

The Investment Bank Special Administration (England and Wales) Rules 2011

Special Administrator's progress report**2.24B**

Name of Company HUME CAPITAL SECURITIES PLC	Company number 06920660
In the High Court of Justice, Chancery Division, Companies Court	Court case number 1960 of 2015

(a) Insert full name(s) and address(es) of administrator(s)

We (a) J Irving, M J Colman & A Duncan of Leonard Curtis, Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ

Special Administrator(s) of the above company attach a progress report for the period

(b) Insert dates	from (b) 16 March 2015	to (b) 15 September 2015
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Signed


Joint Special Administrator

Dated

15 October 2015

Contact Details

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

Leonard Curtis	
Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ	
Ref MSI/38	Tel 0161 831 9999
DX Number	DX Exchange

Companies House receipt date barcode



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LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

**HUME CAPITAL SECURITIES PLC
(IN SPECIAL ADMINISTRATION)**

Registered Number: 06920660

Registered Office Address: Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ

In the High Court of Justice, Chancery Division, Companies Court
Court Ref: 1960 of 2015

**Joint Special Administrators' first progress report
in accordance with Rule 122 of the Investment Bank Special
Administration (England and Wales) Rules 2011**

**Report period
16 March 2015 to 15 September 2015**

15 October 2015

Leonard Curtis Business Solutions Group
Tower 12, 18/22 Bridge Street, Spinningfields,
Manchester M3 3BZ
Tel: 0161 413 0930 Fax: 0161 413 0931

Ref M/38/MSI/H757M/1010

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** Please note this form is only applicable to Money Clients, as defined at section 4.5, who have yet to submit their Client Money claim

GLOSSARY OF ABBREVIATIONS USED IN THIS REPORT

Client / Creditor Definitions

Money Client	A client who may be entitled to participate in the client money pool
Asset Client	A client who may be entitled to assets held by XCAP (being shares and securities)
Creditor	A client who is not entitled to participate in the CMP nor entitled to assets held by XCAP, or Any Client with a shortfall, or Any other creditor who is owed an amount from the Company

NB All subject to adjudication by the Joint Special Administrators

Other Definitions

AIM	Alternative Investment Market
BofE	Bank of England
CASS	The Client Asset Sourcebook
CMP	Client Money Pool
DWF	DWF LLP
DWT	David W Taylor
EIM	European Investment Management Limited
FCA	Financial Conduct Authority
FSCS	Financial Services Compensation Scheme
HCS	Hume Capital Securities Plc
JSA	The Joint Special Administrators, being J Irving, M Colman and A Duncan
LCBSG	Leonard Curtis Business Solutions Group
LSE	London Stock Exchange
PPE	Primary Pooling Event
The Act	The Insolvency Act 1986 (as amended)
The Board	The board of directors of the Company
The Company	Hume Capital Securities Plc
The Group	The Company and its subsidiaries
The Regulations	The Investment Bank Special Administration Regulations 2011
The Rules	The Investment Bank Special Administration (England and Wales) Rules 2011
The Custodian	XCAP Nominees Limited

**TO: THE REGISTRAR OF COMPANIES
ALL CLIENTS
ALL CREDITORS**

1 INTRODUCTION

- 1 1 This report has been produced in accordance with Rule 122 of the Rules to provide creditors and clients with an update on the progress of the Special Administration of Hume Capital Securities Plc ("the Company") for the period from 16 March 2015 to 15 September 2015. This is the Joint Special Administrators' first progress report to creditors and clients.

2 STATUTORY INFORMATION

- 2 1 J Irving, M J Colman and A Duncan were appointed as Joint Special Administrators of Hume Capital Securities Plc in the jurisdiction of the High Court of Justice, Chancery Division, Companies Court, number 1960 of 2015 on 16 March 2015 at 10.47am, by order of the Court.
- 2 2 The Special Administration is being handled by the Leonard Curtis Business Solutions Group ("LCBSG"), which is situated at Tower 12, 18/22 Bridge Street, Spinningfields, Manchester, M3 3BZ.
- 2 3 The Company traded from premises located at 1 Carey Lane, London, EC2V 8AE and 1st Floor, Crown House, Manchester Road, Wilmslow, Manchester, SK9 1BH. The business traded under its registered name.
- 2 4 The registered office address of the Company at the date of appointment of the Special Administrators was 1 Carey Lane, London, EC2V 8AE. Following the appointment of the JSA, this was changed to Tower 12, 18/22 Bridge Street, Spinningfields, Manchester, M3 3BZ. The registered number of the Company is 06920660.
- 2 5 For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended and as applied by Regulation 15 of the Investment Bank Special Administration Regulations 2011), it should be noted that during the period in which the Special Administration Regime is in force, any act or function required to be authorised under any enactment to be done by the JSA may be exercised by all or any of the persons holding that office.
- 2 6 Please note that the EC Regulation on Insolvency Proceedings 2000 (1346/2000) does not apply to the Special Administration.

3 JOINT SPECIAL ADMINISTRATORS' PROPOSALS

- 3 1 Attached at Appendix A is a summary of the JSA's approved proposals for achieving the JSA's statutory objectives, as detailed below.
- 3 2 The proposals were approved by the Company's creditors and clients on 22 May 2015.
- 3 3 There have been no major amendments to, or deviations from, the proposals during the course of the Special Administration to date.

4 OBJECTIVES OF THE SPECIAL ADMINISTRATION

THE OBJECTIVES

- 4.1 The JSA statutory objectives ("the Objectives") are set out in the Regulations being
- (1) To ensure the return of client assets as soon as reasonably practicable,
 - (2) To ensure timely engagement with market infrastructure bodies and the authorities pursuant to Regulation 13, and
 - (3) To rescue the Investment Bank as a going concern or wind it up in the best interests of creditors
- 4.2 There is no requirement to pursue the Objectives in a particular order and in practice the JSA initially sought to pursue all three of the Objectives simultaneously. However, given the default status issued by LSE, it became apparent shortly after the JSA's appointment that the first part of Objective 3, namely the rescue of HCS as a going concern, could not be achieved and therefore the JSA have sought to pursue objectives 1 and 2 simultaneously and expect to exit the Special Administration by way of dissolution.
- 4.3 The JSA anticipate that there will significant funds available to enable a distribution of the Client Money Pool ("CMP"). Similarly, the JSA anticipate to distribute client assets through the Bar Date process (described later in this report) shortly.
- 4.4 The FCA have not given direction to the JSA under Regulation 16.

OBJECTIVE 1 – TO ENSURE THE RETURN OF CLIENT ASSETS (INCLUDING CLIENT MONIES) AS SOON AS REASONABLY PRACTICABLE

- 4.5 For the purposes of this section
- A client who may (subject to adjudication) be entitled to participate in the CMP is referred to as a "Money Client",
 - A client who may (subject to adjudication) be entitled to assets held by XCAP Nominees (mainly being stocks and shares) is referred to as an "Asset Client", and
 - Any client with a shortfall, and any client who is not entitled to participate in the CMP nor entitled to assets held in XCAP Nominees, and any other creditor who is owed an amount from the Company are referred to as "Creditors"

4.6 CLIENT ASSETS (STOCKS AND SHARES)

- 4.6.1 As previously advised, upon their appointment, the JSA were advised that the Company had approximately 1700 live clients with an estimated £36million in client assets (mainly stocks and shares). The Client assets were not held in the Company directly, but held by and registered in the name of XCAP Nominees Limited ("the Custodian"), a wholly owned, non-trading, nominee and subsidiary of the Company, which is controlled by the Company.

Following their appointment, the JSA engaged Montpelier Chartered Accountants ("Montpelier") to assist in the reconciliation of client asset statements. Approximately 2,000 statements were reconciled and clients were circulated with these on 29 April 2015, together with an update letter from the JSA. The JSA requested that following review of their statements, each client confirmed whether they agreed with the reconciled position.

The total value of client assets held by the Company, as at 16 March 2015 has been estimated at £35,767,916 16, comprising assets held between 780 accounts on behalf of 527 clients

4.6.2 Distribution Plan

On 22 May 2015, the JSA gave notice that a Bar Date of 5.00pm on 30 June 2015 had been set in accordance with Regulation 11 of the Regulations. Please note that the Bar Date provisions do not apply to Money Clients.

Regulation 11 of the Regulations allows the JSA, if they think it necessary in order to expedite the return of client assets, to set a bar date for the submission of the following:

- (a) Claims to the beneficial ownership, or other form of ownership, of the client assets, or
- (b) Claims of persons in relation to a security interest asserted over, or other entitlement to, those assets

A Bar Date is a date by which claims in the categories described above must be submitted.

Where the JSA set a Bar Date, they must return client assets in accordance with the Rules and shall not return client assets after the bar date without court approval of a distribution plan.

It should be noted that Rule 144(3) of the Rules does not allow the JSA to return any client assets until at least 3 months after the Bar Date.

Following their appointment, the JSA conducted an extensive marketing exercise with a view to a sale of the Company's interest in the Client Assets, through a transfer of the shareholding of the Custodian, subject to the FCA's approval. Approximately 1,500 parties were circulated with the flyer and 11 parties expressed an initial interest.

The JSA had previously been approached by European Investment Management Limited ("EIM") to purchase the business and assets of the Company, including the interest in the Client Assets held by the Custodian. Furthermore, the JSA were approached by a number of clients advising that they would only consent to a transfer of their Client Assets to EIM. In such circumstances, the JSA accepted the offer submitted by EIM and provided them with an exclusivity agreement pending a transfer to them through the Bar Date process.

The rationale for transferring client assets to EIM in its entirety is to avoid the partitioning of the Client Assets. The Company's infrastructure would make the partitioning and the subsequent transfer of Client Assets to a number of new custodians difficult, time consuming and costly, and in the case of certain unit trusts held by the Company, unworkable. This would result in a significantly protracted and costly distribution process.

On 22 May 2015, the JSA circulated Consent Forms to all Asset Clients together with a request that each client express whether they consented to the transfer of Client Assets to EIM. The JSA are aware that some clients may ultimately want their assets to be transferred to an alternative broker and it has been agreed that EIM will allow for onward transfers following the transfer upon a client's request.

The JSA have convened a meeting of the appointed Committee to be held on 20 October 2015 to seek approval of the Distribution Plan. The JSA anticipate that an application to Court to consider the Distribution Plan, which incorporates the transfer of Client Assets, will be filed shortly after such a meeting, pending the approval of the Committee.

Should the Court agree to the JSA's Distribution Plan, the JSA are obliged to return client assets in accordance with that Plan. Subject to the approval of the Committee and the Court, the JSA anticipate that Client Assets will be transferred to EIM in early November 2015.

Any clients at the time of the transfer who have not consented to a transfer to EIM, will be contacted by the JSA to obtain the client's instructions as to how their assets will be dealt with.

4.6.3 Costs of returning Client Assets

The Rules require that the costs incurred by the JSA in their pursuit of Objective 1 ("Client Asset Costs") are to be borne by the Client Assets. Accordingly, Clients will be required to discharge their Client Asset Costs before their Client Assets can be (ultimately) returned to them.

The following options are available to Asset Clients in order to pay or otherwise discharge the Client Asset Costs:

- 1 The "Cash Option", whereby a Client may pay to the JSA the Client Asset Costs in Sterling by cheque (which must clear) or by bank transfer, or
- 2 The "Liquidation Option", whereby a Client may instruct the JSA to liquidate a sufficient amount of its assets to enable the Client Asset Costs to be discharged out of the proceeds of such liquidation (for which further costs may be incurred), or
- 3 Payment or discharge from any other source, including (where appropriate) by compensation from the FSCS.

The FSCS can compensate eligible clients for the time spent and costs and charges incurred by the JSA in dealing with and returning the Client Assets. The FSCS will assess each claim for eligibility and also ensure that the claim, when added to any previous claims in this matter, does not exceed the maximum compensation limit of £50,000 per client.

In order to expedite the return of Client Assets to clients, the FSCS have agreed with the JSA to pay compensation in respect of the Client Asset Costs directly to the Company, as opposed to the costs being paid by the Client directly. As such, each client with known eligibility has been forwarded a FSCS Consent Form, whereby Clients can indicate whether they consent to the FSCS paying the Client Asset Costs directly to the Company. Alternatively, Clients can choose to discharge these costs directly with the Company via options 1 or 2, as detailed above.

4.7 CLIENTS' MONIES (POOLED)

- 4.7.1 The Company held approximately £6.5 million in cash balances on behalf of Clients. As previously advised, the appointment of the JSA created a primary pooling event ("PPE") at 10.47AM on 16 March 2015. A PPE triggers the notional pooling of all client money held in the designated client money accounts creating the Client Money Pool ("CMP"), which will be dealt with in accordance with the FCA Client Money Distribution Rules (CASS 7A).

Following their appointment, the JSA undertook a reconciliation of the client money held in the CMP that they were able to identify and of any entitlement apparent from the client account records. Following the reconciliation on 29 April 2015, statements were circulated to each client to show their reconciled cash position, together with a reconciled position of the stocks and shares. At this time, the JSA requested that each client confirm whether they agree with their statement.

At the date of appointment, there were 521 accounts held by 316 clients. The aggregate value of client claims in the Company's records as at the date of appointment totalled £6,515,137.81.

The total funds anticipated to be available for distribution in the CMP is estimated at this current time, to be £5,250,221.67, being the amount held in the CMP less the shortfall in the CMP. The amount

available for distribution may vary dependant on the final costs in dealing with the CMP. We expect that the final amount available for distribution will be reported in the next progress report submitted by the JSA. The shortfall in the CMP is comprised of the costs properly attributed to the distribution of the CMP and the sum of £30,949.71, being a debt owed to the CMP ("CMP debt"). The CMP debt relates to trades settled prior to the PPE, but for which the client failed to deposit the required settlement monies with the Company, with the consequence that the Company settled the trades with monies which would otherwise be pooled as part of the CMP.

4.7.2 Compensation by the FSCS

As detailed at 4.5.3 above, the JSA continue to work closely with the FSCS with regards to eligible clients entitled to make a claim for compensation from the FSCS (up to a limit of £50,000).

To date, 166 clients have received compensation from the FSCS in respect of agreed cash balances held with the Company. A further 42 payments have been issued by the FSCS, but have yet to be cashed by the respective clients. The FSCS have recently dispatched 95 application forms, which they require to be completed by the remaining Money Clients so as to assess their claim for compensation. The JSA will continue to liaise with the FSCS on a regular basis to ensure that the respective forms are processed in a timely manner.

4.7.3 Client Money Distribution Procedure

On 10 August 2015, the English High Court made an Order approving a procedure by which the Client Money held by the Company should be distributed to clients. The rules governing the client money distribution procedure are set out in Schedule A of the Order ("Client Money Distribution Procedure").

On 20 August 2015, the JSA gave notice that the first and final distribution of the CMP will be made within the period of two months following the last date for proving. The last date for proving was 5.00pm on 2 October 2015.

4.8 POST POOLED CLIENT MONIES

4.8.1 Since our appointment, there has been a significant number of cheques and payments received in respect of dividends and corporate actions which have occurred following the PPE.

Under the CASS rules, the JSA are required to reconstitute the payment arrangements of dividends to the JSA dividend trust accounts on behalf of clients. We have considered this approach and believe that to contact all entities that pay dividends to the Company directly with new account details would be untimely and costly to administer. Consequently, a formal application was made to the FCA to have the CASS rules waived to the extent that the original payee amounts are maintained to receive dividends on an ongoing basis.

Following our appointment, the JSA, together with Euroclear and several other parties, have co-ordinated the re-enablement of the CREST system, to allow the transfer of dividends received post appointment to the JSA. The CREST system has since been re-enabled and continues to receive the dividends on a regular basis.

The JSA are currently undertaking a reconciliation exercise with regards to the funds received post PPE. Once complete, the JSA will instruct that these funds be transferred to the relevant JSA trust accounts. Following this, the JSA will proceed to distribute these funds to clients.

4.8.2 Prior to appointment, the Company contracted an overseas share-dealing platform ("the Platform") to provide custody services in respect of non-UK securities. The Company was unable to provide such services itself and accordingly contracted the Platform to do so. During the course of the Special Administration, the JSA have continued to liaise with the Platform in respect of the funds and holdings

held on behalf of the Company, so that the JSA may confirm that the records held by the Company are correct

Although the Platform had previously confirmed that the records held by the Company were correct, the Platform has since informed the JSA that a balance of £208,328.11 is due to the Company in respect of Client monies, a proportion of which relates to the period prior to the PPE and a proportion thereafter, as detailed below

- i £129,149.50 is due in respect of the period prior to the PPE, and
- ii £79,178.61 is due in respect of the period post the PPE

The JSA are currently seeking advice from both their appointed solicitors and the FCA concerning how to deal with such funds

- 4.8.3 We are conscious that tax certificates for the tax year ended 5 April 2015 were required to be issued by 31 May 2015. It should be noted that prior to the re-enablement of CREST, the JSA were unable to obtain full visibility of the dividends received into CREST and as such, have had insufficient information to complete the tax certificates. The tax certificates are currently in the process of being produced and will be circulated to clients when available.

4.9 IT Infrastructure

Following their appointment, the JSA consulted with the Company's directors and key members of staff in order to identify the IT systems and relevant data sources required to achieve the Objectives of the Special Administration.

The JSA will continue to retain all key service lines required to achieve the Objectives and these will be reviewed regularly and terminated when appropriate.

4.10 Trading and employees

Shortly prior to our appointment, all trading platforms were closed, and no trades have been placed or settled following our appointment.

In order to assist the JSA to achieve Objective 1, seven employees were initially retained by the JSA in order to allow a full reconciliation of client positions and to produce valuation statements.

Presently, the JSA continue to retain two employees in order to facilitate the return of Client Assets, to assist with the distribution of the CMP and assist with the further reconciliations that will be required as regards dividend receipts and corporate actions.

4.11 Leasehold premises

The back office function of the Company is based at leasehold premises situated at Crown House, Station Road, Wilmslow SK9 1BH. At the date of appointment, the rent and service charge had been paid in full for the quarter up to 25 March 2015. The JSA have confirmed that they will require continued occupancy of the premises until the Company has ensured the return of client assets, as per Objective 1.

OBJECTIVE 2 – TO ENSURE TIMELY ENGAGEMENT WITH THE MARKET INFRASTRUCTURE BODIES AND AUTHORITIES

4 12 FCA

As previously disclosed, the FCA was consulted extensively during the period immediately prior to and following the Joint Special Administrators' appointment by both LCBSG and DWF

The JSA will continue to liaise closely with the FCA in relation to a variety of matters regarding client positions, work carried out relating to Client Money, reporting requirements and the strategy as regards the Objectives

The FCA were consulted prior to filing application to Court with regards to the Client Money Distribution Procedure

The FCA have also been provided with a copy of the Distribution Plan and have been given the opportunity to review and comment on the drafts, prior to the Court application

4 13 FSCS

The FSCS is the compensation fund for retail customers of authorised financial services firms. It protects private individuals and small businesses if an authorised firm becomes insolvent and cannot return money or investments to its customers. For eligible claims, the FSCS can pay up to £50,000 in compensation per person.

Client Money Claimants

As detailed at 4 6 2 above, 166 Money Clients have received compensation (cleared) to date. There are a further 41 payments which have been issued to Money Clients, but have yet to be cashed by the respective client. The remaining Money Clients have been forwarded application forms to complete in respect of their claims. The JSA will continue to liaise with the FSCS in respect of these claims.

Upon cashing the cheque (should the Client choose to do so), all of the Client's rights to the Claim are immediately assigned to the FSCS. The FSCS are then entitled to prove in the CMP in respect of the assigned claims.

If the Client Money Claim is for a sum greater than £50,000, the FSCS will take assignment for the whole of the claim upon payment of the compensation. The FSCS will then distribute to the Client the dividend it receives from its claim in the CMP, in accordance with the FSCS COMP Rules and ensuring that the Money Client is compensated as per their entitlement.

Client Asset Claimants

As detailed at 4 6 3 above, the FSCS have agreed with the JSA to pay compensation in respect of the Client Asset Costs directly to the Company, as opposed to the costs being paid by the Client directly. As such, each client with known eligibility has been forwarded a FSCS Consent Form, whereby Clients can indicate whether they consent to the FSCS paying the Client Asset Costs directly to the Company. Alternatively, Clients can choose to discharge these costs directly with the Company via options 1 or 2, as detailed at 4 6 3 above.

The JSA continue to work closely with the FSCS to ensure clients' interests are preserved, and to assist the FSCS where appropriate, as regards any compensation claims that may be due to clients.

4 14 Euroclear / CREST

CREST is the share settlement system used by the Company, which electronically holds each client's portfolio. CREST is administered by Euroclear. The facility is held in the name of XCAP Nominees. This facility was frozen immediately following the appointment of the JSA.

Since appointment, the JSA have continued to have regular contact with Euroclear to ensure the return of clients' assets is considered as far as possible, and to ensure that the Objectives of the Special Administration are met.

As previously disclosed, at the date of appointment, there were a number of open transactions which remained unsettled in CREST. CREST has since been re-enabled and these transactions have been cancelled. The re-enabling of CREST has also enabled the JSA to release all dividends and corporate action receipts which were received into CREST following the PPE. As detailed at 4.8 above, the JSA endeavor to ensure the return of any monies received post PPE to respective Clients as soon as reasonable practicable.

The JSA will continue to liaise with Euroclear regarding the proposed transfer of Client Assets to EIM.

4 15 LSE

The JSA have liaised with the LSE on a regular basis, given the formal notice of default served on the Company on 17 April 2015 pursuant to AIM Rule 1.

Since appointment, the JSA have continued to liaise with the LSE and assisted with contacting each of the relevant counterparties to ensure each open transaction was subsequently cancelled. As confirmed in 4.14 above, the JSA and LSE have since successfully completed this exercise.

4 16 Cofunds

Since appointment, the JSA provided regular updates to Cofunds as regards the JSA progress and strategy. The JSA conducted a similar exercise with Cofunds to ensure that the transactions which remained open in Cofunds were subsequently canceled.

OBJECTIVE 3 – TO RESCUE THE COMPANY AS A GOING CONCERN OR WIND IT UP IN THE INTERESTS OF THE CREDITORS

4 17 As it has not been possible to rescue the Company as a going concern, the JSA have concentrated on an orderly wind down of the remainder of the Company's affairs in the best interests of the creditors and the clients, whilst seeking to secure and protect the position of clients.

In summary and to partly assist in the orderly wind down of the Company (given similar actions have enabled the JSA to achieve the Objectives) the following actions and work streams have been undertaken by the JSA:

- All non retained staff have been made redundant, and we have liaised with staff to process any statutory claims they may be entitled to,
- We have assisted the Directors regarding the removal of their control status for FCA purposes,
- We have negotiated the continuity of IT operations where required,
- We have ensured continued occupation of the two leasehold premises and have negotiated certain terms that are beneficial to creditors and clients,

- We have liaised with Creditors (non client creditors) and sought to identify their position,
- We have issued statutory notices of the appointment of the JSA as required,
- We have implemented relevant insurance for the business, and
- We have secured certain assets with the assistance of our agents

5 NON CLIENT ASSETS

5.1 Office furniture and IT equipment

At the date of appointment, the Company owned office furniture and IT equipment consistent with its trading function. These assets are located at both the Wilmslow and London premises.

Following their appointment, the JSA instructed Cerberus Asset Management ("Cerberus") to provide a valuation of these assets. Cerberus have attributed a collective forced sale value of £2,150 with regards to the office furniture and equipment held at the Wilmslow Premises and at the London premises.

It has since become evident that the office furniture located at the London premises is not the property of the Company. The office furniture located at the Wilmslow premises was utilised by the Joint Special Administrators in order to receive a 50% deduction on rent and car parking charges, resulting in a £10,449 credit.

5.2 Balance at Bank (House accounts)

At the date of appointment, a balance of £158,105.61 was held in the Company's current accounts. This balance has since been received into the JSA bank account.

5.3 Book debts

The Company's book debt ledger is divided between retail and corporate clients. At the date of appointment, the approximate balances outstanding to the Company in respect of the Company's retail and corporate clients totalled £53,000 and £142,000 respectively.

Following their appointment, the JSA instructed Cerberus Receivables Management ("CRM") to review the outstanding ledger and provide a sales ledger assessment. A sales ledger assessment report prepared by CRM advised a collective estimated to realise value of £32,000.

The JSA continue to review the position with a view to recovering any amounts due to the Company.

5.4 Sundry receipts

Prior to the Special Administration, the Company had purchased a hospitality package for The Grand National at Aintree Racecourse. A total amount of £2,344.18 was paid in this regard. Following appointment, a former employee of the Company, James Igoe, expressed his interest in purchasing the tickets. As a refund was not available from the organiser, an offer of £1,406.51 plus VAT was subsequently accepted and received for the tickets.

There were a number of unsettled trades at the time that the Company's default was declared. The LSE has now completed their final determination with regards to the unsettled trades. Subsequently, a refund of £20.84 has been received from the Share Centre in respect of charges applied to the unsettled trades.

5.5 Sundry debtors

At the date of appointment, there was a balance of £95,273.77 due to the Company in respect of sundry debtors. The balance comprised of a variety of pre-payments and deposits paid by the Company in advance for services. To date, an amount of £283.90 from Northern Rail Ltd has been received in respect of a refund due to the Company.

5.6 Warrants

The Company has a number of stock warrants giving the Company the right to purchase various companies' stock at a specific price at a specific date. The Company currently holds 14 stock warrants with final exercise dates ranging from 22 May 2015 to 2 February 2018. The estimated to realise value is uncertain at this stage.

5.7 Shares in Subsidiaries

We have reviewed the financial position of each of the subsidiaries of the Group, to determine if any recoveries are possible for the benefit of the Company.

Both Hume Capital Management Limited ("HCM") and Hume Capital Guernsey Limited ("HCG") are not subject to any insolvency procedure and were trading. Following their appointment, the JSA explored the possibility of selling the shares in these subsidiaries.

As previously reported, the Company held shares in HCM and HCG which undertook fund management activities with c £95m under management.

An investment flyer was sent to potential interested parties, resulting in 55 non-disclosure agreements being issued. Following discussions between a shortlist of interested parties and the Guernsey registered protected cell which contracted with HCG, two offers were received for the shares in HCM and HCG. The higher offer, received from Peterhouse Corporate Finance Limited ("PCF"), was accepted. The offer provided that £190,000 would be payable on exchange with a balance of £10,000 being payable on PCF receiving consent from the FCA regarding change of ownership.

Contracts were exchanged on 19 May 2015 and following PCF receiving approval from the FCA, the contract completed on 1 September 2015 and the balance of £10,000 has been received.

The proceeds from the sale net of costs have been remitted to TCA Credit Fund LP, under their security previously registered against the Company.

5.8 Interest

A sum of £61.01 has been received in respect of interest accrued to date.

6 NON CLIENT ASSETS YET TO BE REALISED

6.1 Book debts/Sundry debtors

As detailed in at 5.3 and 5.5 above, the JSA will continue to pursue any balances due to the Company.

6.2 Warrants

As detailed at 5.6 above, the Company has a number of share warrants and options available to it. The JSA will continue to review these options, as and when they are available to exercise. After an initial review, it is likely that the exercising of the warrants will hold little value to the Company.

7 INVESTIGATIONS

- 7.1 Following their appointment, the JSA considered the information acquired in the course of appraising and realising the business and assets of the Company, together with information provided by the Company's directors, clients and creditors, to identify any further possible realisations for the estate and what further investigations, if any, might be appropriate
- 7.2 That assessment did not identify any possible realisations. In addition, the JSA concluded that no further investigations were required. If, however, any client or creditor is aware of any particular matters which they consider require investigation, they should please send full details to this office at the address given on at the front of this report
- 7.3 Regardless of the above, the JSA have complied with their statutory obligations under the Company's Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority

8 RECEIPTS AND PAYMENTS ACCOUNT

- 8.1 Attached at Appendix B are the JSA Receipts and Payments Accounts covering the period from 16 March 2015 to 15 September 2015

9 COSTS OF THE SPECIAL ADMINISTRATION

- 9.1 The professional costs of the Special Administration to date can be split into the following categories

- The costs incurred by LCBSG and DWF LLP in connection with the Court application,
- The Pre-Administration costs incurred by LCBSG and DWF LLP,
- The JSA Post-appointment costs, and
- The JSA disbursements

These are explained further in the paragraphs below

9.2 Costs Connected with the Court Application

- 9.2.1 As previously advised, the costs incurred in connection with the Court application are set out below

Charged by	Services provided	Total amount charged £	Amount paid £	Amount unpaid £
LCBSG	Preparation of documents	3,241.40	0.00	3,241.40
LCBSG	Court related issues	1,524.00	0.00	1,524.00
DWF LLP	Costs incurred in connection with the Court application	25,514.64	0.00	25,514.64
Total		30,280.04	0.00	30,280.04

- 9.2.2 The Court ordered that the costs of and incidental to the application (including legal and accountancy costs incurred therewith) be paid as an expense of the Special Administration

9.3 Pre-Administration Costs

- 9.3.1 On 22 June 2015, the Committee consented to the following pre-appointment fees charged and expenses incurred being paid as an expense of the administration

Charged by	Services provided	Total amount charged £	Amount paid £	Amount unpaid £
LCBSG	Pre-appointment costs*	71,763.70	0.00	71,763.70
DWF LLP	Pre-appointment costs*	38,866.67	0.00	38,866.67
Total		110,630.37	0.00	110,630.37

* Please note a detailed description was provided in the Joint Special Administrators' Report and Statement of Proposals, dated 7 May 2015

- 9.3.2 The pre-appointment costs for both LCBSG and DWF LLP have been calculated on a time costs basis and will be drawn as and when funds permit

9.4 JSA Remuneration

- 9.4.1 On 22 June 2015, the Committee approved that the JSA be authorised to draw their remuneration by reference to time properly given by the JSA and their staff in attending to matters arising in the Special Administration. It was also agreed, that the JSA be authorised to draw fees on account of time costs incurred to date, as and when funds permit, and that the timing of future drawdowns against future time costs incurred are to be agreed by the Committee. Approval was also received to draw category 2 disbursements as detailed at Appendix D.
- 9.4.2 The JSA are entitled to receive remuneration for services given in respect of
- The pursuit of Objective 1 – to be paid out of the client assets held by the Company
 - Dealing with the distribution of client monies – to be paid out of the CMP, and
 - The pursuit of Objectives 2 and 3
- 9.4.3 Attached at Appendix D is a summary of the JSA post-appointment time costs to date. Total time costs of £1,754,617.70 have been incurred (across general costs, costs of dealing with Client Monies and costs of dealing with Client Assets) which represents 4,291.9 hours at an average rate of £408.82 per hour. A detailed explanation for the time costs incurred is also attached.
- 9.4.4 Further guidance may be found in "A Creditors' Guide to Administrators' Fees", although it should be noted that the requirements for approval of the JSA remuneration differ from an ordinary Administration. This guide may be downloaded from <http://www.leonardcurtis.co.uk/resources/creditorsguides>. If you would prefer this to be sent to you in hard copy please contact Megan Singleton of this office on 0161 413 0930. As a result of the complexities associated with a Special Administration, the firm's complex rates have been applied in this case.
- 9.4.5 Appendix E also includes details of LCBSG's policies regarding the recharge of disbursements, staff allocation, support staff and the use of subcontractors.

9 5 Disbursements

Summarised below are Category 1 and 2 disbursements incurred on the case since appointment

Category 1 disbursements

Charged by	Services provided	Total amount paid by LC	Amount recovered from case	Amount still to be recovered from case
		£	£	£
LCBSG	Postage	6,506 41	-	6,506 41
Courts Advertising	Statutory advertising	4,439 42	-	4,439 42
Creditor Web Pelstar	Document upload	1,506 40	-	1,506 40
Auctus	Collection of records and storage	413 03	-	413 03
Microsoft Ireland Operations Limited	Office 365	327 60	-	327 60
Business tax centre	Money laundering checks	260 00	-	260 00
AUA Insolvency Risk Services	IP Bond	135 00	-	135 00
Total Data Management	Collection of records and storage	103 62	-	103 62
Pelstar Limited	Software licence	87 00	-	87 00
Companies House	Companies House searches	50 00	-	50 00
Total		13,828 48	-	13,828 48

Category 2 disbursements

Charged by	Services provided	Total amount paid by LC	Amount recovered from case	Amount still to be recovered from case
		£	£	£
LCBSG	Mileage @ 45p/mile	7,106 98	-	7,106 98
		7,106 98	-	7,106 98

9 6 Expenses of the Special Administration

The JSA have incurred expenses during the period of this report. These expenses are detailed at Appendix C. The schedule also indicates whether these expenses have been paid. Column 5 indicates where these expenses have been discharged by LCBSG and will be reimbursed from case funds as and when funds permit. The allocation for the recharge of the expenses is also detailed within the schedule.

- 9 7 The Company was VAT registered, however due to the activities carried out by the Company, the Company was partially VAT exempt. Following their appointment, the JSA instructed Harold Sharp Chartered Accountants to undertake a full review of the Company's VAT position. This review is yet to be concluded and as such, the JSA are uncertain as to the level of irrecoverable VAT. Subsequently, the expenses detailed at Appendix C are shown inclusive of VAT.
- 9 8 Please note, the quantum of certain expenses incurred but unpaid are based on best estimates available, given that certain expenses, such as electricity charges for the leased premises, are dependant on actual usage and are not known until invoices are received.
- 9 9 Attached at Appendix E is additional information in relation to the firm's policy on staffing, the use of sub-contractors, disbursements and details of current charge-out rates by staff grade.

9 10 Within 21 days of receipt of this report,

- i A secured creditor, or
- ii An unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- iii A client with the concurrence of clients claiming for at least 5% in value of the Client Assets (including the client in question), or

With the permission of the Court upon an application made within that period of 21 days, any unsecured creditor may make a request in writing to the JSA for further information about the remuneration or expenses (other than pre-administration costs)

9 11 In addition, unsecured creditors whose debts amount to at least 10% of the total value of the unsecured claims, any secured creditor, any client with the concurrence of at least 10% of the total claims in respect of client assets held by the Company (or with the permission of Court), or the FCA may apply to court, if they believe the remuneration charged or expenses incurred by the Joint Special Administrators to be excessive or the basis fixed for the Joint Special Administrators' remuneration to be inappropriate. Any application should be made within 8 weeks of receipt of this report.

10 ESTIMATED OUTCOME FOR CREDITORS

10 1 Secured Creditors

10 1.1 Barclays Bank PLC ("Barclays")

Barclays has the benefit of security by way of fixed and floating charges over the Company's assets. Barclays has confirmed that the Company had no indebtedness as at the date it entered Special Administration.

10 1.2 TCA Credit Fund LP ("TCA")

TCA benefits from a debenture creating fixed and floating charges over the Company's assets. The indebtedness to TCA at the date of the Special Administration amounted to \$971,669.56 (approximately £615,924.48).

Following the sale of the shares of HCM and HCG, as detailed at 5.7 above, a distribution of £120,000 was made to TCA. It is uncertain at this time, whether any further distributions will be made to TCA in this matter.

10 1.3 David W Taylor ("DWT")

DWT holds security in the form of a debenture over the Company's assets. The Company's indebtedness to DWT as at the date of appointment of the JSA totalled £1,101,814. It is not anticipated that a distribution will be made to DWT under his security.

10 2 Preferential Creditors

10 2.1 The only categories of claims which have preferential status in this case are those of employees in respect of their arrears of wages and unpaid holiday pay. Such claims will be met by the Redundancy Payments Service, a department within the Department for Business, Innovation and Skills, who will then have a subrogated preferential claim in the Special Administration.

10.2.2 Preferential claims in respect of arrears of wages are capped at a maximum of £800 per employee. Any amount in excess of this will be an unsecured claim. Any holiday pay owing in excess of the applicable statutory limit will form the employee's residual preferential claim.

10.2.3 As at the date of the Special Administration, the Company had 29 employees. Following a detailed assessment of the work required to be completed, a number of employees were made redundant. At present, two employees have been retained to assist the JSA in achieving the objectives of the Special Administration.

10.2.4 Based on current information, we estimate that the total preferential claims of the Company's employees will be £35,460.89.

10.2.5 We do not anticipate that, after costs, there will be a distribution to preferential creditors in this matter.

10.3 Prescribed Part

10.3.1 The Act provides that, where the Company has granted a floating charge after 15 September 2003, the JSA must make a *prescribed part* of the Company's net property available to the unsecured creditors and should not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims.

10.3.2 Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential claims.

10.3.3 The prescribed part is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter, subject to a maximum prescribed part fund of £600,000.

10.3.4 The net property in this case is expected to be less than the prescribed minimum after costs and we consider that the cost of making a distribution of the prescribed part in this case to be disproportionate to the benefits.

10.4 Unsecured Creditors

10.4.1 Unsecured creditor claims are split into three main categories:

- i Money Client shortfall claims,
- ii Any client who is not entitled to participate in the CMP, nor entitled to assets held by XCAP Nominees, and
- iii Any other creditor who is owed an amount by the Company (to include Redundancy Payments Service and employee residual unsecured claims).

10.4.2 The Joint Special Administrators do not anticipate that realisations will allow for a distribution to the Company's unsecured creditors.

11 REGULATORY MATTERS

11.1 Despite the appointment of the JSA, the Company remains an FCA regulated entity, albeit with no authority to trade.

11.2 On 11 March 2015 the Company requested the suspension of trading in its shares on AIM and consequently the Company's membership of the LSE was suspended.

11.3 On 12 March 2015, the Company applied to the FCA to voluntarily impose the requirements set out under section 55L(5) of the Financial Services and Markets Act 2000.

- 11.4 Following discussions with the FCA the Company's activities were restricted. The restrictions were:
- i To stop carrying on regulated activities,
 - ii Not to take on new clients, and
 - iii Not to undertake any new business for new or existing clients
- 11.5 The JSAs are required to enable the Company to continue to comply with a range of regulatory requirements, or to seek necessary waivers for non-compliance as a result of the Special Administration and / or insolvency of the Company. The requirements include:
- i Ensuring the complaints handling procedures are maintained,
 - ii Liaising closely with the FCA and FSCS to ensure their requirements are addressed, and
 - iii Ensuring full and accurate reconciliations in respect of client monies and client assets

12 FUTURE REPORTS

- 12.1 The JSAs aim to provide clients and creditors with regular and timely updates on progress and to provide you with relevant information and guidance to assist you through the administration period.
- 12.2 To assist you further, Client and Creditor Portals have been set up, which we hope you will find beneficial. The address of the Client Portal is <http://leonardcurtis.insolvencydata.co.uk>. You can access the portal using the unique Key Code which has been previously provided to you.
- 12.3 You are encouraged to register your details on the site as soon as possible. Registration will enable you to access important information and updates about the Special Administration at your convenience, plus you will be notified by email as soon as new information relevant to you becomes available.
- 12.4 The JSAs are also required to provide a progress report to clients and creditors within one month of the end of each period of six months commencing on the date the Company entered Special Administration.

Should you have any queries regarding this report please contact the dedicated email enquiry address hcs@leonardcurtis.co.uk or contact Megan Singleton at my office, in writing. Electronic communications should also include a full postal address and your creditor / client reference if you have one.

for and on behalf of
HUME CAPITAL SECURITIES PLC



J IRVING
JOINT SPECIAL ADMINISTRATOR

Licensed in the UK by Institute of Chartered Accountants in England and Wales

Notwithstanding the appointment of Special Administrators under The Investment Bank Special Administration Regulations 2011, Hume Capital Securities Plc remains an FCA regulated entity.

The affairs, business and property of the Company are being managed by the JSAs, who act as agents of the Company without personal liability.

APPENDIX A

SUMMARY OF JOINT SPECIAL ADMINISTRATORS' PROPOSALS

- A. That the Special Administration Objectives be pursued, being
1. To ensure the return of client assets as soon as is reasonably practicable,
 2. To ensure timely engagement with market infrastructure bodies and the Authorities, and
 3. To either rescue the Company as a going concern or wind it up in the best interests of the creditors
- Note the first part of Objective 3, namely the rescue of the Company as a going concern, is not capable of being achieved because of the circumstances set out at paragraph 1 2 2
- B. That, in the absence of a direction from the FCA under Regulation 16, the Special Administration Objectives continue to be addressed in parallel
- C. That the JSA shall do all such things and generally exercise all powers as they, at their discretion, consider desirable in order to achieve the Objectives of the Special Administration, or to protect and preserve the assets of the Company, or to maximise realisations for any other purpose incidental to these Proposals
- D. That the JSA continue to enable the Company to employ staff to assist in the various work identified as necessary in the pursuit of the Objectives of the Special Administration
- E. That the JSA move funds realised or held on behalf of clients into bank accounts controlled by the JSA and, to avoid currency fluctuations, convert foreign currency accounts to sterling accounts as appropriate
- F. That the JSA move and hold funds realised on behalf of the Company into bank accounts controlled by the JSA
- G. That Client Monies and Client Assets be returned to clients prior to any distribution to any other class of creditors being made
- H. That the JSA realise the Company's remaining assets in pursuit of the Objectives of the Special Administration
- I. That the JSA make distributions to the secured, preferential and unsecured creditors as appropriate
- J. That the JSA continue to investigate, and if appropriate, pursue any claims that an office holder and / or the Company may have under The Companies Act, the Act or other legislation against any parties concerned with the affairs of the Company
- K. That, once the Objectives of the Special Administration have been fulfilled the JSA will seek to conclude the case by either
- a. Filing appropriate notices that the Objectives have been achieved, that the Company no longer holds client assets and the Company will be dissolved thereafter without further recourse to the Creditors or Clients of the Company, or
 - b. Put forward further Proposals for a Company Voluntary Arrangement

APPENDIX B

SUMMARY OF JOINT SPECIAL ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM 16 MARCH 2015 TO 15 SEPTEMBER 2015

	Estimated to realise £	Realised to date £
Receipts		
Withdrawal of funds from the CMP	-	375,501 43
Sale of HCM/HCG shares	Uncertain	200,000 00
Balance at bank	158,105 61	158,105 61
HCM advance for services	-	15,000 00
Pre-appointment VAT refund	10,000 00	9,837 75
Sale of hospitality tickets	-	1,406 51
Sundry debtors (Northern Rail Ltd)	33,000 00	283 90
Deposit interest gross	-	117 81
Sundry refunds (AXA Health care)	Uncertain	28 98
Fee refund	-	20 84
	<u>201105 61</u>	<u>760,302 83</u>
Less payments:		
Monies due to TCA Global		120,000 00
GL Settle Ltd		69,582 16
Employee wages		46,298 23
Third Financial Software Limited		43,750 00
Purple Matrix Ltd		30,300 00
Rent - Emerson		22,972 50
Service charge - Emerson		15,880 00
Fundtech Financial Messaging Ltd		14,141 27
DWF fees		10,172 05
Expenses paid on behalf of HCM		6,846 28
Advanced 365 Ltd		5,799 76
Frontier Voice and Data Ltd		5,330 72
Cofunds Limited		4,000 00
Employee pension contributions		3,684 07
Car park rental - Emerson		3,150 00
Euroclear UK & Ireland Ltd		1,758 04
Ogier fees		1,066 00
Microsoft Ireland Operations Limited		695 76
Payroll services		400 00
CISI membership fees		390 00
AUA Insolvency Risk Services		261 14
Consultancy fees		200 00
Sage UK Limited		129 00
Accountancy fees - S Hampson		100 00
Bank charges		85 00
		<u>406,991 98</u>
Balance in hand		<u>353,310 85</u>
Represented by		
Fixed charge account		66,742 55
Floating charge account		241,238 85
VAT control account		45,329 45
		<u>353,310 85</u>

APPENDIX C

SCHEDULE OF EXPENSES INCURRED FOR THE PERIOD 16 MARCH 2015 TO 15 SEPTEMBER 2015

Details	Supplier	Total costs incurred to date inclusive of VAT	Amount paid inclusive of VAT	Amount paid by LC (yet to be reimbursed) inclusive of VAT	Amount outstanding inclusive of VAT	Allocation of costs incurred to date			
						Costs allocated against general estate inclusive of VAT	Costs allocated against CMP inclusive of VAT	Costs allocated against Client Assets inclusive of VAT	Costs incurred on behalf of HCM inclusive of VAT
		£	£	£	£	£	£	£	£
Rent	Emerson	45,945 00	27,567 00	-	18,378 00	-	22,972 50	22,972 50	-
Car Park Rent	Emerson	29,030 00	3,780 00	-	25,250 00	-	14,515 00	14,515 00	-
Service Charge	Emerson	30,511 01	19,056 00	-	11,455 01	-	15,255 51	15,255 51	-
Business Rates	Cheshire East Borough Council	22,036 50	-	-	22,036 50	-	11,018 25	11,018 25	-
Electricity	British Gas	4,732 01	-	-	4,732 01	-	2,366 01	2,366 01	-
Water	United Utilities	797 81	-	-	797 81	-	398 91	398 91	-
RIMS (Back Office System)	GL Settle Ltd	83,498 59	83,498 59	-	-	-	41,749 30	41,749 30	-
RIMS Swift 2 way interface	GL Settle Ltd	25,925 71	-	-	25,925 71	-	12,962 86	12,962 86	-
Tercero (Client Data System)	Third Financial	52,500 00	52,500 00	-	-	-	26,250 00	26,250 00	-
Tercero (Global report pack)	Third Financial	1,800 00	-	1,800 00	-	-	900 00	900 00	-
Landlines	Frontier	9,713 96	6,396 86	2,024 94	1,292 16	-	4,856 98	4,856 98	-
Landlines (HCM)	Frontier	351 73	-	351 73	-	-	-	-	351 73
Phone Handsets (HCM)	BNP Paribas Leasing	637 86	637 86	-	-	-	318 93	318 93	-
Office 365	Microsoft	1,023 36	695 76	327 60	-	-	-	-	1,023 36
Interxion Rack Hosting	Purple Matrix	13,860 00	11,880 00	-	1,980 00	-	6,930 00	6,930 00	-
IT Support and maintenance services	Purple Matrix	16,800 00	14,400 00	-	2,400 00	-	8,400 00	8,400 00	-
Backup and disaster recovery	Purple Matrix	11,760 00	10,080 00	-	1,680 00	-	5,880 00	5,880 00	-
Internet - Claranet	Advanced 365	13,942 08	4,636 03	-	9,306 05	-	6,971 04	6,971 04	-

Hume Capital Securities Plc - In Special Administration

Alarm	ADT	684 39	-	-	684 39	-	-	342 20	342 20	-
Access Control	ADT	83 34	-	-	83 34	-	-	41 67	41 67	-
Custody fee	Cofunds	6,000 00	4,000 00	-	2,000 00	-	-	3,000 00	3,000 00	-
Accountancy fee	S Hampson	100 00	100 00	-	-	-	100 00	-	-	-
Payroll services	S Hampson	400 00	400 00	-	-	-	-	200 00	200 00	-
Monthly salaries	Staff	60,703 97	46,288 23	-	-	14,405 74	-	30,351 99	30,351 99	-
Employer NI	Staff	6,321 60	-	-	6,321 60	-	-	3,160 80	3,160 80	-
Employee NI	Staff	7,189 78	-	-	7,189 78	-	-	3,594 89	3,594 89	-
PAYE	Staff	5,817 52	-	-	5,817 52	-	-	2,908 76	2,908 76	-
Student loan	Staff	95 00	-	-	95 00	-	-	47 50	47 50	-
Pensions	Staff	4,239 97	3,684 07	-	555 90	-	-	2,119 99	2,119 99	-
Consultancy	Staff	200 00	200 00	-	-	-	-	100 00	100 00	-
Accounts	Sage	316 80	154 80	-	-	162 00	-	158 40	158 40	-
Fund Data (HCM)	Biton	7,577 68	7,577 68	-	-	-	-	-	-	7,577 68
Statement print out One off payment	Print it (Northwest) Limited	1,060 80	-	-	-	1,060 80	-	530 40	530 40	-
Handling client calls One off payment (Est)	Intalekt	1,173 72	-	-	1,173 72	-	-	586 86	586 86	-
Crest related	Fundtech	16,969 53	16,969 53	-	-	-	-	8,484 77	8,484 77	-
LSE (est)	London Stock Exchange	1,779 73	-	-	1,779 73	-	-	889 86	889 86	-
CREST	Euroclear UK & Ireland Limited	23,239 41	1,758 04	-	21,481 37	-	-	11,619 71	11,619 71	-
CISI Memberships	CISI	390 00	390 00	-	-	-	-	195 00	195 00	-
Barclays bank charge		1,650 00	-	-	1,650 00	-	-	825 00	825 00	-
Data feeds	Interactive Data	24,151 13	-	-	24,151 13	-	-	12,075 57	12,075 57	-
Data feeds - one off payment	Exchange Data	3,969 00	-	-	3,969 00	-	-	1,984 50	1,984 50	-
Toner Cartridges	CCS Media	994 26	-	-	-	994 26	-	497 13	497 13	-
Hard drive	CCS Media	75 98	-	-	-	75 98	-	37 99	37 99	-
-	Train fares for LCB SG personnel	2,878 80	-	-	-	2,878 80	-	1,439 40	1,439 40	-
-	Hotel for LCB SG personnel	87 46	-	-	-	87 46	-	43 73	43 73	-
-	Bank charge for payments	95 00	85 00	-	-	10 00	-	47 50	47 50	-
-	Printer	89 99	-	-	-	89 99	-	45 00	45 00	-
Sundry receipts	Petty cash	100 00	-	-	-	100 00	-	50 00	50 00	-
Room hire and refreshments	The Midland Hotel	850 00	-	-	700 00	150 00	-	425 00	425 00	-

Hume Capital Securities Plc - In Special Administration

[illegible]

* Please note, the costs shown for DWF and Counsel are costs incurred up to July 2015. Furthermore, the JSA are yet to receive details of the costs incurred by Counsel with regards to dealing with the Distribution Plan.

APPENDIX D

SUMMARY OF JOINT SPECIAL ADMINISTRATORS' TIME COSTS FOR THE PERIOD
FROM 16 MARCH 2015 TO 15 SEPTEMBER 2015

GENERAL TIME COSTS

	Director		Senior Manager		Manager 1		Manager 2		Administrator 1		Administrator 2		Administrator 3		Administrator 4		Total		Average	
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Hourly Rate £	Hourly Rate £
Statutory & Review	66	3,709.40	93	4,761.40	289	13,178.40	162	6,480.00	173	5,622.50	119	3,415.40	107	2,803.40	-	-	1,009	39,970.50	396.14	396.14
Receipts & Payments	2	112.00	48	2,457.60	-	-	54	2,160.00	10	325.00	35	1,004.70	45	1,179.00	-	-	194	7,238.30	373.11	373.11
Insurance	11	617.80	4	204.80	-	-	17	680.00	-	-	56	1,607.20	-	-	-	-	88	3,109.80	353.39	353.39
Assets	741	41,643.80	23	1,177.60	-	-	15	600.00	223	7,247.50	468	13,431.60	7	183.40	-	-	1,477	64,283.90	435.23	435.23
Liabilities	204	11,464.80	221	11,315.20	30	1,368.00	305	12,200.00	97	3,152.50	433	12,427.10	548	14,357.60	-	-	1,838	66,285.20	360.64	360.64
Landlords	-	-	-	-	-	-	11	440.00	-	-	30	861.00	-	-	-	-	41	1,301.00	317.32	317.32
Trading	206	11,577.20	-	-	-	-	23	920.00	75	2,437.50	34	975.80	-	-	-	-	338	15,910.50	470.72	470.72
Debtenture Holder	-	-	-	-	-	-	-	-	-	-	56	1,607.20	-	-	-	-	56	1,607.20	287.00	287.00
General Administration	67	3,765.40	87	4,454.40	-	-	57	2,280.00	182	5,915.00	266	7,634.20	147	3,851.40	100	1,870.00	906	29,770.40	328.59	328.59
Pre-Apprt Creds Meetings	-	-	-	-	-	-	21	840.00	-	-	-	-	-	-	-	-	21	840.00	400.00	400.00
Appointment	169	9,497.80	97	4,966.40	-	-	-	-	40	1,300.00	70	2,009.00	-	-	13	243.10	389	18,016.30	463.14	463.14
Planning & Strategy	231	12,982.20	14	716.80	-	-	-	-	33	1,072.50	5	143.50	3	78.60	-	-	286	14,993.60	524.25	524.25
Post Appointment Creds Mtngs	134	7,530.80	4	204.80	40	1,824.00	-	-	160	5,200.00	45	1,291.50	-	-	-	-	383	16,051.10	419.09	419.09
Creds Committee Meetings	-	-	14	716.80	30	1,368.00	10	400.00	-	-	18	516.60	-	-	-	-	72	3,001.40	416.86	416.86
Investigations	36	2,023.20	-	-	-	-	35	1,400.00	-	-	18	516.60	-	-	-	-	89	3,939.80	442.67	442.67
Total	1,867	104,924.40	605	30,975.80	389	17,738.40	710	28,400.00	993	32,272.50	1,653	47,441.40	857	22,453.40	113	2,113.10	7,187	286,319.00		

Average Hourly Rate (£)

All Units are 6 minutes

Hume Capital Securities Plc - In Special Administration

TIME COSTS ASSOCIATED WITH CLIENT MONIES

	Director		Senior Manager		Manager 1		Manager 2		Administrator 1		Administrator 2		Administrator 3		Administrator 4		Total		Average Hourly Rate
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
SAR - Client Monies																			
Est Client Monies Pool	528	29,673 60	164	8,396 80	-	-	246	9,840 00	283	9,197 50	118	3,386 60	-	-	-	-	1,339	60,494 50	451 79
Correspondence with Clients	423	23,772 60	283	14,489 60	80	3,648 00	309	12,360 00	2,748	89,310 00	371	10,647 70	1,624	42,548 80	10	187 00	5,848	196,963 70	336 81
Dealing with third parties	1,375	77,275 00	170	8,704 00	-	-	15	600 00	85	2,762 50	66	1,894 20	-	-	-	-	1,711	91,235 70	533 23
Review of Customer Terms	13	730 60	-	-	-	-	-	-	15	487 50	-	-	131	3,432 20	-	-	159	4,650 30	292 47
Agreeing Claims	60	3,372 00	-	-	-	-	20	800 00	150	4,875 00	100	2,870 00	-	-	-	-	330	11,917 00	361 12
Leasing with FSCS	379	21,298 80	6	307 20	-	-	55	2,200 00	-	-	289	8,294 30	-	-	-	-	729	32,101 30	440 35
Distribution of Client Monies	220	12,364 00	84	4,300 80	-	-	162	6,480 00	10	325 00	320	9,184 00	-	-	-	-	796	32,653 80	410 22
Leasing with FCA	74	4,158 80	-	-	-	-	10	400 00	-	-	70	2,009 00	8	209 60	-	-	162	6,777 40	418 36
Reconciliations	594	33,382 80	278	14,233 60	-	-	30	1,200 00	60	1,950 00	3	86 10	-	-	-	-	965	50,852 50	526 97
Retention costs / staff	111	6,238 20	2	102 40	-	-	33	1,320 00	20	650 00	198	5,682 60	43	1,126 60	-	-	407	15,119 80	371 49
Distribution plan / stat mat	741	41,644 20	68	3,481 60	-	-	84	3,360 00	60	1,950 00	412	11,824 40	35	917 00	-	-	1,400	63,177 20	451 27
Professional advisors	30	1,686 00	10	512 00	-	-	-	-	-	-	-	-	4	104 80	-	-	44	2,302 80	523 36
IT/ Cut off/ Systems	18	1,011 60	41	2,099 20	-	-	210	8,400 00	5	162 50	148	4,247 60	-	-	-	-	422	15,920 90	377 27
Creditor Committee mtgs	-	-	2	102 40	-	-	-	-	4	130 00	102	2,927 40	5	131 00	-	-	113	3,290 80	291 22
Cred Comm reports/corresp	-	-	-	-	-	-	20	800 00	-	-	57	1,635 90	-	-	-	-	77	2,435 90	316 35

Total 4,566 256,609 20 1,108 56,729 60 80 3,648 00 1,194 47,760 00 3,440 111,800 00 2,254 64,689 80 1,850 48,470 00 10 187 00 14,502 589,893 60

Average Hourly Rate (£)

562 00 512 00 456 00 400 00 325 00 287 00 262 00 187 00 406 77

All Units are 6 minutes

TIME COSTS ASSOCIATED WITH CLIENT ASSETS

	Director		Senior Manager		Manager 1		Manager 2		Administrator 1		Administrator 2		Administrator 3		Total		Average Hourly Rate
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
SAR - Client Assets																	
Identific'n of Client Assets	434	24,390 80	102	5,222 40	-	-	87	3,480 00	275	8,937 50	163	4,678 10	-	-	1,051	46,708 80	440 23
Correspondence with Clients	400	22,480 00	193	9,881 60	80	3,648 00	370	14,800 00	4,064	132,080 00	627	17,994 90	1,167	30,575 40	6,901	231,459 90	335 40
Dealing with third parties	1,837	103,239 40	1,095	56,064 00	-	-	10	400 00	395	12,837 50	547	15,698 90	9	235 80	3,893	188,475 60	484 14
Review of Customer Terms	14	786 80	-	-	-	-	-	-	10	325 00	9	258 30	-	-	33	1,370 10	415 18
Reconciliations	694	39,002 80	515	26,368 00	-	-	153	6,120 00	565	18,362 50	60	1,722 00	5	131 00	1,992	91,706 30	460 37
Agreeing Claims	81	4,552 20	-	-	-	-	15	600 00	70	2,275 00	321	9,212 70	6	157 20	493	16,797 10	340 71
Liasing with FSCS	646	36,305 20	6	307 20	-	-	29	1,160 00	-	-	120	3,444 00	-	-	801	41,216 40	514 56
Liasing with FCA	112	6,294 40	-	-	-	-	-	-	35	1,137 50	1	28 70	-	-	148	7,460 60	504 09
Distribution of Client Assets	146	8,205 20	13	665 60	-	-	39	1,560 00	30	975 00	23	660 10	-	-	251	12,065 90	480 71
Retention costs/ staff	244	13,712 80	-	-	-	-	43	1,720 00	135	4,387 50	801	22,988 70	16	419 20	1,239	43,228 20	348 90
Distribution plan / Stat mat	1,413	79,410 60	508	26,009 60	85	3,876 00	62	2,480 00	105	3,412 50	439	12,599 30	50	1,310 00	2,662	129,098 00	484 97
Professional advisors	47	2,641 40	-	-	-	-	-	-	-	-	-	-	10	262 00	57	2,903 40	509 37
IT/Cut off/Systems	27	1,517 40	456	23,347 20	-	-	341	13,640 00	40	1,300 00	628	18,023 60	4	104 80	1,496	57,933 00	387 25
Creditor Committee mtgs	23	1,292 60	2	102 40	-	-	-	-	4	130 00	20	574 00	-	-	49	2,099 00	428 37
Cred Comm reports / corresp	-	-	-	-	-	-	-	-	-	-	33	947 10	-	-	33	947 10	287 00
Dealing with dividends	-	-	60	3,072 00	-	-	10	400 00	-	-	51	1,463 70	-	-	121	4,935 70	407 91
Total	6,118	343,831 60	2,950	151,040 00	165	7,524 00	1,159	46,360 00	5,728	186,160 00	3,843	110,294 10	1,267	33,195 40	21,230	878,405 10	

Average Hourly Rate (£)

413 76

All Units are 6 minutes

APPENDIX D (CONTINUED)

DETAILED EXPLANATION OF TIME COSTS INCURRED

Client Assets / stocks and shares	<ul style="list-style-type: none"> • Review of Company's and XCAP Nominee systems, • Review of the Company's two stock control systems, being RIMS and Tercero, • Identification and review of open trading positions, • Liaising with FCA, LSE and Euroclear as regards finalising open positions, • Reconciling open positions with Euroclear and LSE, • Liaising with Company's bankers and Euroclear as regards CREST facilities to enable CREST to be reactivated in due course, • Liaising with legal advisors re Euroclear, LSE, bank and FCA matters, • Meeting with and liaising with FSCS as regards strategy and timing of any compensation to be paid to Clients, • Securing of share certificates, • Monitoring and control of Company staff, • Preparation of client statements as at date of appointment, • Liaising with relevant IT and data providers to ensure continuity of services, • Instruction of, meeting with and liaising with independent third party, Montpelier, who have prepared an independent reconciliation of client stock positions, • Adjustment of company records to reflect the cancellation of open positions, • Review of corporate actions suspended in CREST, • Investigation into corrections account contained within stock records, • Review of Deloitte's FCA breaches report and considerations as regards impact on stock reconciliations, • Meetings with potential purchasers as regards future client stock transfers, • Dealing with client queries, • Consideration of the repatriation of client assets and the Bar Date process and taking legal advice and liaising with FCA and FSCS, and • Review of open trading positions as regards institutional placements and the impact on client stock positions
Client Account / Client monies paid	<ul style="list-style-type: none"> • Reconciliation of client accounts up to date of appointment, • Consideration of foreign exchange conversion, • Liaising and corresponding with Company's bankers, • Setting up JSA' client accounts, • Review of ISA accounts and tax considerations, • Implementation of dividend trust accounts post appointment, • Liaising with FCA as regards CASS rules, dividends received post appointment, formal application as regards CASS waivers, • Review of Company's cash accounting systems, • Daily reconciliation of accounts post appointment,

	<ul style="list-style-type: none"> • Review of forward balances as regards client open trading positions, • Review and liaising with advisors as regards cash held in respect of various institutional placements, • Review and liaising with advisors as regards cash held in respect of Cofunds open transactions, • Liaising with Euroclear as regards zero cap bank facilities as regards client dividends held in CREST, • Review of client debtors to pooled accounts, • Review of top-up transactions between company accounts and client accounts, • Daily dividend reconciliations, • Monitoring and control of company staff, • Preparation of client statements as at date of appointment, • Considerations as regards preparation of annual tax vouchers, • Meeting with and liaising with FSCS as regards strategy and timing of any compensation to be paid to clients, and • Dealing with client queries
Statutory and Compliance	<ul style="list-style-type: none"> • Collating initial information to enable us to carry out our statutory duties, including creditors information, details of assets and information relating to licences, • Providing initial statutory notifications of our appointment to the Registrar of Companies, clients, creditors and other stakeholders, and advertising our appointment, • Issuing press release, • Preparing receipts and payments accounts, • Arranging bonding and complying with statutory requirements, and • Ensuring compliance with all statutory obligations within the relevant timescales
Strategy documents, checklists 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 LC 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, and • Complying with internal filing and information recording practices, including documenting strategy decisions
Authorities and Regulatory Bodies	<ul style="list-style-type: none"> • Meeting with and providing written and oral updates to representatives of the Authorities regarding the progress of the special administration and case strategy

Cashiering	<ul style="list-style-type: none"> • Setting up special administration bank accounts, including trust accounts for client monies and dealing with the Company's pre-appointment accounts, brokers and payment providers, • Preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employees' banks, • Reviewing and processing employee expense requests; • Reconciling post-appointment bank accounts to internal systems, and • Ensuring compliance with appropriate risk management procedures in respect of receipts and payments
Tax	<ul style="list-style-type: none"> • Gathering initial information from the Company's records in relation to the taxation position of the Company, • Submitting relevant initial notifications to HM Revenue & Customs, • Reviewing the Company's pre-appointment corporation tax and VAT position, • Analysing VAT related transactions, and • Dealing with post-appointment tax compliance
Shareholders	<ul style="list-style-type: none"> • Providing notification of our appointment, and • Providing copies of statutory reports to shareholders
General	<ul style="list-style-type: none"> • Reviewing time costs data and producing analyses of time incurred which is compliant with Statement of Insolvency Practice 9, and • Locating relevant Company books and records, arranging for their collection and dealing with their ongoing storage
Trading	<ul style="list-style-type: none"> • Preparing cash flow statements to monitor the cash position, • Attending to supplier queries and correspondence, • Raising, approving and monitoring purchase orders and setting up control systems for trading, and • Negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions, in order to ensure continued support
Asset realisations	<ul style="list-style-type: none"> • Collating information from the Company's records regarding the assets, • Liaising with agents regarding the sale of assets, • Reviewing outstanding debtors and management of debt collection strategy, • Seeking legal advice in relation to book debt collections, • Reviewing the inter-company debtor position between the Company and other Group companies, • Review of subsidiary financial positions and potential to sell the subsidiary shares, • Liaising with management of the companies, and • Liaising and meeting with interested parties and subsidiary clients
Property Matters	<ul style="list-style-type: none"> • Reviewing the Company's leasehold properties, including review of leases, and • Communicating with landlords regarding rent, property occupation and other issues

Sale of business	<ul style="list-style-type: none"> • Planning the strategy for the sale of the business and assets, including instruction and liaison with professional advisors, • Seeking legal advice regarding the sale of business, including regarding non-disclosure and exclusivity agreements, • Collating relevant information and drafting information memorandum in relation to the sale of the Company's business and assets and advertising the business for sale, • Dealing with queries from interested parties and managing the information flow to potential purchasers, and • Carrying out sale negotiations with interested parties
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 is in place, and • Assessing the level of insurance premiums
Employees	<ul style="list-style-type: none"> • Dealing with queries from employees regarding various matters relating to the special administration and their employment, • Dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant Government departments, • Holding employee briefing meetings to update employees of progress in the special administration and our strategy, • Administering the Company's payroll, including associated taxation and other deductions and preparing PAYE and NIC returns, • Communicating and corresponding with HM Revenue & Customs, • Dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office, and • Managing claims from employees
Pensions	<ul style="list-style-type: none"> • Collating information and reviewing the Company's pension schemes, • Calculating employee pension contributions and review of pre-appointment contributions, • Ensuring compliance with our duties to issue statutory notices, and • Ensuring death in service cover for employees remains in place
Clients, Creditors and Claims	<ul style="list-style-type: none"> • Drafting and circulating our proposals, • Convening and preparing for the meeting of clients and creditors, • Creating and updating the list of clients and unsecured creditors, • Responding to enquiries from clients and creditors regarding the special administration, return of funds and submission of claims, • Review close out of open positions immediately prior to our appointment, and • Developing a Client Portal to provide clients with updates and information
Investigations	<ul style="list-style-type: none"> • Reviewing Company and directorship searches and advising the directors of the effect of the special administration, • Liaising with management to produce the Statement of Affairs, • Arranging for the redirection of the Company's mail,

Hume Capital Securities Plc - In Special Administration

	<ul style="list-style-type: none">• Reviewing the questionnaires provided by Directors, and• Reviewing pre-appointment transactions
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APPENDIX E

LEONARD CURTIS CHARGE OUT RATES AND POLICY REGARDING STAFF ALLOCATION, SUPPORT STAFF, THE USE OF SUBCONTRACTORS AND THE RECHARGE OF DISBURSEMENTS

The following information relating to the policy of Leonard Curtis is considered to be relevant to clients and creditors

Staff Allocation and Support Staff

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is not charged.

Where it has been agreed by resolution of the secured creditors, a creditors' committee or creditors generally, that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters arising in the appointment, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

With effect from 6 January 2014 the following hourly charge out rates apply to all complex assignments undertaken by Leonard Curtis

	Complex £
Director	562
Senior Manager	512
Manager 1	456
Manager 2	400
Administrator 1	325
Administrator 2	287
Administrator 3	262
Administrator 4	187
Support	0

Subcontractors

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holders or their staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

Professional Advisors

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements. The choice of professional advisors is based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Disbursements

- a) Category 1 disbursements. These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, stationery, telephone charges, travel expenses, and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) 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. In the event of charging for category 2 disbursements the following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Storage of office files (6 years)	£66.09 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

STATEMENT OF CLAIM FORM FOR CREDITORS

Date of administration order: 16 March 2015

Name of creditor:

Address of creditor:

Gross amount of claim:
(ie including VAT)

Amount of VAT

Details of any document by
reference to which the debt can be
substantiated:
(eg invoices)

Particulars of how and when debt
incurred:

Particulars of any security held, the
value of the security and the date it
was given:

Signature of creditor or person
authorised to act on his behalf:

Name in BLOCK CAPITALS:

Position with or relation to creditor:

STATEMENT OF CLAIM FORM FOR ASSET CLIENTS

Client Asset Statement of Claim

Hume Capital Securities Plc (In Special Administration)		
Date of Special Administration	16 March 2015	
Client's details		
Name		
Client reference (See covering letter)		
Address.		
Email address		
<p>Gross amount due to client for Client Assets as at 16 March 2015, being the date the Company entered Special Administration</p> <p>(see notes overleaf for information required to be included)</p> <p>If you have a client statement detailing all your assets you may wish to append it to this form as an alternative to scheduling out your assets below. You can email hcs@leonardcurtis.co.uk to request a copy statement dated 16 March 2015 if required</p>		
Type	No	Value per last statement
Total value of Claim		£
Signature:		
Name in CAPITAL LETTERS		
Address of Signatory (if not client).		
Authonty of signatory (if not client)		

NOTES

- 1 You are a Client of Hume Capital Securities Plc if, as defined under Regulation 2 of the Investment Bank Special Administration Regulations 2011, you are a person or body for whom Hume Capital Securities Plc has undertaken to receive or hold client assets (whether or not on trust and whether or not that undertaking has been complied with)
- 2 In accordance with the Notice of Bar Date dated 22 May 2015, please submit full details of your claim using this claim form and return it by post to Hume Capital Securities Plc (In Special Administration), c/o Leonard Curtis, Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ or by email to hcs@leonardcurtis.co.uk by no later than 17 00 hours on 30 June 2015
- 3 Supporting documents must be attached to this claim form in order to substantiate your claim. Please provide the following where appropriate

Content of claim for client assets

- a Details of the total amount of your Client Asset claim, detailing each separate type of client asset and each separate security within that type (e.g. listed shares 200 BT ordinary shares, 500 Standard Life ordinary shares),
- b Details of the ownership you assert over those assets (e.g. claims to the beneficial ownership or other form of ownership of the client assets),
- c Details of all contracts entered into with Hume Capital Securities Plc under which, at the time the claim is submitted, liabilities are still owed from Hume Capital Securities Plc to you or vice versa,
- d Details of any documents evidencing any security you have granted to Hume Capital Securities Plc in respect of client assets held by Hume Capital Securities Plc,
- e Details of any documents which substantiate the claim. Please note that it is recommended that all such documents are submitted with the claim form

Content of claim in respect of security interest

- a Details of any security interest you assert over any client assets held by Hume Capital Securities Plc, including details of the client assets to which the security interest relates, the date on which the security interest was granted, conditions for the release of the security and the value which you put on the security interest,
 - b Details of any other parties' interest in the security interest that are known to you, and
 - c Any other information relating to the security interest that you consider useful to the administrator in determining the rights attached to the client assets which are the subject of the claim
- 4 Claims should be submitted in their original currency. Where you are claiming for assets in currencies other than sterling, your claim may need to be converted into sterling. If conversion is required, the middle market rate (mean of spot buying and selling rates) as at 16 March 2015 will be used
 - 5 Please send your completed claim form before close of business on 30 June 2015 by
 - a Email to hcs@leonardcurtis.co.uk
 - b Post to Hume Capital Securities Plc (In Special Administration), c/o Leonard Curtis, Tower 12, 18/22 Bridge Street, Spinningfields, Manchester M3 3BZ
 - 6 Please retain a copy of your completed claim form for your own records

STATEMENT OF CLAIM FORM FOR MONEY CLIENTS

**HOW TO SUBMIT YOUR CLIENT MONEY PROOF
(CLIENT MONEY)**

**HUME CAPITAL SECURITIES PLC (in special administration)
(the "Company")**

PLEASE READ CAREFULLY

**These instructions and the attached claim form are only relevant if your claim is in
respect of CLIENT MONEY**

Preliminary Questions

Am I a client of the Company?

You are a client of the Company **ONLY IF** you are a person for whom the Company has undertaken to receive or hold client assets, including client money, whether or not on trust and whether or not that undertaking has been complied with pursuant to the definition of "client" set out in Regulation 2 (*Interpretation*) of the Regulations

Do I have a claim for client money?

You may be a potential client money claimant **ONLY IF** the Company holds, or (possibly) should hold, client money on your behalf in accordance with the rules made by virtue of sections 138 and 139 of the Financial Services and Markets Act 2000 (clients' money)

Important Information

If you believe you are a client of the Company and that the Company holds or (possibly) should have held client money for you and you wish to claim such money, the client money proof (the "**Client Money Proof**") enclosed as Appendix A, must be returned to Julien Irving, Mark Colman and Andrew Duncan of Leonard Curtis Recovery Limited who are the special administrators of the Company (the "**Special Administrators**") at the address specified below and on or before the date specified below in the "Deadlines" box

Note that you may also be a client if the Company holds or (possibly) should have held clients assets (other than client money) You shall be contacted separately in relation to your claim for client assets If you believe you are owed a debt by the Company in respect of a wholly or partially unsecured debt you may also be a creditor of the Company Again, you shall be contacted separately in relation to your claim as a creditor

Note that in the event that there is a shortfall in the amount of client money available for distribution as defined in the glossary to the FCA's Handbook, each client is, on the occurrence of certain events, only entitled to a sum which is rateable to "the client money entitlement" within the meaning of the client money rules and the client money distribution rules A client may be able to claim against the Company for any such shortfall and for that claim, the client shall rank as an unsecured creditor of the Company

Therefore, please note that if you are a client of the Company, you may, under certain circumstances also become a creditor of the Company in respect of the same claim However, please note that the Special Administrators do not anticipate any dividend to unsecured creditors from the Company

These instructions are to help you complete the Client Money Proof enclosed. The guidance provided below is for information purposes only. You should consult your own legal and other professional advisors for advice in relation to your claim.

Any reference to a 'Rule' in this guidance note refers to the special administration rules as set out in The Investment Bank Special Administration (England and Wales) Rules 2011 (the "Rules"). The full text of the Rules can be found at www.legislation.gov.uk/uksl/2011/1301

Any reference to a 'Regulation' in this guidance note refers to the special administration regulations for investment banks as set out in The Investment Bank Special Administration Regulations 2011 (the "Regulations"). The full text of the Regulations can be found at www.legislation.gov.uk/uksl/2011/245

Any reference to the "Website" in this guidance note refers to <http://leonardcurtis.insolvencydata.co.uk>

GUIDANCE ON HOW TO COMPLETE YOUR CLIENT MONEY PROOF

Section 1 - 4 Client Details

Fill in the name of the person, company or other body who claims to be a client of the Company and the client's full address (including any relevant contact person, a telephone number of that contact person (including any relevant international dial code if that contact person is outside the UK) and their email address). If the client is a company, please include the company registration number.

Please also include any relevant customer number(s) provided to you by the Company.

Please tick the appropriate box to indicate whether or not you have assigned (or intend to assign) your claim to the Financial Services Compensation Scheme ("FSCS"). The FSCS is the compensation fund of last resort for customers of authorised financial services firms. It protects private individuals and small businesses if an authorised firm, like the Company, becomes insolvent and cannot return money or investments to its customers. It describes this as being in default. For eligible claims the FSCS can pay up to £50,000 in compensation per person. Please refer to the FSCS's website for further information <http://www.fscs.org.uk/>

Section 5 – Quantification of your claim

Please indicate the total amount held, or which should have been held, in the space provided. This should not include any receipts or other deductions properly made in respect of the claim. Where the client money is being claimed in a currency other than sterling, please state the amount in that currency and convert it into sterling at the rates set out in Appendix B being the exchange rates prevailing on 16 March 2015.

Further, please provide a breakdown of your claim by account. If you hold more than one account with the Company, please note the lead account number (if applicable) and split out the value of your claim on an account by account basis (if possible).

If you have a client statement(s) dealing with all your accounts, you may wish to append these to this form as an alternative to scheduling out your accounts. You can email hcs@leonardcurtis.co.uk to request a copy statement dated 16 March 2015, if required.

Section 6 Further information

Please enclose copies (not originals) of any documentation or correspondence you believe may substantiate the claim and/or be of assistance in processing your claim, including, but not limited to, customer confirmations and account statements (in particular, your last account statement)

Section 7 - Signature

If someone else is signing the Client Money Proof on your behalf, they **MUST** provide their name, address and authority

Deadlines

On 10 August 2015, the English High Court made an Order applying a procedure by which client money held by the Investment Bank should be distributed to clients. The rules governing the client money distribution procedure are set out at Schedule A to the Order (the "**Client Money Distribution Procedure**")

The Order can be viewed and downloaded from <http://leonardcurtis.liquidcydata.co.uk> using the unique login code provided to you

The Joint Special Administrators have given notice, in accordance with Rule 6 of the Client Money Distribution Procedure that a first and final distribution of the Client Money Trust will be paid within the period of two months from the last date for proving. The last date for clients to prove is 5.00pm on 2 October 2015

A person claiming to have a client money entitlement and wishing to recover their client money entitlement in whole or in part must (subject to any order of the Court to the contrary) submit their claim in writing to the Administrators by way of a Client Money Proof by 2 October 2015

Note: If you submit this Client Money Proof this shall be used as your formal submission of claim in respect of client money. This **does not mean** that the Special Administrators have agreed or accept the validity or value of your claim for dividend or distribution purposes in whole or in part

We advise you to file your claim well in advance of this deadline

Where to file

The completed and **signed** Claim Form, together with the supporting documentation must be filed with the Special Administrators by the deadlines set out above. You can either submit your form by posting it to the address below by electronic submission to [**hcs@leonardcurtis.co.uk**](mailto:hcs@leonardcurtis.co.uk)

If you have any queries in relation to the submission of the Client Money Proof, please email [**hcs@leonardcurtis.co.uk**](mailto:hcs@leonardcurtis.co.uk)

Hume Capital Securities PLC (in special administration)

Leonard Curtis
Tower 12
18/22 Bridge Street
Spinningfields
Manchester
M3 3BZ
England

YOU SHOULD RETAIN A COPY OF THE COMPLETED CLIENT MONEY PROOF FOR YOUR RECORDS

**Hume Capital Securities PLC
(In Special Administration)**

Client Money Proof

Date of Special Administration 16 March 2015			
1	Name of Client Money Claimant (if a company please also give company registration number)		
2	Client Reference		
3	Address for correspondence (Please include email address)		
4	Please tick the box to indicate whether or not you have assigned (or intend to assign) your claim to the Financial Services Compensation Scheme ("FSCS") The FSCS is the compensation fund of last resort for customers of authorised financial services firms. It protects private individuals and small businesses if an authorised firm, like the Company, becomes insolvent and cannot return money or investments to its customers. It describes this as being in default. For eligible claims the FSCS can pay up to £50,000 in compensation per person. Please refer to the FSCS's website for further information http://www.fscs.org.uk/ <input type="checkbox"/>		
5	Total amount of Client Money Claim	£	
Name of account		Original currency of the claim	Value of claim
		In the original currency	In sterling
6	Details of any documents by reference to which the claim can be substantiated (e.g. Client statement)		
7	Signature of Client Money Claimant or person authorised to act on his behalf <hr/> Name in BLOCK LETTERS <hr/> Position with or relation to Client Money Claimant <hr/> Address of person signing (if different from 2 above) <hr/>		
Admitted for (section to be completed by Joint Special Administrators only)			
£			
Date			
Joint Special Administrator			

APPENDIX B**EXCHANGE RATES RELEVANT TO CLIENT MONEY CLAIMS**

Currency	Foreign Exchange Rate at 16 March 2015	Currency Code
US Dollars	1.48	USD
Euro	1.3995	EUR

Please ask for Megan Singleton
Our ref M/38/MSI/NH757M/1010
Your ref 06920660

15 October 2015



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

Registrar of Companies
Companies House
Crown Way
Maidy
Cardiff
CF14 3UZ

Dear Sir

HUME CAPITAL SECURITIES PLC (IN SPECIAL ADMINISTRATION)
IN THE HIGH COURT OF JUSTICE, CHANCERY DIVISION, COMPANIES COURT. NO 1960 OF 2015
REGISTERED NUMBER: 06920660
REGISTERED OFFICE: TOWER 12, 18/22 BRIDGE STREET, SPINNINGFIELDS, MANCHESTER M3 3BZ

Please find enclosed the following documents for filing

- Form 2 24B – Joint Special Administrators' Progress Report, and
- A copy of the Joint Special Administrators' progress report

Kindly acknowledge receipt using the pre-paid envelope provided

Yours faithfully
for and on behalf of
HUME CAPITAL SECURITIES PLC

J IRVING
Joint Special Administrator

Licensed in the UK by the Institute of Chartered Accountants in England and Wales

Notwithstanding the appointment of Special Administrators under The Investment Bank Special Administration Regulations 2011, Hume Capital Securities PLC remains an FCA regulated entity

The affairs, business and property of the Company are being managed by the Joint Special Administrators, who act as agents of the Company without personal liability

Encs

Leonard Curtis Recovery Limited
Company Number 4200476 (England) Reg Office Tower 12, 18/22 Bndge Street, Spinningfields, Manchester M3 3BZ
All Leonard Curtis Recovery Limited Insolvency Practitioners are licensed in the UK by the ICAEW

www.leonardcurtis.co.uk

Tower 12
18/22 Bridge Street
Spinningfields
Manchester M3 3BZ

Tel 0161 831 9999
Fax: 0161 831 9090