company's assets are the loans made to a number of borrowers; details of which can be found at section 3.1 of this report. As at 30 January 2019, the outstanding loan book balance is calculated to be £237m and is continuing to accrue interest.

- The administrators' main finding on the recoverability of the loan book, is that the borrowers do not appear to have sufficient assets with which to fully repay the Company. An update on the position of each loan (and the position on the onward lending by some borrowers, if applicable) is provided at section 3 of this report.

- A creditors' meeting was held on 24 April 2019 by the joint administrators, having received sufficient creditor requests, following the issue of a Decision Procedure with the Proposals. The meeting was adjourned to 8 May 2019 to allow for the casting of votes for the proposed members of a Creditors' Committee.

- The Creditors' Committee was duly constituted and the first formal Committee meeting was held on 20 May 2019. Further meetings have taken place on 12 June, 2 July and 13 July 2019.

- Approval for the joint administrators' fees will be sought from the Creditors' Committee in due course. The joint administrators have not drawn any remuneration to date.

- The level of complexity of this case, particularly in respect of the lending of c.£237m and ascertaining how those funds were then utilised by the borrowers and others, means that this case is expected to last a number of years before the officeholders have finalised their investigations.

- The scale of the current financial loss to the Company, and subsequently to the Bondholders, and the sheer number of entities and individuals who have benefitted from the investments made by the Bondholders, means that this case has inevitably involved (and will continue to involve) considerable time and expertise in unravelling numerous complex transactions.

- The principle duty of the administrators is to maximise recoveries to the estate, for the benefit of the Bondholders, which has been, and continues to be our primary focus.

3. Progress of the administration

Attached at Appendix IV is our receipts and payments account for the period from 30 January 2019 to 29 July 2019.

There is no available comparison with the director's SOA values, as the director has yet to comply with the administrators' formal request to deliver a SOA. In the Proposals dated 25 March 2019, the administrators provided an estimated financial position of the Company as at 30 January 2019.

The principal director of the Company is Michael Andrew Thomson (occasionally known as Andy Thompson). Mr Thomson claims through his various solicitors to be too unwell to attend on the administrators. This has been the position since late February 2019. The other directors of the Company do not have sufficient knowledge of the Company's affairs to fulfil the directors' legal responsibilities to compile a SOA.

3.1 Loans to borrowers

The following table sets out the loans made to each borrower:

Borrower	Amount due as at 30 January 2019 (£)
London Oil & Gas Limited (in administration)	124,083,128
LPE Support Limited	18,460,382
Cape Verde Support Limited	7,268,038
CV Resorts Limited	4,796,834
Waterside Villages Limited	15,733,152
Waterside Support Limited	5,084,345
Costa Support Limited	6,603,543
Costa Property Holdings Limited	20,872,447
Colina Support Limited	5,654,890
Colina Property Holdings	16,196,319
FS Equestrian Services Limited	12,261,270
London Financial Group Limited (in liquidation)	839,776
Total	**237,854,124**

It should be noted that the £237m loaned to the borrowers includes the commission of 25% subsequently paid over to SURGE, therefore the actual cash received by the borrowers is net of this commission and other finance costs applied and so, in most cases, borrowers have only received cash of a maximum of 75% of the gross loan.

These loans can be further consolidated into only four controlling groups/entities:

Controlling groups/ entities	Amount due as at 30 January 2019 (£)
London Group LLP	£154.6 million
(London Oil & Gas Limited, LPE Support Limited, Cape Verde Support Limited and CV Resorts Limited)	
Prime Resort Development Limited	£70.1 million
(Waterside Villages Limited, Waterside Support Limited, Costa Support Limited, Costa Property Holdings Limited, Colina Support Limited and Colina Property Holdings Limited)	
FS Equestrian Services Limited	£12.3 million
London Financial Group Limited	£0.8 million

All of the above loans from LCF have been secured by way of debenture security with the exception of the loan to London Financial Group Limited which is unsecured.

Update on London Group LLP

The following events have occurred in respect of London Group LLP since our Proposals:

- Due to the timely intervention of LOG's administrators, London Group LLP ("the LLP"), the ultimate parent company of the entities listed above, had a notice to strike-off discontinued in February 2019. The financial records of the LLP indicate that LOG has lent £32.6m to the LLP. The joint administrators of LOG (and therefore the administrators of LCF) are not aware of the purpose of this advance/loan as they have not had sight of any loan documentation. The designated members of London Group LLP are currently Elten Barker and Simon Hume-Kendall.

- Mr Edwin Kirker, an insolvency practitioner, was appointed as administrator of Asset Mapping Limited on 18 April 2019. The administration of Asset Mapping has subsequently converted to a creditors' voluntary liquidation as of 24 July 2019.

- Mr Kirker was also appointed as administrator of London Power Corporation Ltd ("LPC") on 4 April 2019. LPC's financial records indicate that LOG on-lent £6.7m of Bondholder money to LPC.

- The joint administrators are actively assessing and, as necessary, dealing with these developments.

As explained in our Proposals, LOG on-lent £88.8m of the Bondholder money lent by LCF, as follows:

Borrower	Amount due as at 30 January 2019 (£M)
Independent Oil & Gas plc ("IOG")	38.6
p/f Atlantic Petroleum	5.4
LPE Enterprises Ltd (which includes funds transferred on to Asset Mapping Limited of £3m and Intelligent Technology Investments Ltd ("ITI") of £5.3m)	28.2
London Power & Technology Ltd	16.6

We have been informed that approximately £7m of this £88.8m was repaid to LCF, prior to its administration, to enable some repayments to be made to LCF Bondholders. We are continuing to investigate this alleged repayment transaction.

LOG - IOG

As was disclosed in our last report, insolvency practitioners from Smith & Williamson LLP and CMB Partners UK Lmited were appointed administrators of LOG on 18 March 2019, with a view to protecting the Company's investments as detailed above. The largest of these is IOG and a recent press statement released by IOG on 12 August 2019 can be found here: https://www.independentoilandgas.com/news.php

In summary, should the proposed 'farm out' complete (for details click on the 'farm out' hyperlink), the administrators of LOG, following specialist advice, have elected to convert the existing convertible loans into new long-term, unsecured loan notes, some convertible at 8p and some at 19p.

On farm out completion, scheduled for September 2019, IOG will repay in full LOG's non-convertible debt of £16.6m, plus accrued interest. The sale of IOG shares by LOG will be on an orderly market basis and it should be noted that the administrators will not be forced sellers of these shares and will only sell at what is considered to be an optimum occasion based on expert advice.

p/f Atlantic Petroleum (AP)

The main asset of AP is deferred consideration due following the sale of its 25% interest in an oil field to Decipher Energy Limited, which from the information available to the joint administrators, is an unconnected company. We understand that production from the well has commenced and, based on proven reserves, we consider prospects of the loan facility being fully repaid to be high.

LPE Enterprises Limited (LPE)

LPE, which is an immediate subsidiary of TW Private LLP, has a 95% shareholding in Intelligent Technology Investments Ltd (the balance is held by Mr Mark Ingham) and an 80% shareholding in London Artificial Intelligence Limited. We are informed that LPE borrowed £28.2 million from LOG although we are informed that £5 million was repaid back to LOG. Out of the remaining £23.2 million, we understand that £8.3 million was on-lent to Intelligent Technology Investments Ltd (see below) which subsequently on-lent £3 million to Asset Mapping Limited.

We are investigating the unaccounted for amount of £11.9m due from LPE to LOG and will update the Bondholders on our findings in our next report.

Asset Mapping and ITI

An order to place ITI into compulsory liquidation was granted by the court on 12 June 2019, with Finbarr O'Connell and Colin Hardman of Smith & Williamson LLP and Lane Bednash of CMB Partners UK Limited duly appointed as joint liquidators on 5 July 2019.

The joint liquidators of ITI have the necessary powers to be able to fully investigate ITI's affairs and to take steps to recover the £3m that was on-lent by ITI to Asset Mapping Limited. Early indications are positive in respect of the ability to recoup the investments held by LOG in ITI and Asset Mapping Ltd, however, the quantum and timing of any realisations are uncertain at this juncture.

The joint administrators have recently updated the Bondholders on these developments.

London Power & Technology Limited

We previously reported that this lending of £16.6m appeared to be in respect of a redemption of preference shares in London Power Corporation. Our investigations to date suggest that this transaction did not take place and furthermore, there does not appear to be any transaction to support lending of £16.6m.

The joint administrators of LOG continue to investigate the application of the unaccounted for £16.6m and will report their findings in due course.

Cape Verde - Cape Verde Support Limited (CVS) and CV Resorts Limited (CVR) (together, "the Cape Verde Companies")

To summarise the detail provided in our Proposals, the loans to the Cape Verde Companies relate to a part-built resort development on the island of Sal in Cape Verde called the Paradise Beach Resort ("the Resort"). The ultimate parent of both is London Group LLP (whose members are Simon Hume Kendall and Elten

Barker) with the current director being Robert Sedgwick (who replaced Mr Hume-Kendal and Mr Barker). Andy Thomson resigned his directorships of both Cape Verde Companies in 2015.

We have appointed advisers with experience in dealing with foreign leisure developments to assess LCF's interest in the Resort, including Portuguese lawyers (that country being the governing legal jurisdiction for Cape Verde). We and our professional advisers have been in communication with: the owners of the development, Mr Sedgewick and CVR's solicitors in Portugal to gain a better understanding of the loan and whether any valuable security supports it. In our initial discussions with their lawyers we were informed that The Cape Verde Companies do not have legal title to any land in Cape Verde and therefore we have serious concerns over the value of LCF's security over the loans and therefore recoveries for the benefit of Bondholders and creditors.

Our current understanding of the position is as follows.

CVR got involved with the Resort when the previous funder got into difficulty when it fell into dispute with the owner, Paradise Beach Aldeamento Turistico Algodoeiro, S.A. ("PB Turistico"). CVR initially borrowed £1m from LCF and £1m from a third party lender as an initial 'buy-in'. The original valuation of the Resort was for EUR100m however a revaluation provided to CVR brought this down to EUR70m. After signing an Addendum to the agreement in 2015, the property market in Cape Verde took a downturn and became less attractive. As such, the value of the Resort did not seem commercially viable any longer. Negotiations with PB Turistico to revalue the development failed.

In or around 2017, the directors of the Cape Verde Companies at the time - Simon Hume Kendal and Elten Barker - decided to sell the companies that are now owned by Prime Resort Developments Limited (the Prime Companies). These were purchased by Elysian Resorts Group. However, the management of the Prime Companies at the time - Mark Ingram and Thomas MacCartney - did not want to purchase the Cape Verde Companies. As such, they agreed to take on all but £9m worth of the LCF debt that then sat in the Prime Companies. To cover a £9m debt gap, LCF refinanced and took further security over both Cape Verde Companies. We have concerns over how diligent the security review undertaken by LCF was.

The current debt now stands at c.£12 million (including interest). LCF refinanced its £1m original loan and also took on the £1m loan from a third party investor so that LCF was the only entity that held security over the Cape Verde Companies.

The Cape Verde Companies' Portuguese lawyer has informed us that these Companies do not have any registered title on the Resort's land as they have not completed the full purchase of any of the phases that it was contracted to purchase under the contractual agreement with PB Turisitico.

Prior to administration, Andy Thomson had been negotiating with the Cape Verde Companies to rectify the security shortfall or refinance the debt. Unfortunately, those arrangements were never concluded. At the outset of the administration Alex Lee (of Buss Murton) informed us that he was briefed to resolve issues regarding the Cape Verde investment but Mr Lee has subsequently declined to voluntarily assist the joint administrators enquiries.

As the joint administrators understand it, it was initially intended by the London Group to on-sell the CV assets with the assumption of debt (to what is now Prime) but for reasons not yet clear this did not happen.

Our professional advisers continue with their investigations. In the meantime we continue to have serious concerns over the due diligence undertaken by LCF on this borrower (especially the security) and, as a consequence, the recoverability of the loan.

Update on Prime Resort Development Limited ("Prime") LCF is owed money from six companies ("the Prime Companies") which consist of three leisure investments: one in Cornwall (Waterside Resort) and two in the Dominican Republic (Colina and Costa). We understand that each investment consists of a property owning company (the "propco") and a property operating company (the "opco").

Waterside Resort

Waterside Villages Limited (WVL), the propco, comprises a hotel and a series of lodges near Bodmin. We understand from the borrower that the intention is to refurbish, upgrade and expand this resort in the short to medium term. LCF has an all assets debenture from WVL. However, our investigations to date indicate that: (i) LCF has not taken/registered specific legal mortgages over WVL's individual properties; and (ii) WVL has granted a series of leasehold interests out of its property to other parties.

Companies House records suggest security was granted by WVL in favour of TMF Trustee Limited which includes a specific legal mortgage over certain freehold land at Lanivet, Bodmin, PL30 5JS under title number CL53252.

The administrators have appointed valuers to advise on the estimated value of Waterside. Following a visit to the property we have some concerns as to whether its value will prove sufficient to satisfy the 75% loan to value (LTV) covenant under the facility agreement, but we do note that some refurbishment of the central amenity block is evident. We have been provided by the management of Prime with certain limited information on current trading which appears to show Waterside trading un-profitably. It is not known how any losses are being funded. A full understanding of the financial position will inevitably have an impact on our valuation and ultimately our opinion on the recoverability of the loans. Our assessment in this regard is actively ongoing.

We are very concerned that the management of Waterside, which is well aware that the Bondholders are depending on the LCF borrowers and sub-borrowers for their repayment, has made no efforts to engage with the administration to prove to the administrators either the value of the Waterside business or of the value of the security provided to secure the repayment of the debt. The administrators will be continuing to increase the pressure on Waterside's management in this regard.

Update on Dominican Republic: Colina Property Holdings Ltd ("CHPL")/Colina Support Ltd ("CSL") - collectively "Colina" and Costa Property Holdings Ltd ("CPHL2") and Costa Support Ltd ("CSL") - collectively "Costa"

CPHL is the "propco" which owns an inland property in the Dominican Republic. This property is currently a brownfield (undeveloped) site but we understand that the intention is to develop a resort on it.

We are exploring means to clarify CPHL's interests in this property and LCF's rights to the same. The management of CPHL has failed to provide any meaningful information in regards to whether the land has any significant development potential and hence realisable value. The administrators have therefore been obliged to engage local legal counsel to assist with their investigations.

CSL is the "opco" in respect of the inland property in the Dominican Republic.

Similarly, the management of CSL is being totally unhelpful and we currently have no evidence that CSL will be able to pay its debt due to LCF. The administrators will be continuing to increase the pressure on CSL management in this regard.

CPHL2, the propco, owns a coastal property in the Dominican Republic which is currently a brownfield (undeveloped) site and we understand that the intention is to develop a resort there.

We are continuing to explore means to clarify CPHL2's interests in that property and LCF's rights to the same. The management of CPHL2 have failed to provide any meaningful information in regards to whether the land has any significant development potential and hence realisable value. The administrators have therefore been obliged to engage local legal counsel to assist with their investigations.

CSL2, the "opco", was set up to operate the Costa resort. Similarly, the management of CSL2 has been totally unhelpful and we currently have no evidence that CSL2 will be able to pay its debt due to LCF.

In regards to the proposed refinancing of the Prime group, as advised to us in February 2019 by the directors of Prime Resorts Developments Ltd, to our knowledge, there has yet to be any deal done and to date we have had no substantial response to our enquiries to give us any assurance as regards progress towards any refinancing or any useful update from Prime Resorts Developments Ltd with regard to the general financial position of the company. We consider this lack of response to be an example of a default in the terms of the loan agreements between the Prime Companies and LCF. We have instructed property agents to value LCF's security and to advise us how best to realise it.

It is very surprising to the joint administrators that the Prime group is so extraordinarily reluctant to engage and consider this to be either suspicious or naive. The joint administrators are actively working on various matters in relation to the Prime group and associated matters and an update will be reported to Bondholders in due course.

Update on FS Equestrian Services Limited

Since our last report to creditors, we have continued our investigations in order to progress realisation of LCF's assets for the benefit of creditors and Bondholders. In particular, we have requested that Mr Cubitt (the sole director and shareholder of FSE) attend for interview to assist us with our enquiries. We have also requested an

up to date list of all FSEs assets including the stock of horses (which were provided as security by FSE in respect of its borrowing from LCF), the names of such horses, their location and current value.

In addition, we have requested details in relation to the sale of any horses and details of the use put to the proceeds of such sales. To date, Mr Cubitt has not attended voluntarily for interview. We have also yet to receive satisfactory answers to the queries that we have raised. We intend to use the powers available to us as administrators to require Mr Cubitt to assist us with our enquiries. We will consider all our options as regards recovering all assets which belong or belonged to the company and which we would be entitled to recover for the benefit of the Company's creditors, including Bondholders.

Update on London Financial Group

As explained in our proposals, LFG (the immediate parent company of LCF and which Andy Thomson is the sole director and shareholder of) owes LCF £839,775 (plus accruing interest). This debt, which we understand is an unsecured loan (and therefore in conflict with the terms set out in the bondholder prospectus) was in respect of the purchase of a helicopter which was part of a failed finance deal to a U.S. entity.

On 24 May 2019 the administrators served a petition for the winding up of LFG. The company was subsequently wound up on 17 July 2019. It is our intention to be appointed liquidator of the company so that we can realise the assets of the company for the benefit of its creditors, the principle one being LCF. The main asset of the company is a Eurocopter/France AS55N twinstar helicopter which was previously owned by Mr Spencer Golding. We are currently in discussions with the Official Receiver with regard to our appointment as liquidators.

Payments to Individuals

We have previously reported that our investigations indicated that some of LCF's Bondholders' monies flowed through a variety of transactions, which resulted in many millions of pounds of those monies going into the personal possession or control of four named individuals, namely:

- Simon Hume-Kendall
- Elten Barker
- Andy Thomson, and
- Spencer Golding and/ or his related trusts or interests

The administrators had approached all four parties asking them to pay these monies into escrow for the benefit of the LCF Bondholders, to be returned to the parties in the event that the LCF Bondholders receive full repayment from the assets of LCF. Simon Hume-Kendall and Andy Thomson had verbally agreed to this arrangement and legal documents were being drawn up but these have not been finalised. Mr Hume-Kendall continues to engage with the administrators albeit little progress has been achieved in their dealings with him. Mr Thompson, through his lawyers, and notwithstanding his illness, has disputed he ever made such an offer. Spencer Golding and Elten Barker have indicated through their lawyers that the Bondholders should be fully repaid through repayments to LCF from its borrowers. Accordingly, the administrators do not anticipate that Mr Golding or Mr Barker will agree with the proposal to put funds into escrow.

This area continues to be a key focus for the administrators' activities.

3.2 Cash at Bank

On appointment, the joint administrators took custody of £3,657,284. The administrators have paid certain expenses and the balance of funds are being held in an interest-bearing account.

3.3 Other Assets

SIA Group has been engaged as the joint administrators' valuation agents and are working in conjunction with the joint administrators to realise chattel assets of the Company and assets in which the Company holds a financial or proprietary interest.

As at the date of our appointment, the Company owned several vehicles, including a horsebox and these vehicles were sold by private treaty for £202,122. With regard to certain other assets, ownership is subject to review, which will unavoidably delay any sale process. These monies are held by our agents.

The office premises were vacated in March 2019. The furniture and equipment will be sold by our agents and are not expected to generate significant realisations.

3.4 Administration strategy

There have been no changes to the administrators' strategy, as documented in their Proposals dated 25 March 2019, which is to achieve a better result for the LLP's creditors as a whole than would be likely if the LLP were wound up (without first being in administration).

The administrators are continuing to pursue this objective and outstanding matters to be concluded in the administration are set out in section 9 of this report.

4. Investigations

Under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Energy & Industrial Strategy on the conduct of all those persons who were directors at the date the Company entered administration or who held office at any time during the three years immediately preceding the administration.

We have complied with our duty in this regard. As all submissions are strictly confidential we are unable to disclose their content.

Additionally, we have a duty to investigate transactions to establish whether there may be any worth pursuing for the creditors' benefit from, for example, legal proceedings. Shortly after appointment, it became clear that, due to the uncertainties regarding the recoverability of the loans to the borrowers and, specifically, the nature of the investments made by the Company, a detailed forensic assessment was required of matters that might lead to recoveries for the estate and which would indicate what further investigations may be appropriate.

Our investigations to date have involved a large number of entities and individuals, all of whom are relevant to our enquiries in respect of tracing the funds lent by the Company. The flow of funds is complex and the transactions involved are numerous. The joint administrators and their legal advisors have made significant in-roads into understanding the actual movement of funds and the alleged rationale behind those movements and will continue our work in this respect, in order to maximise the chances of recouping monies on behalf of the Bondholders. Undoubtedly, there will be a significant number of legal actions that may be required by the joint administrators to achieve this, over a period of time.

To avoid prejudicing the outcome of potential legal proceedings and for confidentiality reasons, the joint administrators are unable to disclose more specific information at this time to the Bondholders. Whilst the joint administrators recognise that this may be frustrating, it would not be appropriate and would be counter-productive to provide details of their intended strategy or to identify their targets for future actions.

The Creditors Committee, who have been required to enter into Non-Disclosure Agreements, for the aforementioned confidentiality reasons, have been informed in greater detail with regards to the joint administrators' strategy and will be consulted, where appropriate, in respect of intended legal actions.

The Creditors' Committee are the representatives of the Bondholders and Creditors as a whole. One of the two principle functions of the Committee is to act as a sounding board for the joint administrators, as required.

As part of their investigations the joint administrators and their legal advisers have interviewed a number of individuals who are key to their investigations. However, a number of those invited for interview have declined to be interviewed voluntarily. Accordingly, a number of court applications have now been made under sections 235 and 236 of the IA86 to require their attendance before the court and it is likely that a number of further applications will be made to court in the coming weeks. Mr Hume-Kendall has indicated that he will attend voluntarily.

It is unfortunate that the administrators are being required to deal with a concerted and very likely co-ordinated exercise on the part of a number of individuals aimed at frustrating the joint administrators' enquiries, for their own reasons. This approach causes delay and additional expense to the joint administrators' objectives, to the prejudice of Bondholders and so is most unwelcome.

FCA

The joint administrators are continuing to assist the FCA with their formal request to deliver Company information to it and are in regular dialogue with the FCA about a number of matters. Since our last report, it

has been widely publicised that HM Treasury has announced, following a request from the FCA's Board, that there will be an independent investigation into the issues raised by the failure of LCF, with Dame Elizabeth Gloster formally appointed on 10 July 2019 to lead the investigation. To contact the Independent Investigation team, please email IndependentInvestigation.LondonCapitalFinance@fca.org.uk

The latest update, published by the FCA can be found here: https://www.fca.org.uk/transparency/independent-investigation-london-capital-finance

SFO - Operation Axite

As previously reported, the SFO, in conjunction with the FCA, are progressing with an investigation into the association of five individuals associated with LCF, following arrests of those individuals. The latest update in respect of the SFO's investigation can be found here: https://www.sfo.gov.uk/download/letter-to-london-capital-and-finance-plc-investors-15-august-2019/#

The SFO have requested that members of the public who have invested with LCF since 2016, contact them via a secure reporting form https://operation-axite.egressforms.com/

The joint administrators are unable to provide any other information to Bondholders in respect of the SFO/FCA investigations, which remain separate from our own.

FSCS

We provided a detailed narrative on the position of the FSCS in our Proposals. In summary, as the products sold by LCF were not regulated products, the Bondholders do not automatically qualify for compensation from the FSCS. However, the FSCS are reviewing circumstances whereby compensation may be available, should the circumstances of individual investments fall under certain criteria, as defined in the eligibility rules. The FSCS does not have discretion to meet claims which fall outside the eligibility rules.

The joint administrators are continuing to assist the FSCS with their enquiries and information gathering.

The FSCS are encouraging Bondholders to submit a fact-finding questionnaire, to assist with their ongoing investigation into the nature and extent of any protected claims. The questionnaire can be accessed here: https://www.fscs.org.uk/failed-firms/lcf/?gclid=EAIaIQobChMIl5GMvtWC5AIVhEPTCh2dFAqgEAAYASAAEgIJg_D_BwE , together with the latest update from the FSCS, published on 2 August 2019.

The FSCS are currently not accepting claims. It should be noted that (contrary to misinformation circulated to Bondholders) the Company remaining in administration (as opposed to liquidation), does not preclude the FSCS declaring the Company to be in default, neither does the administration prevent the FSCS accepting claims, should the FSCS decide that it is in a position to do so.

The FSCS will publish an announcement if and when it decides to invite claims. The administrators will also make this position known on its website and in its communications with the Bondholders.

In the event that the FSCS makes payments to Bondholders it will then become subrogated as regards the claims of those Bondholders i.e. to that extent the FSCS will stand in those Bondholders' shoes as creditors of LCF.

HMRC

The joint administrators continue to liaise with HMRC as regard to LCF's ISA status and other related matters.

Companies House

The joint administrators are aware of a number of Companies House filings, in respect of LCF associated companies, or companies/individuals connected to the borrowers. Companies House does not review filings that are submitted, other than for the correct completion of the form and that an appropriately authorised person has signed.

These filings are being monitored by our legal team and where appropriate, action has been taken.

5. Pre-administration costs

The pre-administration costs were reported in the administrators' proposals dated 25 March 2019. The joint administrators have taken steps to seek approval of these fees from the Creditors' Committee.

Charged by/service(s) provided	Total amount charged £	Amount paid £	Who made payment	Amount unpaid £
Smith & Williamson LLP	142,435	Nil	N/A	142,435
Mishcon de Reya LLP - legal advice	52,805	Nil	N/A	52,805
Clyde & Co - legal advice to the Company with regards to its insolvency position, in the context of the QFCH	5,000	Nil	N/A	5,000
Lewis Silkin LLP - legal advice provided to the Company with regard to assisting S&W LLP with their enquiries	4,026	Nil	N/A	4,026
Oliver Clive & Co Limited - accounting services	18,250	Nil	N/A	18,250

6. Administrators' remuneration

Approval of the basis of the administrators' remuneration will be sought from the Creditors' Committee, which was duly elected and formally constituted in May 2019.

The administrators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
30 January 2019 to 29 July 2019	5,619	2,316,159	412	Nil
Total	**5,619**	**2,315,159**	**412**	**Nil**

Attached as Appendix V, is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the administrators and their staff in attending to matters arising in the administration. Details of work carried out in the period are also included in the body of this report.

Appendix V provides a detailed breakdown of the current period's costs, while Appendix VI provides a copy of the time cost estimate breakdown. Appendix VI also provides a detailed breakdown of our anticipated future costs. A detailed narrative explanation of these costs can be found in the 'Outstanding matters' section of this report.

Please note that this estimate is based on present information and may change due to unforeseen circumstances arising. In the event that the fees estimate is likely to be exceeded, the joint administrators will need to provide an update and seek approval from the Creditors' Committee before drawing any additional sums. Fee estimates may be given up to a certain milestone or for a designated period if it is not possible to provide an accurate estimate at any given point.

Creditors should be aware that some of the work which the joint administrators carry out is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include preparing and issuing the joint administrators' next progress report and six monthly case reviews.

A copy of "A Creditor's Guide to Administrator's Fees", as produced by the ICAEW, is available free on request or can be downloaded from their website as follows:

http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix VII.

On a general note, please be aware that the charge out rates are subject to an annual review.

7. Administration expenses

7.1 Subcontractors

We have not utilised the services of any subcontractors in this case.

7.2 Professional advisers

On this assignment we have used the professional advisers listed below. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of professional adviser/Service(s)	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £
Mishcon de Reya (legal advice)	Hourly rate and disbursements	2,504,295	557,047	1,947,248
		180,814	48,965	131,849
Farrer & Co LLP (legal advisors)	Hourly rate and disbursements	7,250	7,250	Nil
Oliver Clive & co (accountants)	Hourly rate and disbursements	75,565	75,565	Nil
		750	750	Nil
RISC (UK) Ltd (Oil & Gas Specialists)	Hourly rate and disbursements	33,463	33,463	Nil
MAPS Solution Europe Ltd	Hourly rate and disbursements	27,936	27,936	Nil
SIA Group Limited (valuation and disposal agents)	Hourly rate and disbursements	18,765	Nil	18,765
		19,555	Nil	19,555
Tim Perkins (Specialist agent in respect of CV)	Hourly rate and disbursements	2,700	2,700	Nil
		670	670	Nil
Fraser CRE Ltd (Specialist property agents)	Hourly rate and disbursements	34,096	34,096	Nil
		188	188	Nil
Miller Commercial Valuers Ltd (Valuation	Hourly rate and	3,750	3,750	Nil

Name of professional adviser/Service(s)	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding at period end £
agents)	disbursements			
Vanessa Lawes	Hourly rate and disbursements	1,320	1,320	Nil
Jose Quiroz	Hourly rate and disbursements	3,718	3,718	Nil
		817	817	Nil
Corbett Partners	Hourly rate and disbursements	900	900	Nil
		76	76	Nil
Total		**2,916,628**	**799,211**	**2,117,417**

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

Mishcon de Reya

Mishcon de Reya have assisted the joint administrators in respect of a number of work streams including pre-litigation work, forensic analysis, advice in respect of insurance matters and general administration advice. A full explanation of major work activities undertaken by Mishcon de Reya can be found at Appendix IV.

SIA Group ("SIA")

SIA are the joint administrators' chattel asset agents and have assisted in collecting and realising assets that have been recovered during the course of the administration. The expenses incurred by SIA are in relation to survey, maintenance and storage costs necessary for the preservation of assets that have been collected by the joint administrators. The work undertaken by SIA has been necessary for the realisation of the Company's chattel assets and will provide a direct financial benefit to creditors.

RISC (UK) Ltd ("RISC") - RISC was appointed as the joint administrators' specialist intelligence agents to assist in assessing the partial debt/ debt interest for equity swap in respect of IOG. The work conducted by RISC was necessary, and has proven to be beneficial thus far, in order to maximise the potential benefit of this asset for the benefit of the Company's creditors, including Bondholders.

Fraser CRE Ltd ("Fraser") - Fraser have been appointed to assist the joint administrators with their investigations into the assets of Prime. Fraser has conducted a lot of work in reviewing all documentation in respect of Prime and providing expert advice to the administrators. The work undertaken by Fraser is considered essential and it is hopeful that this will eventually lead to recoveries for the benefit of the Company's creditors, including Bondholders.

MAPS Solutions Europe Ltd ("MAPS") - The joint administrators and their staff have spent much time in conducting a reconciliation of the Company's bank accounts for the purposes of reviewing all entries for their investigations. MAPS have been engaged by the joint administrators' in order to assist with their bank statement audit of the Company and it is hopeful that this work will lead to realisations for the benefit of the Company's creditors, including Bondholders.

Oliver Clive & Co - Oliver Clive & Co was the Company's former accountants and is therefore deemed to have the best understanding of the Company's financial position prior to its administration. At the time of appointment, the Company's financial records were not up to date and Oliver Clive & Co has assisted the joint administrators in ensuring they have a full financial history of the Company for the purposes of their investigations. Oliver Clive & Co has also assisted the joint administrators in providing relevant information regarding the Company's financial affairs that could not have been obtained elsewhere.

7.3 Administrators' disbursements

We have paid and/or incurred the following disbursements in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Travel	9,086	Nil	9,086
Subsistence & Essentials	2,734	Nil	2,734
Specific Bond	140	Nil	140
Courier	173	Nil	173
Bondholder Email Credits	2,545	Nil	2,545
Network, Internet & Telephone	62,922	61,372	1,550
Searches	75	Nil	75
Stationery & Postage	19,153	18,133	1,020
Statutory Advertising	169	169	Nil
Storage Costs	2,176	2,176	Nil
Meeting Costs	4,565	3,215	1,350
Business mileage @ HMRC rates	462	Nil	462
Total	**104,200**	**85,065**	**19,135**

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

Bondholder Email Credits - These costs have been incurred in order to send Bondholder updates by email. Due to the large number of Bondholders, the joint administrators have been using the MailChimp email platform which allows the joint administrators to manage communications with the Bondholders quickly and efficiently. Consequently, it is believed that these costs were necessarily incurred in order to effectively communicate with the Bondholders. If these costs had not been incurred, a significant amount of time would have been incurred by the joint administrators and their staff communicating with the Bondholders using alternative methods.

Meeting costs - The joint administrators' have incurred costs in holding the Creditors' meeting on 24 April 2019, as requisitioned by the relevant number of creditors. In additional, at the request of a substantial number of Bondholders, the joint administrators' held Regional Meetings in Birmingham, Bristol, Manchester and Glasgow. These costs include the costs of venue hire, equipment hire and subsistence for these various meetings.

Travel - The joint administrators and their staff have incurred costs necessary in travelling to various locations including, the Company's trading premises, meetings with the borrowers of the Company, meetings with the directors of the Company, interviews with key parties in the joint administrators investigations and meetings with various authorities including the FCA, SFO and FSCS. The joint administrators have also met with various people affiliated with the Company in order to obtain further information regarding the Company's affairs and asset position. Visits to the Company's premises were necessary as the joint administrators retained key staff

to assist with their initial enquiries who continued to work at the Company's premises. These travel expenses also include the cost of travelling to various Regional Meetings held including in Glasgow, Birmingham, Manchester and Bristol.

Network, Telephone and Internet - These costs include the costs necessary to retain the Company's internet services to allow the retained staff to complete tasks for the joint administrators and allow our Forensics team to conduct the work necessary to image the Company's electronic records. Costs have also been incurred in order to ensure that the Company's email hosting service was retained in order to conduct the necessary forensic analysis. At the outset of the appointment, the joint administrators appointed external agents to handle calls from Bondholders. The volume of calls was monitored on a daily basis and the number of staff required at the call centre amended as necessary. The joint administrators felt that these costs were necessary as it was crucial that the Bondholders, as creditors of the Company, had a way to receive available information by way of a telephone call immediately upon appointment. Having the call centre in place allowed the joint administrators to prioritise their investigation strategy and realisation of assets for the benefit of the Company's creditors.

Stationery & Postage - In accordance with statute, we were required to deliver initial notification of our appointment to all creditors of the Company, including Bondholders, by post. This incurred costs detailed was a necessary expense of the administration and, in an effort to minimise costs, notice has now been given that future correspondence will be made available for viewing and downloading on the joint administrators' online portal where possible.

7.4 Category 2 disbursements (see Appendix VII)

The following Category 2 disbursements have been incurred and/or paid in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Business mileage @ HMRC rates	462	Nil	462
Forensics data hosting platform	111,800	Nil	111,800
Total	**111,262**	**Nil**	**112,262**

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

Business Mileage - These costs have been incurred due to costs in travelling to various locations including the Company's trading premises, meetings with borrowers of the Company and meetings with directors of the Company. Due to the location of the Company's former offices, it was often more cost effective for the joint administrators and their staff to incur business mileage costs than to travel by public transport during peak travelling times. It was necessary to incur these costs in order to deal with the former employees of the Company, the Company's trading premises and collection of the Company's books and records as is required by statute.

Forensic Technology Data Storage - The Company stored a large quantity of information in an electronic format that has been imaged by Smith & Williamson LLP's forensic technology team. This includes all Company emails and information stored on internal network drives. In order to easily access and search this information, it has been stored using the Forensics team's data hosting platform. These costs are necessary as accessing the Company's data will be crucial to the joint administrators' investigations. As our investigations progress, it is expected that the cost of this data hosting platform will reduce as the quantum of live information required to be hosted will not be as high.

Approval to recover the Category 2 disbursements shown above will be sought by the Creditors' Committee.

7.5 Other expenses

Other expenses (i.e. those not detailed in the preceding sections) paid during the period covered by this report are shown in the receipts and payments summary at Appendix IV. Detailed below are those expenses which we consider to be significant in the context of this case. Also detailed below are expenses incurred but not paid in the current period:

Supplier/Service provider	Nature of expense incurred	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Certas Energy	Utilities	240	240	Nil
Arthur J Gallagher Insurance Brokers	Insurance premiums	6,994	6,994	Nil
Wealden District Council	Business rates	1,107	1,107	Nil
Neville Estate Company	Rent	1,667	1,667	Nil
Royal Mail Group	Mail Redirection	490	490	Nil
Total		**10,498**	**10,498**	**Nil**

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

7.6 Policies regarding use of third parties and disbursement recovery

Appendix VII provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.

8. Estimated outcome for creditors

The estimated outcome for each class of creditors is set out below.

Please note that where creditors may have submitted claims in foreign currency, they will be converted to £Sterling using the applicable rate on the 30 January 2019. If any creditor subsequently considers the rate to be unreasonable, they may apply to court for determination.

8.1 Secured creditors

Global Security Trustees Limited ("GST") holds a debenture containing fixed and floating charges over the Company's assets. This debenture is held on trust, by GST as security trustee, on behalf of the Bondholders.

The security is in respect of all assets of the Company. The debenture documentation reflects that a valid trust is in place and that the Bondholders' position is secured.

Chargeholder	Type of charge	Date
Global Security Trustees Ltd	Fixed and floating debenture	29 Dec 2015
Global Security Trustees Ltd	Fixed and floating debenture	30 Dec 2015

Since our last report, the joint administrators have continued to engage in dialogue with GST, and more recently, their lawyers. The joint administrators have called into question the role of GST, specifically the benefit of that role to the Bondholders and the potential conflict that may have arisen for GST and its officers, subsequent to the joint administrators' investigation into the affairs of LCF.

The joint administrators are of the understanding that the Bondholders as a whole, prior to the failure of LCF, were either unaware of the role of GST as security trustee and those that were aware had the impression that GST was performing an active role in protecting the Bondholders' interests. However, Bondholders were never contacted by GST, either directly or via LCF.

The joint administrators have seen no evidence of any active monitoring or other protection of Bondholders' interests throughout the period of GST's existence.

As Bondholders will be aware, the joint administrators received a claim from GST in the amount of £237,207,497 of which the joint administrators were informed that £180,000 of the debt was secured and the balance, unsecured. On 24 April 2019, the joint administrators rejected GST's claim in full as they were not deemed to be a creditor of the Company within the meaning of the applicable legislation. This rejection of GST's claim in full also frustrated GST's objective of seeking to prevent the establishment of a creditors' committee in defiance of the wishes of the Bondholders who GST claimed to represent.

Together with their legal team, the joint administrators are seeking an appropriate resolution to the role of GST, in conjunction with the support of the Creditors' Committee and will provide an update to Bondholders in due course.

Dividend prospects for Bondholders

As secured creditors, Bondholders are paid out in priority ahead of other creditors, once there are sufficient realisations to effect a dividend.

The joint administrators' current view is that, based on the anticipated level of asset recoveries, at this time limited to the LOG investment of IOG, Bondholders should expect to receive a return of 25% of their original investment. The joint administrators and their advisers are hopeful that this figure may increase but do not consider it appropriate to make more definite predictions prior to further evidence being obtained and fully assessed.

At the Creditors' Meeting held on 24 April 2019, it was stated that dividends would be paid to Bondholders in 5% increments, once sufficient net funds were realised. It was envisaged that it may be possible to pay the first dividend at the end of the summer, dependent on the outcome of the IOG investment. Whilst it is anticipated that the IOG deal will complete in September, this first dividend is now very likely to occur later than originally hoped, because of the potential strategy as regards realising the administrators' interest in IOG in an orderly fashion as advised by our specialist oil and gas advisers.

This report sets out the uncertainties regarding asset recoveries from other borrowers, which will require further investigation and potential legal actions to secure funds for the benefit of Bondholders. For the avoidance of doubt, the joint administrators will only continue to pursue avenues of enquiry which they are confident will result in net realisations to the estate. The joint administrators remain positive however, that outside of the borrowers themselves, there is the possibility of recouping funds from other parties which are the focus of ongoing investigation.

8.2 Prescribed Part

The Company granted floating charges to GST on 29 and 30 December 2015. Accordingly, we are required to create a Prescribed Part fund out of the Company's net floating charge property for unsecured creditors.

At this stage in proceedings, the joint administrators cannot estimate whether there will be net property of sufficient value to enable a dividend to unsecured creditors.

If there is a Prescribed Part distribution to be made, this will be distributed by the joint administrators in the administration, following the changes made by the Small Business, Enterprise and Employment Act 2015 with effect from 26 May 2015.

8.3 Preferential creditors

We have yet to receive any preferential creditor claims. The Company's preferential creditors are expected to be minimal, as they comprise arrears of wages and any element of a Protective Award that may relate to the four month period prior to insolvency (a maximum of £800 per employee) and the value of all accrued but untaken holiday at that date.

8.4 Unsecured creditors

We have received 12 claims totalling £85,900.

At present we confirm that realisations in the administration are expected to be insufficient to pay a dividend to unsecured creditors apart from the Prescribed Part amount reported in section 8.2.

Due to the uncertainties in respect of net funds available under the Prescribed Part, the joint administrators are not in a position to confirm whether a dividend will be made to unsecured creditors.

9. Outstanding matters

The joint administrators' costs to date are £2,316,159, as detailed in section six, compared to our estimate of £4,469,810 for the first full year of the administration. It is expected that the fee estimate provided will be sufficient to cover the time incurred by the joint administrators and their staff during the initial year of the administration.

Please note that this estimate is based on present information and may change due to unforeseen circumstances arising. In the event that the fee estimate is likely to be exceeded, the joint administrators will need to provide an update and seek approval from the Creditors' Committee before drawing any additional sums. Fee estimates may be given up to a certain milestone or for a designated period if it is not possible to provide an accurate estimate at any given point.

The remaining actions to be concluded in the administration are as follows:

Investigations

As detailed at section 4, the joint administrators have a duty to investigate transactions to establish whether there may be any worth pursuing for the creditors' benefit from, for example, legal proceedings. Our investigations to date have involved a large number of entities and individuals, all of whom are relevant to our enquiries in respect of tracing the funds loaned by the Company to the various borrowers and sub-borrowers. The flow of funds is complex and the transactions involved are numerous. The joint administrators and their legal advisors have and will continue to spend considerable time unravelling the connected parties, in order to maximise the chances of recouping monies on behalf of the Bondholders. Undoubtedly, there will be a significant number of legal actions that may be required by the joint administrators to achieve this, over a period of time.

To avoid prejudicing the outcome of potential legal proceedings and for confidentiality reasons, the joint administrators are unable to disclose specific information at this time to the Bondholders. Whilst the joint administrators recognise that this may be frustrating, it would not be appropriate to provide details of their intended strategy or to identify their targets for future actions. This work has the potential to provide a financial benefit to creditors of the Company, including Bondholders.

Realisation of assets/Potential Actions

Following the conclusion of the joint administrators' investigations as above, we will review any potential actions that can be taken for the benefit of the Company's creditors, including the Bondholders. It is likely that any actions pursued by the joint administrators may end up in court and therefore be protracted, however, should any claims be successful, this will provide a direct financial benefit to the Company's creditors, including the Bondholders. It is not possible at this stage to estimate the cost of this work, nor any associated expenses, and this will be provided once we have an understanding of the potential actions that can be taken, following the conclusion of the investigations stage.

Other matters

Other actions that remain outstanding include:

- Statutory obligations, including preparing and issuing the joint administrators' progress reports;
- Distribution to creditors, including Bondholders; and
- Closure of the administration.

10. 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 https://smithandwilliamson.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.

11. Ending the administration

Following the approval of the joint administrators' proposals, at the appropriate time, the joint administrators will use their discretion to exit the administration by way of one of the following means:

(i) If having realised the assets of the Company, the joint administrators think that a distribution will be made to the unsecured creditors other than by virtue of the Prescribed Part, they may file a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move the Company automatically into CVL in order that the distribution can be made, but only if they consider that the associated incremental costs of a CVL are justified. In these circumstances, the joint administrators (being Finbarr O'Connell, Adam Stephens, Colin Hardman and Henry Shinners) will become the joint liquidators of the CVL. The acts of the joint liquidators may be undertaken by any one, or all of them. (Creditors had the right to nominate alternative liquidators of their choice if they made their nomination in writing to the joint administrators prior to the administrators' proposals being approved. However, as the creditors did not make such a nomination, the joint administrators will automatically become the joint liquidators of the Company in any subsequent CVL).

(ii) If the joint administrators have, with the permission of the court, made a distribution to unsecured creditors in addition to any Prescribed Part distribution, or they think that the Company otherwise has no property which might permit a distribution to its unsecured creditors, subject to there being a need for further investigations as described below, they will file a notice, together with their final progress report, at court and with the Registrar of Companies for the dissolution of the Company. The joint administrators will send copies of these documents to the Company and its creditors. The joint administrators' appointment will end following the registration of the notice by the Registrar of Companies.

Administrators have the power to bring claims against former officers of the company in respect of transactions that may have caused or exacerbated a company's insolvency. Claims with a good prospect of success may be pursued by administrators but there may be cases where it would be more appropriate if a liquidator brought the claim or where the timeframe would not be long enough, given the maximum extension period available to administrators. The proposed exit route would, in these cases, be liquidation.

Authorisation for the joint administrators to be discharged from liability under P98(3) of Sch B1 immediately upon their appointment as administrators ceasing to have effect will be sought from the Creditors' Committee.

12. Creditors' rights

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the administrators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the administrators, as set out in this report, are excessive.

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

On a general note, if you have any comments or concerns in connection with our conduct, please contact Finbarr Thomas O'Connell or Adam Henry Stephens in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY 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:

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

ii) Telephone number: +44 300 678 0015

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

13. Next report

We are required to provide a further report on the progress of the administration within one month of the end of the next six month period of the administration unless we have concluded matters prior to this, in which case we will write to all creditors with our final report.

Finbarr Thomas O'Connell, Adam Henry Stephens, Colin Hardman and Henry Shinners

Joint Administrators

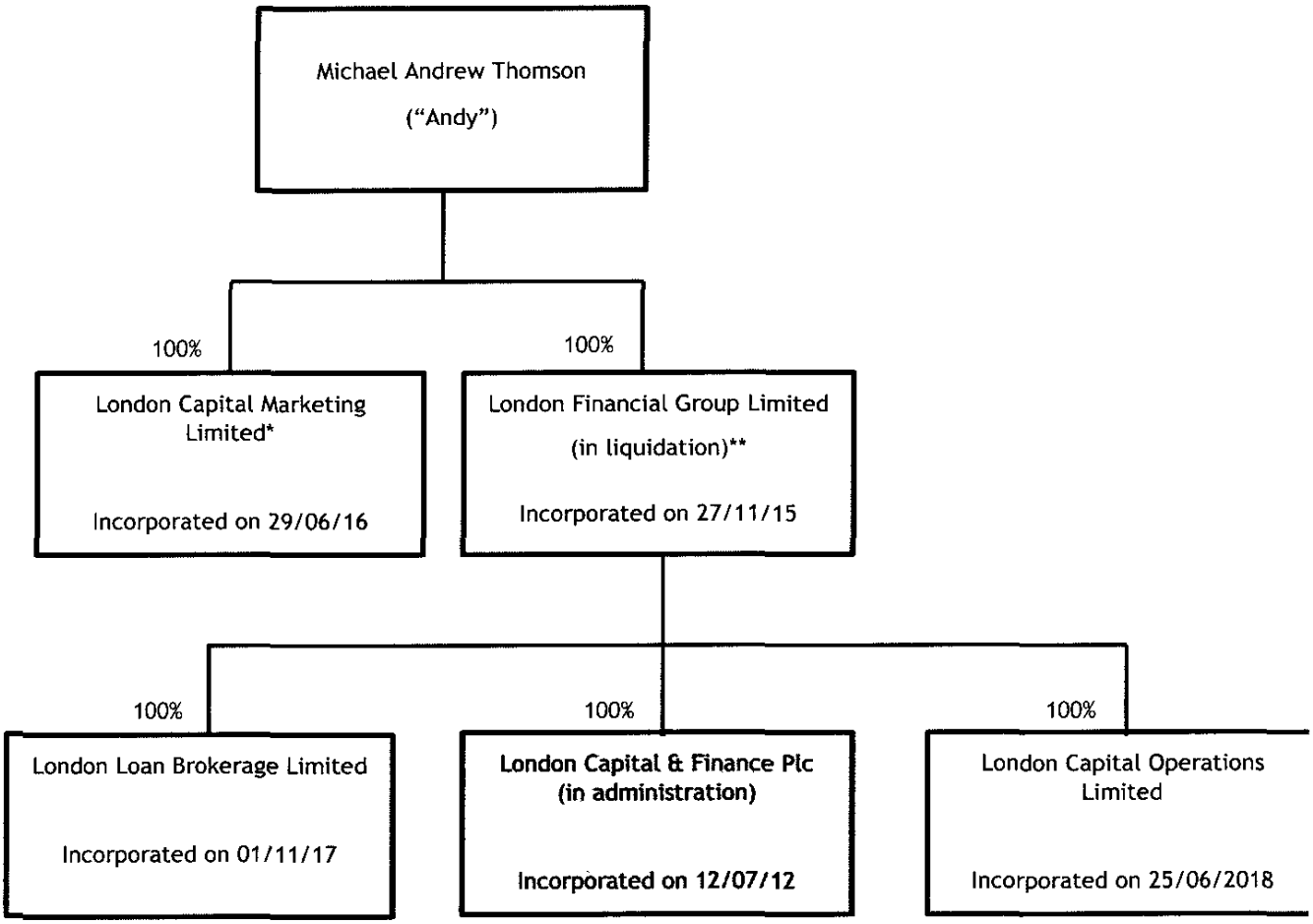
Date: 27 August 2019

I Statutory information

Relevant Court	High Court of Justice
Court Reference	CR-2019-000755
Trading Name(s)	London Capital & Finance
Trading Addresses	The Old Coach House, Eridge Park, Eridge Green, Tunbridge Wells, Kent, TN3 9JS
Former Name(s)	London Capital & Finance Limited
Registered Office	25 Moorgate, London EC2R 6AY
Registered Number	08140312
Joint Administrators	Finbarr Thomas O'Connell, Adam Henry Stephens, Colin Hardman and Henry Anthony Shinners all of 25 Moorgate, London, EC2R 6AY (IP No(s) 7931, 9748, 16774 and 9280) In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally.
Date of Appointment	30 January 2019
Appointor	Directors
Directors	Michael Andrew "Andy" Thomson, Floris Jakobus Huisanem, Kevin Maddison and Katherine Ruth Simpson
Shareholder(s)	London Financial Group Limited (owned 100% by Andy Thomson)
Secretary (if applicable)	CAA Registrars Limited
Extension to period of administration	N/A
EU Regulations	The EU Regulation on Insolvency Proceedings 2015 applies to the administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

II Group Structure Diagram

London Capital & Finance Plc (in administration) Group Structure

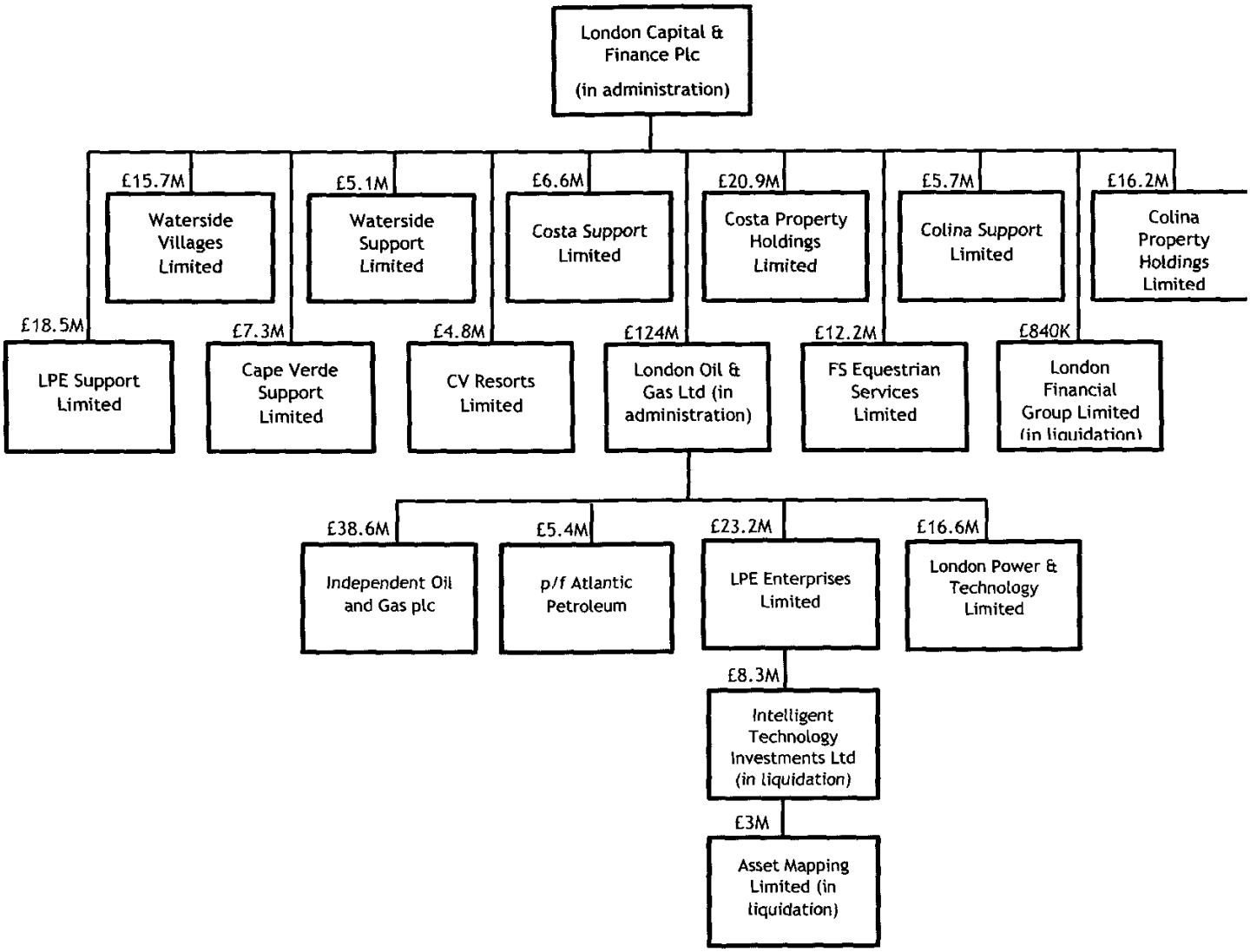


* *The joint administrators have issued a petition for the compulsory winding up of London Capital Marketing* Limited on 1 July 2019. The petition was scheduled to be heard on 14 August 2019, however this has been adjourned to allow for the company, whose sole director is Mr Thomson, to file points of reply by 11 September 2019.

** The joint administrators issued a petition for the compulsory winding up of London Financial Group Limited ("LFG") on 24 May 2019. On 17 July 2019 the winding up order was granted and LFG entered into compulsory liquidation. It is expected that the joint administrators will be appointed as joint liquidators over LFG in due course.

III Borrower Schedule

Borrower and sub-borrower loan structure



IV Receipts and payments account

Receipts and payments account to 29 July 2019

Statement of Affairs £		From 30/01/2019 To 29/07/2019 £	From 30/01/2019 To 29/07/2019 £
	ASSET REALISATIONS		
	Bank Interest Gross	3,709.09	3,709.09
	Cash at bank	3,657,283.95	3,657,283.95
	Insurance Refund	7,902.72	7,902.72
	Loan Accounts	100,383.28	100,383.28
		3,769,279.04	3,769,279.04
	COST OF REALISATIONS		
	Agents/Valuers Expenses	1,750.53	1,750.53
	Agents/Valuers Fees	107,881.98	107,881.98
	Bank Charges	46.98	46.98
	Comittee Expenses	2,248.97	2,248.97
	Consultant expenses	574.90	574.90
	Insurance	6,994.42	6,994.42
	Internet & Telephone Costs	61,372.28	61,372.28
	Irrecoverable VAT	179,240.09	179,240.09
	Legal Expenses	48,965.27	48,965.27
	Legal Fees	564,297.00	564,297.00
	Meeting costs	3,215.17	3,215.17
	Other Property Expenses	237.50	237.50
	PAYE & NI	245.73	245.73
	Pension contributions	822.80	822.80
	Petitioners Deposit	1,891.00	1,891.00
	Professional Expenses	750.00	750.00
	Professional Fees	75,565.00	75,565.00
	Rates	1,107.02	1,107.02
	Re-Direction of Mail	490.00	490.00
	Rents Payable	1,666.66	1,666.66
	Stationery & Postage	18,133.31	18,133.31
	Statutory Advertising	169.00	169.00
	Storage Costs	2,106.00	2,106.00
	Wages & Salaries	12,753.98	12,753.98
		(1,092,525.59)	(1,092,525.59)
		2,676,753.45	**2,676,753.45**
	REPRESENTED BY		
	Clients Deposit (Interest Bearing)		2,676,753.45
			2,676,753.45

Notes and further information required by SIP 7

- The administrators' remuneration has not yet been approved.
- We have not yet sought approval of or drawn any other costs that would require the same approval as our remuneration.
- No payments have been made to us from outside the estate.
- Details of significant expenses paid are provided in the body of our report.
- Details of payments made to sub-contractors are shown in the body of our report.
- Information concerning our remuneration and disbursements incurred is provided in the body of the report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. LCF is not, and has never been registered for VAT; the issuing of mini-bonds is a non-Vatable activity and LCF did not provide any other taxable supplies. Our VAT experts have examined the position and have determined that currently, there is no viable route to recovering the VAT incurred in the administration.

Notes and further information required by SIP 9

Agents & Professional Fees

A full breakdown of the fees incurred by agents and professional advisors of the joint administrators can be found in section 7 of the report. An explanation of the material costs incurred by the joint administrators' agents and advisors is also detailed at section 7 of the report.

Meeting costs, Network, Internet & Telephone costs and Stationery & Postage

Details of why these costs have been incurred can be found in detail at section 7 of this report. In summary, these are

Committee Expenses

In accordance with Section 17.24 of IR16, any reasonable expenses directly incurred by committee members of their representatives either in attending meetings or the committee or otherwise on the committee's business will be paid by the office holder out of the insolvent estate. These costs have been incurred in accordance with this legislation and therefore paid as an expense of the administration.

Petitioner's Deposit

The joint administrators issued a petition for the compulsory winding up of London Financial Group Limited ("LFG"), a Borrower and the parent of the Company, on 24 May 2019. On 17 July 2019 the winding up order was granted and LFG entered into compulsory liquidation. It is expected that the joint administrators will be appointed as joint liquidators over LFG in due course. The cost of £1,891 has been incurred in implementing this process and it is likely that this will provide a direct benefit to the creditors of the Company, including Bondholders.

Legal Fees

The below is a summary of the work undertaken by Mishcon de Reya:

- **Investigations.** This included advice relating to gathering evidence, actions to safeguard assets, and investigating possible routes to recovery.

- **Forensic Analysis.** This included advice relating to structuring appropriate initial search methodologies, an initial targeted review of data, and a consideration of possible legal remedies.

- **Appointment of Administrators and related.** This includes advice around the formalities of appointment of the administrators, and advice as regards to the administrators' powers and various other matters under IA86.

- **Regulatory.** This included advice relating to the FCA, FSCS and the SFO, such as around the administrators' obligations and powers, attendance at various meetings, and a consideration of the potential claims for compensation and providing appropriate guidance to Bondholders.

- **Corporate.** This included advice around corporate aspects of the existing and proposed arrangements between LOG and IOG, and associated corporate regulatory issues.

- **Banking/Security/Loan Agreements.** This included advice around reviewing and analysing finance related documents such as loan security, on-lending arrangements, and possible routes to realisation.

- **Project and Document Management.** This included work around collecting, managing and processing data (please note that in excess of 1.5 million documents have been collected to date) pertaining to, amongst other matters, the asset realisation and investigatory work streams.

- **Insurance.** This included work around reviewing, analysing and advising on the implications of various insurance policies, and corresponding with various relevant parties.

- **Miscellaneous.** This included advice relating to certain law enforcement activity.

In addition, Mishcon de Reya have undertaken the following tasks

- Proceedings with GST, LCM, LFG and applications for examination of individuals under Sections 235 /236 Insolvency Act 1986.

- Meetings and communications with LCF Creditors Committee and matters arising therefrom.

- Liaison with and meetings with bondholders where appropriate to the progress of the administrators investigations and other matters.

- Attendance at Bondholder meetings

- Legal research including Portugal, Ireland and Dominican Republic.

- Liaison with professional support teams.

- Undertaking interviews with a number of key individuals

- Legal advice and analysis regarding application of recoveries

Legal Expenses

A breakdown of the legal expenses incurred can be summarised as follows:

- **Counsel Fees - £13,550 -** It has been necessary to seek advice from Counsel in respect of a number of matters regarding the administration. This includes in respect of the GST application, advice regarding the creditor status of the Bondholders and other general administration advice. As large quantum of these costs have been incurred as a direct result of the joint administrators' investigations and it is therefore necessary that the exact details remain confidential.

- **Agents and Professional Advisors - £33,600** - It has been necessary to instruct various agents to assist with the joint administrators' investigation as detailed within the body of this report. A number of agents and professional advisors have been instructed directly by the joint administrators' legal advisors and, as these costs have been incurred as a direct result of the joint administrators' investigations, it is necessary that the exact details of these agents and advisors remain confidential.

- **General Legal Disbursements - £1,815** - The joint administrators legal advisors have necessarily incurred general disbursement costs directly related to the administration. These costs include travel, subsistence, postage and courier costs, Company and Land Registry Searches, Court Fees and search fees.

V Time analysis for the period

From 30 January 2019 to 29 July 2019

	Hours							
Classification of work function	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff	Total hours	Time cost	Average hourly rate
Administration and planning								
Statutory returns, reports & meetings	88.75	0.00	62.30	89.90	14.00	254.95	107,685.50	422.38
Initial post-appointment notification letters, including creditors	12.60	0.00	7.85	5 15	0 00	25.60	12,824.50	500.96
Cashiering general, including bonding	0.35	0.00	0.00	2 30	17 20	19 85	5,255.00	264 74
Job planning, reviews and progression (inc review and planning meetings, checklist & diary)	113.30	3 50	109 60	152 45	4.00	382.85	161,619 50	422.15
Post-appointment taxation (VAT, PAYE/NIC, Corp Tax)	0 35	0.00	1.00	1 85	0 00	3 20	1,138.75	355.86
Protection of company records (incl electronic)	8 15	0 00	1.25	8.10	0 00	17.50	8,034.75	459.13
Insurance & general asset protection	14.35	0.00	0.00	1.70	0 00	16.05	9,769.50	608 69
Filing, file and information management	5 70	0.00	2.25	1.50	0.00	9 45	5,062.50	535.71
Pre-appointment tax matters	1 60	0.00	1.75	0.00	0.00	3.35	1,852.50	552.99
Agents and advisers, general	1 70	0.00	3 75	6.75	0.00	12.20	4,643 75	380.64
Filing - Administration and planning	0.00	0 00	0 00	0.30	0 00	0.30	87 00	290.00
Director/manager review, approval and signing	3.10	1 25	4 00	0.00	1 65	10.00	5,208.75	520.88
Other	4.00	0.00	3.00	18.30	0.00	25.30	8,859.50	350 18
Investigations								
Directors' correspondence & conduct questionnaires	0.00	0.00	0.75	4.60	0.00	5.35	1,541.00	288.04
Creditor & shareholder complaints	0.00	1.20	0.00	0 00	0.00	1 20	630.00	525.00
Statutory books and accounting records review	8.00	21.10	2.20	17 80	4.50	53.60	22,064.00	411.64
Borrowers/ Loans	1,399.70	13.30	45.15	32.50	0.00	1,490.65	917,903.50	615.77
SIP2 obligations (inc Company Directors Disqualification Act 1986 forms)	5 60	0.00	1 75	8.30	0.00	15 65	6,526.25	417.01
Asset tracing (e.g. Land Registry and Company Searches)	3.10	53.05	285 15	123.15	0.00	464.45	176,090 00	379.14
Enquiries of advisers	18.40	0.00	8.05	7.20	0.00	33.65	17,611 75	523.38
S235/6 Insolvency Act 1986 hearings & applications	21.85	0.00	1.25	0 65	0.00	23 75	13,597.75	572.54
Director/manager review, approval and signing	0.25	6 50	0 00	0.00	0.00	6.75	3,575.00	529 63
Other	0.25	0.00	23.00	3.25	0.00	26.50	11,628.25	438.80
Realisation of assets								
Debtors	20.15	0.00	0.00	8 75	0.00	28.90	14,125.25	488.76
Chattel assets	3.75	0.00	2 00	0.00	0.00	5.75	2,795.00	486.09
Financed assets (including related creditors, incl HP and leasing)	8.25	0.00	0.00	0.75	0.00	9 00	4,920 00	546.67
Cash at Bank	0 30	0 00	3.00	2.00	0.00	5.30	2,077.00	391 89
Liaising with agents (general)	0.00	0.00	1 75	0 40	0.00	2.15	909.00	422 79
Other	15.25	0.00	1.75	0 25	0.00	17.25	8,016 25	464.71

Activities At Premises								
Operations	0.00	0.00	2.50	0 00	0 00	2 50	1,150 00	460.00
Purchasing/suppliers (not landlord)	2.40	0.00	0 00	0.00	0.00	2.40	1,560 00	650.00
Accounting	0.60	0 00	3.00	0 00	0 00	3.60	1,770.00	491.67
Insurances	0.00	0 00	8.00	0 00	0 00	8.00	3,698.75	462 34
Staff and payroll (inc PAYE/NIC for retention period)	0.00	0 00	0.75	1.50	0.00	2.25	735.00	326 67
Premises issues (inc landlord and site clearance)	0.00	0.00	4 50	12.25	0 00	16.75	5,275 00	314.93
Shutdown/ Site visits	0.00	0 00	0.00	15 50	0.00	15.50	4,030 00	260.00
Other	0.00	0.00	0 60	0.35	0.00	0.95	367.00	386.32
Creditors								
Bondholders	144.05	2.45	280.00	619.25	571 30	1,617 05	412,712.30	255.23
Floating charge creditors	18 30	0.00	0 00	24.20	7.50	50 00	17,566 00	351.32
HP & lease creditors	0 00	0.00	0 00	0.85	0 00	0 85	245 00	288.24
RPO and ERA claims & tribunals	0.00	0.00	0.00	0.50	0 00	0 50	130.00	260.00
Employees & pension (other) (Incl Jobcentre/CSA etc)	1 50	0.00	0 00	18.15	0 00	19 65	5,566 50	283.28
Crown (not RPO etc)	1 40	0.00	0 00	0.75	0.00	2 15	1,105.00	513.95
Unsecured creditors	0 00	0.00	7.00	6.00	0.00	13.00	4,800.00	369.23
Creditors committee	44.45	0.00	25 50	52.25	0 00	122 20	54,515 00	446.11
Preferential and unsecured creditors	0.80	0 00	0.00	0.00	0 00	0.80	520 00	650.00
Other creditor communications	0.20	0 00	8.25	0.50	0 00	8.95	4,038 00	451.17
Other	3.50	0 00	14.35	6.50	0.00	24.35	10,185.00	418.28
Corporate Tax including VAT								
Corporate Tax	36.85	0.40	0.00	0.00	0 00	37.25	24,736.75	664 07
Assurance & Business Services								
Assurance & Business Services	19.20	2 50	0.00	0.00	0.00	21.70	11,953.50	550.85
Forensics								
Forensics	64.50	0.00	354.95	258.70	0 00	678.15	213,449.00	314.75
Total	**2,095.80**	**105.25**	**1,281.95**	**1,515.15**	**620.15**	**5,618.30**	**£2,315,724.30**	£412 18

Notes/reconciliation differences

The following gives a summary of our fee estimate for the first twelve months of the administration and the actual time costs incurred as at 29 July 2019 for ease of comparison:

Task	Estimated fees to be incurred	Actual Fees Incurred £
Administration and Planning	596,745	332,041
Investigations	2,394,930	1,171,167
Realisation of Assets	312,330	32,842
Trading	30,615	18,586
Creditors	746,790	511,383
Corp Tax and VAT	36,170	24,737
ABS	22,700	11,954
Forensics	329,020	213,449
Total	**4,469,300**	**2,316,159**

As the fee estimate provided is for the initial twelve month period of the administration, there are no material differences between our original estimate and what has actually been incurred as at 29 July 2019. It is expected that the fee estimate provided will be sufficient to cover the first twelve months of the administration.

The following gives a summary of our professional advisor estimate for the first twelve months of the administration and the professional advisor costs incurred as at 29 July 2019 for ease of comparison:

Type of disbursement	Costs incurred in current period £	Costs paid in current period £	Total costs outstanding £	Estimated total costs £	Variance £
Legal Advice	2,692,359	613,262	2,504,295	4,000,000	(1,307,641)
Agents and Professional Advisor Fees	224,269	185,948	38,320	200,000	224,269
Total	**2,916,628**	**799,210**	**2,542,615**	**4,200,000**	**(1,083,372)**

As the professional advisor estimate provided is for the initial twelve month period of the administration, there are no material differences between our original estimate and what has actually been incurred as at 29 July 2019. It is expected that the estimate provided will be sufficient to cover the first twelve months of the administration in respect of Legal Advice. It is expected that an additional £175,000 will be incurred in respect of agents and professional advisors fees. This is as a consequence of the quantum and complexity of the administration.

Explanation of major work activities undertaken

Administration and planning

The joint administrators have been required to spend a considerable amount of time in planning and administration tasks in respect of the administration strategy. Due to the scale of this case, it has been crucial to ensure that all statutory matters are dealt with efficiently and that all possible options when choosing strategy are fully explored. The joint administrators and their staff have been obliged to undertake certain areas of work in order to comply with their statutory obligations and internal compliance requirements. The following work has been conducted in respect of administration and planning:

- statutory advertising of the administration;
- initial post appointment notifications to trade & expense creditors;
- initial post appointment notifications to the Bondholders;
- initial post appointment notifications to the Registrar of Companies;
- initial post appointment notifications to HMRC;
- preparing the administrators' proposals;
- preparing and issuing requests for a formal Statement of Affairs from the Company's managing director;
- preparation for statutory creditor meetings that have been requisitioned;
- maintenance of compliance checklists in relation to the case;
- maintenance of the IPS compliance diary in respect of the case;
- calculating the fidelity bonding requirement;
- statutory case reviews (to be completed every six months);
- internal case staff strategy meetings;
- dealing with case progression matters;
- general case planning and administration including case strategy decisions;
- arranging for adequate insurance cover to be obtained in respect of the Company's assets;
- arranging for a mail redirection to be put in place at the Company's former trading premises;
- internal communications with the Forensics team;
- internal communications with the Assurance & Business Services team;
- dealing with routine correspondence;
- securing the Company's physical books and records including instructing and assisting our agents. The Company had an extremely large quantity of books and records and the joint administrators are obliged by statute to collect and take in all records belonging to the Company;
- securing the Company's electronic records, including the time that has been incurred by our forensic team in relation to preserving, downloading and imaging from the Company's server;
- setting up and maintaining physical case files;
- setting up and maintaining IPS (case management schedule);
- dealing and instructing agents and other professional advisers to assist with the case;
- communications with the FCA, including regular conference calls and emails;
- liaising with the Smith & Williamson IT department regarding the LCF email mailbox;
- dealing with lifted restrictions in place due to the FCA's VREQ;
- liaising with the FCA in respect of cancellation of the Company's regulatory permissions;

- dealing with the provision of various information to the FCA, FSCS, HMRC, the SFO and other parties;
- attending at various meetings in respect of the administration;
- attending at the Company's former trading premises;
- update calls with HMRC in respect of the ISA products issued by the Company;
- drafting and issuing press releases, when appropriate, in relation to the administration of the Company in order to keep the Bondholders, and other creditors, briefed; and
- dealing with the removal of Global Security Trustees as the Company's security trustee.

Cashiering time:

- maintaining and managing the administrators' cash book and bank accounts;
- reconciliation of bank account;
- correspondence with banks; and
- raising cheques/preparing telegraphic transfers.

Investigations

This section relates to the work that the joint administrators have conducted in relation to their investigations into the failure of the Company. The joint administrators have a duty to consider any potential claims that the Company may have against third parties that may give rise to potential claims for the benefit of the Company's creditors. Whilst it is likely that the majority of this work will provide a direct financial benefit for the Company's creditors, some streams of the investigation work that will be, or have been, carried out as required by statute.

As detailed at section 4 of this report, the joint administrators have a duty under Statement of Insolvency Practice 2 (SIP2) to investigate the conduct of the Company's directors. We have duly complied with this requirement and necessarily incurred time liaising with the Insolvency Service in this regard. This work is required by statute and may only indirectly provide a financial benefit to the Company's creditors. This work has included the following:

- investigating the actions of various parties in the lead up to the administration of the Company;
- corresponding with directors in accordance with our duties under SIP2;
- issuing our directors questionnaire to the directors and former directors of the Company;
- meeting with and formally interviewing the directors of the Company;
- conducting SIP2 investigations for the preparation of the Company Directors Disqualification Act 1986 ("CDDA") report;
- submission of the CDDA questionnaire to the Insolvency Service;
- liaising with the Insolvency Service in respect of the CDDA report including by email, telephone and by attendance at meetings; and
- provision of information requested by the Insolvency Service.

The Company's largest asset is its loan book and the joint administrators have dedicated a large quantity of time to understanding this asset in great detail. This work is not only necessary but crucial to the joint administrators' ability to determine any likely returns to the Company's creditors. By way of reminder, the joint administrators are working to identify assets to the value of £238 million that the Company is owed by a number of Borrower companies. Dealing with assets of this value will naturally result in a significant amount of time being expended in order to ensure the best chance of recoveries. The investigations fee estimate provided by the joint administrators is 1% of the total loan book value. An overview of the loans totalling £237,854,124, which the Company is due, is detailed at section 4 of this report.

Understanding the Company's loan book, including all onward lending is a complicated matter which has been further complicated for various reasons including the lack of cooperation received from a number of associated parties. In addition, a number of the assets, that the joint administrators seek to recover, in respect of the Company's loan book are overseas which adds an additional layer of complication. The time expended thus far by the joint administrators' has allowed them to carefully assess the recoverability of each loan which will ultimately provide a direct financial benefit to creditors.

Following our initial stream of investigations, we have now begun interviewing a number of associated parties under S236 of the Insolvency Act. In the event that we face further resistance from these individuals, it is likely that an application will need to be made to court in order to question these individuals. This work is being undertaken with a view to identify any parties whom the joint administrators can ultimately take further action against for the benefit of the Company's creditors.

It is important to note that detail regarding these investigations are required to be kept confidential in order to prevent jeopardising any potential actions that can be taken on behalf of the Company's creditors, including Bondholders.

Work that has been undertaken in relation to fully understanding the Company's loan book and its associated assets includes the following:

- review of all publically available information in respect of the Borrowers of the Company;
- in depth review of the Company's loan book;
- attending meetings with the managing director of the Company in order to discuss and understand the Company's loan book;
- review of the security documentation provided by the Company in respect of the loans;
- creating and updating various loan profiles;
- liaising with our legal advisors in respect of the security documentation;
- meeting with and interviewing each of the Borrowers of the Company;
- liaising with the Borrowers of the Company;
- review of the financial position of each of the Borrowers of the Company in order to determine their ability to settle the liability owed to the Company;
- attendance at Borrowers' premises in order to obtain confirmation of assets;
- asset tracing for each of the Borrowers of the Company including through Land Registry;
- discussions with interested parties in respect of the loan book/ aspects of the loan book;
- review of formal offers in respect of aspects of the loan book;
- meeting with our legal and professional advisors in respect of the loan book;
- producing complex structure documents for each of the Borrowers in order to understand the flow of funds;
- review of the flow of funds from the Company to the Borrowers;
- interviewing various parties under S236 of the IA86;
- collating information on third parties associated with each of the Borrowers; and
- reconciliation of the Company's bank accounts to the loan book.

Other work that the joint administrators have carried out in respect of their investigations includes the following:

- meeting with and interviewing a number of third parties associated with the Company;
- requests for information belonging to, or held on behalf of, the Company from various parties;

- reviewing the Company's books and records in relation to the various key parties;
- review of the Company's bank statements held by various parties including preparing summaries and associated schedules;
- reconciling the loan book to the Company's bank statements and requesting further information from the respective banks;
- review of the Company's financial accounting records;
- making enquiries of various parties associated with the Company in respect of the Company's finances and other business activities;
- investigating circumstances which might give rise to claims against various parties and hence potential realisations of assets for the benefit of the creditors;
- tracing assets belonging to the Company, or purchased by the Company;
- tracing assets of third parties connected to the Company;
- assisting the FCA and the FSCS with their enquiries including providing information requested;
- liaising with the SFO;
- liaising with the FCA;
- instructing agents in respect of the review of bank statements of the Company;

During the initial stages of the administration, it was essential that the joint administrators and their team took immediate and decisive actions in order to gain an in-depth understand of the Company's asset position and to minimise the risk of any recoverable assets being dissipated. Consequently, a great deal of time has been expended in the early stages of the administration. As the joint administrators' investigations continue, it is expected that the amount of time spent on these investigations will level out and this is due to the administrators having a greater understanding of how the Company's loans process operates and a clear strategy of which routes of investigation they will be pursuing.

Realisation of assets

As previously mentioned, the joint administrators have a duty to realise assets belonging to the Company for the benefit of its creditors. This work is in relation to the realisation of the Company's assets and will detail the time incurred by the joint administrators and their team in taking the necessary steps to make asset recoveries. This work provides a direct financial benefit to the Company's creditors and includes the following:

- correspondence with the Company's former bank in respect of realisation of the cash at bank balances;
- liaising with the bank in relation to the funds transfers including the remittance of funds from the Bondholders;
- liaising with the Borrowers of the Company in an attempt to recover the amounts due to the Company;
- dealing with the assets of the Borrower companies where necessary;
- obtaining information from the Company in respect of the cash at bank balances;
- instructing SIA to deal with the chattel assets of the Company;
- liaising with our agents in respect of chattel asset realisations; and
- liaising with our legal advisors in respect of the insurance overpayment made by the Company prior to our appointment.

Actions at Premises

This section is in relation to the evacuation of the Company's trading premises. The joint administrators have been dealing with issues surrounding the Company's prior trading premises. It is crucial that this work was carried out in order to recover the chattel assets belonging to the Company, which were held by the Landlord, for the purpose of realising these assets. This work will likely provide a small direct financial benefit to the Company's creditors and includes the following:

- attendance on site on day 1 of the administration including dealing with the former employees;
- dealing with issues in respect of the Company's lease position;
- dealing with the Company's internet provider to ensure the connection remains live;
- dealing with G-Suite, the Company's email host service;
- dealing with other property issues including clearing out the premises and dealing with matters necessary to retain members of staff for a brief period;
- liaising with the Company's landlord and dealing with issues in respect of the lease;
- attendance at the Company's former trading premises;
- liaising with and assisting our agents in respect of clearance of the Company's records;
- dealing with matters in relation to the retained employees including correspondence;
- liaising with HMRC in respect of the retained employees;
- discussions with the Landlord in respect of the issues surrounding access to the Company's trading premises;
- discussions with the joint administrators' legal advisors in respect of the issues surrounding access to the Company's trading premises;
- collection of the Company's chattel assets currently held by the Landlord; and
- dealing with the surrender of the Company's lease.

Creditors/ Bondholders

This section is in relation to time spent in dealing with correspondence from creditors including both Bondholders and trade and expense creditors. It should be noted that there are over 11,500 Bondholders who have been affected by the administration of the Company and consequently the joint administrators and their staff have incurred a significant amount of time in dealing with a wide range of communications with Bondholders. To date the costs incurred works out as approximately £35 spent per Bondholder.

Whilst this work does not provide a direct financial benefit to the Company's creditors, it is crucial that all Bondholders are kept up to date on the progress being made in the administration and, given the extremely high volume of correspondence currently being dealt with, it is unlikely that these costs can be avoided. The indirect financial benefit to the creditors from this work is the assistance given to the joint administrators by the creditors/ Bondholders with regard to their investigations. This section involves the following work streams:

- dealing with personal information update requests from Bondholders including email addresses and postal addresses;
- dealing with telephone calls received to this office from Bondholders;
- monitoring the calls received through the call centre. (The call centre is no longer used);
- liaising with the call centre in respect of the calls received;
- drafting and issuing responses to written correspondence received from certain Bondholders;
- drafting and issuing responses to written correspondence received from Members of Parliament on behalf of Bondholders;
- dealing with correspondence received in respect of deceased Bondholders;

- monitoring and responding to emails received to the dedicated LCF mailbox;
- creating and managing the MailChimp account for ease of communication to Bondholders;
- preparing updates to Bondholders and issuing these updates through the MailChimp service;
- preparing and updating the FAQ document for the benefit of the Company's creditors;
- organising and holding a Bondholder meeting to gain an understanding of representations made to Bondholders by the Company during their application process;
- organising and holding the requisitioned creditors' meeting;
- liaising with the Financial Ombudsman Service in respect of complaints received against the Company;
- corresponding with Bondholders who have issued complaints to the Financial Ombudsman Service;
- liaising and meeting with the FSCS in respect of compensation;
- planning and organising various meetings with Bondholders;
- attending meetings with Bondholders;
- sending physical copies of correspondence to Bondholders;
- dealing with the formation of the Creditors' Committee;
- liaising with the Creditors' Committee;
- planning and organising Creditors' Committee meetings; and
- attending Creditors' Committee meetings.

There are also a number of trade and expense creditors that are taken into account with regards to this section. Work conducted in this respect is as follows:

- dealing with correspondence received from trade and expense creditors including telephone calls, emails and letters;
- corresponding with creditors who have provided leased or hire purchase assets to the Company; and
- maintaining records of amounts owed to trade and expense creditors on IPS (case maintenance system).

This section also deals with actions taken in respect of, and correspondence with, the former employees of the Company. Work undertaken in this regard includes the following:

- issuing formal notification of redundancy to the former employees of the Company;
- terminating contract agreements with the directors of the Company;
- dealing with correspondence from the former employees of the Company;
- liaising with the Redundancy Payments Service ("RPS") in order to set up a case reference number for employees;
- preparing and submitting the RP14 and RP14a forms to the RPS for the benefit of the former employees of the Company;
- assisting the former employees of the Company with submission of their claims to the RPS;
- preparing and submitting the section 120 notice in respect of the Company's pension scheme;
- drafting letters to NEST Pensions, the Pensions Regulator and the Pension Protection Fund in respect of the Company's pension scheme;
- calculating and settling the Company's final pension payment of c. £700 in respect of its pension scheme; and

- corresponding with HMRC regarding NIC due in respect of the retained employees.

Corporate Tax

- internal discussions with the joint administrators to develop an understanding of the case;
- reviewing the Company's tax position;
- reviewing the structure of the borrowers; and
- providing VAT advice in respect of the Company (which is highly important in this case as VAT is irrecoverable).

Forensics

- attending the Company's former trading premises on day 1 of the administration to begin imaging of the Company's electronic records. This process took a number of days;
- taking control of all electronic systems used by the Company;
- disabling access to the Company's electronic records to directors and former employees of the Company;
- downloading all data held in the Company's drop box account;
- downloading all data held in the Company's G-Suite email hosting system;
- attendance at meetings with third parties who hold records belonging to, or who hold media containing information in respect of, the Company with a view to extracting that information;
- liaising with third parties holding records belonging to the Company;
- review of all information extracted from the Company's electronic systems;
- uploading information extracted from the Company's systems to the Eclipse system for ease of access; and
- mining information from the Eclipse system in order to support Mishcon de Reya's work.

Assurance & Business Services

- assisting with review of accounting information extracted from the Company;
- assisting with a review of the Company's records in respect of its auditors; and
- providing advice in respect of the work conducted by the Company's auditors.

VI Fee Estimate

London Capital & Finance plc. (In administration) ("the Company")
Fees estimate according to number of hours, grade of staff and expected work to be undertaken
for the year ending 29 January 2020

Anticipated case duration	1	Year						
	Partner / Director	Associate Director	Manager	Administrator	Assistants & support staff			
Hourly rate (£)	650	525	460	290	115			
	Hours					Total hours	Total estimated time costs (including costs to date) (£)	Average hourly rate
Classification of work function								
Administration and planning								
Statutory returns, reports & meetings	150.00		160.00	175.00	20.00	505.00	224,150.00	443.86
Initial post appointment notification letters, including creditors	13.00	-	8.00	5.00	-	26.00	13,580.00	522.31
Cashiering general, including banking	1.00	-	-	3.00	35.00	39.00	5,545.00	142.18
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary)	230.00	20.00	170.00	150.00		570.00	279,200.00	489.83
Post appointment taxation (VAT, PAYE/NIC, Corp Tax)	2.00		4.00	5.00	-	11.00	4,590.00	417.27
Protection of company records (incl electronic)	10.00	-	4.00	7.00	-	21.00	10,370.00	493.81
Insurance & general asset protection	25.00		-	4.00	-	29.00	17,410.00	600.34
Filing, file and information management	10.00		5.00	5.00	-	20.00	10,250.00	512.50
Agents and advisers general	5.00		7.00	10.00	-	22.00	9,370.00	425.91
Director/manager review, approval and signing	5.00	1.00	8.00	-		14.00	7,455.00	532.50
Other	4.00	1.00	19.00	24.00	-	48.00	18,825.00	392.19
Investigations								
Directors correspondence & conduct questionnaires	10.00	-	20.00	20.00		50.00	21,500.00	430.00
Statutory books and accounting records review	60.00	50.00	10.00	25.00	5.00	150.00	77,675.00	517.83
Reviewing directors conduct	100.00		50.00	50.00		200.00	102,500.00	512.50
Reporting to The Disqualification Unit (DU) obligations	7.00		5.00	10.00	-	22.00	9,750.00	443.18
Borrowers loans	2,500.00	50.00	200.00	100.00	-	2,850.00	1,772,250.00	621.84
Asset tracing	50.00	75.00	225.00	150.00	-	500.00	218,875.00	437.75
Enquiries of advisors and any parties with relevant information and further dealings	100.00		50.00	50.00		200.00	102,500.00	512.50
S235/6 Court applications & hearings, where applicable	50.00	-	35.00	30.00		115.00	57,300.00	498.26
Director/manager review, approval and signing	5.00	10.00	3.00	-	-	18.00	9,880.00	548.89
Other	15.00	-	25.00	5.00		45.00	22,700.00	504.44
Realisation of assets								
Loan Book	300.00	-	25.00	35.00	-	360.00	216,650.00	601.81
Debtors	75.00	-	7.00	10.00	-	92.00	54,870.00	596.41
Chattel assets	7.00	-	5.00	2.00	-	14.00	7,430.00	530.71
Financial assets	15.00		-	2.00	-	17.00	10,330.00	607.65
Cash at Bank	1.00		3.00	2.00	-	6.00	2,610.00	435.00
Leasing with agents	4.00	-	5.00	2.00	-	11.00	5,480.00	498.18
Other	20.00	-	3.00	2.00	-	25.00	14,960.00	598.40
Actions at Premises								
Property issues inc. landlord and site clearance	1.00	-	10.00	15.00	-	26.00	9,600.00	369.23
Purchasing/ suppliers	3.00	-	-	-	-	3.00	1,950.00	650.00
Operations	-		3.00	-	-	3.00	1,380.00	460.00
Shutdown / Site exits	-	-	15.00	15.00	-	30.00	11,250.00	375.00
Accounting	1.00	-	3.00	-		4.00	2,030.00	507.50
Insurances	-	-	6.00	-	-	6.00	2,760.00	460.00
Staff and payroll			1.00	1.50	-	2.50	895.00	358.00
Other	-	-	1.00	1.00	-	2.00	750.00	375.00
Creditors								
Bondholders	200.00	15.00	400.00	750.00	650.00	2,015.00	614,125.00	304.78
HP & lease creditors	-	-	1.00	1.00	-	2.00	750.00	375.00
Redundancy Payments Service		-	1.00	2.00	-	3.00	1,040.00	346.67
Employees & pensions (incl Jobcentre/CSA etc.	1.50	-	5.00	20.00	-	26.50	9,075.00	342.45
HMRC	3.00	-	-	3.00	2.00	8.00	3,050.00	381.25
Unsecured creditors	1.00	-	5.00	10.00		16.00	5,850.00	365.63
Creditors committee	50.00	-	40.00	60.00	-	150.00	68,300.00	455.33
Other	5.00	-	15.00	10.00	-	30.00	13,050.00	435.00
Distributions	5.00	-	30.00	50.00	-	85.00	31,550.00	371.18
Corporate Tax including VAT								
Corporate Tax including VAT	50.00	-	5.00	3.00	-	58.00	36,170.00	623.62
Assurance & Business Services								
Assurance & business Services	25.00	5.00	15.00	10.00	-	55.00	22,700.00	412.73
Forensics								
Forensics	75.00		475.00	450.00	3.00	1,003.00	329,020.00	328.04
Total	4,184.50	227.00	2,087.00	2,284.50	715.00	9,498.00	4,469,300.00	470.55

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

Introduction

Detailed below are:

- Smith & Williamson LLP's policies in relation to:
  - *Staff allocation and the use of subcontractors*
  - Professional advisers
  - Disbursement recovery
- Smith & Williamson LLP's current charge out rates

Staff allocation and the use of subcontractors

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.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

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.

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement 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 costs 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.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

Details of any Category 2 disbursements 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 appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2019.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2018	London office £/hr	Regional offices £/hr
Partner / Director	565-650	360-380
Associate Director	525	290-320
Managers	250-365	225-310
Other professional staff	170-400	140-185
Support & secretarial staff	115	60-140

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2019	London office £/hr	Regional offices £/hr
Partner / Director	580-675	376-432
Associate Director	550	352
Managers	340-475	216-304
Other professional staff	225-475	144-192
Support & secretarial staff	125	80

Notes

1. Time is recorded in units representing 3 minutes or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. The cashiering function time is incorporated within "Support & Secretarial Staff".

Smith & Williamson LLP Corporate Tax Charge out rates as at 1 July 2019	London office £/hr
Partner / Director	575-690
Associate Director	460
Managers	245-400
Other professional staff	115-210
Support & secretarial staff	60

Smith & Williamson LLP Forensics Charge out rates as at 1 July 2019	London office £/hr
Partner / Director	480
Associate Director	-
Managers	320-410
Other professional staff	240
Support & secretarial staff	-

www.smithandwilliamson.com

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

Smith & Williamson LLP is regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities. A member of Nexia International. Registered in England at 25 Moorgate, London EC2R 6AY No OC369871.

Nexia Smith & Williamson Audit 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. A member of Nexia International.

Smith & Williamson is a member of Nexia International, a worldwide network of independent accounting and consulting firms.

© Smith & Williamson Holdings Limited 2013