

9 November 2020

**Private & Confidential**Pension Practitioner Trustees  
Office 12 - Venture Wales Building  
Pentrebach  
Merthyr Tydfil  
CF48 4DRTel: 0800 048 9512  
Email: [clientservices@reyker.com](mailto:clientservices@reyker.com)

Client ID: 10988

Dear Sir/Madam

**Reyker Securities Plc (in special administration) (the "Company")**  
**In the High Court of Justice, Business and Property Courts of England And Wales, Company**  
**and Insolvency List (Ch. D.) No. CR-2019-006671****Distribution Plan**

I am writing further to my letter of 13 August 2020, in which it was confirmed the Distribution Plan (which details how Custody Assets are to be returned) was listed to be heard by the Court on 16 October 2020 and the JSAs' second progress report of 5 November 2020.

I am pleased to confirm the Distribution Plan was approved by the Court at a hearing on 16 October 2020. The sealed order approving the Distribution Plan was provided by the Court on 16 October and the Effective Date of the Distribution Plan is 16 October 2020.

Now that the Distribution Plan has been approved the Joint Special Administrators ("JSAs") can start the process of transferring Custody Assets to the Nominated Brokers.

**Nominated Broker**

Under the terms of the Distribution Plan your Custody Assets, excepting any Innovative Finance ISAs ("IF ISAs") or Child Trust Funds ("CTF") will be transferred to James Brearley & Sons Limited ("James Brearley") where accounts have been opened for you in conjunction with the JSAs. We will be writing to any Clients with IF ISAs or CTFs separately.

Please note that James Brearley will be writing, separately, to some Clients requesting additional identification documents in advance of the transfer so that you may have as early access to your Custody Assets as possible. For regulatory purposes they must complete regulatory Know Your Client and Anti-Money Laundering checks where Reyker's information was incomplete or out of date before some accounts can be fully activated.

We have enclosed a letter from James Brearley which we would encourage Clients to read.

**Smith & Williamson LLP**

The affairs, business and property of the Company are being managed by the special administrators Adam Henry Stephens, Henry Anthony Shinnars and Mark Christopher Ford who act as agents of the Company and without personal liability.

Adam Henry Stephens, Henry Anthony Shinnars and Mark Christopher Ford are licensed as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales. As such we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

The Fair Processing Notice in relation to the General Data Protection Regulation can be accessed at <http://smithandwilliamson.com/rrsgdpr>  
Should you wish to be supplied with a hard copy, free of charge, please contact the staff member above.

Reyker Securities plc is authorised and regulated by the Financial Conduct Authority. FCA reference number: 115308. LSE number: 780. Registered in England, Company number: 1747595. Former registered office: 17 Moorgate, London, EC2R 6AR.

The word partner is used to refer to a member of Smith & Williamson LLP. A list of members is available at the registered office  
Registered in England at 25 Moorgate, London EC2R 6AY No OC369631. Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities. A member of Nexia International, a worldwide network of independent accounting firms.

A small number of Clients may have Custody Assets transferring to more than one Nominated Broker due to the nature of their Custody Assets. In this case you will receive a letter enclosing details for each relevant Nominated Broker.

### **Timescales**

Clients should note that the terms of the Distribution Plan prevent any transfer of Custody Assets for a minimum of 21 days from 16 October 2020 and Custody Assets will only be transferred once the FSCS has confirmed client eligibility to compensation and the Nominated Broker has executed a Transfer Agreement. A Transfer Agreement has already been agreed with James Brearley.

The Company holds several thousand different Custody Assets which are being transferred using a variety of transfer procedures dictated by the Custody Asset type, to five Nominated Brokers. As a result, the transfer of Custody Assets will, by necessity, be staggered as the JSAs, the Client Services and Safe Custody teams work through this complex process in conjunction with each of the Nominated Brokers.

The JSAs therefore expect to start transferring Custody Assets, starting with electronically held securities, later this year with asset transfers to continue into 2021.

### **Next Steps**

The JSAs will write to you again when they are ready to begin transferring Custody Assets to your Nominated Broker. This future correspondence will set out how to access your Client Asset Return Statement via the Portal and other information and instructions needed relevant to the transfer, including the date when the transfer process will commence.

### **Further Information**

The following documents have now been uploaded to the Website (<https://smithandwilliamson.com/reyker-securities-plc/>):

1. Approved Distribution Plan
2. Court Order approving the Distribution Plan
3. Updated anonymised Annex of Custody Assets as at 8 October 2019
4. Updated FAQs
5. Flowchart: What do I need to do?

### **Assets unable to transfer to the Nominated Brokers**

There are a small number of Custody Assets that the JSAs are unable to transfer to the Nominated Brokers, including, but not limited to, Child Trust Funds and IF ISAs. The JSAs continue to work to find brokers who may be willing to accept a bulk transfer of these Custody Assets and are presently in discussions with one broker about the IF ISAs.

### **Client Money**

The Distribution Plan does not apply to the return of any Client Money held by the Company as at 8 October 2019, because the Client Money is dealt with under separate provisions in the legislation. Clients with a Client Money balance were written to on 10 July 2020 setting out the distribution process and a first interim distribution has now been largely completed.

Where further action is required in respect of Client Money balances, the JSAs will write to those Clients under separate cover. This specifically includes Clients that opted, as part of the first transfer, to delay their Client Money distribution so that it may be transferred to the same broker as their Custody Assets.

A second cash distribution is expected in early 2021.



### **Individual Savings Accounts ("ISAs")**

As previously outlined, the majority of Custody Assets will be returned by means of a transfer to one of the Nominated Brokers and, in time, the Company will cease to be an ISA manager. As such, pursuant to the relevant ISA legislation, the JSAs are required to issue a formal notice of their intention to transfer ISAs and cease to be an ISA Manager. The notice has been published on the Website (<https://smithandwilliamson.com/reyker-securities-plc/>) for your reference.

### **Hard copy requests**

You may request a hard copy of any of the documents listed above, which will be provided at no cost, as follows:

- Telephone: 0800 048 9512
- Email: [clientservices@reyker.com](mailto:clientservices@reyker.com)
- Post: Reyker Securities plc (in special administration), 25 Moorgate, London EC2R 6AY

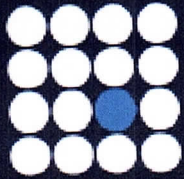
Due to the current restrictions imposed by the UK Government in response to COVID-19, there may be a short delay in responding to communications received via post and, therefore, Clients and their representatives are strongly encouraged to direct any requests by email to [clientservices@reyker.com](mailto:clientservices@reyker.com) or, alternatively, by telephone on 0800 048 9512 where possible.

Yours faithfully  
For Reyker Securities Plc



**Mark Ford**  
Joint Special Administrator

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# James Brearley

Investment Managers & Stockbrokers  
Established 1919

Member of the London Stock Exchange

Authorised & Regulated by  
the Financial Conduct Authority

Website: [www.jbrearley.co.uk](http://www.jbrearley.co.uk)  
Email: [onlineassistance@jbrearley.co.uk](mailto:onlineassistance@jbrearley.co.uk)  
Tel: 01253-831101

PO Box 34, Walpole House,  
Unit 2 Burton Road,  
Blackpool,  
FY4 4WX

29<sup>th</sup> October, 2020

Dear Client,

We are delighted to welcome you as a new Execution Only or Investment Management client of James Brearley, where we are keen to ensure that you are provided with a high and consistent standard of service.

Last year we were very proud to celebrate our centenary year, which also saw us exceed the 10,000 active client level, making us one of the largest and most established independently owned investment managers and stockbrokers in the North of England.

As at our financial year ending 30<sup>th</sup> April, 2020, we were responsible for managing clients' investments totalling £270m and also being entrusted in the safeguarding of further client assets exceeding £2bn in value. This represented a healthy improvement on the same figures of a year earlier, culminating in the firm achieving operating profits of in excess of £1m. Our balance sheet has seen further strengthening over this period, with cash reserves alone of in excess of £6m. This compares favourably with our regulatory capital requirement of slightly less than £2m. As such, the firm is in a strong financial position. Whilst the current business year has been challenging with most members of staff working from home, our robust operating systems, processes and procedures have operated as usual, with few if any client issues.

We are currently in the process of setting up your new James Brearley account, combined with your access rights to our web portal. The web portal will allow you to monitor your portfolio, place dealing instructions and access correspondence from us, this being our preferred and most secure means of providing confidential documents to you. Establishing your account may involve the use of credit agencies with whom we work closely in validating new client information. We hope to be in a position to provide you with details of your new account, along with your unique access rights to the web portal, over the course of the next few weeks.

We can also confirm that we have agreed competitive commercial terms with the Special Administrator, Smith & Williamson, which should ensure that your service costs are no more than those you incurred with Reyker Securities.

To ensure we are at hand to answer any queries you may have regarding your portfolio, we have established a dedicated email address and phoneline to facilitate any queries you may have. These will become operative over the next few weeks, our common goal with Smith & Williamson being to ensure that all paperwork is in place to allow us to receive and implement your dealing instructions as soon as your investments are transferred to us later in the year.

We are confident that we are well placed to provide you with a high level of service and would be grateful for your assistance in returning all information and documentation as requested over the next few weeks to avoid any delays in your ability to access your investments.

We look forward to welcoming you as a James Brearley client very shortly.

Regards,

David Hannis  
Chief Executive Officer, James Brearley