

Blackmore Bond Plc (In Administration) (“the Company”)**Frequently Asked Questions (“FAQs”)****1. What is Administration?**

Administration is an insolvency process which entails the appointment of licensed insolvency practitioners who obtain executive control over the affairs, business and property of a company in place of its directors, with a view to achieving one of the statutory purposes of Administration.

Without the consent of the Administrators or the permission of the Court, no action can be taken against the Company or its assets.

The purpose of the Administration of the Company is to achieve a better result for the Company’s creditors as a whole than would be likely if the Company were wound up (without first being in Administration) or to realise property in order to make a distribution to one or more secured or preferential creditors.

Administrators may be appointed by the holder of a qualifying floating charge (“QFC”) over a company’s assets or by the company itself, following a directors’ or shareholders’ resolution. In the case of the Company, the appointment was made by Oak Fund Services (Guernsey) Limited (“Oak”), which holds a QFC as trustee for bondholders.

2. Who are the Administrators?

Geoff Bouchier, and Benjamin Wiles of Duff & Phelps (“D&P”), both of whom are licensed insolvency practitioners, regulated by The Insolvency Practitioners’ Association.

Over the past few months, D&P have had informal discussions with certain representative Bondholders who were concerned about the Company’s ability to meet interest payments. After helping them to understand Bondholders’ rights, it was suggested to the Company that D&P be retained to perform an assessment of the financial position of the Company, but the Company did not respond.

On 16 April 2020, D&P was contacted by Oak. After discussing and considering the information available, D&P consented to act as Administrators of the Company.

3. What was the Company’s business?

The Company offered various series of mini-bonds, or loans, to retail investors. With the money lent, believed to total approximately £45m, and loans from certain third party lenders, the Company and its subsidiaries invested in several property development projects. Each project involved the acquisition of a piece or pieces of real estate. The land in respect of certain projects was acquired by a wholly-owned subsidiary of the Company, known as a special purpose vehicle, or SPV. Some projects were however acquired via joint venture arrangements to which an SPV was party.

As security for the sums lent to the Company, both the Company and each of the SPVs granted debentures to Oak, to be held by Oak as trustee for the bondholders.

The Company and the SPVs had discretion to raise additional funds by obtaining loans from third parties, and Oak and the Company had discretion to allow third parties to have security over land with priority in favour of those third parties relative to bondholders.

The Company currently has 14 SPVs. It is possible that all of those which appear to own any land will be placed in Liquidation or have had or will have Receivers appointed to their assets.

4. Will I get something back, when and how much will it be?

It is too early for the Administrators to assess how much money they will be able to return to creditors of the Company.

The Administrators will provide regular progress reports.

5. Who is to blame for the present position and what recourse will there be?

Administrators and Liquidators have extensive powers of investigation and D&P will be seeking to establish facts on which to determine, with legal advice, what remedies may be available and against whom. It is not possible to say more at this stage.

D&P will take care to ensure that publication of information they discover does not serve to prejudice possible recoveries.

6. Is D&P in contact with the FCA?

D&P has opened up initial dialogue with the FCA in relation to the Company and will be engaging with the FCA further regarding the Administration of the Company in due course.

7. Is D&P in contact with the FSCS?

At this point it is not thought that the FSCS will be engaged in respect of any losses which may be suffered, but we will consider this further as matters progress.

8. Is D&P in contact with the Company's management?

All those who have been directors (including those who have been performing roles associated with being a director and those who may have been directing the directors) have a statutory duty to co-operate with and provide information to Administrators.

We will be exercising our rights accordingly.

9. Capital Guarantee Schemes

D&P will be liaising with Oak to review the rights available against the guarantors under these schemes and how these may be enforced. At this point it is not possible to assess the value of such rights.

10. Further Information

Regular progress reports and updated versions of these FAQs will be posted at:

<https://micro.duffandphelps.com/ukrestructuring/cases?caseId=1614>

We will also be setting up an online Creditor Portal whereby creditors can receive updates in respect of the Administration and also register details of their claims in the Administration, among other features. Bondholders will be contacted in this regard in due course.

Within 8 weeks of appointment, the Administrators will be contacting creditors with details of the Administrators' Statement of Proposals, which will set out the Administrators' plans for managing the Administration. Those will also be accessible from the Creditors' Portal.

11. Data

As part of our role as Administrators, we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements.

Information about the way that we will use and store personal data in relation to insolvency appointments can be found at:

<https://www.duffandphelps.com/privacy>

It is important that you read this Fair Processing Notice so that you know how and why we are using your data. This Fair Processing Notice supplements any other notices the Company may have provided to you and is not intended to override them.

To the extent that you hold any personal data on the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact us if you believe this applies.

12. Contact

The Administrators ask that you please understand that pending the results of investigations, it will not be possible for D&P to provide much meaningful information, and that the cost of dealing with a plethora of enquiries will serve to diminish the value of ultimate distributions.

However, if you have information which you would like to share with us or if have a question, please contact us by email to:

BlackmoreBond@duffandphelps.com

We may not be able to respond promptly, but will collate questions and provide answers where possible via updated FAQs.