

Private & Confidential**27 February 2022**

Our ref: ADM402A//LO942

Direct line: 020 7131 4266

Email: london.capital@smithandwilliamson.com**TO ALL KNOWN CREDITORS**

Dear Sir/Madam

**London Capital & Finance Plc (in administration) (the “Company”)
High Court of Justice No. CR000755 of 2019
Company Registration Number: 08140312**

In accordance with statutory requirements, I am writing to advise that my latest progress report for the six-month period to 29 January 2022 is now available for viewing and download from the following website www.smithandwilliamson.com/london-capital without the requirement to login.

Alternatively, to access these documents on www.ips-docs.com/ please see below login details:

1. Enter login code LO942 (case sensitive) and click ‘LOGIN’
2. At the next screen, enter password/unique ID LondonCap1tal (case sensitive) and click ‘LOGIN’

If you are unable to access these documents, you may request a hard copy (which will be provided at no cost) by contacting my office on the details above.

Under the Insolvency legislation I am required to seek the approval of creditors as to the basis of my remuneration (which may include any unpaid pre-administration costs), Category 2 expenses as well as my discharge from personal liability immediately upon my appointment ceasing to have effect. I intend to deal with these decisions by way of correspondence and enclosed with this letter is a notice providing further information about this process.

Details of the time costs which the joint administrators have already incurred to date are summarised and appended to this letter and have been disclosed in my previous reports. A future time cost estimate for the following 2 years to 29 January 2024 is also appended. I am required to provide all creditors with this before any decision is passed regarding the basis of my fees.

As a result of the compensation which has been paid out by the Financial Services Compensation Scheme (“FSCS”), both under the FSCS scheme rules and, more recently, in respect of the HM Treasury compensation scheme, the majority of bondholders are no longer direct creditors of the

Smith & Williamson LLP

Where Partners, Directors, Associate Directors and Consultants are appointed as administrative receivers and administrators, the affairs, business and property of the company over which they are appointed are managed by them as agents and without personal liability and, where they act as Law of Property Act (LPA) or fixed charge receivers, they do so as agents for the mortgagor and without personal liability. Where they are acting as liquidators they contract as agents of the company and without personal liability unless specifically stated otherwise. The affairs, business and property of the entity over which they are appointed are managed by the administrators Finbarr Thomas O’Connell, Adam Henry Stephens and Colin Hardman who act as agents of the Company and without personal liability

Finbarr Thomas O’Connell, Adam Henry Stephens, Colin Hardman and Henry Shinnars are authorised and licensed as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales.

As insolvency practitioners we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment, a copy of which can be found at: <https://www.icaew.com/regulation/insolvency/sips-regulations-and-guidance/insolvency-code-of-ethics>

All Smith & Williamson insolvency practitioners are authorised and licensed in the UK by the Institute of Chartered Accountants in England and Wales. Further details of their licensing body along with our complaints and compensation procedure can be accessed at: <https://smithandwilliamson.com/en/insolvency-licensing-bodies/>

The Fair Processing Notice in relation to the General Data Protection Regulation can be accessed at <http://smithandwilliamson.com/rrsgdpr>

Should you wish to be supplied with a hard copy of the notice, any attachments or documents relating to a case matter, please contact the staff member above at any time via telephone, email or by post. Any requests will be completed as soon as reasonably practicable.

The word partner is used to refer to a member of Smith & Williamson LLP. A list of members is available at the registered office

Registered in England at 25 Moorgate, London EC2R 6AY No OC369631

Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities

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Company; their claims have been taken on in their entirety by the FSCS, who now holds a subrogated creditor position to the present value of c.£160m. This figure is expected to increase as more bondholders receive and bank their compensation cheques.

As such, the FSCS have become the majority creditor of the Company and, accordingly, the outcome of this and any future decision process will be determined by the voting position of the FSCS.

Creditors' Committee

A creditors' committee was originally constituted in the early stages of the administration, comprising of five bondholders. Due to the rollout of the HM Treasury compensation, the committee consequently became invalidly constituted as a creditors' committee is required to have a minimum of three members for it to be properly constituted. It was officially disbanded with effect from 31 December 2021.

In accordance with R15.34 IR16, a creditors' committee will only be re-established if more than half in value of the creditors to whom notice of the decision procedure was delivered support the formation of one.

Information on the role of a creditors' committee can be found at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/more/29111/page/1/liquidation-creditors-committees-and-commissioners/>

Next steps

Enclosed with this letter is

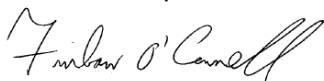
- A notice about the decisions to be considered by correspondence
- A voting form which contains details of the resolutions being proposed. In order for you to vote, this must be completed and returned to me at the above address, or by emailing londoncapital@smithandwilliamson.com, by 15 March 2022
- A proof of debt form which can be accessed at www.smithandwilliamson.com/london-capital. The administrators received proof of debts at the time a dividend was declared and the majority of proofs of debt have already been submitted. **There is no requirement to resubmit a proof of debt**, but a proof of debt form must have been received in order for you to vote
- A summary of the time incurred to 29 January 2022 and future fee estimates.

In the event that a physical meeting is convened, the costs associated with convening and holding that meeting will be charged to the estate.

Any documents required to be delivered to the Convener pursuant to this notice can be sent by post to Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY or, alternatively, by email to londoncapital@smithandwilliamson.com. Creditors may at any time request a hard copy of any documents currently available for viewing on the above website and all future documents by contacting the LCF Team on the details above or by contacting 020 7131 4266.

Finally, if you have any queries in relation to the content of this letter or what is being proposed, please contact the LCF Team.

Yours faithfully
For London Capital & Finance Plc



Finbarr O'Connell
Joint Administrator

NOTICE OF DECISIONS BEING SOUGHT BY CORRESPONDENCE

LONDON CAPITAL & FINANCE PLC - IN ADMINISTRATION (the Company)
Registered Number - 08140312

This notice is given pursuant to Rule 15.8 of the Insolvency (England and Wales) Rules 2016 (**the Rules**).

Court details	
Court Name	High Court of Justice
Court Number	CR000755

Office-holder details	
Administrator's Name	Finbarr Thomas O'Connell, Henry Shinnors, Colin Hardman Adam Henry Stephens and Geoff Rowley
Administrator's Firm's Name	Smith & Williamson LLP
Date of Appointment of Administrator	30 January 2019

THE PROPOSED DECISIONS

The Joint Administrators (**the Convener**) are seeking approval of the following decisions from the Company's creditors by correspondence:

1. Under Rule 3.39, that a creditors' committee should NOT be established unless a majority in value of creditors support the formation of a creditors' committee and sufficient eligible creditors are willing to be members.
2. Under Rule 3.52 of the Insolvency (England and Wales) Rules 2016 and in the absence of a creditors' committee, that the unpaid pre-administration costs as detailed in the Joint Administrators' Report and Statement of Proposals issued in March 2019, be approved.
3. Under Rule 18.16 of the Insolvency (England and Wales) Rules 2016 and in the absence of a creditors' committee, that the remuneration of the Joint Administrators be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration (fee estimates are duly appended).
4. That the quantum of the Joint Administrators' remuneration to be drawn from time to time be approved by the Financial Services Compensation Scheme, acting in its capacity as the majority creditor of the Company.
5. That, subject to the obtaining the approval of the Financial Services Compensation Scheme, in accordance with Statement of Insolvency Practice 9, the Joint Administrators be authorised to draw remuneration as and when funds are available.
6. In accordance with Statement of Insolvency Practice 9, that the Joint Administrators be authorised to draw Category 2 expenses in accordance with their firm's published tariff.
7. That the Joint Administrators will be discharged from liability under Paragraph 98(2) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

Ensuring your votes on the proposed decision are counted

In order for votes on the Proposed Decisions to be counted, a creditor must have delivered the Voting Form accompanying this notice, together with a completed proof of debt form in respect of their claim (unless one has already been submitted) to the Convener, whose contact details are below, on or before 15 March 2022 (**the Decision Date**), failing which their votes will be disregarded.

Appeal of Convener's decision

Pursuant to Rule 15.35 of the Rules, any creditor may apply to the court to appeal a decision of the Convener. However, an appeal must be made within 21 days of the Decision Date.

Creditors' committee - nominations pursuant to Rule 3.39 of the Rules

In relation to the proposed decision set out above concerning the formation of a creditors' committee, providing a majority in value of creditors support the formation of a creditors' committee, any nominations for membership of the committee must be received by the Convener by no later than the Decision Date and will only be accepted if the Joint Administrators are satisfied as to the nominee's eligibility to be a member of such committee under Rule 17.4 of the Rules. Please note that nominations for membership can be made on the Voting Form accompanying this notice.

Creditors with a small debt

An office-holder may, depending on the circumstances of a case, decide to treat a 'small debt' of the Company (meaning a debt of £1,000 or less inclusive of VAT) as having been proved, without the creditor having to submit a completed proof of debt form in respect of their claim. Where this is intended, notice will be given by the office-holder to the affected creditors. Any creditor who has received such a notice, must still deliver a completed proof of debt form in respect of their claim (unless one has already been submitted) by no later than the Decision Date if they wish to vote on the Proposed Decisions.

Creditors who have opted out of receiving notices pursuant to Rule 15.8(3)(g) of the Rules

Any creditor who has opted out of receiving notices but still wishes to vote on the Proposed Decisions is entitled to do so. However, they must have delivered a completed Voting Form, together with a completed proof of debt form in respect of their claim (unless one has already been submitted) to the Convener, whose contact details are below, by no later than the Decision Date, failing which their votes will be disregarded.

Request for a physical meeting pursuant to Section 246ZE of the Insolvency Act 1986

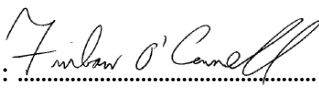
Creditors who meet certain thresholds prescribed by the Insolvency Act 1986, namely 10% in value of the creditors or contributories, 10% in number of the creditors or contributories or 10 creditors or contributories, may require a physical meeting to be held to consider the Proposed Decisions. However, such a request must be made in writing to the Convener within 5 business days from 28 February 2022 and be accompanied by a completed proof of debt form in respect of their claim (unless one has already been submitted).

In the event that a physical meeting is convened and our fees are approved on a time cost basis (in accordance with any fee estimates) and there are funds available in the estate, the associated costs will be charged to the estate and drawn accordingly.

Contact details

Any documents required to be delivered to the Convener pursuant to this notice can be sent by post to Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY or, alternatively, by email to londoncapital@smithandwilliamson.com. Any person who requires further information may contact the LCF Team by telephone on 020 7131 4266 or alternatively by e-mail at londoncapital@smithandwilliamson.com.

Dated: 27 February 2022

Signed: 
Convener

Insolvency Act 1986

Voting Form (Administration)

Name of company London Capital & Finance Plc	Company registration number 08140312
In the High Court of Justice	Court case number CR000755 of 2019

Please indicate whether you are in favour or against each of the decisions set out below and return this form with a completed proof of debt form to Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, on or before 15 March 2022 (the **Decision Date**) in order that approval may be determined.

	Decision	In Favour (/)	Against (/)
1	Under Rule 3.39, that a creditors' committee should NOT be established unless a majority in value of creditors support the formation of a creditors' committee and sufficient eligible creditors are willing to be members.		
2	Under Rule 3.52 of the Insolvency (England and Wales) Rules 2016 and in the absence of a creditors' committee, that the unpaid pre-administration costs as detailed in the Joint Administrators' Report and Statement of Proposals issued in March 2019, be approved.		
3	Under Rule 18.16 of the Insolvency (England and Wales) Rules 2016 and in the absence of a creditors' committee, that the remuneration of the Joint Administrators be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration (fee estimates are duly appended).		
4	That the quantum of the Joint Administrators' remuneration to be drawn from time to time be approved by the Financial Services Compensation Scheme, acting in its capacity as the majority creditor of the Company.		
5	That, subject to the obtaining the approval of the Financial Services Compensation Scheme, in accordance with Statement of Insolvency Practice 9, the Joint Administrators be authorised to draw remuneration as and when funds are available.		
6	In accordance with Statement of Insolvency Practice 9, that the Joint Administrators be authorised to draw Category 2 expenses in accordance with their firm's published tariff.		
7	That, the Joint Administrators will be discharged from liability under Paragraph 98(2) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.		

Creditors' committee

Rule 3.39 of the Insolvency (England and Wales) Rules 2016 requires that where a decision is sought from creditors, it is necessary to invite creditors to decide on whether a creditors' committee should be established. The Insolvency (England and Wales) Rules 2016 also state that where a majority in value of creditors support the formation of a creditors' committee, it cannot be established unless it has at least three (and no more than five) members. Therefore, if you believe a creditors' committee should be established and have voted against the second decision above, please nominate below a creditor that is prepared to serve as a member of the creditors' committee. Please note that creditors can nominate themselves to serve on the creditors' committee. In the absence of the requisite number of creditors willing to act as members, a creditors' committee will not be formed. Information on the role of a creditors' committee can be found at:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/more/29111/page/1/liquidation-creditors-committees-and-commissioners/>

I wish to nominate _____ (insert name)

Representing _____ (insert name of creditor)

to be a member of the committee

Please ensure you sign and date this form before returning it (see overleaf)

Please complete the section below before returning the form

Name of creditor	
Signature for and on behalf of creditor	
Position with creditor or relationship to creditor or other authority for signature - please indicate	
Is the signatory the sole member of a body corporate?	YES / NO
Date of signing	

Year-on-year time costs and fee estimates - Please refer to previous progress reports for detailed breakdowns of the 6-month periods**Smith & Williamson LLP**

Period	Time costs incurred (£)	Estimate (£)
30 January 2019 to 29 July 2019	2,316,159	
30 July 2019 to 29 January 2020	1,362,096	
Year 1 Total	3,678,255	4,469,300
30 January 2020 to 29 July 2020	1,308,274	
30 July 2020 to 29 January 2021	647,903	
Year 2 Total	1,956,177	3,605,025
30 January 2021 to 29 January 2021	623,836	
30 July 2021 to 29 January 2022	627,519	
Year 3 Total	1,251,355	2,106,760
Years 4 and 5	-	2,205,068
Total	6,885,787	12,386,153

FRP Advisory Limited - Conflict administrators

Period	Time costs incurred (£)	Estimate (£)
30 October 2019 to 29 January 2022	790,517.25	-
30 January 2022 to 31 August 2022	-	1,325,550.00
Total	790,517.25	1,325,550.00