

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

Special Administrator's progress report

Name of Company
 AFX Markets Ltd

Company number
 07612002

In the
 Business & Property Courts Insolvency &
 Companies List
 (full name of court)

Court case number
 CR-2019-005638

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

I/We (a)
 Jonathan E Avery-Gee
 CG&Co
 Greg's Building
 1 Booth Street
 Manchester
 M2 4DU

Daniel Richardson
 CG&Co
 Greg's Building
 1 Booth Street
 Manchester
 M2 4DU

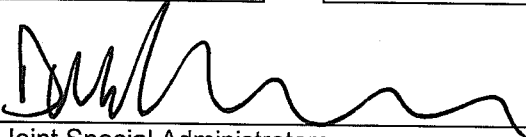
Special Administrators of the above company attach a progress report for the period

(b) Insert date

From
 (b) 27 August 2022

To
 (b) 26 February 2023

Signed


 Joint Special Administrators

Dated

23 March 2023



Joint Special Administrators' Progress Report

AFX Markets Ltd - In Special Administration

For the period from 27 August 2022 to 26 February 2023

**In the High Court of Justice, Business and Property Courts of
England and Wales**

Court reference: CR-2019-005638

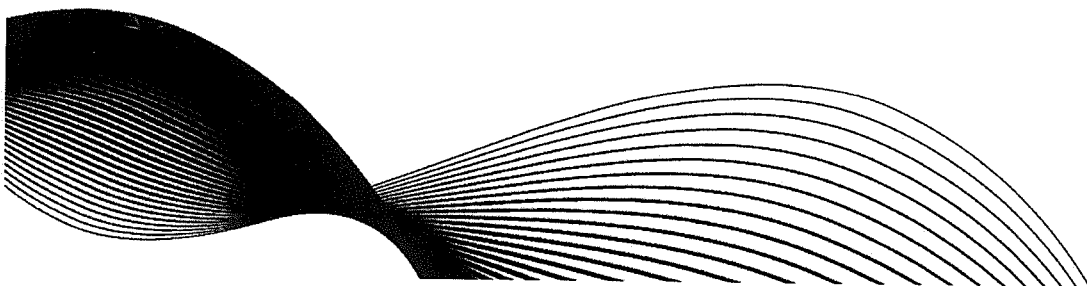
23 March 2023

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THE SPECIAL ADMINISTRATORS' PROGRESS REPORT

1 Introduction

- 1.1 I, Daniel Richardson, together with my partner Jonathan E Avery-Gee, were appointed Joint Special Administrators ("the Administrators") of AFX Markets Ltd ("the **Company**") on 27 August 2019. The appointment was made in the High Court of Justice, Business and Properties Courts of England & Wales, in accordance with the provisions of The Investment Bank Special Administration Regulations 2011, following an application by the Financial Conduct Authority ("FCA").
- 1.2 This Administration is being handled by CG&Co at Greg's Building, 1 Booth Street, Manchester, M2 4DU. The Administrators' contact details are by phone on 0161 358 0210 or via email at afxmarkets@cg-recovery.com.
- 1.3 The Administration is registered in the Business & Property Courts Insolvency & Companies List, reference number CR-2019-005638.
- 1.4 The functions of the Administrators may be exercised by any one or more of them acting jointly or alone.
- 1.5 The Administrators act as Agents of the Company without personal liability.
- 1.6 The trading address of the Company was 2nd Floor, 33 Sun Street, London, EC2M 2PY.
- 1.7 The registered office of the Company is Greg's Building, 1 Booth Street, Manchester, M2 4DU and its registered number is 07612002.
- 1.8 As Joint Special Administrators, we are required to provide a progress report covering the period of six months commencing from the date the Company entered Administration and every subsequent period of six months. This progress report covers the period from 27 August 2022 to 26 February 2023 (the **Period**) and should be read in conjunction with the Joint Special Administrators Proposals and previous progress reports which are available for viewing and download at: www.cg-recovery.com/login

Please click on the creditor portal to login

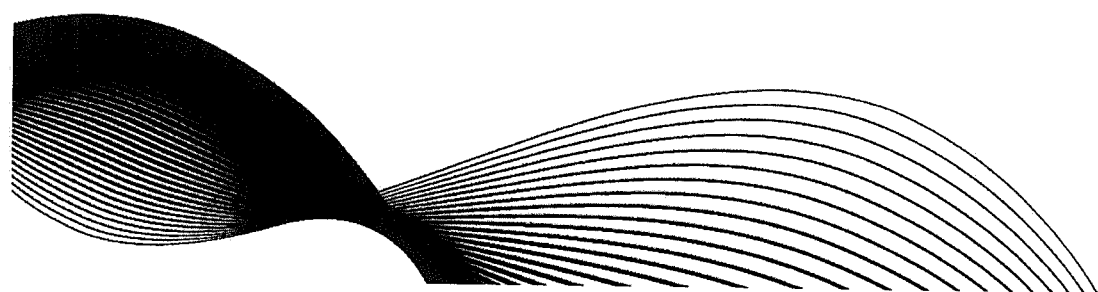
User ID **A0065**

Password **A0065X**

- 1.9 Information about the way that we will use, and store personal data on insolvency appointments can be found at www.cg-recovery.com/privacy-policy-2/.
- 1.10 Please note that the EU Regulation on Insolvency Proceedings (2015/848) does not apply to the Special Administration.

2 Receipts and Payments

- 2.1 At Appendix A is our Receipts and Payments Account covering the period of this report together with a cumulative Receipts and Payments Account from the date of our appointment as Joint Administrators to 26 February 2023.



3 Progress of the Administration

3.1 You may recall that the Administrators have three Objectives, which are set out in the Regulations, namely:

- (i) To ensure the return of Client Money as soon as is reasonably practicable;
- (ii) To ensure timely engagement with market infrastructure bodies and the Authorities; and
- (iii) Either (a) rescue the Company as a going concern; or (b) to wind it up in the best interests of creditors.

3.2 The Regulations require the Administrators to commence work on each Objective immediately after their appointment. No one Objective takes priority over the others, the Administrators must work towards achieving the best outcome overall for Clients and Creditors.

3.3 The Administrators are pursuing Objective (i) as a priority whilst concurrently pursuing Objectives (ii) and (iii). As mentioned earlier, the Administrators are in communication with market infrastructure bodies and the Authorities. The Administrators consider it is not possible to rescue the Company as a going concern and will take the necessary steps to wind up the Company's affairs.

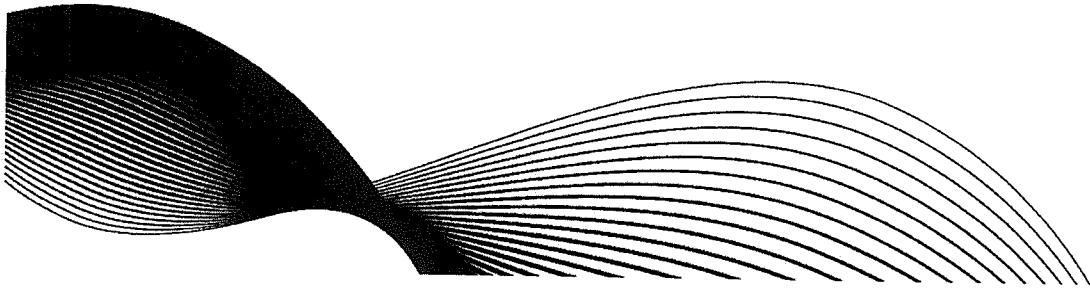
3.4 In addition to pursuing this statutory objective, the Administrators have duties imposed by Insolvency and other legislation, some of which may not provide any financial benefit to creditors.

3.5 This section of the report provides creditors with an update on the progress made in the Period, both in terms of the achievement of the statutory objective, but also work which is required of the Administrators under other related legislation.

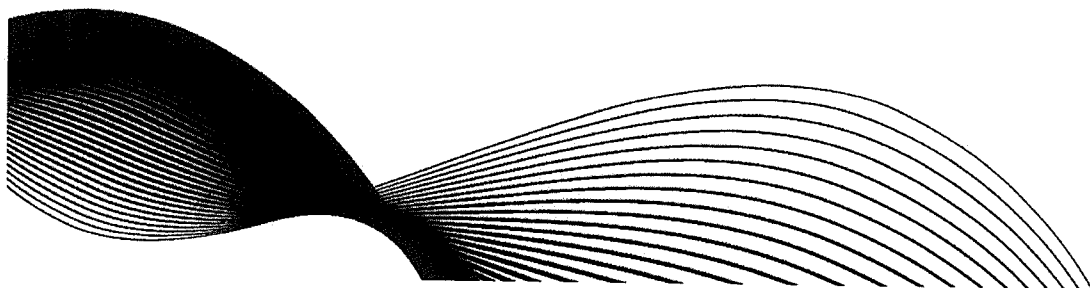
Administration (including statutory compliance & reporting)

3.6 As noted above, the Administrators must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work that we anticipated would need to be done in this area can be summarised as follows:

- Notifying creditors of the Administrators' appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House
- Formulating, monitoring and reviewing the Special Administration strategy
- Review of Client Accounts and dealing with Client queries, details of which are provided further in this report. Receiving and responding to client emails.
- Dealing with queries arising during the appointment
- Reviewing matters affecting the outcome of the Special Administration
- Consideration of foreign exchange conversion on claims
- Setting up Special Administration bank accounts, including trust account for client monies and dealing with the Company's pre-appointment accounts.
- Liaising and attending meetings with the FCA as regards strategy



- Liaising and attending meetings with the FSCS as regards strategy for the payment of compensation to Clients, details of which are explained further in this report.
- Liaising with legal advisors regarding the pursuit of monies in Switzerland and Cyprus; the lifting of the Freezing Order; and possible Director preferences.
- Collating information from the Company's records regarding the assets and liaising with Agents regarding the uplift and sale of those assets
- Arranging insurance cover for the assets
- Drafting and circulating our proposals to Members, Clients and Creditors for achieving the objectives of the Special Administration and thereafter providing periodic progress reports to Members, Clients and Creditors (typically every 6 months)
- Convening and preparing for the Initial Meeting of Clients and Creditors and attendance at that meeting.
- Creating and updating the list of clients and unsecured creditors as and when claims are received and responding to all enquiries by telephone; email and post.
- Lodging periodic returns with the Registrar of Companies for the Administration.
- Complying with statutory duties in respect of the Administrators' specific penalty bond.
- Reconciling post-appointment bank accounts to internal systems
- Creation and update of case files on the firm's insolvency software
- Documenting strategy decisions
- Redirection of the Company's mail to the Administrators' office. Reviewing and responding to letters received.
- Establishing and holding periodic meetings of the creditors' committee and associated filing formalities
- Securing the Company's books and records
- Pension regulatory reporting and auto-enrolment cancellation
- Completion and filing of the notice of the Company's insolvency to HMRC.
- Periodic case progression reviews
- Opening, maintaining and managing the Administration estate cashbook and bank accounts
- Submission of all post-appointment VAT Returns



- Dealing with employees to provide support and assistance in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and the Company.
- Reviewing time cost data and producing analyses of time incurred which is compliant with Statement of Insolvency Practice 9
- Initial assessment required by Statement of Insolvency Practice SIP2 and the Company Directors Disqualification Act 1986 ("CDDA") including the review of the Company books and records and the identification of potential further asset realisations which may be pursued in the Administration

3.7 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Administrators.

3.8 As noted in our initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

Realisation of Assets

3.9 We would refer creditors to our previous reports for details of assets realised in the period from 27 August 2019 to 26 August 2022. The following assets have been realised since that time.

Bank Interest Gross

3.10 During this period a sum of £3,248.72 has been received by way of bank interest giving a total sum received within this Special Administration of £5,003.37.

Creditors (claims and distributions)

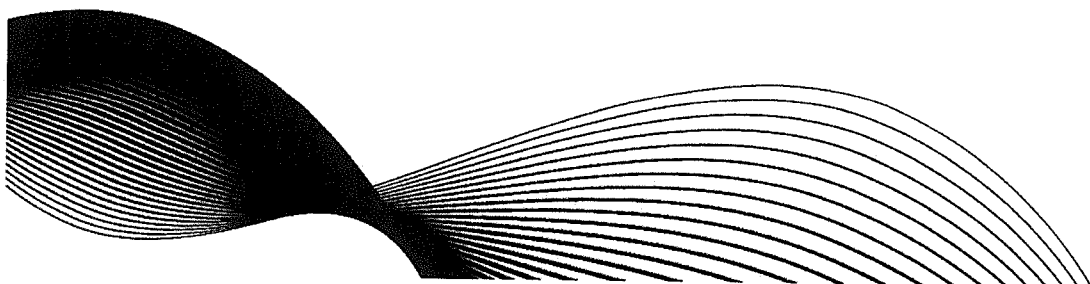
3.11 Administrators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.

3.12 Work undertaken by Administrators in dealing with a company's creditors may only bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however an Administrator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Administrators in dealing with those claims.

3.13 More information on the anticipated outcome for all classes of creditor in this case can be found in Section 4 below.

3.14 At this stage, we consider the following matters worth bringing to the attention of creditors:

- There are approximately 17 unsecured trade and expense creditor claims in this Administration with an estimated value of £814,725.20.



- HM Revenue & Customs has submitted a claim in the sum of £1,592.00 for VAT and a claim in the sum of £212,264.65 for Corporation Tax.
- There were 603 clients on the list provided by the Directors showing a total sum of £7,665,711 being owed.
- There are 316 clients on the list provided by the Directors showing that no debt was owed to them.
- There were 4 employees who submitted claims to the RPO but, as yet the formal claim from the RPO has not been received and therefore the Preferential creditor claim is currently unknown.

Investigations

- 3.15 You may recall from our first progress report to creditors that some of the work Administrators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that can be pursued for the benefit of creditors.
- 3.16 Our report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 was submitted during the first period of the Administration and is confidential.
- 3.17 Since our last progress report we would advise that no further asset realisations have come to light that may be pursued by us for the benefit of creditors.

What remains to be done in the Administration

- 3.18 The Administrators continue to liaise with the FSCS on claims already submitted and providing further information when requested as well as submitting new claims as and when received. The Administrators will liaise with HM Revenue & Customs in respect of the filing of the necessary Corporation Tax and VAT forms as well as obtaining the relevant tax clearances when appropriate. The Administrators will continue to perform their statutory duties in reporting to clients and creditors and the filing of the appropriate documentation at Companies House and the Court as and when required to do so. In accordance with the Investment Bank Special Administration (England and Wales) Rules 2011 the Administrators will also prepare a Distribution Plan for consideration by the Creditors Committee and the Court and distribute the funds as appropriate.

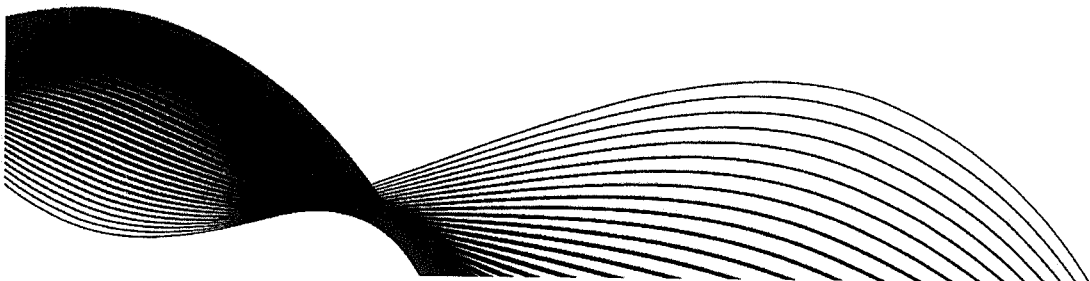
4 Estimated Outcome for Creditors

Secured Creditors

- 4.1 As previously advised the Company did not grant any did not grant any security over its assets and therefore there are no secured creditors. As a result, there is no floating charge assets and no requirement for a Prescribed Part calculation.

Preferential Creditors

- 4.2 Preferential creditors encompass liabilities for employees in respect of arrears of pay, accrued but unpaid holiday pay and any unpaid pension contributions. Such claims will be paid by the Redundancy Payments



Office ("RPO"), a department within the Department for Business, Energy and Industrial Strategy. Preferential claims in respect of outstanding wages are capped at a maximum of £800 per employee.

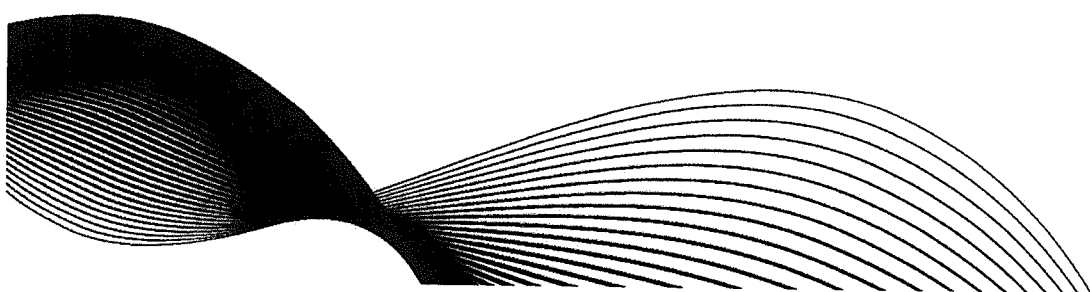
- 4.3 Preferential Creditor claims were estimated at £3,200. Even though 4 claims have been submitted to the RPO no formal preferential claim has been received from the RPO to date.
- 4.4 Based on present information the Administrators do not anticipate that, after allowing for the costs and expenses of the Administration, there will be a distribution to preferential creditors in this matter.

Unsecured Creditors

- 4.5 We have received unsecured trade and expense creditor claims totalling £776,633.07 from 10 creditors. We have yet to receive claims from 7 creditors whose debts are estimated at £38,092.13 as per the estimated financial statement as prepared by the Administrators as detailed in the Administrators Proposals. As mentioned above, HM Revenue & Customs has submitted a claim in the sum of £1,592.00 for VAT and a claim in the sum of £212,264.65 for Corporation Tax.
- 4.6 The Company did not grant any floating charges to a secured creditor. Accordingly, there is no requirement to create a fund out of the Company's net floating charge property for unsecured creditors (known as the Prescribed Part), which only applies to charges created after 15 September 2003.
- 4.7 Based on present information there is no prospect of a dividend becoming payable to unsecured creditors.

Client claims

- 4.8 Clients and Creditors will recall that in our last progress report we advised as follows:
- There were 603 clients on the list provided by the Directors showing a total sum of £7,665,711 being owed.
 - There were 316 clients on the list provided by the Directors showing that no debt was owed to them.
- 4.9 Since our last progress report the revised claims have been broken down as follows:
- a) The number of clients who informed the Administrators that they had a potential claim against the Company in respect of their investments now total 710.
 - b) 257 clients, who are estimated to be owed £1,981,601.99, have not submitted a claim to the Administrators.
 - c) 453 clients, who claimed to be owed a combined sum of £14,228,074.00, submitted claims to the Administrators.
 - d) 360 client claims whose net total is £8,252,546.91 have been accepted as valid by the Administrators. This list includes clients who have had part of their claim rejected and who have had a reduced value placed on their claims (see "e" below). Details of these claimants have been passed to the FSCS and those clients have been advised on how to claim compensation from the FSCS.



- e) 90 client claims (included in "d" above) have had part of their claim rejected and the total sum rejected from those claims was £414,962.74. This can be attributed to overclaiming, where only the sum owed as per their AFX statement was accepted; or where the claim included interest added by the claimant: or where the full initial deposits were claimed and not what was correctly owed.
- f) 42 client claims totalling £2,247,572.94 have been rejected in full where there has been no evidence of these clients having had monies deposited into the Company's bank account; where they are clients of AFX Capital Markets Ltd; and where such clients are not listed as a client of the Company and have failed to provide any evidence so show that they are an actual client of the Company.
- g) 12 client claims, with a combined value of £215,821.87 are currently held pending the receipt of further information in support of those claims.
- h) 39 clients, with claims totalling £3,117,788.49, who originally submitted an initial claim at the time of the Special Administrators appointment, failed to submit the required claim form and supporting documentation for adjudication and submission to the FSCS.
- i) Under regulation 12A(4) of the Special Administration Regulations a person who submits a claim after the bar date but before the return of client money after that date must, as far as is reasonably practicable, be included in the distribution of client money. Therefore, we are still accepting claims notwithstanding the expiry of the "Bar Date".

4.10 The Administrators can advise that, following discussions with the FSCS, client claims have now been submitted to the FSCS for processing and those clients have been contacted with instructions on how to process their claims with the FSCS for compensation.

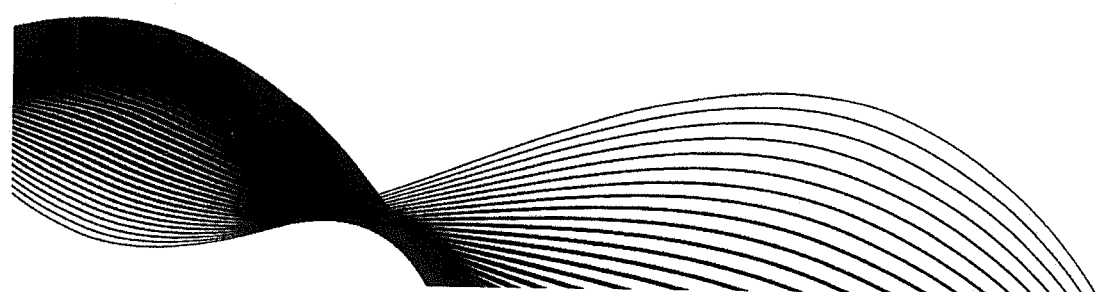
4.11 The FSCS has advised as follows:

- To date the FSCS has received 365 fully submitted claims
- 290 claims have been paid as follows:

GBP	£1,438,254.66
EUR	€2,936,472,70
USD	\$1,640,731.90
- 43 claims have been rejected of which 16 were for being duplicate claims
- 2 claims are still being processed
- 30 claims have fallen away or the client is non-responsive to the FSCS.

4.12 Further details on this matter can be found at: <https://www.fscs.org.uk/failed-firms/afx-markets/>.

4.13 Please note that the FSCS utilises the claim information collated by the Administrators as part of the process of assessing claims, and the Administrators will continue to assist the FSCS with ensuring the correct claims are processed as quickly as possible.



- 4.14 Please also note that where compensation is paid, the FSCS will be entitled to subrogate your claim and claim in the Special Administration for the whole of your debt irrespective of whether it is over the threshold of £85,000. The FSCS compensation rules, as set out in the FCA Handbook, require FSCS to share recoveries made with clients whose claims exceed £85,000 such that those clients are not made worse off as a result of having claimed FSCS compensation at this time.

5 Joint Administrators' Remuneration

- 5.1 On 7 January 2020; 9 October 2020; and 7 April 2021 the basis of the Administrators' fees was fixed in the Administration by the Creditors Committee by reference to the time properly spent by them and their staff in managing the Administration with a capped limit of £267,538. This followed the approval of the Proposals and remuneration set out at the client and creditor meeting held on 5 November 2019 and sanctioned by the Creditors Committee on 7 January 2020.
- 5.2 On 6 April 2022, the Creditors Committee approved an increase in the Joint Administrators proposed fees to be capped at £324,538 and a copy of that estimate is reproduced below:

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance & reporting)	227.00	244.82	55,575
Realisation of assets	43.50	246.55	10,725
Creditors (claims & distributions)	1,046.00	201.22	210,475
Investigations	106.00	242.69	25,725
Case specific matters (where applicable)	81.00	272.07	22,038
Total estimated fees			£324,538

- 5.3 Our time costs for the Period are £9,915.00. This represents 42.60 hours at an average rate of £232.75 per hour. Attached at Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent in managing the Administration. To date, £224,538 has been paid on account of these time costs.
- 5.4 Also attached at Appendix C is a cumulative Time Analysis for the period from 27 August 2019 to 26 February 2023 which provides details of the time costs incurred since our appointment. The cumulative time costs incurred to date are £294,955.50 and this represents 1,331.48 hours at an average rate of £221.52 per hour.
- 5.5 We now consider that the previous fees estimate we provided for the Administration is insufficient to complete our duties. As a result, our revised fees estimate is attached at Appendix E to this report and includes details of the work we consider is additional to that set out in our previous fees estimate. The total of our revised fees estimate is £363,538 and we will be seeking a decision to approve this from the creditors originally responsible for approving the basis of our remuneration. In this case, that is the creditors' committee.
- 5.6 We anticipate that it may be necessary to seek further approval to this revised estimate in due course and we will notify creditors accordingly should this happen.

5.7 We will also update creditors on the anticipated total amount that will be paid to our firm in respect of the revised fees estimate in our next progress report. Given the current revision of our anticipated costs and the ongoing work in the Administration, it is difficult at this time to accurately report the anticipated payment to our firm, other than it will not exceed the cap of our revised estimate at Appendix e without further approval from creditors.

5.8 A copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from:

<https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/administration-a-guide-for-creditors-on-insolvency-practitioner-fees/>

5.9 Attached at Appendix D is additional information in relation to the Administrators' fees, expenses and the use of subcontractors and other professional advisers.

6 Creditors' Rights

6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.

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

7 Ending the Administration

7.1 Administrations under the Insolvency Act would normally automatically end after one year. As this is a Special Administration, under the Investment Bank Special Administration Regulations the case will continue until the Administrators have completed their duties, allowing the Company's clients and creditors to prove and receive a distribution as appropriate in the Special Administration, rather than in a subsequent liquidation.

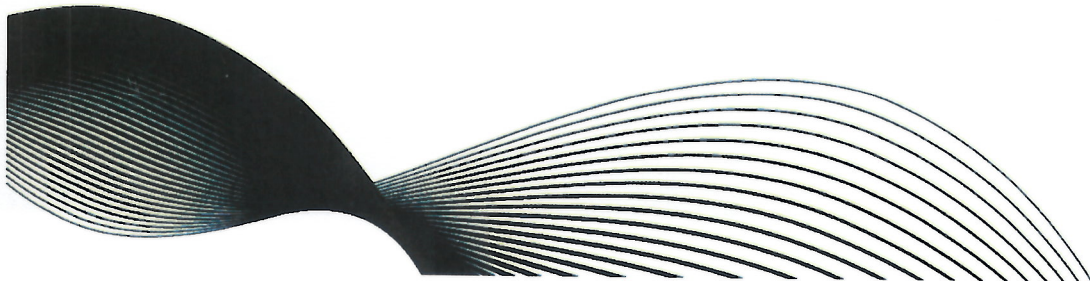
7.2 Once the Special Administration is concluded the Administrators can exit either by filing a notice of the Company's dissolution at Companies House or by applying to the Court for a Court Order ending the Special Administration and terminating the Administrators appointment.

7.3 On present information the expected exit route will be to file a notice of the Company's dissolution once all distributions have been made and all statutory obligations completed.

7.4 The Special Administrators' decision will be based on the most appropriate and cost-effective route in the circumstances at the relevant time.

7.5 It may be necessary to make a separate application to Court relating to the distribution of the client pool.

7.6 At this stage it is not possible to provide a definitive timescale for the duration of the Special Administration.

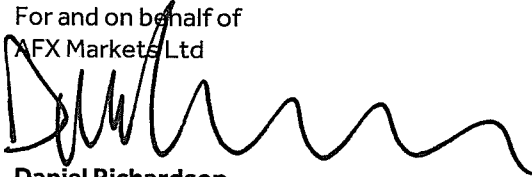


7.7 The Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

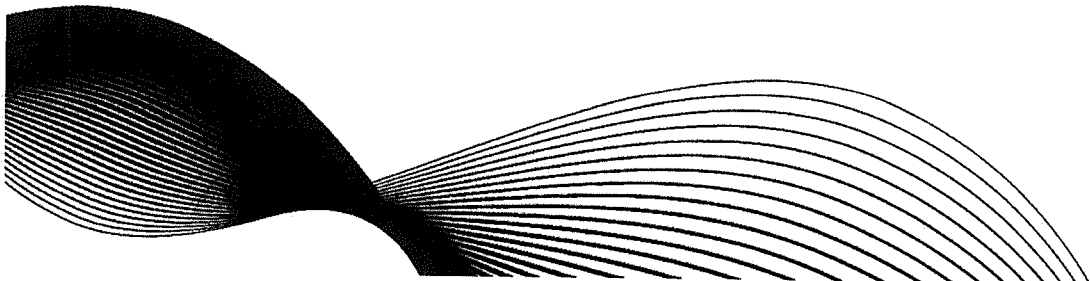
8 Next Report

8.1 The Administrators are required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised.

For and on behalf of
AFX Markets Ltd

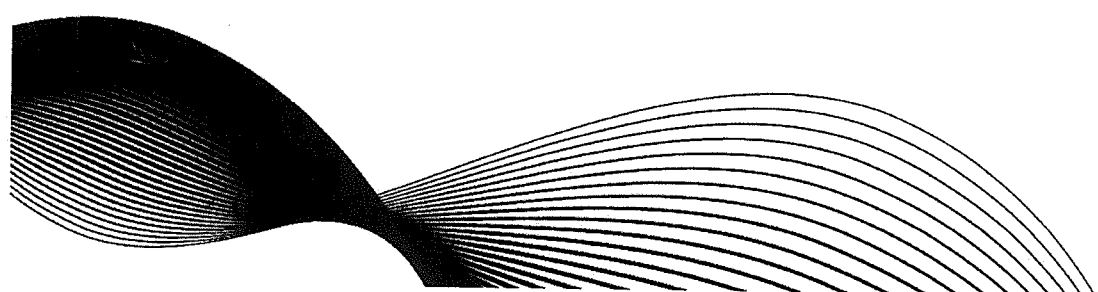


Daniel Richardson
Joint Special Administrator



Appendix A

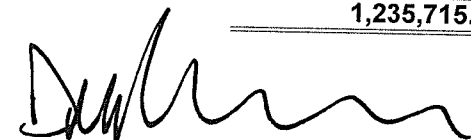
Receipts and Payments Account from 27 August 2022 to 26 February 2023 together with a cumulative Receipts and Payments Account for Period from 27 August 2019 to 26 February 2023



**AFX Markets Ltd
(In Administration)**

APPENDIX A - JOINT SPECIAL ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

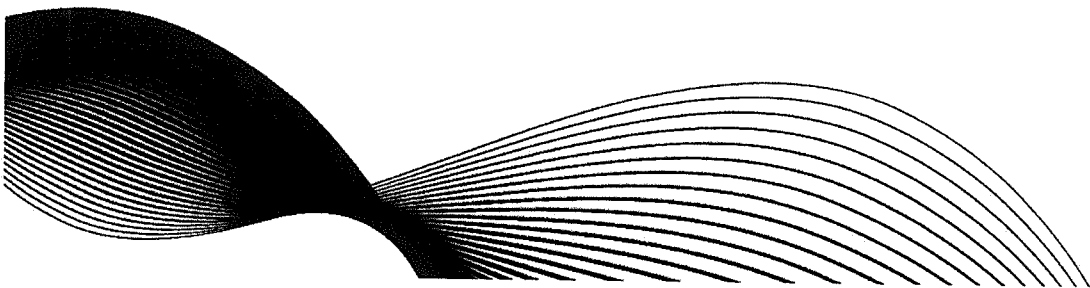
	Statement of affairs £	From 27/08/2022 To 26/02/2023 £	From 27/08/2019 To 26/02/2023 £
RECEIPTS			
Barclays Bank - Client Monies	432,131.00	0.00	1,061,093.72
NatWest Markets - Client Monies	608,893.00	0.00	531,891.58
Swissquote	Uncertain	0.00	0.00
AFX Capital Markets Ltd	Uncertain	0.00	0.00
Paysafe - Skrill/Neteller		0.00	30,500.55
Safecharge Limited		0.00	9,883.15
Furniture & Equipment	3,323.00	0.00	2,691.66
Bank Interest Gross		3,248.72	5,003.37
Petty Cash		0.00	124.63
Vat Control Account		9,929.60	1,005.90
		<u>13,178.32</u>	<u>1,642,194.56</u>
PAYMENTS			
Corporation Tax		0.00	239.97
Client Accounts "Open"	(7,665,711.00)	0.00	0.00
Client Accounts "Closed"	Uncertain	0.00	0.00
Special IT Provider		0.00	2,290.60
Specific Bond		0.00	1,100.00
Office Holders Fees		0.00	224,538.00
Comittee Expenses		0.00	178.50
Agents/Valuers Fees		0.00	4,057.52
Legal Fees (1)		4,005.00	169,235.01
Couriers		0.00	110.00
Room Hire		0.00	360.00
Travel & Accomodation		0.00	1,903.70
Re-Direction of Mail		0.00	211.00
Statutory Advertising		0.00	219.00
Insurance of Assets		0.00	168.00
Bank Charges		0.00	60.60
Employee Arrears/Hol Pay	(3,200.00)	0.00	0.00
Trade & Expense Creditors	(38,356.00)	0.00	0.00
Employees	(11,319.00)	0.00	0.00
HM Revenue & Customs - VAT	(885.00)	0.00	0.00
HM Revenue & Customs - Corp Tax	(209,655.00)	0.00	0.00
Ordinary Shareholders	(567,470.00)	0.00	0.00
Vat Receivable		801.00	1,806.90
		<u>4,806.00</u>	<u>406,478.80</u>
BALANCE - 26 February 2023			<u><u>1,235,715.76</u></u>



Daniel Richardson
Joint Special Administrator

Appendix B

Time Analysis for the Period from 27 August 2022 to 26 February 2023



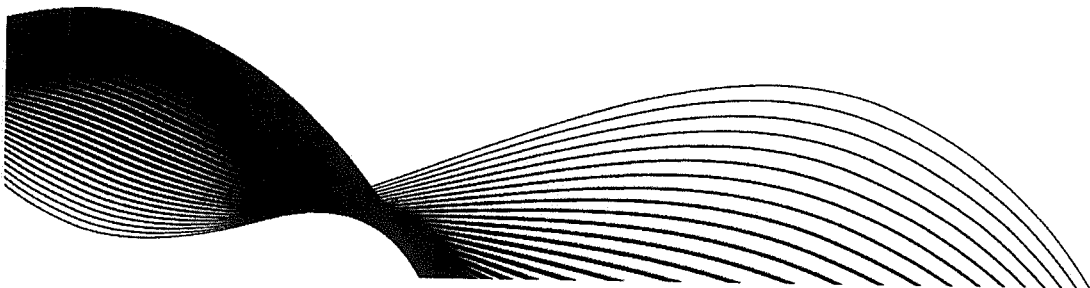
Appendix B - Time Entry - Detailed SIP9 Time & Cost Summary

A0065 - AFX Markets Ltd
 From: 27/08/2022 To: 26/02/2023
 Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Assistant Manager	Total Hours	Time Cost (£)	Average Hourly Rate (£)
700 : Formalities	0.00	3.40	0.00	0.00	0.00	3.40	765.00	225.00
Admin & Planning	0.00	3.40	0.00	0.00	0.00	3.40	765.00	225.00
501 : Unsecured Creditors	1.80	22.80	0.00	0.00	0.00	24.60	5,670.00	230.49
504 : Statutory Reporting to Creditors	2.60	12.00	0.00	0.00	0.00	14.60	3,480.00	238.36
Creditors	4.40	34.80	0.00	0.00	0.00	39.20	9,150.00	233.42
Total Hours	4.40	38.20	0.00	0.00	0.00	42.60	9,915.00	232.75
Total Fees Claimed							0.00	

Appendix C

Cumulative Time Analysis for the Period from 27 August 2019 to 26 February 2023



Appendix C - Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

A0065 - AFX Markets Ltd
 From: 27/08/2019 To: 26/02/2023
 Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Assistant Manager	Total Hours	Time Cost (£)	Avg Hourly Rate (£)	Hours Cum (POST Only)	Time Costs Cum (POST Only)
700 : Formalities	4.90	51.03	0.00	0.00	0.00	55.93	12,951.75	231.57	55.93	12,951.75
701 : Strategy (incl Sales)	24.00	0.00	0.00	0.00	0.00	24.00	7,200.00	300.00	24.00	7,200.00
Admin & Planning	28.90	51.03	0.00	0.00	0.00	79.93	20,151.75	252.12	79.93	20,151.75
600 : Case Specific	5.10	0.50	0.00	0.00	0.00	5.60	1,642.50	293.30	5.60	1,642.50
Case Specific Matters	5.10	0.50	0.00	0.00	0.00	5.60	1,642.50	293.30	5.60	1,642.50
500 : Preferential Creditors	0.00	6.50	0.00	0.00	0.00	6.50	1,462.50	268.26	6.50	1,462.50
501 : Unsecured Creditors	62.80	787.05	0.00	75.50	0.00	925.35	203,476.25	219.89	925.35	203,476.25
502 : Employee Matters	0.40	2.50	0.00	0.00	0.00	2.90	682.50	235.34	2.90	682.50
503 : Committee Report & Meeting	11.90	28.80	0.00	0.00	0.00	40.70	10,410.00	255.73	40.70	10,410.00
504 : Statutory Reporting to Creditors	27.10	114.30	0.00	0.00	0.00	141.40	33,847.50	239.37	141.40	33,847.50
Creditors	102.20	939.15	0.00	75.50	0.00	1,116.85	249,878.75	233.74	1,116.85	249,878.75
201 : CDDA Reports	1.60	47.50	0.00	56.50	0.00	105.60	16,817.50	159.26	105.60	16,817.50
Investigations	1.60	47.50	0.00	56.50	0.00	105.60	16,817.50	159.26	105.60	16,817.50
302 : Property	0.00	0.30	0.00	0.00	0.00	0.30	67.50	225.00	0.30	67.50
304 : Plant & Machinery / Motor Vehicles	0.00	0.10	0.00	0.00	0.00	0.10	22.50	225.00	0.10	22.50
305 : Other Assets	15.70	7.40	0.00	0.00	0.00	23.10	6,375.00	275.97	23.10	6,375.00
Realisation of Assets	15.70	7.80	0.00	0.00	0.00	23.50	6,465.00	275.11	23.50	6,465.00
Total Hours	153.50	1,045.98	0.00	132.00	0.00	1,331.48	294,955.50	221.52	1,331.48	294,955.50
Total Fees Claimed							0.00			

** - Denotes codes included in cumulative data that are not present in the period.

Appendix D

Additional Information in Relation to the Joint Administrators' Fees, Expenses & the use of Subcontractors

Staff Allocation and the Use of Subcontractors

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

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.

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

Professional Advisors

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

Name of Professional Advisor	Basis of Fee Arrangement
DrydensFairfax Solicitors (legal advice)	Hourly rate and disbursements
AUA Insolvency Risk Services] (insurance)	Set Premium Costs
GARC Limited (Collection of assets & disposal advice; IT Services)	Hourly rate and disbursements
Humphrey & Gray (Property Maintenance)	Set Fee
My Tienda (Website Agents)	Set Fee

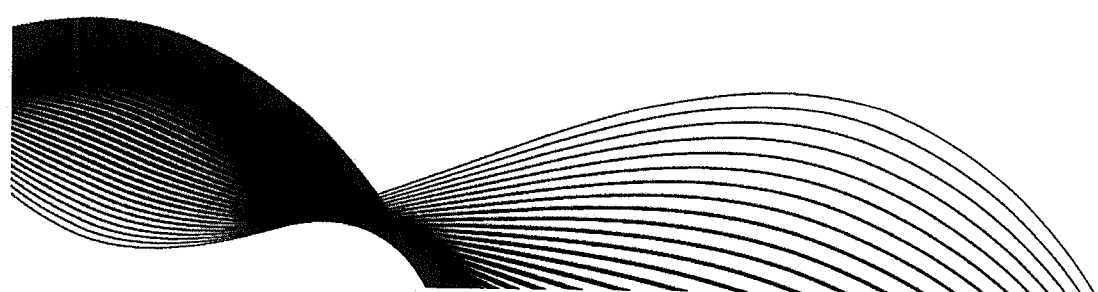
Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

Joint Administrators' Expenses

The estimate of expenses which were anticipated in the Administration was provided to creditors when the basis of our fees was approved. The table below compares the anticipated costs against those incurred to date.

Category 1 expenses

These expenses do not require prior approval by creditors. The type of expenses that may be charged to a case as a Category 1 expense generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, external room hire and external storage costs. Also chargeable, will be any properly reimbursed expenses incurred by personnel in connection with the case. These expenses may include expenses which are payments first met by an office holder and then reimbursed from the estate.



<i>Expense</i>	<i>Estimated overall cost £</i>	<i>Paid in Prior Period £</i>	<i>Paid in the period covered by this report £</i>	<i>Incurred but not paid to date £</i>
Agent's fees & expenses	4,057.52	4,057.52	0.00	0.00
Legal fees & expenses	180,815.01	165,230.01	4,005.00	0.00
Statutory advertising	219.00	219.00	0.00	0.00
Specific Penalty Bond	1,100.00	1,100.00	0.00	0.00
Insurance	168.00	168.00	0.00	0.00
External meeting room hire	360.00	360.00	0.00	0.00
Re-direction of mail	211.00	211.00	0.00	0.00
Travel & Accommodation	1,903.70	1,903.70	0.00	0.00
External Web Hosting	2,290.60	2,290.60	0.00	0.00
Committee Expenses	178.50	178.50	0.00	0.00
Couriers	110.00	110.00	0.00	0.00
Bank Charges	60.60	60.60	0.00	0.00

Category 2 expenses

These expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may therefore include payments to associates of the office holder or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. This Firm does not charge Category 2 expenses.

Charge-Out Rates

A schedule of CG&Co charge-out rates as agreed with the FCA in respect of this Special Administration is shown below. Please note this firm records its time in minimum units of 6 minutes

	(Per hour) £
Partner	300.00
Manager	225.00
Assistant Manager	125.00
Administrator	100.00

Appendix E

Joint Special Administrators' Revised Fees Estimate/Information

The Administrators' previous fees estimate has been (or is likely to be) exceeded and further approval is therefore required for a revision to this estimate as set out in the table below. This table indicates the anticipated revised cost against the Administrators' previous estimate and this appendix contains further information about the reasons why the previous estimate has been exceeded (or is likely to be exceeded) and what additional work has been undertaken or is proposed to be undertaken.

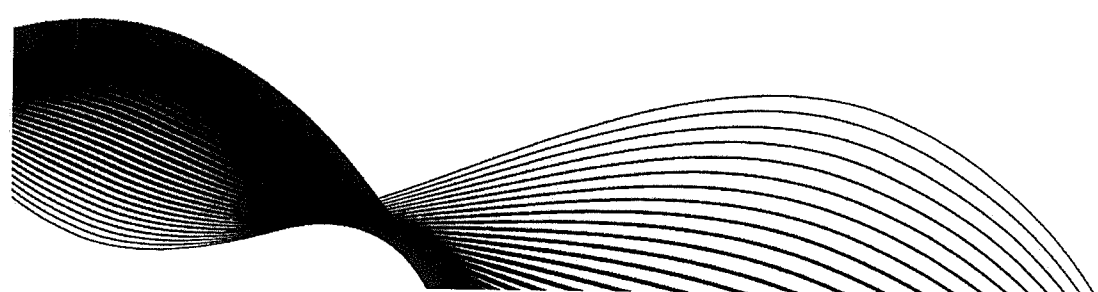
Category of work	Estimated total cost per previous fees estimate £	Additional number of hours	Average blended charge out rate for additional work (not included in the previous fees estimate) £	Estimated total revised cost £
Administration (inc statutory compliance & reporting)	55,575	20.00	225.00	60,075
Realisation of assets	10,725	0.00	0.00	10,725
Creditors (claims & distributions)	210,475	135.00	225.00	240,850
Investigations	25,725	0.00	0.00	25,725
Case specific matters (where applicable – specify)	22,038	15.00	275.00	26,163
Totals	324,538	170.00	229.41	363,538

The reasons why the Administrators have exceeded (or are likely to exceed) the revised fees estimate is as follows:

Creditors and clients will be aware that, since March 2021, the FSCS has requested schedules of client claims from the Administrators which, subject to meeting the criteria set out by the FSCS, were duly submitted to the FSCS. Clients will also be aware that a substantial number of claims were not submitted correctly or there were issues surrounding those claims, leading to the Administrators having to respond to those clients for either further information or evidence in support of those claims. Details on the position of client claims is shown at points 4.9 to 4.14.

The Administrators have liaised constantly with the FSCS on any queries they have had on claims and have provided information when requested. The Administrators have responded to all queries raised by clients and their advisers in respect of the processing of claims and have assisted clients as appropriate in trying to resolve issues raised directly by the FSCS with clients whether this be by email or telephone call.

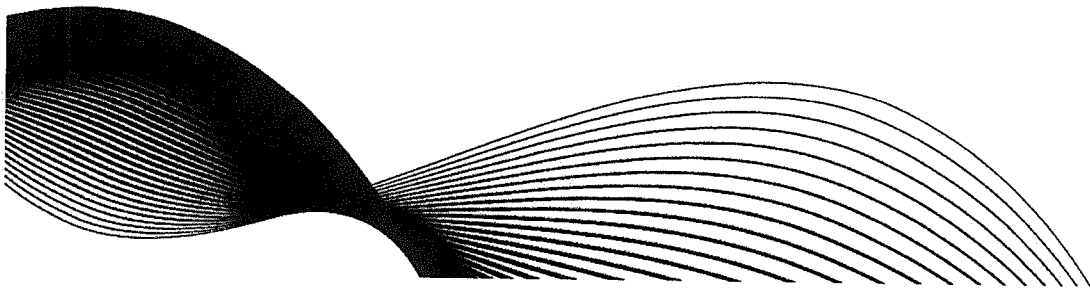
It should be noted that there are still a number of clients claims where there are outstanding queries which will be the subject of further discussions with the FSCS in respect of the submission of those claims in due course. There are several claims which have been rejected by the FSCS and which will be returned to the Joint Administrators. There are still 257 clients who have yet to submit their claims in this matter and should such claims be received,



they will need to be processed in a similar manner to those already submitted to ensure that they can be accepted by the FSCS.

It should be noted that whilst claims continue to be received, the Joint Administrators are required to keep the Special Administration open and prepare 6 monthly progress reports to creditors and clients as required by statute. At present, whilst claims continue to be received, there is no known date for the conclusion of the Special Administration. The Joint Administrators will liaise with the FSCS and take the appropriate legal advice when it is believed that steps may be taken to conclude the Special Administration.

Prior to the conclusion of the Special Administration, the Joint Administrators are required to prepare a distribution statement of funds which will include those creditors whose claims have been accepted by the Joint Administrators as valid, but have been rejected by the FSCS, as well as the formal FSCS claim for consideration by the Creditors Committee. This distribution statement will then be submitted to the Court for approval. Once approved by both the Committee and the Court such funds will then be distributed to those creditors.



Appendix E - AFX Markets Ltd - Revised Estimate of time to be incurred Post Appointment as at 26.02.2023

Staff Grade	Hours							Total hours	Time cost £	Average hourly rate			
	Partner	Director	Senior Manager	Manager	Assistant Manager	Senior Administrator	Administrator				Junior Administrator	Support	
Administration and planning													
Appointment and case planning	20.00	-	-	25.00	-	-	-	-	-	-	45.00	11,625	258.33
Administration and banking	25.00	-	-	15.00	-	-	10.00	-	-	-	50.00	11,875	237.50
Statutory reporting and statement of affairs	35.00	-	-	115.00	-	-	2.00	-	-	-	152.00	36,575	240.63
Investigations													
CDDA and investigations	25.00	-	-	81.00	-	-	-	-	-	-	106.00	25,725	242.69
Realisation of assets													
Debt collection	-	-	-	-	-	-	-	-	-	-	-	-	-
Property, business and asset sales	15.00	-	-	20.00	-	-	3.00	-	-	-	38.00	9,300	244.74
Retention of Title/Third party assets	2.50	-	-	3.00	-	-	-	-	-	-	5.50	1,425	259.09
Trading													
Trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Creditors													
Secured	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	90.00	-	-	825.00	-	-	256.00	-	-	-	1,171.00	238,225	203.44
Creditors' committee	5.00	-	-	5.00	-	-	-	-	-	-	10.00	2,625	262.50
Other matters													
Meetings	7.50	-	-	7.50	-	-	-	-	-	-	15.00	3,938	262.50
Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Litigation	55.00	-	-	25.00	-	-	1.00	-	-	-	81.00	22,225	274.38
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total hours by staff grade	280.00	-	-	1,121.50	-	-	272.00	-	-	-	1,673.50		
Total time cost by staff grade	84,000	-	-	252,338	-	-	27,200	-	-	-		363,538	217.23
Average hourly rate £	300.00			225.00			100.00						
Total fees drawn to date													