

AM10

Notice of administrator's progress report



Companies House

MONDAY



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18/09/2017

#246

COMPANIES HOUSE

1 Company details

Company number 0 5 2 8 4 1 4 2

Company name in full Alpari (UK) Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Samantha Rae

Surname Bewick

3 Administrator's address

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

4 Administrator's name ①

Full forename(s) Edward George

Surname Boyle

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 15 Canada Square

Street Canary Wharf

Post town London

County/Region

Postcode E 1 4 5 G L

Country

② 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 1	^d 9	^m 0	^m 1	^y 2	^y 0	^y 1	^y 7
To date	^d 1	^d 8	^m 0	^m 7	^y 2	^y 0	^y 1	^y 7

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

G M Bowick

X

Signature date

^d 1	^d 5	^m 0	^m 9	^y 2	^y 0	^y 1	^y 7
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Joint Special
Administrators'
progress
report for the
period 19
January 2017
to 18 July
2017

Alpari (UK) Limited - in
Special Administration

15 August 2017

Notice to creditors

This progress report provides an update on the special administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the special administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 6).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.kpmg.com/uk/alpari>. We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 7).

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1 Executive summary

- This progress report covers the period from 19 January 2017 to 18 July 2017.
- We have focused on all three statutory objectives set out in the Regulations (Section 2 - Progress to date).
- To date FSCS has taken assignment of 12,759 client claims and has paid compensation of USD 50.8 million to 12,305 clients (Section 2.4 - Regulatory Matters).
- As required by the CASS rules, costs incurred in dealing with the CMP are to be charged to the CMP (Section 2.5 - Costs).
- On 31 May 2017, we declared and paid a second and final client money distribution of 27.0 cents in the \$ (USD), bringing total client money distributions to 82.0 cents in the \$ (USD). Any deficit in client monies will rank as an unsecured claim against the non-client money and assets, and therefore clients will also receive a dividend from this source. We envisage paying a "catch up" dividend, equal to the distributions already made to unsecured creditors, to clients in relation to their unsecured claim within two months from the date of this report (Section 3.1 - Clients).
- Preferential creditors have been paid in full (Section 3 - Dividend prospects and dividends paid).
- The total distribution to unsecured creditors to date remains unchanged at 20 pence in the £ (GBP). The timing and quantum of a further dividend remains uncertain. However, on current information we anticipate the final dividend will be paid in the first quarter of 2018. (Section 3 - Dividend prospects and dividends paid).
- Please note: you should read this progress report in conjunction with our previous progress reports and proposals issued to the Company's creditors which can be found at <http://www.kpmg.com/uk/alpari>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Samantha Bewick
Joint Special Administrator

2 Progress to date

This section updates you on our strategy for the special administration and on our progress to date. It follows the information provided in our previous progress report.

2.1 Objectives and strategy of the special administration

The Regulations set out the statutory objectives of the special administration, being:

1. to ensure the return of client assets (being client monies for these purposes) as soon as is reasonably practicable;
2. to ensure timely engagement with market infrastructure bodies and the Authorities; and
3. either to rescue the Company as a going concern or to wind it up in the best interests of the creditors.

There is no priority to the order of the objectives and we continue to pursue all three objectives simultaneously. We prioritise the order of work on each objective as we think fit to achieve the best result overall for clients and creditors.

All funds held in segregated accounts, together with the Company's client money held in omnibus accounts designated as client monies at banks or exchange/clearing house, were automatically pooled on insolvency. Any client entitled to client money protection is entitled to a share in the pool on a pro-rata basis.

We established that there was no reasonable prospect of rescuing the Company as a going concern within the first two weeks following our appointment. Accordingly in relation to objective 3 we are pursuing the objective to wind up the Company in the best interests of the creditors.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

Client Debtors

In the period covered by this report we have realised GBP 545,466 from debtor realisations.

As previously reported, these recoveries have been achieved from debtors based in 47 different countries, but as a result of the geographic spread of the ledger and the nature of the debts, the collection process is proving challenging (Section 2.3).

Bank interest

During the period we have realised GBP 5,612 in bank interest (in both estates).

E-wallets

In the current reporting period we have completed the reconciliation and transfer of e-wallets receipts to the house estate. As a result a sum of GBP 101,896 was transferred between the two estates.

2.3 Progress to date

CMP closure

Following the High Court directions to close the CMP, a second and final client money distribution of 27.0 cents in the \$ (USD) was declared on 31 May 2017, taking total distributions to clients from the client money pool to 82.0 cents in the \$.

The client money pool has now been closed and no further costs or realisations will be charged or credited.

Any clients who have not submitted a client money claim are no longer entitled to any distributions from the client money pool. However, they can still proceed to agree their balance but any agreed balances on the Claims Portal will be treated as unsecured creditor claims, and any distributions or compensation payments will be made based on the Contractual Claim Amount.

Please note that FSCS have confirmed that they will continue to compensate, up to a maximum of GBP 50,000, all eligible clients of the Company who agreed their claim after the closure of the CMP. (Section 2.4 - Regulatory Matters).

Communications

We continue to update our website with information and circulars to clients and creditors. These can be found at <http://www.kpmg.com/uk/alpari>.

The dedicated email address for any enquiries is alpariukclaims@kpmg.co.uk

Our contact telephone number is 0333 202 1397.

Client debtors

As indicated in our previous reports, the geographic spread of the ledger (and the circumstances under which most of the debts arose) makes the collection process challenging. In addition to the recoveries of approximately GBP 1.7 million to date, 59 debtors have entered into instalment settlement arrangements.

Beeston Shenton Solicitors continue to act for us and pursue formal recovery proceedings of the UK debtors on a predominantly 'no win no fee' basis. The overseas collection agents continue to pursue recovery of the overseas accounts from within the country of the debtor. Individually targeted recovery strategies are in train to pursue material debtors cost effectively. It is not in the interest of creditors to provide extensive details of this process: however details are shared with the creditors' committee.

We are pursuing approximately 40 high value overseas debtors. We have paid a small upfront amount per debtor to cover the costs of obtaining a judgement against each of them, the balance of costs are on a no-win no fee basis.

We will continue to take cost-effective action, including bankruptcy and liquidation proceedings, where necessary.

IT infrastructure and information

The Company was heavily dependent on its IT infrastructure. Working with the Company, we ensured continuity of provision of such IT services and related data as were required to fulfil our objectives and to develop the Claims Portal.

We identified key data sources that we needed to preserve and the mechanisms by which we can communicate with clients and suppliers. We continue to ensure ongoing access to the data from the Company's dynamic trading systems as well as to the Company's client data and relevant records of past communications.

We decommissioned or downsized non-essential systems in order to reduce ongoing maintenance costs and, where possible, to realise some income from the sale of equipment and licences. At present the Company continues to utilise servers and equipment in only one external data centre. The equipment in the other data centre was decommissioned and sold. We do not expect there to be any further material recoveries from these assets.

Services to FSCS

We continue to work closely with FSCS. There are regular exchanges of data between the JSAs and FSCS to allow FSCS to process clients' claims.

The data exchanges include the agreement we entered into with FSCS in May 2015, under which we assist FSCS in carrying out personal KYC checks and bank details KYC checks on clients who have assigned their claims to FSCS. This assists FSCS to make compensation payments to eligible clients.

In order to be fair to non-FSCS creditors, we charge FSCS for this service and have received GBP 18,149 since our previous progress report which relates to services provided in the prior reporting period.

Contractors

We continue to use former Company staff on a contractor basis, primarily to assist with the maintenance of the Claims Portal and Company IT systems and servers, as well as client information queries.

Tax

We have prepared and submitted the VAT returns for the periods ending 31 March 2017 and 31 July 2017.

During the period, further correspondence took place with HMRC with regard to their enquiry into the corporation tax return for the period ended 31 December 2015 but to date no agreement on the tax position has been reached and discussions are still ongoing. As previously mentioned, if HMRC ultimately disagrees with the approach we have taken on

when the Company ceased to trade for corporation tax purposes, it is likely that some or all of the circa GBP 4.8 million of realisations received by the Special Administrators in respect of the disposals of the Company's intellectual property will be taxable. Until the corporation tax position is agreed, the Special Administrators continue to make sufficient provisions to cover any potential tax liability and interest that could arise.

Further corporation tax returns will be required to be submitted to HMRC for the years ended 31 December 2016, 31 December 2017 and the final period leading up to exit from the Special Administration, assuming this occurs before 31 December 2018.

2.4 Regulatory Matters

The Financial Conduct Authority

We continue to liaise with the FCA, keeping them informed of our progress. In addition we have provided the FCA with all information it has requested in relation to the Company and its clients, a process we expect to continue for the duration of the special administration.

Following the closure of the CMP, we have supplied the FCA with all the information required by the waiver granted by them allowing closure.

We will continue to co-operate with the FCA in all matters as appropriate.

Financial Services Compensation Scheme

FSCS is a statutory compensation scheme which may, among other things, compensate eligible parties who have lost money as a result of the insolvency of financial services firms regulated in the United Kingdom. Compensation depends on a number of factors and is limited to a maximum of GBP 50,000 per person.

Since our appointment we have liaised closely with FSCS and regularly provided them with claim agreement details. As previously advised, FSCS determined that all of the products offered by the Company are eligible for compensation. Separately, in order to be paid compensation a claimant must also meet FSCS's eligibility criteria.

We have incorporated an FSCS assignment page in the Claims Portal that allows eligible claimants to assign their claim to FSCS within the Claims Portal. This means that the majority of clients do not need to complete a written application form in order to receive a compensation payment from FSCS.

There are a number of clients who cannot assign their claim to FSCS within the Claims Portal because FSCS requires further information from the client in order to determine eligibility. All these clients have been informed, via the Claims Portal, that further information is required in order to assign their claim to FSCS. Once these clients agree their claim balance, their details are passed to FSCS to enable FSCS to send an application form to obtain the necessary information. Clients who fall into this category and have agreed their claim in the Claims Portal but not yet received an application form should contact FSCS directly by emailing enquiries@fscs.org.uk.

FSCS determined that it would make compensation payments in USD to clients who agreed their client money claim before the bar date and in GBP to all those who agreed their claim

after the bar date, as these are now treated as unsecured claims and are paid from the house estate in GBP. Where possible, compensation will be paid by electronic bank transfer. To date FSCS has paid compensation to 12,305 clients totalling USD 50.8 million; no GBP payments have been made by FSCS.

2.5 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2). Note that costs are allocated between the client and house estates and that the client estate is denominated in USD, while the house estate is expressed in GBP.

Summaries of the most significant payments made during the period are provided below.

Cost allocation

CASS rule 7.17.2R states that:

“in respect of a trustee firm, a firm receives and holds client money as trustee on the following terms:

...(4) for the payment of the cost properly attributable to the distribution of the client money....if such distribution takes place following the failure of the firm”

In addition, Rule 135 of the Rules addresses the order of priority of expenses to be paid out of client assets. We are therefore required by both CASS rules and the Rules to pay from the client estate the costs that have been incurred to enable distributions to be made from the CMP.

The creditors' committee has approved the allocation of costs based on average assets and liabilities, including the asset provision in the house estate and excluding the CMP deficit in the client estate. As a result of calculating the final cost allocations on the agreed basis between the estates following confirmation of the final asset and liability position on closure of the CMP, the allocation of shared costs to the CMP has increased from 72.2% to 77.7%; and has fallen from 27.8% to 22.3% in the house estate.

Accordingly the attached receipts and payments shows the position. The transactions in the reporting period show the movement in cost allocations as well as the receipts and payments incurred in the period from 19 January 2017 to 18 July 2017. (See Appendix 2)

Solicitors

Ashurst are our legal advisors in the special administration. We have a formal engagement letter with them which details the responsibilities of each party and the basis of their remuneration.

Ashurst continue to assist on all key matters set out in this report. Their work in the period predominantly relates to the closure of the CMP and assisting with negotiations and mediation with one significant client who appealed our part rejection of his claim.

Assistance with the process of closing the CMP involved research and providing advice and guidance based on law and precedent relating to the closure and calculation of the resulting unsecured claim for any unpaid balance.

Assistance from Ashurst in relation to the legal challenge of a part-rejection of a client's claim involved all work necessary to establish the basis of the dispute, and to prepare for and undertake mediation. Mediation was a more cost effective and faster way to reach an acceptable outcome.

We have paid GBP 91,425 to Ashurst in the reporting period.

We have also paid GBP 76,249 to Beeston Shenton Solicitors in respect of professional charges in relation to the agreed fixed fee for debt recovery of the overseas portfolio, including Counsel's fees.

CCI Legal Fees

In respect of the client debtor recoveries we have paid commissions in the period of GBP 443.

Agents'/Valuers' fees

During the period we have paid GBP 2,665 to Thomson Reuters in relation to sanctions checks.

IT Suppliers

We have continued to ensure continuity of the provision of such IT services and related data as are required. In many cases, contracts with IT suppliers have been re-negotiated to reduce costs to reflect the reduced level of usage of the systems and services.

IT costs incurred during the period are GBP 200,056.

Storage

During the period, we have incurred storage costs of GBP 2,761.

Call Centre Costs

In respect of the Call Centre we have incurred costs of GBP 378 in the period.

2.6 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

3 Dividend prospects and dividends paid

3.1 Clients

Closure of CMP and final distribution

On 30 April 2015 an initial client money distribution of 55 cents in the dollar was declared by the Joint Special Administrators ("JSA's") from the Client Money Pool ("CMP"), with the initial distribution made on 24 June 2015.

On 29 September 2016 the English High Court made an Order prescribing a procedure by which the remaining client money held by Alpari UK should be distributed to clients. As a result of this Order, the bar date for client money claims was set for 30 October 2016 and we subsequently adjudicated all claims.

As reported in our previous progress report, one significant client creditor appealed our part rejection of their claim. In February 2017, negotiations took place and this dispute was resolved, enabling us to proceed with the second and final client money distribution.

Accordingly, a second and final client money distribution of 27.0 cents in the \$ (USD) was declared on 31 May 2017, bringing total distributions to clients with an agreed claim from the client money pool to 82.0 cents in the \$ (USD).

Clients are advised that any deficit in client monies will rank as an unsecured claim against the non-client money and assets, and therefore clients will also receive a dividend from this source. We envisage paying a "catch up" dividend of 20 pence in the £ (GBP), being equal to the distributions already made to unsecured creditors, to clients in relation to their unsecured claim within two months from the date of this report.

Any clients who did not submit a client money claim by the bar date are no longer entitled to any distributions from the client money pool. However, the Claims Portal continues to be available to clients who previously had a claim into the CMP. Those claims will be treated as unsecured creditor claims, and any distributions or compensation payments will be made based on their Contractual Claim Amount.

Please note eligible clients are able to assign their claims to FSCS at any time. FSCS have confirmed that they will compensate all eligible clients of the Company up to a maximum of GBP 50,000, including those client who agree their claim after the bar date.

Claims Portal

To date, 94,375 clients have access to the Claims Portal representing 99.8% by value of clients.

Clients without access to the Claims Portal have not been granted access due to insufficient details being held by the Company. Any clients who do not have access to the Claims Portal, but believe that they should have access, should email alpariukclaims@kpmg.co.uk stating their name and account numbers.

Estimated outcome to clients

As of the bar date, USD 95.7 million of client claims have been agreed representing 98% of value of clients with a claim into the CMP. We have paid a total of USD 77.9 million from the CMP in respect of 13,644 clients. Any dividends which have not been able to be paid to agreed client creditors will be placed in the unclaimed dividends account held by the Insolvency Service so that clients entitled to those sums may claim them in future.

As noted in Section 2.5, CASS rules, the Rules require that the costs properly attributable to the distribution of client money are borne by the client estate, which reduces the amount available to clients from the CMP.

As mentioned above, all available funds in the CMP have now been distributed to clients, resulting in a return to clients from the client money pool of 82.0 cents in the \$ (USD). Clients also have an unsecured claim representing the deficit in client monies owed to them. At present, we estimate that the overall return to clients from the general creditor estate in relation to their unsecured claims will be in the range of 30 pence to 36 pence in the £ (GBP). This includes the imminent distribution of 20 pence in the £ (GBP) to clients in relation to their unsecured claims in line with distributions to unsecured creditors to date.

Clients will be notified of any further distributions in relation to their unsecured claims and an update will be provided on our website (<http://www.kpmg.com/uk/alpari>).

Clients should note that if they have received compensation from FSCS, all rights to their claim in the special administration, including to the CMP, are legally transferred to FSCS. FSCS will claim in the special administration for the whole of the clients' loss (even if that is over GBP 50,000). In accordance with FSCS rules, FSCS will pass on to the client any money it recovers until the client's total claim is satisfied. Thereafter, FSCS will recover additional amounts to offset the cost of the compensation it has paid the client.

3.2 Preferential creditors

All preferential creditors have been paid in full.

3.3 Unsecured creditors

To date, we have agreed unsecured claims of GBP 19,522,923.

As previously reported we have declared and paid two interim dividends totalling 20 pence in the £ (GBP) to all agreed unsecured creditors who have passed the necessary KYC checks. The total amount distributed to date is GBP 4,267,259 including preferential creditors and payments of PAYE on certain unsecured claims.

We have not paid a dividend to creditors with a distributable amount of GBP 100 or less, i.e. creditors with a claim value of GBP 500 or less. This is because it is not economical for the body of creditors as a whole to bear the administrative costs of making payments below this level.

Unsecured creditors with an agreed claim but with a distributable amount of GBP 100 or less will be paid when the final dividend is declared, which is expected to be in the first quarter of 2018.

We continue to adjudicate claims and pay catch-up dividends as appropriate.

At present, we estimate that the overall return to clients from the general creditor estate in relation to their unsecured claims will be in the range of 30 pence to 36 pence in the £ (GBP). This range is currently uncertain owing to the commercial sensitivity of a number of variables such as continuing asset realisations and the volume of unsecured claims

4 Other matters

4.1 Creditors' Committee

As previously disclosed, a Creditors' Committee was elected at the meeting of creditors held on 12 March 2015, comprising three client and two creditor representatives. Since then Mr David Miron has resigned from the Creditors' Committee. The current members of the Creditors' Committee are as follows;

FSCS, GO Markets PTY Ltd, Royal Financials SAL and Badaluk Limited, comprising two client and two creditor representatives.

Committee meetings

All committee members have signed a non-disclosure agreement. This allows us to discuss aspects of our work in more detail with them.

Areas of work we discuss with the committee include providing approval for the JSAs to draw the fees, illustrative financial outcome statements, the allocation of cost mechanism and the procedure for the closure of the CMP.

There have been regular calls with the creditors' committee and it is expected that the next committee meeting will be held in September 2017.

5 Joint Special Administrators' remuneration and disbursements

5.1 Joint Special Administrators' remuneration and disbursements

The committee have provided approval that our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff according to the charge-out rates included in Appendix 5.

This resolution was passed with a view to the JSAs' fee structure being considered further with the committee.

Disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5.

Following the initial approval to draw a fee on account of GBP 2 million, the committee have since approved the basis of our fees and we have agreed a fee structure with the committee, summarised below.

House estate

In the House estate it has been resolved that fees can be drawn on the following basis:

- 40% of time costs relating to the House estate can be billed on a quarterly basis
- the balance is dependent on the quantum and timing of unsecured dividends and the value of realisations made.

Client estate

In the Client estate it has been resolved that fees can be drawn on the following basis:

- 50% of time costs relating to the Client estate can be billed on a quarterly basis
- the balance of fees is dependent on the quantum and timing of distributions to clients.

We have provided a budget for each estate to the creditors' committee

Time costs

From 19 January 2017 to 18 July 2017, we have incurred time costs of GBP 726,001. These represent 1,754 hours at an average rate of GBP 414 per hour.

From the date of our appointment to 18 July 2017, we have incurred time costs of GBP 13,307,415. These represent 31,785 hours at an average rate of GBP 419 per hour.

Key areas where the majority of costs were incurred are:

- Cashiering costs incurred during the period relate to the tasks undertaken to complete the client money final distribution and subsequent closure of the estate;
- Majority of VAT costs incurred during the period relate to VAT returns and reconciliations of VAT accounts as well as communication with HMRC regarding the outstanding refunds;
- Cost incurred in relation to clients queries are linked to work undertaken prior to and during the client money final distribution and closure of the CMP. This includes answering clients' queries, assisting with agreeing claims and updating details.

As a result of discussions with the Creditor's Committee, there is a maximum cap on our fees of GBP 10.5 million directly relating to our work as JSAs. The figure does not include legal fees, disbursements or VAT.

Please see detailed analysis of the time spent and a narrative description of the work performed (Appendix 5) and in our previous progress report(s).

Remuneration

During the period, we have drawn remuneration of GBP 1,313,690 plus VAT of which GBP 726,001 relates to the current period. The remainder relates to the prior period.

Disbursements

During the period, we have paid disbursements of GBP 455 of which GBP 449 relates to the current period. The remainder relates to the prior period.

Additional information

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 19 January 2017 to 18 July 2017. We have also attached our charging and disbursements policy.

6 Future strategy

6.1 Future conduct of the special administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the special administration. This will include but not be limited to:

- Realisation of the client debtor balances;
- Co-operating with the FCA and other regulatory bodies;
- Agreeing creditor claims and supplying information on agreed client claims to FSCS.
- Dealing with ongoing statutory and compliance obligations as well as responding to queries raised;
- Transfer of unclaimed dividends from client money to the Insolvency Service and closing the CMP; and
- Distributions of general estate funds.

6.2 Future reporting

We intend to provide a further progress report within one month of 18 January 2018.

Appendix 1 Statutory information

Company information

Company name	Alpari (UK) Limited
Date of incorporation	11 November 2004
Company registration number	05284142
Present registered office	15 Canada Square, Canary Wharf, London, E14 5GL

Special Administration information

Special Administration court reference	In the High Court of Justice, Chancery Division, Companies Court, No.526 of 2015.
Appointor	The High Court of Justice, Chancery Division, Companies Court (on application by Directors of the Company)
Date of appointment	19 January 2015
Joint Special Administrators' details	Samantha Bewick, Richard Heis and Ed Boyle
Former Joint Special Administrator	Mark Firmin
Prescribed Part distribution	The prescribed part is not applicable in this case as there is no qualifying floating charge holder.
Functions	The functions of the Joint Special Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1 to the Act.
Application of the EC Regulations	The EC Regulation on insolvency proceedings (ECIR) does not apply to the special administration as the Company is an investment undertaking providing services involving the holding of funds or securities for third parties and is therefore excluded by Article 1.2 of the ECIR.

Appendix 2 Joint Special Administrators' receipts and payments account (incl. movements in cost allocations).

Joint Special Administrators' abstract of receipts & payments - client estate

Statement of Affairs (USD)	USD	GBP (USD equiv)	EUR (USD equiv)	CHF (USD equiv)	AUD (USD equiv)	SGD (USD equiv)	JPY (USD equiv)	ZAR (USD equiv)	Total (USD) From 18/01/17 to 19/07/17	Cumulative total (USD) From 19/1/15 to 18/07/17
ASSET REALISATIONS										
Contribution to Administrators' Costs	-	-	-	-	-	-	-	-	-	15,534.06
Services to FSCS (agreed consideration)	-	-	-	-	-	-	-	-	-	252,528.73
98,989,057.14 Cash at bank	-	-	-	-	-	-	-	-	-	97,478,692.23
									-	97,746,755.02
OTHER REALISATIONS										
Bank interest, gross	-	140.71	-	-	-	-	-	-	140.71	49,873.24
eWallet Receipts	(121,311.00)	-	(11,924.86)	-	-	-	-	-	(133,235.86)	(53,743.47)
									(133,095.15)	(3,870.23)
COST OF REALISATIONS										
Currency account transfers - In	-	2,641,684.34	423,319.66	-	-	-	-	-	3,065,004.00	23,246,737.26
Currency account transfers - Out	(2,750,499.93)	-	-	-	-	-	-	-	(2,750,499.93)	(22,104,148.45)
Hiring of meeting venue	-	(1,177.17)	-	-	-	-	-	-	(1,177.17)	(15,376.91)
IT Suppliers	(49,024.82)	(99,382.63)	(60,909.70)	-	-	-	-	-	(209,317.15)	(1,111,882.56)
Pre-Admin Client Refunds	(12,933.60)	-	-	-	-	-	-	-	(12,933.60)	(12,933.60)
Administrators' fees	-	(1,826,783.20)	-	-	-	-	-	-	(1,826,783.20)	(11,661,608.07)
Administrators' fees (pre-administration)	-	(4,812.11)	-	-	-	-	-	-	(4,812.11)	(62,859.28)
Administrators' disbursements	(215.21)	(635.16)	-	-	-	-	-	-	(850.37)	(62,336.35)
Irrecoverable VAT	(5,136.67)	(67,580.87)	(6,845.09)	-	-	-	-	-	(79,562.63)	(791,153.02)
Professional services	-	(3,859.20)	-	-	-	-	-	-	(3,859.20)	(50,411.72)
Agents'/Valuers' fees	-	(4,419.24)	-	-	-	-	-	-	(4,419.24)	(38,943.65)
Post Admin Client Receipt Refunds	-	-	-	-	-	-	-	-	-	(40,010.68)
Legal fees	-	(275,101.06)	-	-	-	-	-	-	(275,101.06)	(2,368,727.53)

Legal fees (pre-admin)	-	(12,513.43)	-	-	-	(12,513.43)	(163,459.42)
Sundry expenses	-	(1.66)	-	-	-	(1.66)	(21.85)
Utilities	-	(1,009.64)	-	-	-	(1,009.64)	(13,188.63)
Stationery & postage	-	(29.76)	-	-	-	(29.76)	(388.73)
Call centre costs	-	(32,682.31)	-	-	-	(32,682.31)	(228,829.78)
Storage costs	-	(4,561.49)	-	-	-	(4,561.49)	(19,746.14)
Statutory advertising	-	(1,134.76)	-	-	-	(1,134.76)	(7,589.92)
Rent	-	(13,632.54)	-	-	-	(13,632.54)	(176,076.53)
Other property expenses	-	(3,129.59)	-	-	-	(3,129.59)	(40,880.89)
Insurance of assets	-	(421.74)	-	-	-	(421.74)	(5,509.18)
Wages & salaries	-	(92,152.19)	-	-	-	(92,152.19)	(1,506,281.40)
PAYE & NIC	-	(97,648.54)	-	-	-	(97,648.54)	(1,025,029.18)
Bank charges	(7,979.55)	(85.71)	-	-	-	(8,065.26)	(21,037.76)
Rent deposit	-	-	-	-	-	-	(12,713.61)
						(2,371,294.57)	(18,394,407.58)

CLIENT CREDITORS

(96,407,400.45) Client money distribution	(26,066,390.36)	-	-	-	-	(26,066,390.36)	(77,860,137.82)
						(26,066,390.36)	(77,860,137.82)

2,581,656.69

(28,570,780.07)

1,488,339.41

REPRESENTED BY

Floating ch. VAT rec'able	-	387,130.44	-	-	-	387,130.44	1,211,228.26
Client Distribution Account USD	532,094.19	-	-	-	-	532,094.19	625,992.02
Post Admin Client Account	(4,195.49)	(286.71)	(5,038.05)	-	-	(9,520.25)	(273.80)
Floating charge current	(29,722,332.07)	23,328.17	16,230.24	-	-	(29,682,773.66)	131,527.35
Floating ch. VAT payable	-	-	-	-	-	-	-
Floating ch. VAT control	-	(771,936.40)	-	-	-	(771,936.40)	(484,707.30)
Due to House Estate	180,942.23	460,835.56	332,447.80	-	-	974,225.59	4,572.87
						(28,570,780.09)	1,488,339.40



Joint Special Administrators' abstract of receipts & payments - house estate

Statement of Affairs (£)	GBP (£)	USD (£ equiv)	EUR (£ equiv)	CHF (£ equiv)	AUD (£ equiv)	SGD (£ equiv)	JPY (£ equiv)	ZAR (£ equiv)	Total (£) From 19/01/17 to 18/07/17	Cumulative total (£) From 19/1/15 to 18/07/17
FIXED CHARGE										
ASSETS										
1,449,161.79	Rent deposit	-	-	-	-	-	-	-	-	-
FIXED CHARGE										
CREDITORS										
(1,449,161.79)	Fixed charge creditor (Landlord)	-	-	-	-	-	-	-	-	-
ASSET REALISATIONS										
60,351.35	Other debtors	-	-	-	-	-	-	-	-	8,487.92
	Furniture & equipment	-	-	-	-	-	-	-	-	147,085.86
	Contribution to Administrators Costs	-	-	-	-	-	-	-	-	4,251.99
7,218,155.93	Bad debt provision (clients)	-	-	-	-	-	-	-	-	-
	Services to FSCS (agreed consideration)	18,149.91	-	-	-	-	-	-	18,149.91	87,599.68
	Property rights/Patents	-	-	-	-	-	-	-	-	4,207,132.65
	Intercompany loans & receivables	-	-	-	-	-	-	-	-	-
4,420,686.54	Book debts	545,466.26	-	-	-	-	-	-	545,466.26	1,689,836.40
39,346.75	Sale of Subsidiary	-	-	-	-	-	-	-	-	1,675,000.00
	Sale of Client Details	-	-	-	-	-	-	-	-	1,084,665.02
265,851.26	Global Collect Reserves	-	-	-	-	-	-	-	-	-
	VAT refunds (pre-appointment)	-	-	-	-	-	-	-	-	18,935.83
42,493.45	Cash at bank / Prime	-	-	-	-	-	-	-	-	8,469,787.33
10,933,584.85	Brokers	-	-	-	-	-	-	-	-	48,318.95
	Insurance refund	-	-	-	-	-	-	-	-	-
									563,616.17	17,441,101.63
OTHER REALISATIONS										
	Bank interest, gross	5,513.06	-	-	-	-	-	-	5,513.06	62,451.41
	Brokerage receipts	-	-	-	-	-	-	-	-	250,443.76

eWallet Receipts	-	92,795.07	9,100.55	-	-	-	101,895.62	1,156,575.12
Sundry refunds	-	-	-	-	-	-	-	11,314.76
Rent deposit refund	-	-	-	-	-	-	-	23,484.87
Software Licenses	-	-	-	-	-	-	-	16,466.00
							107,408.68	1,520,735.92
COST OF								
REALISATIONS								
VAT reclaimed in GBP	(0.52)	(6,054.19)	(6,470.98)	-	-	-	(12,525.69)	(12,525.69)
Currency account transfers - In	-	-	40,857.79	-	-	-	40,857.79	11,056,348.37
Currency account transfers - Out	(40,000.00)	-	-	-	-	-	(40,000.00)	(11,804,672.27)
Hiring of meeting venue	824.02	-	-	-	-	-	824.02	(3,081.16)
IT Suppliers	(11,775.98)	(4,614.89)	(30,114.17)	-	-	-	(46,505.04)	(294,387.23)
Administrators' fees	(34,941.77)	-	-	-	-	-	(34,941.77)	(1,404,656.46)
Administrators fees (pre-administration)	3,368.48	-	-	-	-	-	3,368.48	(12,595.50)
Administrators' disbursements	(10.10)	164.62	-	-	-	-	154.52	(16,447.73)
Irrecoverable VAT	16,804.14	(123.76)	891.89	-	-	-	17,572.27	(138,220.98)
Professional Services	2,701.44	-	-	-	-	-	2,701.44	(10,101.30)
Agents'/Valuers' fees	428.75	-	-	-	-	-	428.75	(36,256.34)
CCI legal fees	(443.04)	-	-	-	-	-	(443.04)	(120,993.83)
Legal fees	24,896.29	-	-	-	-	-	24,896.29	(696,586.18)
Legal fees (pre-administration)	8,759.40	-	-	-	-	-	8,759.40	(32,753.36)
Corporation tax	-	-	-	-	-	-	-	(5,004.60)
Sundry Expenses	1.16	-	-	-	-	-	1.16	(109.75)
Utilities	706.75	-	-	-	-	-	706.75	(2,642.68)
Stationery & postage	20.83	-	-	-	-	-	20.83	(77.89)
Call Centre Costs	22,499.89	-	-	-	-	-	22,499.89	(46,032.64)
Storage costs	431.42	-	-	-	-	-	431.42	(5,573.14)
Statutory advertising	794.33	-	-	-	-	-	794.33	(980.96)
Rent	9,542.78	-	-	-	-	-	9,542.78	(35,281.52)
Other property expenses	2,190.71	-	-	-	-	-	2,190.71	(8,191.55)
Insurance of assets	295.22	-	-	-	-	-	295.22	(1,103.91)
Wages & salaries	64,506.53	-	-	-	-	-	64,506.53	(321,860.36)
PAYE & NIC	68,353.98	-	-	-	-	-	68,353.98	(205,391.33)
Bank charges	(304.50)	(201.71)	(281.54)	-	-	-	(787.75)	(11,141.57)
Rent Deposit	-	-	-	-	-	-	-	(15,182.94)
							133,703.27	(4,185,504.50)
PREFERENTIAL								
CREDITORS								
Employees' wage arrears	-	-	-	-	-	-	-	(171.60)

(69,135.00)	Preferential creditors (holiday & wages)	-	-	-	-	-	-	-	(100,406.11) (100,577.71)
	UNSECURED CREDITORS								
(10,017,707.39)	Trade & expense (incl. brokers)	-	-	-	-	-	-	-	-
	Dividend to unsecured creditors	(21,544.00)	-	-	-	-	-	(21,544.00)	(4,156,507.24)
(3,581,023.45)	Employees & pension contributions	-	-	-	-	-	-	-	(110,751.36)
(7,934,269.21)	Shortfall to Fxd Ch. Cred. (Landlord)	-	-	-	-	-	-	-	-
(12,198,392.35)	Professional clients	-	-	-	-	-	-	-	-
(632,439.73)	Intercompany balances	-	-	-	-	-	-	-	-
(89,079.21)	HMRC - general betting duty	-	-	-	-	-	-	-	-
								(21,544.00)	(4,267,258.60)
(4,484,532.00)	DISTRIBUTIONS								
	Ordinary shareholders	-	-	-	-	-	-	-	-
(16,026,108.21)								783,184.13	10,408,496.75
	REPRESENTED BY								
	Floating ch. VAT rec'able	(13,057.48)	-	-	-	-	-	(13,057.48)	191,346.23
	Distribution Account GBP	(11,460.27)	-	-	-	-	-	(11,460.27)	4,415.14
	Floating charge current	642,386.18	230,481.42	225,609.85	-	-	-	1,098,477.45	10,297,854.08
	Floating ch. VAT payable	(1,342.43)	-	-	-	-	-	(1,342.43)	(184,005.99)
	Floating ch. VAT control	393,294.33	(10,107.17)	(10,802.98)	-	-	-	372,384.18	134,054.08
	Inter-case VAT control	-	-	-	-	-	-	-	(4,039.73)
	Due from CMP	(322,584.89)	(138,409.11)	(200,823.32)	-	-	-	(661,817.32)	(31,127.05)
								783,184.13	10,408,496.76

Appendix 3 Cost allocations

As a result of calculating the final cost allocations between the estates on the basis of the final asset and liability position in the CMP, the allocation of shared costs to the CMP increased from 72.2% to 77.7% and therefore previous allocations had to be amended in the R&P.

The following schedule represents cost allocations made as a result of the increase.

Updated cost allocations	Removed from House estate			Added to Client estate		
	GBP (£)	USD (£ equiv)	EUR (£ equiv)	USD	GBP (USD equiv)	EUR (USD equiv)
COST OF REALISATIONS						
Hiring of meeting venue	824.02	-	-		1,177.17	
IT Suppliers	69,567.84	7,501.68	46,482.50	49,024.82	99,382.63	60,909.70
Administrators fees (pre-administration)	3,368.48	-	-	-	4,812.11	-
Committee expenses	-	164.63	-	215.21	-	-
Professional Services	2,701.44	-	-	-	3,859.20	-
Agents/Valuers' fees	1,139.94	-	-	-	1,628.49	-
Legal fees	146,858.08	-	-	-	209,797.26	-
Legal fees (pre-administration)	8,759.40	-	-	-	12,513.43	-
Sundry Expenses	1.16	-	-	-	1.66	-
Utilities	706.75	-	-	-	1,009.64	-
Stationery & postage	20.83	-	-	-	29.76	-
Call Centre Costs	22,877.62	-	-	-	32,682.31	-
Storage costs	3,193.04	-	-	-	4,561.49	-
Statutory advertising	794.33	-	-	-	1,134.76	-
Rent	9,542.78	-	-	-	13,632.54	-
Other property expenses	2,190.71	-	-	-	3,129.59	-
Insurance of assets	295.22	-	-	-	421.74	-
Wages & salaries	64,506.53	-	-	-	92,152.19	-
PAYE & NIC	68,353.98	-	-	-	97,648.54	-
Irrecoverable VAT	49,560.54	3,929.31	5,223.75	5,136.67	70,800.77	6,845.09

Appendix 4 Schedule of expenses

Schedule of expenses (19/01/2017 to 18/07/2017)			
Expenses	Incurred and paid in the period GBP	Incurred in the period not yet paid GBP	Total GBP
Cost of realisations			
IT suppliers	(170,817.37)	(6,822.40)	(177,639.77)
Administrators' fees	(1,313,690.01)	-	(1,313,690.01)
Administrators' disbursements	(454.71)	-	(454.71)
Irrecoverable VAT	(48,397.14)	-	(48,397.14)
Agents'/Valuers' fees	(2,664.72)	-	(2,664.72)
CCI legal fees	(443.04)	-	(443.04)
Legal fees	(91,474.45)	-	(91,474.45)
Call Centre Costs	(377.73)	-	(377.73)
Storage costs	(2,761.62)	-	(2,761.62)
Insurance of assets	-	(442.75)	(442.75)
Bank charges	(7,074.53)	-	(7,074.53)
TOTAL	(1,638,155.32)	(7,265.15)	(1,645,420.47)

The Schedule of expenses shown above does not include the movement between the house and client estates as a result of the final cost allocation, the basis of which is explained in section 2.5.

Please note that there is a difference between the payments made during the period of GBP 1,638,155 (per the receipts and payments accounts for the client and house estate) and the expenses incurred and paid in the period of GBP 1,645,420 (per the schedule of expenses).

This is owing to the fact that some of the payments made in the period relate to expenses incurred in a prior period.

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with the concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Sebastian Kopis, c/o KPMG LLP, 15 Canada Square, Canary Wharf, London, E14 5GL.

Appendix 5 Joint Special Administrators' charging and disbursements policy

Joint Special Administrators' charging policy

The time charged to the special administration is by reference to the time properly given by us and our staff in attending to matters arising in the special administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the special administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact the Alpari helpline on 0333 202 1397.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this special administration. Time is charged by reference to actual work carried out on the special administration; using a minimum time unit of six minutes.

All staff who have worked on the special administration, including cashiers and secretarial staff, have charged time directly to the special administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the special administration but is reflected in the general level of charge-out rates.

Grade	From 01 Nov 2016 £/hr
Partner	835
Director	740
Senior Manager	645
Manager	515
Senior Administrator	375
Administrator	285
Support	142

Table of charge-out rates

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the special administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following disbursements (excluding VAT) during the period 19 January 2017 to 18 July 2017.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
External printing	26.88	-	NIL	-	26.88
Meals	32.40		NIL		32.40
Postage	313.14		NIL		313.14
Travel	77.25		NIL		77.25
Total	449.67		NIL		449.67

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Narrative of work carried out for the period 19 January 2017 to 18 July 2017

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ issuing regular press releases and posting information on a dedicated web page; ■ preparing statutory receipts and payments accounts; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the special administration strategy, including the decision to trade and meetings with internal and external parties to agree the same; ■ briefing of our staff on the special administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ meeting with management to review and update strategy and monitor progress; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the special administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; ■ complying with internal filing and information recording practices, including documenting strategy decisions. ■ formulating strategy and discussions with FSCS and lawyers regarding closure of the CMP.
Cashiering	<ul style="list-style-type: none"> ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments; ■ utilising internet banking to ensure client and creditor distributions are made electronically; ■ arranging currency transfers.
Tax	<ul style="list-style-type: none"> ■ submitting relevant initial notifications to HM Revenue and Customs; ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; ■ working on tax returns relating to the periods affected by the special administration; ■ analysing VAT related transactions; ■ dealing with post appointment tax compliance, including agreeing that the Company is not a banking company; ■ preparing post appointment VAT returns.
General (Fees and WIP)	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ drawing remuneration in accordance with the basis which has been approved by the creditors' committee; ■ dealing with the ongoing storage of Company books and records.
Asset realisations	<ul style="list-style-type: none"> ■ reviewing outstanding debtors and management of debt collection strategy; ■ liaising with contractors (former employees) and communicating with debtors; ■ seeking legal advice in relation to book debt collections; ■ document and implement formal process to identify and provide all relevant documents required to be disclosed in litigation proceedings; ■ ongoing support to lawyers to progress debtor claims.
Health and safety	<ul style="list-style-type: none"> ■ liaising with the Health and Safety Executive regarding the special administration and ongoing health and safety compliance.
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ assessing the level of insurance premiums.
Creditors and claims	<ul style="list-style-type: none"> ■ creating and updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the special administration and submission of their claims; ■ monitor and maintain the Claims Portal; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; ■ agree client, preferential and unsecured creditor claims;

	<ul style="list-style-type: none"> ■ completing necessary KYC checks at each distribution; ■ liaising with the FSCS to provide updated client details and status of claims; ■ drafting progress report; ■ arranging bulk emails and portal communication in order to encourage clients to agree their claims; ■ preparing court applications for CMP closure and notices regarding the outcome.
Committees	<ul style="list-style-type: none"> ■ dealing with the formation of the Creditors' Committee, arranging and chairing meetings of the Creditors' Committee and providing regular reports
Regulatory	<ul style="list-style-type: none"> ■ liaising with the FCA and Ashurst in respect of the FCA waiver modification; ■ providing regular updates to the FCA in respect of the progress of the Special Administration; ■ responding to FCA's information requests.
Fee review er	<ul style="list-style-type: none"> ■ providing relevant documents requested by the fee review er; ■ preparing analysis to support the time costs incurred to date as requested by the fee review er; ■ meetings with the fee review er.
IT	<ul style="list-style-type: none"> ■ decommissioning of IT systems and closure of data centre; ■ ensuring continuity of provision of IT services and related data; ■ optimising IT infrastructure.

Time costs

SIP 9 – Time costs analysis (19/01/2017 to 18/07/2017)							
	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Administration & planning							
Cashiering							
Fund management		2.80	1.20		4.00	1,892.00	473.00
General (Cashiering)	0.20	67.90	75.20		143.30	58,952.50	411.39
Reconciliations (& IPS accounting reviews)		1.80	20.00		21.80	8,427.00	386.56
General							
Books and records			2.90		2.90	826.50	285.00
Fees and WIP	2.10	5.30	5.50	0.75	13.65	6,452.50	472.71
Statutory and compliance							
Checklist & review s		2.20	2.20		4.40	1,903.00	432.50
Closure and related formalities		22.25	6.80		29.05	14,086.75	484.91
Pre-administration checks	1.50				1.50	1,110.00	740.00
Statutory receipts and payments accounts		2.40	3.70		6.10	2,614.50	428.61
Strategy documents	18.10	13.10	8.50		39.70	25,077.00	631.66
Tax							
Post appointment corporation tax	8.20	27.80	13.80		49.80	25,560.00	513.25
Post appointment VAT	0.80	90.70	27.80		119.30	57,058.00	478.27
Creditors							
Committees							
Reports	2.30				2.30	1,797.00	781.30
Creditors and claims							
Agreement of unsecured claims	6.70		4.10		10.80	6,360.50	588.94
General correspondence	0.70	0.80	3.90		5.40	2,080.50	385.28
Legal claims	19.10				19.10	15,948.50	835.00
Payment of dividends	0.10				0.10	74.00	740.00
Statutory reports	6.30	1.60	38.30		46.20	19,966.00	432.16
Employees							
Correspondence		0.40	8.70		9.10	3,468.50	381.15
DTI redundancy payments service			0.60		0.60	225.00	375.00

SIP 9 – Time costs analysis (19/01/2017 to 18/07/2017)

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		

General analysis
Administration and planning

Engagement management		3.40			3.40	1,751.00	515.00
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asset realisation

Cash and investments - client monies	20.50		4.90		25.40	17,064.50	671.83
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Cashiering

reconciliations - client monies		29.90	10.50		40.40	19,336.00	478.61
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reconciliations - company monies		29.90	8.40		38.30	18,548.50	484.30
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Creditors and claims

Clients - FSCS		4.50	1.40		5.90	2,842.50	481.78
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Clients - KYC		5.10	12.15		17.25	7,002.75	405.96
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Clients - professional - agreement of account		6.80	9.10		15.90	6,914.50	434.87
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Clients - professional - general correspondence		24.40	37.10		61.50	26,738.50	434.77
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Clients - professional - payment of dividend		126.60	12.20		138.80	69,774.00	502.69
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Clients - retail - agreement of account		21.40	25.00		46.40	20,448.00	440.69
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Clients - retail - claims portal			2.30		2.30	862.50	375.00
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Clients - retail - general correspondence	21.50	28.00	588.80		638.30	195,951.00	306.99
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Clients - retail - payment of dividend	13.70	43.50	32.30		89.50	43,892.50	490.42
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General

IT, Systems, cut off and information		14.90	4.00		18.90	9,173.50	485.37
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Investigations

FCA - investigation	0.20	1.40	15.40		17.00	3,719.00	218.76
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Regulatory reports & investigations - other		4.10			4.10	2,111.50	515.00
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Statutory and compliance


SIP 9 – Time costs analysis (19/01/2017 to 18/07/2017)							
	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Communications - FCA	0.10	11.20	1.80		13.10	6,192.00	472.67
Communications - other regulators		2.70			2.70	1,390.50	515.00
FCA- regulatory	0.20	1.80			2.00	1,075.00	537.50
Investigation							
Directors							
Correspondence with directors			12.50		12.50	3,562.50	285.00
Investigations							
Correspondence re investigations			0.70		0.70	262.50	375.00
Mail redirection			0.30		0.30	112.50	375.00
Realisation of assets							
Asset Realisation							
Debtors	1.40	3.10	17.50		22.00	9,078.00	412.64
Insurance		2.40			2.40	1,548.00	645.00
Office equipment, fixtures & fittings		2.30			2.30	1,184.50	515.00
Other assets			0.80		0.80	300.00	375.00
Stock and WIP		0.40		1.50	1.90	419.00	220.53
Trading code used outside trading period							
Trading							
Purchases and trading costs	0.30	1.00			1.30	867.00	666.92
Total in period	124.00	607.85	1,020.35	2.25	1,754.45	726,001.50	413.81
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Brought forward time (appointment date to SIP 9 period start date)					30,030.81	12,581,414.45	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)					1,754.45	726,001.50	
Carry forward time (appointment date to SIP 9 period end date)					31,785.26	13,307,415.95	
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All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Appendix 6 Glossary

Alpari UK/Company	Alpari (UK) Limited – in Special Administration
Ashurst	Ashurst LLP
Authorities	The Bank of England and the Financial Conduct Authority
Bar date	Deadline for submitting Client Money Claims which was set as 30 October 2016
CASS rules	The rules comprised in the Financial Conduct Authority's Client Assets Sourcebook
CCI Legal	CCI Legal Services Limited
CMP	Client Money Pool
Contractual Claim Amount	The claim which clients have against the House estate
FCA	Financial Conduct Authority
FSCS	Financial Services Compensation Scheme
GBP	Great British Pound
HMRC	Her Majesty's Revenue and Customs
Joint Special Administrators/JSA/we/our/us	Samantha Bewick, Richard Heis and Ed Boyle (previously Samantha Bewick, Richard Heis and Mark Firmin)

KPMG	KPMG LLP
KYC	Know Your Client
UK	United Kingdom
USD	United States Dollar

Any references in this progress report to Paragraphs are Paragraphs in Schedule B1 of the Insolvency Act 1986. Any references in this progress report to Rules relate to the Investment Bank Special Administration (England & Wales) Rules 2011.

Appendix 7 Notice: About this report

This report has been prepared by Samantha Bewick, Richard Heis and Ed Boyle, the Joint Special Administrators of Alpari (UK) Limited – in Special Administration (the 'Company'), solely to comply with their statutory duty under Rule 122 of the Investment Bank Special Administration (England & Wales) Rules 2011 to report to clients and creditors on the progress of the Special Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

Any estimated outcomes for clients and creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for clients and creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under Rule 122 of the Investment Bank Special Administration (England & Wales) Rules 2011 does so at its own risk. To the fullest extent permitted by law, the Joint Special Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Samantha Rae Bewick, Richard Heis and Edward George Boyle are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Joint Special Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Special Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the Special Administration.

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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	Sebastian Kopis
Company name	KPMG LLP
Address	15 Canada Square Canary Wharf
Post town	London
County/Region	
Postcode	E 1 4 5 G L
Country	
DX	
Telephone	Tel +44 (0) 20 7311 1000



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



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