



**Kaupthing Singer & Friedlander Limited
(In Administration)**

Administrators' Progress Report to creditors for the
six-month period from 8 October 2019 to 7 April 2020



Building a better
working world

Abbreviations

The following abbreviations are used in this report:

Administrators	For the period until 26 April 2013, Margaret Elizabeth Mills, Alan Robert Bloom, Patrick Joseph Brazzill and Thomas Merchant Burton all of Ernst & Young LLP From 26 April 2013 to 7 April 2017, Margaret Elizabeth Mills, Alan Robert Bloom, Patrick Joseph Brazzill and Benjamin Thom Cairns all of Ernst & Young LLP From 8 April 2017 to 21 January 2020, Margaret Elizabeth Mills, Alan Robert Bloom, Patrick Joseph Brazzill and Richard Peter Barker all of Ernst & Young LLP From 22 January 2020, Patrick Joseph Brazzill, Richard Peter Barker and Simon Jamie Edel all of Ernst & Young LLP
CfD	Contract for difference
Edge	The Edge internet deposit facility
FCA	Financial Conduct Authority
FSCS	Financial Services Compensation Scheme
HMRC	Her Majesty's Revenue & Customs
HR	Human resources
ING	ING Direct N.V.
ISDA	International Swaps and Derivatives Association
IT	Information technology
Khf	Kaupthing ehf (formerly Kaupthing Bank hf)
KSF	Kaupthing Singer & Friedlander Limited
KSF Group	KSF and its subsidiary companies
Overriding Objectives	Certain objectives set out in the Transfer Order which overrode those in paragraph 3(1) of Schedule B1 to the Act for a period of six months from 8 October 2008
SAF	Singers Asset Finance
SFAM	SFAM Ltd (formerly Singer & Friedlander Asset Management LLP)
SFCM	Singer & Friedlander Capital Management Limited
SFIM	Singer & Friedlander Investment Management Limited
SIP	Statement of Insolvency Practice
SoA	Statement of Affairs
SSA	Services and Secondment Agreement
The Act	The Insolvency Act 1986 (as amended)
The Rules	The Insolvency (England and Wales) Rules 2016
Transfer Order	Kaupthing Singer & Friedlander Limited Transfer of Certain Rights and Liabilities Order 2008 (as amended)

Notice: about this report

This report has been prepared by the Administrators solely to provide creditors with additional information concerning the progress of the administration in accordance with Rule 18.3 of the Rules. Nothing in this report should be relied upon for any purpose including, without limitation, in connection with any investment decision in relation to the debt, securities or any other financial interest of any member of the KSF Group including for the avoidance of doubt any decision to buy or sell or not to buy and sell any debt, securities or other financial interest. Anyone making such investment decisions should rely on their own enquiries prior to making such decisions and none of the Administrators, Ernst & Young LLP, its partners, members, employees, professional advisers or agents accept any liability and/or assume any duty of care to any third party, (whether it is an assignee or successor of another third party or otherwise) in respect of this report.

No representation or warranty, express or implied, is given by KSF, the Administrators or Ernst & Young LLP or any of their respective directors, partners, officers, affiliates, employees, advisors or agents (and any warranty expressed or implied by statute is hereby excluded) as to the accuracy or completeness of the contents of this report or any other document or information supplied, or which may be supplied at any time or any opinions or projections expressed herein or therein, nor is any such party under any obligation to update the report or correct any inaccuracies or omissions in it which may exist or become apparent. In particular, for reasons of commercial sensitivity, information on certain matters has not been included in the report.

No responsibility or liability is accepted for any loss or damage, howsoever arising, that you may suffer as a result of this report and any and all responsibility and liability is expressly disclaimed by KSF and Ernst & Young LLP or any of them or any of their respective directors, partners, officers, affiliates, employees, advisors or agents.

The information contained in this report has been prepared by the Administrators. In preparing this report, the Administrators have relied upon information from the KSF Group records. Although the Administrators have no reason to doubt the accuracy of that information, they are unable to warrant or represent that it or any information provided by a third party is accurate or complete. The Administrators act at all times solely as agents of KSF and without personal liability.

Please note that amounts included in this report are stated in Sterling. However, there are some realisations and payments that are denominated in other currencies and, therefore, may be subject to foreign exchange movements. These foreign exchange movements have been highlighted as foreign exchange gains/losses in the receipts and payments account.

The estimated outcome described in this report is provided as an illustration only and may not represent the actual value of future dividends which may be paid to creditors. A number of assumptions have been made to arrive at these figures, some of which may prove to be incorrect. Any actual future dividends received by creditors will depend on a number of factors including the actual realisations of KSF and its actual liabilities. Clearly, an increase or decrease in the asset realisations and/or an increase or decrease in the liabilities of KSF will impact the final outcome for creditors.

Contents

1. Introduction	1
2. Summary of key developments	3
3. Update on conduct of the administration	4
4. Creditor update.....	8
5. Other matters.....	10
Appendix A Receipts and payments account for the period 8 October 2008 to 7 April 2020	13
Appendix B Statutory and other information as at 7 April 2020	15
Appendix C Kaupthing Singer & Friedlander group - direct / indirect subsidiaries	16
Appendix D Summary of Administrators' time costs for the period 8 October 2008 to 7 April 2020	17
Appendix E Summary of Administrators' time costs for the period 8 October 2019 to 7 April 2020	18
Appendix F Charging and disbursement policy	19

1. Introduction

Background

On 8 October 2008, KSF entered into administration and ME Mills, AR Bloom, PJ Brazzill and TM Burton were appointed to act as Administrators by order of the High Court in London. TM Burton was replaced by BT Cairns on 26 April 2013 and BT Cairns was replaced by RP Barker on 7 April 2017.

In our last report, the Administrators reported that steps were being taken in order for ME Mills to resign as Joint Administrator and for AR Bloom to be replaced as Joint Administrator by SJ Edel, another EY Partner. During the reporting period, approval of the resignation and replacement were received from KSF's Creditors' Committee, and accordingly, an application to Court was submitted in order for SJ Edel to replace AR Bloom as Joint Administrator of KSF, and for ME Mills to resign. On 22 January 2020, SJ Edel was appointed as Joint Administrator by order of the Court. SJ Edel is licensed to act as an insolvency practitioner by the Insolvency Practitioners Association and is experienced in financial services insolvency situations.

Under the terms of the appointment, any act required or authorised to be done by the Administrators may be carried out by any one of them.

For all other statutory information please refer to Appendix B of this report.

This report, including its appendices, constitutes the Administrators' twenty-third six monthly report on the progress of the administration pursuant to Rule 18.6 of the Rules. This report provides details of the work undertaken in the period 8 October 2019 to 7 April 2020 and should be read in conjunction with the Administrators' previous reports and updates and certain other formal announcements.

Copies of the above documents and other announcements are available on the KSF website, www.kaupthingsingers.co.uk.

Summary of the administration objectives

The objective of the administration is to realise KSF's business and assets in a manner which will result in a more advantageous realisation for KSF creditors as a whole than would be achieved on a winding up (a formal liquidation, as defined in the Act), without first being in administration. Additionally, for the first six months of the administration, the Administrators were directed by the Transfer Order to achieve the Overriding Objectives of:

- ▶ Ensuring that KSF provides, and manages the affairs, business and property of KSF to enable it to provide, the services and facilities reasonably required by ING to discharge its obligations in respect of the rights and liabilities under the second transfer (as defined in the Transfer Order).
- ▶ Ensuring that KSF performs the other obligations imposed on it by or under the Transfer Order.

As reported previously, the above Overriding Objectives have been completed.

The key remaining aspects of the administration are the recovery of the outstanding loans from the banking loan book.

Creditors' Committee

The Administrators and their staff continue to meet regularly with the Creditors' Committee to provide them with our reports on the progress of the administration and to consult with them on any major matters, by way of actual meetings or via conference calls. These and other Committee matters are dealt with separately in the body of this report.

Permission to make distributions and extension to the administration

The Administrators have applied to, and received permission of, the Court to make distributions to unsecured creditors pursuant to Paragraph 65(3) of Schedule B1 to the Act.

Creditors will be aware that the Administrators made an application to Court for a fourth extension to the administration, which was granted by the Court on 18 July 2018. The administration is now, therefore, extended to 7 October 2021. It is anticipated that this will provide sufficient time to conclude the Administration without the need for any further extension applications.

Future reporting

The Administrators' next formal report to creditors will be in approximately six months' time covering the period from 8 April 2020 to 7 October 2020.

2. Summary of key developments

Progress in the period

The body of the report details the major areas of progress since 8 October 2019, the areas of particular significance being:

- ▶ Banking loan book recoveries of £6.1m, increasing total loan recoveries to £2,336m as at 7 April 2020.
- ▶ Receipts during the period in respect of redemptions of Khf's Convertible Loan Notes formerly held by KSF amounted to £0.5m.
- ▶ Receipts during the period in respect of the disposal of Khf's Convertible Loan Notes held by KSF amounted to £8.9m.

Full details of recoveries made for the period of this report together with the total realisations to 7 April 2020 are set out in section 3 below and in the Administrators' receipts and payments account at Appendix A.

Dividends to creditors

On 28 October 2019, the Administrators announced their intention to pay a nineteenth dividend of not less than 0.2p in the £. Subsequently, a nineteenth dividend of 0.35p in the £ was declared and paid on 19 December 2019.

On 12 February 2020, the Administrators announced their intention to pay a twentieth dividend of not less than 0.15p in the £. Subsequently, a twentieth dividend of 0.17p in the £ was declared and paid on 31 March 2020, taking cumulative dividends to 86.67p in the £.

A number of dividend payments have been returned to KSF in respect of incomplete bank transfers as a result of creditors not notifying the Administrators of changes in their banking details. The Administrators have made attempts to return these funds and, as at the date of this report, a balance of c.£50k remains outstanding to be returned in this respect. The Administrators continue their attempts to make contact with these remaining creditors in order to return the balance of returned funds that are currently being held.

The estimated total dividend to non-preferential creditors has been reviewed by the Administrators, and the range has been revised slightly and is now 86.8p to 87.0p in the £.

Overall Strategy in the administration

The strategy for the realisation of the remaining assets of KSF and the closure of the administration has been discussed at conference calls with KSF's Creditors' Committee held between December 2019 and April 2020. At a meeting held on 4 March 2020, it was unanimously agreed by KSF's Creditors' Committee that the Administrators should pursue a strategy to seek to accelerate the closure of the administration by March 2021.

Whilst the Administrators continue to pursue the agreed strategy, as a result of the development of the Covid-19 pandemic in the intervening period, matters have arisen which may now delay the closure of the administration beyond March 2021.

3. Update on conduct of the administration

Banking loan book

KSF loan books

As previously reported, KSF's loan book comprised three portfolios, being corporate, property and private banking. The net book values of each loan book, as detailed on the SoA, together with collections to date are set out below:

(£'m)	SoA net book values as at 8 Oct 2008	Actual capital cash collections to 7 October 2019	Cash collections in 6 months to 7 April 2020	Actual total cash collections to 7 April 2020
Corporate	631	774	0	774
Property	864	654	5	659
Private Banking	1,115	902	1	903
Total	2,610	2,330	6	2,336

Notes:

1. Receipts are stated gross of presentational foreign exchange differences and all EURO and USD transactions during the period are converted to sterling at month end exchange rates.
2. Corporate banking receipts exclude cash received from warrant cancellations and swap settlements of c.£26m.
3. Property banking receipts exclude swap settlements of c. £1m.
4. Total column rounded down to nearest £'m.

Loan book recoveries in the period from 8 October 2019 to 7 April 2020 total c. £6.1m.

The Administrators continue to focus on maximising recoveries from KSF's loan book, accelerating receipts from borrowers wherever possible in order to enhance realisations for creditors within reasonable timescales.

The loan book recovery process continues to be managed by SFAM, an entity owned and operated by former KSF banking staff, under the supervision of the Administrators. All decisions relating to the loan book are presented to the Administrators and their team for approval at monthly Credit Committee meetings. Further detail in relation to the arrangement with SFAM is provided later in this report.

The Administrators have continued to authorise further drawdown payments to customers if it is believed that this will preserve or enhance loan book recoveries and in respect of legal fees in order to enforce security. KSF has also granted new facilities to parties for the purpose of acquiring properties over which KSF has security, in order to incentivise sales and reduce the risk of default by diversifying the borrower profile. Drawdowns advanced in the reporting period amount to £2.3m, which are referred to in further detail below.

Information on estimated future recoveries is monitored by the Administrators in conjunction with SFAM on a loan-by-loan basis. Individual loan exposures are regularly reviewed at Credit Committee meetings in the context of any recent developments or newly available information. Loan book strategies are then revised to seek to ensure the maximum recovery is realised for creditors.

The estimated future realisable value of the loan book has reduced from £12.6m as at 7 October 2019 to £8.5m as at 7 April 2020. The estimated realisable values of the remaining loans in the KSF loan book are subject to biannual review, as a minimum, and are calculated using estimated future realisations, costs and expenses on each loan account, which are based on period end exchange rates. The estimated realisable value is not discounted to obtain a net present value.

The actual movements in the estimated realisable values from 8 October 2019 to 7 April 2020 are as follows:

	(£m)
Total estimated future cash collections as at 7 October 2019	12.6
Drawdowns advanced in the period from 8 October 2019 to 7 April 2020	2.4
Total cash receipts from the period from 8 October 2019 to 7 April 2020	(6.4)
Foreign exchange movements	(0.1)
Adjustments to projected future cash collections	-
Total estimated future cash collections at 7 April 2020	8.5

The cash movements during the period are different to those stated in the receipts and payments account at Appendix A. The receipts and payments account at Appendix A converts all balances to Sterling using month-end exchange rates, whereas the cash flows on each individual loan account for ERV purposes are converted using exchange rates at the end of the previous reporting period, with the closing ERV revalued at the period end exchange rate.

It should be noted that of the estimated future recoveries, the vast majority are subject to difficult market conditions and foreign exchange exposure. These difficulties have been exacerbated by recent developments in the Covid-19 pandemic.

It has been reported previously that no further recoveries are anticipated in respect of the corporate banking loan book. In addition to the private banking and property banking loan book accounts mentioned below, there are further accounts related to insolvent estates of borrowers / guarantors that are being monitored by the Administrators, on a reactive basis, with six or twelve month periodic reviews, as they may realise additional funds for the benefit of creditors.

Private Banking

As at 7 October 2019, the private banking book included accounts for two remaining borrowers.

As anticipated in our last report, sales of the chateau property in France, its surrounding farmland, park land and the SPV all completed on 30 October 2019. The combined sales proceeds of €1.2m were subsequently received into the administration bank account on 6 November 2019, and no further realisations or costs are anticipated in respect of this loan book position.

As at 7 April 2020, the private banking book also includes an account for one remaining borrower, which is a loan outstanding to a private client that is not yet due for repayment. The Administrators will shortly be exploring ways of realising this asset ahead of the scheduled repayment date, which is not a fixed date but set by reference to specific circumstances, which have not yet arisen.

Property loan book

As at 7 April 2020, the property loan book included accounts for 18 borrowers. The property loan book consists entirely of loans secured on overseas properties, which are situated in Barbados and St Lucia. As previously reported, all litigation relating to properties over which KSF holds security is now concluded and, therefore, the Administrators have been able to market the properties for sale free from encumbrances.

Realisations of c. £5.1m have been received in the period in respect of the sale of property over which KSF held security, together with the receipt of instalments due in accordance with repayment terms previously agreed.

The Administrators have continued, where necessary, to make further drawdown payments in order to preserve or enhance the value of property. In addition to this, due to challenging market conditions impacting the level of expected sales, KSF has granted finance to approved individuals in order to acquire certain properties over which KSF holds security. It was considered that this would incentivise potential purchasers, thereby increasing the level of sales, and reduce risk by diversifying the profile of borrowers. The Administrators also implemented a change of strategy for sales of the units at one site in Barbados last August and this has resulted in all units now either having been sold or placed under offer.

In the period, sales completions were achieved on nine further units with KSF providing interest free finance on seven of these units. There are now 13 individual borrowers with loans made by KSF as part of the sale of units (with two loans having been fully repaid). Any new borrower is subject to KYC checks and financial assessment before any facility is offered and KSF takes security over the units in question to protect its position in the event of default.

In those cases where pre-appointment borrowers have been uncooperative or have breached the terms of facilities put in place prior to the Administration of the Company, the Administrators have sought to enforce KSF's security by appointing Receivers over the property concerned or have commenced legal proceedings for possession. Of the remaining loan accounts (excluding post-appointment interest free finance borrowers, none of which have defaulted to date), two are, or have been, subject to such enforcement action.

The effect of the COVID-19 pandemic has delayed the remittance of funds from sales in Barbados because of closure of Government offices resulting in foreign exchange transfer applications not being processed unless urgent. It has also affected the payment of sums due for purchases in St. Lucia.

Based on current information, the Administrators envisage that the remainder of the property loan book will be capable of realisation by 31 December 2020, although it is not possible to provide certainty around the exact timing of individual recoveries. As mentioned above, this uncertainty has been exacerbated by recent developments in the Covid-19 pandemic.

Other Developments

As previously reported, in April 2019 the Administrators submitted a claim on behalf of KSF in the bankruptcy of a guarantor for the sum of \$1.98m plus interest, costs and other charges. By way of reminder, a Bankruptcy Order was made against the guarantor in February 2019 and Trustees in Bankruptcy were appointed in March 2019. Information surrounding KSF's claim against the guarantor was provided in our previous report to creditors.

The Administrators continue to wait for further information from the Trustees in respect of the individual's assets and liabilities. It is, therefore, not currently possible to estimate the timing or quantum of any potential realisations in respect of this claim. However, if distributions from the bankruptcy estate are expected after 31 December 2020, the Administrators may seek to sell KSF's claim. This option will not be considered until further information is available regarding the individual's assets.

Kaupthing ehf

As previously reported, KSF received its initial entitlements in accordance with the terms of Khf's Composition Proposals in January 2016, relating to claims which are registered directly in KSF's name. The entitlements were primarily in the form of cash and Convertible Loan Notes ("the Notes") issued by Khf. KSF holds Notes with a nominal value of £96.56m and shares representing c. 3.1% of Khf's issued share capital.

During the reporting period, it was unanimously agreed by KSF's Creditors' Committee that the Administrators should dispose of the Notes held by KSF as soon as possible, as it was considered that the downside risk of a future reduction in the value of the Notes outweighed any upside potential. Following a competitive auction process conducted by the Administrators in early December 2019, all the Notes held by KSF were sold during the reporting period for £8.9m, representing a price of 111.67% of the outstanding principal of the Notes.

Prior to the sale of the Notes, Khf had made 36 redemptions representing 91.8% of the nominal value of the Notes in issue. A summary of the redemptions is shown in the table below, together with KSF's entitlement.

Redemption Date	Redemption Amount	KSF Entitlement
to 7-Oct-19	£2,838,938,041	£88,064,183
29-Nov-19	£16,200,000	£505,135
Total prior to sale	£2,855,138,041	£88,569,318

Taking account of the initial composition cash distributions (£38.1m), the above redemptions and the sale of the Notes, realisations in relation to Khf in the period to 7 April 2020 amount to £135.6m. This differs from the figure shown in the receipts and payments account because of presentational foreign exchange differences. There will be no further realisations in respect of the Notes following their disposal.

4. Creditor update

Non-preferential creditors

As at 7 April 2020, the Administrators have adjudicated claims with a gross value of approximately £5.5bn. The claims arise from all aspects of KSF's business, but rank equally as non-preferential claims. All received claims have been adjudicated, with claims to the value of c. £4.1bn having been admitted to rank for dividend and claims totalling £1.4bn having been rejected. The current estimate of maximum claims is not expected to exceed c. £4.1bn.

Dividends to non-preferential creditors

Details of dividends declared and paid to creditors during the reporting period are contained on page 3 of this report. The Administrators will continue to use the KSF website to provide updates in relation to dividend timing in between progress reports. Creditors should also note that, other than outstanding loan book positions, the majority of the Company's assets have now been collected. Accordingly, the level of future dividend payments will be dependent on the timing and quantum of ongoing loan book recoveries.

Estimated outcome for creditors

The Administrators are not in a position to provide confirmation of the exact timing or quantum of any dividends beyond the twentieth dividend at this time. The historical dividend timetable is set out below:

Dividends	Date of Dividend	Quantum (p in £)
First dividend	22 July 2009	20p in £
Second dividend	9 December 2009	10p in £
Third dividend	30 March 2010	5p in £
Fourth dividend	28 July 2010	10p in £
Fifth dividend	8 December 2010	8p in £
Sixth dividend	25 May 2011	5p in £
Seventh dividend	8 October 2011	5p in £
Eighth dividend	2 May 2012	10p in £
Ninth dividend	31 October 2012	3p in £
Tenth dividend	6 June 2013	3p in £
Eleventh dividend	18 December 2013	2.5p in £
Twelfth dividend	10 December 2014	1p in £
Thirteenth dividend	30 March 2016	1.25p in £
Fourteenth dividend	8 November 2016	0.5p in £
Fifteenth dividend	3 May 2017	0.9p in £
Sixteenth dividend	11 December 2017	0.35p in £
Seventeenth dividend	29 August 2018	0.25p in £
Eighteenth dividend	12 June 2019	0.4p in £
Nineteenth dividend	19 December 2019	0.35p in £
Twentieth dividend	31 March 2020	0.17p in £
Total paid to date		86.67p in £

As at the date of this report, the Administrators estimate that total dividends to non-preferential creditors will be in the range of 86.8p - 87.0p in the £. This estimate is based on current forecast recoveries from the banking book, maximum estimates of unsecured claims and current market conditions not deteriorating. The Administrators would stress that this estimate could be lower or higher as there are significant issues which may impact future realisations, and thus the estimate is indicative and cannot be relied upon.

5. Other matters

Receipts and payments account

Attached, at Appendix A, is the Administrators' receipts and payments account for the period 8 October 2008 to 7 April 2020, which includes a summary of the receipts and payments for the reporting period. All receipts and payments are shown inclusive of VAT, where applicable. The Administrators' receipts and payments account is a statement of cash received and cash paid out and does not reflect estimated future realisations or costs.

It should be noted that foreign currency transactions occurring in currencies other than Euro and US Dollar are converted into Sterling using the exchange rate at the date of each transaction. In reports up to 7 April 2017, a column showing presentational foreign exchange movements showed the effect of movement in historical Euro and US Dollar balances, together with the movement of foreign exchange on receipts and payments during the reporting period. The attached receipts and payments account now only translates receipts and payments which transacted during the reporting period in question.

The funds in the Administrators' control are held across a number of clearing banks in order to mitigate risk. Some monies are invested in low risk, short term money markets in order to achieve a greater rate of return than if left in a standard business current account.

Statement of Affairs

As with previous reports, in view of the redaction of the Directors' SoA, the Administrators have not reflected the Directors' estimated to realise valuations as required under SIP 7 in the receipts and payments account attached at Appendix A.

Creditors' Committee

The Administrators report on a regular basis to the Creditors' Committee, which currently comprises three members, on matters of importance in relation to the administration of KSF.

The Committee continues to attend bi-annual formal meetings and ad hoc telephone conference calls, and provide their opinions by way of consultation on major issues. We wish to express our thanks for this assistance and the considerable time they have committed to date.

The membership of the Committee at the end of this reporting period was constituted as follows:

1. Cats Protection;
2. Peterborough City Council; and
3. Marble Ridge Master Fund LP.

Subsidiary companies

All subsidiary companies in the KSF Group have been in some form of insolvency process, sold or struck off the company register.

A summary of the direct / indirect subsidiaries which have been placed into solvent liquidation or dissolved via strike off procedure is set out in the table at Appendix C.

Operational matters

Information Technology matters

The Administrators, with the assistance of the IT and operations team services provided by SFAM, review KSF's IT systems and costs as an ongoing process. Subject to ongoing business needs, costs are reduced wherever possible.

As mentioned in previous reports, KSF is required to retain data as part of legal and regulatory requirements. A long-term data retention environment has been specified and built, with non-mandatory applications and functions wound down to leave a core of key applications to enable the loan book to continue to be managed and which will allow data to be retained indefinitely to the Administrators' order. Operating and support procedures for this core system have been documented and tested for effectiveness and accuracy.

During the reporting period, the Administrators have held meetings with SFAM to identify any back office closure considerations and discuss the strategy for dealing with IT systems and storage requirements upon closure of the Administration.

Services and Secondment Agreements of SFAM

The Administrators consider that continuing to use the former banking staff provides the most effective way of realising the loan book. The relationship is governed by the seventh SSA, which took effect from 1 May 2018 and is due to run until 31 December 2020.

As previously reported, the Administrators have also entered into a management agreement in respect of one of the property loan books, whereby a management fee is payable to SFAM for work undertaken in respect of managing the development and liaising with agents to accelerate and maximise sale proceeds.

Legal matters

Class Action Settlements

As previously reported, the Administrators have been notified of four US class action settlements against a number of defendant banks in respect of conspiring to fix prices in the FX market, the ISDA benchmark rates and the London Interbank Offered Rate ("LIBOR") for US dollars. Further information in respect of each individual action has been provided in previous reports.

The Administrators are not currently in a position to estimate the quantum or timing of further recoveries resulting from any of the remaining actions, although it is not anticipated that any further recoveries will be material. Claims have been submitted in respect of all actions and the Administrators will continue to monitor the position and report if and when any material realisations are made.

Administrators' remuneration and disbursements

It will be recalled that a Creditors' Committee was formed at the first meeting of creditors. The Creditors' Committee resolved that the Administrators' remuneration be fixed on a time-cost basis, and that the Administrators be authorised to draw 80% of their time costs (plus VAT and expenses) on a rolling six-weekly basis with the remaining 20% being subject to approval of the Creditors' Committee.

As part of the ongoing fee approval process, the Committee members receive a comprehensive analysis of the Administrators' costs including time costs by activity and grade together with a detailed fee narrative by each individual work stream.

The Administrators' total hours and time costs (excluding VAT) since the date of appointment are provided below:

Period to	Total time costs (£)	Total hours	Avg hourly rate (£)
to 7 October 2019	74,595,322	189,180	394
7 April 2020	842,226	1,523	553
Totals	75,437,548	190,703	396

In accordance with SIP 9, attached at Appendix D is an analysis of the time incurred and the associated costs for the administration as a whole and the period in question. As previously reported, the above time costs are inclusive of the Administrators' time costs recovered from ING in the amount of £3.5m pursuant to the transfer of the Edge depositors' accounts.

As at 7 April 2020, the Administrators have incurred total time costs of £75.4m plus VAT. The total time costs are stated based on the Administrators standard hourly rates. However, based on agreement with the Committee, fees incurred for periods since 1 July 2011 have been invoiced at a discount to the standard hourly rates. The current approved discount is 15% of standard hourly rates, as agreed with the Committee. As at 7 April 2020, the Administrators have drawn fees in the sum of £73.6m plus VAT representing 100% of approved costs to 14 October 2019 and 80% of recoverable costs from 15 October 2019 to 15 March 2020.

To date, disbursements of £0.5m (inclusive of Category 2 disbursements) have been incurred and paid. Category 2 disbursements are charges made by the office holders' firm which include elements of shared or overhead costs and are subject to approval of the Creditors' Committee.

Appendix A Receipts and payments account for the period 8 October 2008 to 7 April 2020

£'000	Receipts and payments for the period 8 October 2008 to 7 October 2019	Receipts & Payments in six months to 7 April 2020	Total	Notes
	£	£	£	
Receipts				
Cash taken over	435,658	1	435,659	4
Property loans	653,514	5,108	658,622	5
Private banking	901,658	1,013	902,671	6
Corporate loans	773,930	-	773,930	7
Kaupthing hf	130,955	9,428	140,383	8
Asset Finance	581,062	-	581,062	9
Realisations from Transitional Service Agreements	14,514	-	14,514	10
Tax	22,686	(51)	22,635	11
Rental income	5,779	-	5,779	
Share realisations and dividends	424,053	(1)	424,052	12
Financial instrument receipts	308,097	-	308,097	13
Inter-account cross currency receipts	898,473	6,922	905,395	14
Other realisations and interest	75,985	32	76,017	15
Total receipts	5,226,367	22,450	5,248,817	
Payments				
Supplier payments	24,573	24	24,597	16
Staff wages and related expenses	85,987	45	86,033	17
Drawdown payments	77,618	2,285	79,902	18
Legal and other professional fees	56,661	212	56,874	19
Transaction costs relating to SAF sale	10,588	-	10,588	
Insurance	1,318	21	1,339	
Administrators' fees	85,423	618	86,041	20
Administrators' disbursements	546	2	547	20
Rent, rates and utilities	24,362	-	24,362	
Tax	496	-	496	
Financial instrument settlements	5,622	-	5,622	21
Inter-account cross currency payments	995,635	6,857	1,002,492	14
Cheques and direct debits released post admin	1,204	-	1,204	22
Bank charges and interest	707	66	774	
Distribution to preferential creditors	305	-	305	
Distribution to unsecured creditors	3,834,497	21,269	3,855,767	
Total payments	5,205,542	31,399	5,236,941	
Foreign exchange gain/(loss)	217	(107)	110	3
Closing balance	21,041	(9,056)	11,986	23

Notes:

1. *In reports up to 7 April 2017, a column showing presentational foreign exchange movements showed the effect of movement in historical EURO and USD balances, together with the movement of foreign exchange on receipts and payments during the reporting period. The receipts and payments account now only translates receipts and payments which transacted during the reporting period in question.*
2. *Receipts and payments are stated gross of presentational foreign exchange differences and all EURO and USD transactions during the period are converted to Sterling at month end exchange rates.*
3. *Foreign currency transactions occurring in AUD, CAD, HKD, JPY, NOK and NZD are converted into Sterling using an exchange rate as at the relevant date of each transaction. The 'Foreign exchange gain/loss' line shows the effect of changes in exchange rate when physically transferring funds from these foreign currency accounts into Sterling accounts. Further, this line includes a foreign exchange gain/loss during the period, representing an adjustment required to net EURO / USD receipts and payments in order to equate to actual cash balances held in those currencies.*
4. *Cash taken over represents monies belonging to KSF and previously held by certain third party banks. These funds are now under KSF's control.*
5. *A combination of capital repayments, interest and fee payments from the Property Banking loan book.*
6. *A combination of capital repayments, interest and fee payments from the Private Banking loan book as well as cash received from guarantees and swap settlements.*
7. *A combination of capital repayments, interest and fee payments from the corporate loan book as well as cash received from warrant cancellation and swap settlements.*
8. *Monies realised in respect of claims accepted in the estate of Kaupthing hf in accordance with the terms of its composition agreement.*
9. *A combination of capital repayments, interest and fee payments from the Asset Finance subsidiaries.*
10. *This represents payment for services provided in respect of businesses that have been sold or transferred (SFIM, SAF and Edge).*
11. *This amount relates to money received post administration in respect of tax bills paid in July and August 2008 on behalf of various Asset Finance subsidiaries and subsequent tax refunds received. During the reporting period, the Administrators were advised by their VAT colleagues that due to the Company's trading position, KSF could not reclaim any VAT from 1 January 2019 onwards. Accordingly, during the period, the Administrators were required to repay c.£51k to HMRC in respect of KSF's Q1 2019 VAT return, which had been reclaimed in a previous reporting period.*
12. *This represents receipts from the sale of shares and dividends.*
13. *This is the product of closed Financial Instrument positions including ISDA valuation settlements, Bond maturities and Coupons, Repurchase Agreements and Equity Swaps.*
14. *The movement in the inter-account cross currency receipts and payments is mainly attributed to the transfer of funds held in the foreign currency bank accounts into the Sterling account to facilitate distributions to creditors.*
15. *This includes sundry debtors, interest received and miscellaneous receipts such as proceeds from the sale of property, chattel sales and fee refunds.*
16. *Supplier payments in relation to ongoing costs including expenditure on IT.*
17. *This represents payments for staff wages and related expenses.*
18. *These payments are the granting of new facilities or payments provided to existing customers across the loan books in respect of loans which have open facilities funded by KSF where the Administrators have assessed that the further drawings will enhance realisations or reduce potential claims.*
19. *Legal and other professional fees relate to legal advice obtained, court proceedings and litigation conducted in connection with various issues across the administration. Professional fees paid to SFAM are also included in this line.*
20. *Administrators' fees and disbursements relate to amounts actually billed during the current period and, therefore, differ from the amounts incurred in the period as per the SIP 9 in Appendix D.*
21. *These figures represent treasury derivatives close out agreements between KSF and two counterparties involving FX, Interest rate and Equity Swaps.*
22. *These payments were released immediately after appointment and before any stop could be placed on them.*
23. *The closing balance represents total receipts less total payments, including all foreign exchange movements for the period from 8 October 2008 to 7 April 2020. Further, during the period of administration, third party funds totalling c. £86.8m have been received and returned, which do not form part of the estate. The Administrators return funds to third parties as soon as reasonably practicable. The closing balance includes c. £50k of dividend payments which have been returned to the Administrators due to incorrect or out of date bank details held for creditors. The Administrators are contacting all creditors concerned in order to return these funds.*

Appendix B Statutory and other information as at 7 April 2020

Company Information	
Registered number:	00875947
Company name:	Kaupthing Singer & Friedlander Limited
Current trading address/ registered office address:	1 More London Place London SE1 2AF
Former trading address:	One Hanover Street London W1S 1AX
Previous names:	Singer & Friedlander Limited until 22 August 2006
Details of the Administrators and of their appointment	
Administrators:	PJ Brazzill, RP Barker and SJ Edel of Ernst & Young LLP, 1 More London Place, London, SE1 2AF
Date of appointment:	8 October 2008 (ME Mills, AR Bloom and PJ Brazzill) 7 April 2017 (RP Barker) 22 January 2020 (SJ Edel)
By whom appointed:	The appointment of ME Mills, AR Bloom and PJ Brazzill was made by the High Court of Justice, Chancery Division, Companies Court on the application of the Financial Services Authority. The appointment of RP Barker was made by the High Court of Justice, Chancery Division, Companies Court on the application of the continuing Joint Administrators following the resignation of BT Cairns. The appointment of SJ Edel was made by the High Court of Justice, Chancery Division, Business and Property Courts on the application of the continuing Joint Administrators following the resignation of AR Bloom.
Court reference:	High Court of Justice, Chancery Division, Companies Court – case 8805 of 2008
Division of the Administrators' responsibility:	Any of the functions to be performed or powers exercisable by the Administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting severally
Period of administration:	First extension to 7 October 2012 granted by Court on 24 April 2009 Second extension to 7 October 2015 granted by Court on 13 August 2012 Third extension to 7 October 2018 granted by the Court on 22 September 2015 Fourth extension to 7 October 2021 granted by the Court on 18 July 2018
Prescribed Part:	The Administrators have established that there are no valid fixed or floating charges registered against KSF. In the absence of a floating charge, there are no monies required to be set aside to creditors under s176A of the Act being under the 'Prescribed Part' formula
Statement Concerning the EC Regulation	
EC Regulation Statement	In accordance with the Credit Institutions (Reorganisation and Winding Up) Regulations 2004, the EC Council Regulation on Insolvency Proceedings does not apply to this administration. Under these Regulations the administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Economic Area member State.

Appendix C Kaupthing Singer & Friedlander Group – direct / indirect subsidiaries

Members' voluntary liquidation	Date of appointment	Date struck off the register
Singer & Friedlander Investment Management Holdings Limited	31 March 2009	7 June 2011
KB Retail Advisory Limited	16 June 2009	27 December 2010
Wintrust Securities Limited	16 June 2009	27 December 2010
Sinjul Investments Limited	16 June 2009	16 May 2016
Kaupthing Limited	2 July 2009	16 May 2016
Peaston Emerson's Green Limited	11 November 2009	27 December 2010
Singer & Friedlander Trade Finance Limited	21 April 2010	25 October 2011
Clarke London Limited	29 March 2011	6 December 2011
Singer & Friedlander Asset Management Limited	24 June 2011	27 September 2012
Singer & Friedlander Investment Management Limited	24 September 2013	2 January 2020
Singer & Friedlander Capital Management Limited	24 September 2013	1 January 2020
Creditors' Voluntary liquidation	Date of appointment	Date struck off the register
Singer & Friedlander Funding plc	2 January 2012*	28 August 2014
Strike off	Date struck off the register	
Singer & Friedlander Secretaries Limited	21 July 2009	
Kaupthing Steadfast Limited	21 July 2009	
Cheapside Nominees Limited	27 August 2013	
Private Nominees Limited	27 August 2013	

*Following the appointment of Administrators on 27 November 2008.

Appendix D Summary of Administrators' time costs for the period 8 October 2008 to 7 April 2020

Classification of work by function	Partner/ Director	Breakdown of hours charged by grade			Total hours	Total time costs (£)	Avg. hourly rate (£)
		Manager	Other senior professionals	Assistants & support			
Accounting and admin.	1,767.8	7,304.6	14,166.8	18,955.0	42,194.2	£12,241,751	£290
Asset Finance	1,146.3	1,572.6	182.6	31.5	2,933.0	£1,582,052	£539
Bank and statutory reporting	1,234.9	3,223.0	2,930.6	1,364.3	8,752.8	£3,779,314	£432
Banking book	6,186.6	15,843.0	15,368.6	6,599.9	43,998.1	£18,323,742	£416
Creditors	1,168.4	4,012.9	5,713.5	3,576.7	14,471.5	£5,053,853	£349
Debtors	69.5	85.7	37.6	154.6	347.4	£127,057	£366
Edge decommissioning	19.0	522.8	299.5	11.0	852.3	£301,342	£354
Edge retail accounts	1,636.5	4,243.0	4,222.7	1,710.6	11,812.8	£4,311,844	£365
Edge retail migration	249.0	1,264.8	32.5	-	1,546.3	£765,478	£495
Employee matters	1,131.0	916.1	713.8	281.6	3,042.5	£1,397,121	£459
Help desk	-	24.1	60.5	861.0	945.6	£165,622	£175
Immediate tasks	315.6	207.0	437.5	718.1	1,678.2	£512,793	£306
Investigations and CDDA	216.5	140.4	135.1	52.5	544.5	£267,104	£491
Investment banking	57.0	47.2	-	-	104.2	£56,102	£538
IT Wind Down Project	31.4	1,697.9	518.6	32.0	2,279.9	£1,110,226	£487
KSF Capital Markets	773.3	73.6	324.2	0.7	1,171.8	£682,157	£582
Legal issues	1,769.4	1,867.9	625.0	334.1	4,596.4	£2,586,662	£563
Members	-	2.3	0.1	-	2.4	£1,148	£478
Non-Edge IT support	-	192.1	3.0	-	195.1	£79,896	£410
Other assets	1,406.4	1,945.3	895.5	945.2	5,192.4	£2,530,339	£487
Other Matters	-	-	-	0.2	0.2	£50	£251
Property	1,273.3	6,762.2	8,850.6	1,895.1	18,781.2	£7,248,487	£386
Public relations issues	10.0	45.1	1.9	2.0	59.0	£19,752	£335
Retail book	117.0	500.7	383.1	44.0	1,044.8	£454,179	£435
Retention of title issues	-	7.9	6.8	-	14.7	£5,243	£357
Sale process	623.0	1,480.4	1,362.0	303.2	3,768.6	£1,643,201	£436
Statutory duties	183.6	509.2	594.7	127.7	1,415.2	£625,361	£442
Trading	590.9	1,640.8	1,759.4	1,653.8	5,644.9	£1,774,475	£314
VAT and taxation	2,712.2	5,721.9	3,209.2	1,669.4	13,312.7	£7,791,200	£585
Total hours	24,688.6	61,854.5	62,835.4	41,324.2	190,702.7	£75,437,548	£396
Total time costs (£)	£18,365,918	£31,161,870	£18,372,415	£7,537,345	£75,437,547		
Avg. hourly rate (£)	£744	£504	£292	£182	£396		

Appendix E Summary of Administrators' time costs for the period 8 October 2019 to 7 April 2020

Classification of work by function	Breakdown of hours charged by grade				Total hours	Total time costs (£)	Avg. hourly rate (£)
	Partner/ Director	Manager	Other senior professionals	Assistants & support			
Accounting and admin.	13.8	45.5	391.0	27.0	477.3	189,399	397
Bank and statutory reporting	63.1	8.6	140.7	-	212.4	124,737	587
Banking book	97.9	93.9	63.9	-	255.7	190,055	743
Creditors	29.2	90.2	131.1	3.5	254.0	147,795	582
IT Wind Down Project	2.8	-	-	-	2.8	2,725	973
Legal issues	5.0	2.3	-	-	7.3	6,460	885
Other assets	30.6	39.2	58.8	-	128.6	80,411	625
Other Matters	-	-	-	0.2	0.2	50	251
Statutory duties	-	35.5	16.0	-	51.5	30,781	598
VAT and taxation	20.6	12.2	63.4	36.7	132.9	69,814	525
Total hours	263.0	327.4	864.9	67.4	1,522.7	842,226	553
Total time costs (£)	269,133	229,884	328,299	14,910	842,226		
Avg. hourly rate (£)	1,023	702	380	221	553		

Time costs of £842,226 have been incurred in the six months to 7 April 2020, representing total hours of 1,523 at an average hourly rate of £553. The Administrators' cumulative time costs incurred from date of appointment to 7 April 2020 are c. £75.4m plus VAT.

Appendix F Charging and disbursement policy

Administrators' charging policy for fees

The size and complexity of the assignment has necessitated that the Administrators put in place a team of Ernst & Young personnel including specialists in financial services, real estate, taxation, systems and IT, HR, communications and other advisory services, as well as core restructuring personnel. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Work carried out by all staff is subject to the overall supervision of the Administrators.

All time spent by staff working directly on case related matters is charged to a time code established for the case. Each member of staff has a specific hourly rate, which is subject to change over time. Where the Administrators utilise the services of specialist departments within the Administrators' firm such as tax, these departments may charge a number of hours if and when the Administrators require their advice. These rates will vary and may exceed those of the Administrators' restructuring staff.

The rates used by the Administrators may periodically rise over the period of the administration but are, however, subject to the agreement of the Creditors' Committee.

Administrators' charging policy for disbursements

SIP 9 divides disbursements into two categories:

Category 1 disbursements are defined as specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party. Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with SIP 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment.

Category 2 disbursements are charges made by the Office Holder's firm that include elements of shared or overhead costs. SIP 9 provides that such disbursements are subject to approval as if they were remuneration. It is our policy, in line with SIP 9, to seek approval for Category 2 disbursements before they are drawn.