

**IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
INSOLVENCY AND COMPANIES LIST (ChD)**

**IN THE MATTER OF CITY CREDIT CAPITAL (UK) LIMITED (IN ADMINISTRATION)**

**and**

**IN THE MATTER OF THE INSOLVENCY ACT 1986**

**SCHEME OF DISTRIBUTION**

DATED 5 JUNE 2024



**MM 6.vi.24**  
Approved version

1. **DEFINITIONS**

1.1 In this Scheme of Distribution:

**Additional Claimant** has the meaning given to it in Clause 4.2.2.

**Administration** means the administration of the Company, which commenced on 30 June 2023.

**Administration Date** means 30 June 2023.

**Administrators** means (1) Gary Paul Shankland of Begbies Traynor (London) LLP, Jamie Taylor of Begbies Traynor (Central) LLP and Christopher Scott Andersen of AABRS Limited in their capacities as joint administrators of the Company (acting as agents for the Company without personal liability), (2) any administrator appointed to the Company within the Administration in addition to, or to replace one or more of, the foregoing appointees or their replacements, and (3) any of the foregoing as subsequently appointed liquidators of the Company pursuant to the provisions of the Insolvency Act 1986.

**Business Day** means any day other than a Saturday, a Sunday or a day which is a bank holiday in any part of England and Wales.

**CASS** means the Client Assets Sourcebook (as amended from time to time).

**Client Assets Sourcebook** means the Client Assets Sourcebook published by the FCA as part of the FCA Handbook.

**Client Money Pool** means the client monies held by the Company at the Administration Date which have been pooled following a primary pooling event pursuant to CASS 7A.2.4R.

**Client Money Proof** has the meaning given to it in Clause 4.1.2.

**Company** means City Credit Capital (UK) Limited (in administration) (company number: 04343251).

**Court Order** means the sealed order of the Court approving the Scheme of Distribution with or without modification.

**Disclaimed Client Money** means client monies belonging to a Known Client who, in response to the notice sent in accordance with clause 4.2 has confirmed that it disclaims the benefit of its entitlement to the Client Money Pool.

**Dispute Accountant or Counsel** means a chartered accountant or King's Counsel nominated in accordance with Clause 8.3.

**Disputed Client Money Proof Notice** has the meaning given to it in Clause 8.1.

**Distribution Date** has the meaning given to it in Clause 11.1.

**Effective Date** means the date of the sealed Court Order as received by the Administrators.

**FCA** means the Financial Conduct Authority.

**FCA Handbook** means the FCA's handbook of rules and guidance.

**Insolvency Act** means the Insolvency Act 1986.

**Insolvency Rules** means the Insolvency (England and Wales) Rules 2016.

**Known Clients** has the meaning given to it in Clause 4.1.

**Late Client Money Proof** has the meaning given to it in Clause 10.1.

**Low Balance Clients** means any Known Client with client monies comprised in the Client Money Pool with balances below GBP 25 (or equivalent currency)

**Proceedings** has the meaning given to it in Clause 17.1.2.

**Scheme of Distribution** means this scheme of distribution in its present form or subject to any modifications, additions or conditions made or imposed by the Court or by the Administrators under Clause 15 (*Modifications*).

**Shortfall** means the amount by which the Client Money Pool is insufficient to satisfy the admitted Client Money Proofs or not immediately available to satisfy such claims.

**Unallocated Client Money** means client monies that are unallocated to any Known Client or Additional Claimant after the Bar Date.

**Unclaimed Client Money** means client monies allocated to a Known Client where that Known Client has not submitted a Client Money Proof before the Bar Date.

## 2. **INTERPRETATION**

2.1 In this Scheme of Distribution:

2.1.1 references to a “person” include an individual, body corporate (wherever incorporated), unincorporated association, trust or partnership (whether or not having separate legal personality), government, state or agency of a state, or two or more of the foregoing;

2.1.2 references to a clause is to a clause of this Scheme of Distribution;

2.1.3 the headings in this Scheme of Distribution do not affect its construction or interpretation;

2.1.4 references to a statute or a statutory provision include references to such statute or statutory provision as amended or re-enacted whether before or after the date of this Scheme of Distribution and include all subordinate legislation made under the relevant statute whether before or after the date of this Scheme of Distribution save where that amendment, re-enactment or subordinate legislation is made after the date of this Scheme of Distribution and would extend or increase the liability of any party under this Scheme of Distribution;

2.1.5 the singular includes the plural and vice versa and any gender includes any other gender; and

2.1.6 if any obligation is due to be performed under the terms of this Scheme of Distribution on a date other than a Business Day, the relevant obligation shall be due to be performed on the next following Business Day.

## 3. **APPLICATION AND EFFECTIVENESS**

3.1 This Scheme of Distribution applies to the Client Money Pool.

3.2 This Scheme of Distribution shall become effective on, and have effect from, the Effective Date.

#### 4. CLAIMS AND BAR DATE

4.1 The Administrators have:

4.1.1 made a list of known clients of the Company by reference to the best information currently in their possession (“**Known Clients**”); and

4.1.2 on 31 July 2023, sent letters to the Known Clients by email prescribing the form in which a Known Client must send notice of their claim to the Client Money Pool (the “**Client Money Proof**”).

4.2 As soon as a reasonably practicable following the Effective Date, the Administrators shall:

4.2.1 send notice of the Scheme of Distribution to each Known Client and inform the Known Client of the Company’s proposed steps to close the Client Money Pool and, in the event that the Known Client does not submit their claim they may lose their entitlement to the Client Money Pool. In sending this notice to Known Clients, the Administrators will:

(a) write to the Known Clients from whom they have not already received a bounce-back using an email address;

(b) where the Administrators: (i) have received a bounce-back from previous email communications to the Known Client, or (ii) where the Administrators do not receive a response to any successfully delivered email communication sent in accordance with 4.2.1(a) within 28 days, the Administrators shall write to the relevant Known Client via text message to any telephone number they hold for such Known Client. Where the Administrators do not hold a telephone number for such Known Client, to the extent the Known Client is not a Low Balance Client, the Administrators will review the Company’s systems to locate a telephone number;

(c) where the Administrators do not receive a response to the communication sent in accordance with 4.2.1(b) within 28 days, to the extent that the Known Client is not a Low Balance Client, the Administrators shall review the Company’s data systems to obtain a postal address or other contact information available for such Known Client to send a further communication.

4.2.2 set a bar date of six months from the Effective Date (the “**Bar Date**”) by which any Known Client or any other person who claims to be entitled to a beneficial interest in the Client Money Pool (“**Additional Claimant**”) must send notice of their Client Money Proof;

4.2.3 publish details of the Bar Date and the prescribed requirements for submitting a Client Money Proof (and supporting documents) by placing such details:

(a) on the Administrators’ website (<https://btguk.ips-docs.com>) under the case code CI121ADM;

(b) on the Company’s website (<https://www.cccapital.co.uk>);

(c) as a notice in The Gazette;

(d) taking such further steps (if any) as the Administrators may consider appropriate to bring such details to the attention of potentially interested persons.

**5. COSTS OF SUBMITTING CLAIMS**

5.1 Unless the Court orders otherwise:

5.1.1 every Known Client or Additional Claimant shall bear the cost of proving their own entitlement to the Client Money Pool, including costs incurred in providing documents or evidence to support their Client Money Proof; and

5.1.2 all costs, expenses and disbursements incurred by the Company and/or the Administrators in assessing a Client Money Proof, including the costs of and occasioned by any Disputed Client Money Proof Notice and Dispute Accountant or Counsel under Clause 8 below, are payable from the Client Money Pool in accordance with the order of priority set out in Clause 11 below.

**6. ADJUDICATION OF CLAIMS**

6.1 As soon as reasonably practicable after the Bar Date, the Administrators shall adjudicate upon any Client Money Proof, for which purpose:

6.1.1 the Administrators shall proceed on the basis that the amount for which each Known Client shall be entitled to prove shall in principle be their "*individual client balance*" (if any) calculated in accordance with CASS 7A.2.5R, whether or not money had been segregated in any way for the benefit of that person;

6.1.2 the Administrators may in their discretion request further information or documents from a Known Client or Additional Claimant in order to determine the Client Money Proof;

6.1.3 in all respects the Administrators shall exercise their discretion (with the benefit of such advice as the Administrators may consider appropriate) in assessing such Client Money Proofs and the material submitted in support of them, and shall (subject to clause 8) have the same rights, powers and discretion to adjudicate and admit or reject claims as if the Administrators were adjudicating upon proofs of debt submitted by creditors in the ordinary course in an administration or any subsequent liquidation.

**7. NOTIFICATIONS FOLLOWING THE BAR DATE**

7.1 As soon as reasonably practicable after the Bar Date, the Administrators shall notify any Known Client or Additional Claimant who has submitted a Client Money Proof before the Bar Date whether:

7.1.1 the Administrators admit the Client Money Proof in whole; or

7.1.2 the Administrators admit the Client Money Proof in part and reject it in part, in which case the Administrators shall provide as soon as reasonably practicable a summary written statement of the reasons for doing so and drawing attention to the right of the Known Client or Additional Claimant to dispute a decision in respect of a Client Money Proof under Clause 8; or

7.1.3 the Administrators reject the Client Money Proof in whole, in which case the Administrators shall provide as soon as reasonably practicable a summary written statement of the reasons for doing so and drawing attention to the right of the Known Client or Additional Claimant to dispute a decision in respect of a Client Money Proof under Clause 8.

8. **DISPUTED CLIENT MONEY PROOF**

- 8.1 If any Known Client or Additional Claimant is dissatisfied by the decision of the Administrators to reject their Client Money Proof in whole or in part, then that Known Client or Additional Claimant (as applicable) may, within 21 days after the date of receipt of the Administrators' written statement pursuant to Clauses 7.1.2 or 7.1.3 above, deliver a notice to the Administrators (the "**Disputed Client Money Proof Notice**").
- 8.2 Each Disputed Client Money Proof Notice shall:
- 8.2.1 give reasons why the Known Client or the Additional Claimant (as applicable) believes that the information used by the Administrators in considering the Client Money Proof is incorrect;
  - 8.2.2 include such information which the Known Client or the Additional Claimant (as applicable) considers to be correct in order to demonstrate its entitlement to a beneficial interest in the Client Money Pool, together with any supporting evidence; and
  - 8.2.3 give details of the amount of the Client Money Pool to which the Known Client or the Additional Claimant (as applicable) considers it should be entitled (the "**Disputed Claim Amount**").
- 8.3 The Administrators shall consider the reasons, information or particular circumstances and supporting evidence and/or any other relevant apparent evidence (as applicable) and may allow the Disputed Claim Amount in their discretion. If the Administrators do not allow the Disputed Claim Amount then the Administrators shall notify the relevant Known Client or Additional Claimant (as applicable) within fourteen (14) days of the receipt of the Disputed Client Money Proof Notice that the matter shall be referred for determination and provide the details of the chartered accountant ("**Dispute Accountant**") or King's Counsel ("**Counsel**") who it proposes to be the Dispute Accountant or Counsel for these purposes. The decision as to whether the dispute should be determined by a chartered account or King's Counsel shall be taken by the Administrators, in their sole discretion, having regard to the nature of the dispute that arises in relation to the Disputed Claim Amount. If the Administrators and the relevant Known Client or Additional Claimant (as applicable) do not agree on the identity of the proposed Dispute Accountant or Counsel within five (5) Business Days of such notification, then the Administrators shall request that the President for the time being of the Institute of Chartered Accountants in England and Wales or the Chair of the Bar nominate a chartered accountant or King's Counsel (as appropriate) to be the Dispute Accountant or Counsel in respect of the relevant Disputed Client Money Proof Notice.
- 8.4 The Dispute Accountant or Counsel shall act as expert and not as arbitrator. The Dispute Accountant or Counsel shall, in his or her sole discretion, consider such matters as he or she thinks fit (including the representations of the parties) in making his or her determination and, in particular, may rely on evidence supplied by one party in absence of evidence to the contrary from any other party. Where a chartered accountant is appointed as the Dispute Accountant, that chartered accountant may take such independent legal advice (from solicitors and/or counsel) as he or she may consider appropriate (and the costs of the Dispute Accountant in taking such legal advice will be dealt with in accordance with paragraph 5.1.2 above).
- 8.5 The decision of the Dispute Accountant or Counsel shall be given in writing to the Administrators and the relevant Known Client or Additional Claimant (as applicable) within 21 days of his or her appointment, or such other period as agreed between the Dispute Accountant or Counsel and the Administrators, acting reasonably.
- 8.6 The decision of the Dispute Accountant or Counsel shall be final and binding on the parties in so far as the law allows.

8.7 Neither the Company nor the Administrators shall be personally liable for costs incurred by the Known Client or Additional Claimant in respect of any Disputed Client Money Proof Notice.

9. **VARIATION OF CLIENT MONEY PROOF**

A Client Money Proof may at any time, by agreement between the relevant Known Client or Additional Claimant and the Administrators, be withdrawn or varied as to the amount claimed.

10. **TREATMENT OF CLAIMS AFTER THE BAR DATE**

10.1 If a Known Client or Additional Claimant submits a Client Money Proof after the Bar Date ("**Late Client Money Proof**"), that Known Client or Additional Claimant shall be deemed to have waived and released its right to receive a distribution from the Client Money Pool.

10.2 In the circumstances at clause 10.1, the Known Client or Additional Claimant will be deemed to have submitted an unsecured claim in the administration (or any subsequent liquidation) of the Company in the equivalent sum of the Late Client Money Proof, which the Administrators will adjudicate on in the ordinary course in accordance with the Insolvency Act and the Insolvency Rules in the event of a distribution to unsecured creditors in the Administration or subsequent liquidation.

10.3 In no circumstances shall a Late Client Money Proof delay or disrupt any distribution of the Client Money Pool by the Administrators in accordance with clause 11 below.

11. **DISTRIBUTION OF THE CLIENT MONEY POOL**

11.1 Once all Client Money Proofs have been admitted, part admitted under clause 7 (with no dispute from the relevant Known Client or Additional Claimant pursuant to the process in clause 8) or directed to be paid in full or part by the Dispute Accountant or Counsel in accordance with clause 8 (the "**Distribution Date**"), the Client Money Pool shall be distributed in the priority set out at Clause 11.2 below.

11.2 The Administrators shall distribute the Client Money Pool in the following order of priority:

11.2.1 **First**, the Administrators shall make provision for their remuneration, costs and expenses properly attributable to the distribution of the Client Money Pool which are payable from the following client money balances:

- (a) Unclaimed Client Money (as permitted by CASS 7A.2.6AR(1)(c)(i)),
- (b) Disclaimed Client Money (as permitted by CASS 7A.2.6.AR(1)(c)(ii)), and
- (c) Unallocated Client Money (as permitted by CASS 7.2.6AR(1)(c)(iii));

11.2.2 **Second**, where there are no or insufficient balances of Unclaimed Client Money, Disclaimed Client Money and Unallocated Client Money to make provision in accordance with clause 11.2.1, the Administrators shall make provision for any remaining unpaid balance of remuneration, costs and expenses properly attributable to the distribution of the Client Money Pool which are payable from the Client Money Pool as permitted by the Order;

11.2.3 **Third**, to the extent that there are remaining funds, the Administrators shall make provision *pro rata* for (i) all Client Money Proofs received before the Bar Date to the extent admitted by the Administrators pursuant to Clause 7 above, (ii) any Client Money Proofs to the extent directed to be paid by the Dispute Accountant or Counsel in accordance with the terms of Clause 8 above or (iii) any "*individual client balance*" of a Known Client or Additional Claimant which the Administrators may in their absolute

discretion (and without any obligation to do so) think it appropriate to make provision for;

- 11.2.4 **Fourth**, to the extent that there is any shortfall in respect of the clients' entitlements to the Client Money Pool referenced in paragraph 11.2.3, such shortfall (or any part thereof) shall be paid from any Unclaimed Client Money, Disclaimed Client Money and/or Unallocated Client Money (to the extent that any such sums are available); and
  - 11.2.5 **Fifth**, to the extent that there are remaining funds, the Administrators shall apply such remaining funds to the Company in administration (or any subsequent liquidation) as the Company's own funds.
- 11.3 For the avoidance of doubt, in distributing the Client Money Pool pursuant to Clause 11.2 above, the Administrators:
- 11.3.1 may proceed on the basis that no person is entitled to any beneficial interest or entitlement in the Client Money Pool except as provided for in Clause 11.2 above;
  - 11.3.2 reserve their right to make a distribution under the provisions of Clause 11.2 directly to the person entitled, rather than to any intermediary that has been appointed by a Known Client or an Additional Claimant.
- 11.4 All Distributions shall be subject to the payment provisions at clause 13 below.

## 12. **CLIENT MONEY POOL SURPLUS**

Where, following the distribution of the Client Money Pool pursuant to clauses 11.2.1 to 11.2.4 there is a surplus of client monies in the Client Money Pool ("**Surplus**"), the Administrators shall be permitted to treat such surplus as being held in accordance with clause 11.2.5 and apply such surplus to the general creditors of the Company to be distributed in accordance with the statutory priority as set out in the Insolvency Act 1986 and Insolvency (England and Wales) Rules 2016.

## 13. **MISCELLANEOUS PAYMENT PROVISIONS**

### **Payment Method**

- 13.1 All sums payable by the Administrators to any Known Client or Additional Claimant pursuant to this Scheme of Distribution shall be paid:
  - 13.1.1 by cheque in favour of the relevant Known Client or Additional Claimant or as it may direct and may be sent by post to the relevant Known Client's last known address; or
  - 13.1.2 by bank transfer to such bank account as the relevant Known Client or Additional Claimant may from time to time notify to the Company or Administrators in writing.

### **Discharge**

- 13.2 The encashment of a cheque by a Known Client or Additional Claimant or the payment of the amount by telegraphic transfer into the relevant account shall be good discharge of the Company's requirement to make any distributions of the Client Money Pool pursuant to clause 11.
- 13.3 The Company or Administrators shall not be liable to any Known Client or Additional Claimant for any loss in transmission of a cheque drawn and sent, or a telegraphic transfer made, in accordance with this Clause 13.



### **Deductions**

- 13.4 In making any payment, the Company or Administrators may first deduct any bank charges levied in respect of such payments.

### **No Interest**

- 13.5 If any Known Client or Additional Claimant does not receive payment on its due date as a result of any administrative or technical error or delay in the banking system, no interest shall be payable to that Known Client or Additional Claimant.

### **Unclaimed Payments**

- 13.6 If the Company or Administrators are unable to make any payment at the expiration of one month from the Distribution Date because:

- 13.6.1 a cheque has been returned as undeliverable without a proper forwarding address;
- 13.6.2 funds for any cheque have not been cleared;
- 13.6.3 bank account details have not been provided by the client despite requests for such information being made by the Administrators; or
- 13.6.4 otherwise howsoever,

the Known Client or Additional Claimant entitled to such payment shall, from that time, be deemed to have waived his rights thereto, the said payment shall be returned to the Company or Administrators and form part of any Surplus as described at clause 12 and any obligations of the Company or Administrators with respect thereto shall thereafter cease.

### **No further payments**

- 13.7 Save as set out herein, there will be no further payments in respect of, and the obligations of the Company to the Known Client or Additional Claimant shall cease.

### **Payments to persons**

- 13.8 If a Known Client or Additional Claimant gives notice in writing to the Company or Administrators that it wishes its payment under the terms of this Scheme of Distribution to be paid to another person, or that it has assigned its entitlement to another person, the Company or Administrators shall pay the relevant payment to that other person accordingly.
- 13.9 Any such notice must specify the name and address of the person to whom payment is to be made and (if the payment is to be made by transfer) the bank account details of the person to whom payment is to be made. Such payment shall be good discharge of the Administrators' or Company's obligation (as appropriate) in respect of that payment.

## **14. NOTICES**

- 14.1 Any notice, statement or document to be sent in connection with this Scheme of Distribution:
- 14.1.1 By the Administrators to a Known Client or Additional Claimant may be sent by email, fax, post and/or other electronic communication and shall be deemed to have been received by the Known Client or Additional Claimant:
    - (a) if sent by first class post to an address within the UK, two (2) Business Days after posting;

- (b) if sent by airmail post to an address not within the UK, five (5) Business Days after posting;
- (c) if sent by fax or email before 5pm London time on a Business Day, on that same Business Day; and
- (d) if sent by fax or email (or other electronic communication) on a day that is not a Business Day or after 5pm London time on a Business Day, on the following Business Day;

provided, in each case, that the address, fax number or email address used shall be that provided to the Administrators by the relevant Known Client or Additional Claimant or (if none has been provided) recorded in the records of the Company.

14.1.2 By a Known Client or Additional Claimant to the Administrators shall be sent to: The Joint Administrators of City Credit Capital (UK) Limited, C/O Begbies Traynor (London) LLP, 31<sup>st</sup> Floor, 40 Bank Street, E14 5NR Attention: Gabrielle Whatmore and Gary Shankland or email to [ccc@btguk.com](mailto:ccc@btguk.com).

## 15. MODIFICATION

15.1 The Administrators may make any additions or modifications to this Scheme of Distribution before or after the Effective Date only where such additions or modifications:

15.1.1 are of a minor, technical or administrative nature without the need for the Scheme of Distribution to be approved again by the Court; and

15.1.2 are, to the extent that the Company is still in Administration, consistent with the pursuit by the Administrators of the objective of the Administration pursuant to paragraph 3(1) of Schedule B1 to the Insolvency Act: and

15.1.3 would not materially prejudice the interests of any Known Client or Additional Claimant.

15.2 If the Administrators make any additions or modifications under Clause 15.1 above, the Administrators shall notify: (i) the Court by filing both an amended version of the Scheme of Distribution with the modifications highlighted and a covering letter to the Court to outline such modifications and which also confirms that the circumstances of Clauses 15.1.1, 15.1.2 and 15.1.3 are satisfied, and (ii) Known Clients and Additional Claimants by posting the Scheme of Distribution as so amended or modified on the Administrators' Creditors' Portal (<https://btguk.ips-docs.com>) under the case code CI121ADM, with a covering letter explaining the amendments or modifications made.

## 16. ILLEGALITY AND SEVERENCE

If a provision of this Scheme of Distribution is, or but for this Clause 16 would be, held to be illegal, invalid or unenforceable, in whole or in part, in the jurisdiction to which it pertains but would be legal, valid and enforceable if part of the provision was deleted, the provision will apply with the minimum modification necessary to make it legal, valid and enforceable in that jurisdiction, and any such illegality, invalidity or unenforceability in any jurisdiction will not invalidate or render invalid or unenforceable such provisions in any other jurisdiction.

## 17. GOVERNING LAW AND JURISDICTION

17.1 Without prejudice to the continuing existence of the statutory moratorium under paragraphs 42 and 43 of Schedule B1 to the Insolvency Act:

- 17.1.1 this Scheme of Distribution and all matters (including any contractual or non-contractual obligation) arising from or connected with it shall be governed by, and construed in accordance with, the laws of England and Wales;
- 17.1.2 subject to Clause 17.1.3, the courts of England have exclusive jurisdiction to decide and to settle any dispute or claim arising out of or in connection with this Scheme of Distribution ("**Proceedings**"); and
- 17.1.3 this jurisdiction clause is for the benefit of the Company and the Administrators only and the Company and/or the Administrators will not be prevented from instigating Proceedings in any other courts with jurisdiction. To the extent allowed by law, the Company and/or the Administrators may take concurrent Proceedings in any number of jurisdictions.