

Dear Bondholder

This email is intended for Bondholders who invested in an ISA product of LCF only. The following is a statement prepared and issued today, on behalf of HM Revenue & Customs (“HMRC”) and ALL enquiries regarding the statement should be addressed to HMRC directly, using the e-mail: savings.audit@hmrc.gsi.gov.uk. A copy of this statement will be placed on the joint administrators' webpage.

Kind regards
The LCF Administrators



HM Revenue
& Customs

Voiding of London Capital & Finance Innovative Finance ISAs

Further to recent correspondence from LCF investors and representatives, HMRC have reviewed all the evidence now available to us in respect of LCF ISAs to consider the position afresh.

As a result of new evidence provided, HMRC have concluded we are able to consider only the bonds issued by LCF to be void and not the ISA ‘wrapper’ (the subscriptions made or funds transferred to an LCF ISA). This means that;

1. Investors have the opportunity to use compensation paid to them by FSCS in respect of their LCF ISA to make a ‘*defaulted investment subscription*’ which will not be counted towards any current year ISA subscription in the tax year for which it is made.
2. Any investors wishing to make a ‘*defaulted investment subscription*’ in respect of an LCF ISA should contact their new ISA manager and subscribe, as a single payment, within 180 days of receiving that compensation.
 - a. The new ISA manager will need to see:
 - i. Evidence of the amount and date of their FSCS compensation payment;
 - ii. Confirmation that the FSCS compensation payment has been made in respect of a defaulted ISA investment;

- iii. The full name and address of LCF (the ISA manager), London Capital & Finance Plc, 25 Moorgate, London, EC2R 6AY; and
- iv. The full name and address of FSCS (the maker of the compensation payment), Financial Services Compensation Scheme Limited, 10th Floor Beaufort House, 15 St Botolph Street, London, EC3A 7QU.

3. Where FSCS compensation was received before 19 April 2021, HMRC will treat the date the FSCS compensation was received as 19 April 2021. This ensures all investors have a full 180 days in which to make a '*defaulted investment subscription*' if they so wish.

Investors should note they do not have to use the same funds paid to them by FSCS to make a '*defaulted investment subscription*'. If they have used their FSCS compensation payment they can use alternative funds up to the same amount to do so.

HMRC understands that a number of investors may have subscribed to an additional ISA in tax year 2018/19 as a result of the voiding of LCF ISAs. Where, as a result of the LCF voiding, LCF ISA investors subscribed to another ISA between 19 March 2019 and 5 April 2019, that would result in an invalid combination of ISAs or total subscriptions being greater than the annual ISA allowance, HMRC will exceptionally permit that subscription (and will continue to treat that subscription as a valid ISA subscription).

Any questions regarding making a '*defaulted investment subscription*' should be directed to the ISA manager that investors are intending to make this payment to. If required ISA investors can contact HM Revenue & Customs by e-mail at savings.audit@hmrc.gsi.gov.uk with questions relating to the ISA rules.

The affairs, business and property of the Company are being managed by the administrators Finbarr O'Connell, Adam Stephens, Colin Hardman, Henry Shinnors and Geoff Rowley who act as agents of the Company and without personal liability. Finbarr O'Connell, Adam Stephens, Colin Hardman, Henry Shinnors and Geoff Rowley are licensed as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales. Further information regarding the administration can be found at the joint administrators' webpage: www.smithandwilliamson.com/london-capital London Capital & Finance Plc is incorporated in England and Wales under the Companies Act 2006 with registered number 08140312. The Company is authorised and regulated by the Financial Conduct Authority with FRN 722603.

The Fair Processing Notice in relation to the General Data Protection Regulation can be accessed at <https://smithandwilliamson.com/rsgdpr> Should you wish to be supplied with a hard copy, free of charge, please contact Smith & Williamson's offices.