

16 March 2018

Our Ref: SE167MVL/GPS/KJP/RJG/A
XS/DXW/LMMc/MVL1910P

Your Ref:

Contact: Daniel Webster
DD: 020 7516 1547

TO ALL KNOWN SHAREHOLDERS

DECLARATION OF SECOND INTERIM DISTRIBUTION IN THE LIQUIDATION TO ALL 'TIER I' - A ORDINARY SHAREHOLDERS

Dear Sir/Madam

SRG Realisations (2017) Plc (Formerly Security Research Group Plc) (In Members' Voluntary Liquidation) ("the Company")

I write further to my letter of 1 December 2017 (the "**December Letter**") wherein I advised shareholders of my intention to make a distribution in specie of the whole of the shares that the Company holds in Rochdale Development Company Limited (the "**Rochdale Shares**") to the Tier I shareholders, and pay a compensatory cash dividend of equivalent value of the Rochdale Shares to the Tier II shareholders (the "**Second Distribution**"). I also refer to my letter of 8 February 2018 (the "**February Letter**") wherein I confirmed that among others, the following ordinary resolutions had been passed by the requisite majority of shareholders at the general meeting of the Company held on 28 December 2017:

(i) THAT, in accordance of the Companies Act 2006:

(a) each existing ordinary share of £0.20 each in the issued share capital of the Company, held by shareholders holding 100,000 ordinary shares of £0.20 each or more, be converted into 1 new A ordinary share of £0.20 each (Tier I shareholders); and

(b) each existing ordinary share of £0.20 each in the issued share capital of the Company, held by shareholders holding fewer than 100,000 ordinary shares of £0.20 each, be converted into 1 new B ordinary share of £0.20 each (the Tier II shareholders).

In the February letter, I also informed shareholders that in order to complete the mechanics of the share re-organisation, the Company needed to adopt new articles of association to give effect to the ordinary resolution passed at the general meeting held on 28 December 2017. I gave notice to shareholders of General Meeting of the Company to consider and vote on the following Special Resolution:

THAT, the articles of association produced to the meeting and initialed by the chair of the meeting for the purposes of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

I confirm the resolution was duly passed by the requisite majority of all of the Company's shareholders at the meeting held on 26 February 2018. **I enclose your new share certificate in respect of your A ordinary (£0.20) shareholding ("A Ords") in the Company for your safe-keeping.**

31st Floor, 40 Bank Street, London, E14 5NR

T: 020 7516 1500 F: 020 7516 1501 (Fax) E: london@begbies-traynor.com W: www.begbies-traynor.com

Begbies Traynor is a trading name of Begbies Traynor (London) LLP, a limited liability partnership, registered in England No: OC412043, registered office 340 Deansgate, Manchester M3 4LY

Gary Paul Shankland and Kirstie Jane Provan are licensed in the United Kingdom to act as Insolvency Practitioners by the Insolvency Practitioners Association

Any reference to a partner is to a member of the limited liability partnership. A list of partners is available for inspection at the registered office. A member of the Begbies Traynor Group. Specialist Professional Services www.begbies-traynorgroup.com

Partners, Directors, and Consultants acting as administrators or administrative receivers contract as agents and without personal liability

Second Interim Distribution

Accordingly, I am now in a position to take the next steps in order to make the second interim distribution in specie of the Rochdale Shares to the A ordinary shareholders. Rochdale has also carried a similar re-organisation exercise in respect of its share capital to facilitate the distribution in specie; such that you will receive one ordinary share in Rochdale for each one of your A ordinary shares in the Company. The distribution amounts to an equivalent total aggregate distribution to A Ords shareholders of £1.038M, being the value of the Rochdale Shares as determined by a firm of chartered accountants instructed for this purpose, as set out in the December letter. **Please note that this distribution in specie may have personal tax implications and if in doubt, you should consult your tax advisor.**

General Meeting

In order to effect the second interim distribution, it is necessary to obtain the consent of the shareholders of the Company.

Please therefore find enclosed herewith:

1. a notice convening a general meeting to take place at 10.30 am on Friday 6 April 2018 at Begbies Traynor (London) LLP 31st Floor, 40 Bank Street, London E14 5NR. At this general meeting you will be asked to consider and vote on the proposed special resolutions as contained in the notice; and
2. a voting and proxy form in relation to the general meeting. To appoint a proxy using this form please note that the form must be received by the Company no later than 48 hours before the general meeting.

Once consent from the shareholders has been obtained in order to make the distribution in specie, you will receive a new share certificate in respect of the Rochdale shares.

So you are aware, we are obliged to necessarily make provision for certain costs and expenses and retain a certain level of cash reserves, pending tax clearance and completion of the liquidation.

After accounting for the second interim distribution to the B shareholders, the compensatory cash equivalent value of the Rochdale shares, we presently hold funds amounting to £641.9K as set out below.

	£'000 (thousands)
Cash held in the liquidation estate bank account and VAT refunds due to the estate	743.9
Funds to distributed to B ordinary shareholders in respect of the second interim distribution as compensatory cash equivalent	(102.0)
Funds retained for the future costs and expenses of the liquidation and reserves retained for the third and final distribution.	641.9

Once the Company's few remaining assets have been realised, subject to receiving post-liquidation tax clearance from HMRC, we shall make a third and final distribution in the liquidation. We hope to be able to finalise the liquidation within the next four to five months.

We would kindly ask shareholders to refrain from contacting us other than in relation to any specific queries you may have in respect of the distribution. This is to ensure that we minimise our costs of dealing with this matter which may otherwise dilute the third and final distribution to shareholders. If you do need to contact us, please contact Daniel Webster of my office in the first instance by email daniel.webster@begbies-traynor.com.

Yours faithfully
for and on behalf of
SRG Realisations (2017) plc (Formerly Security Research Group plc)



G P Shankland
Joint Liquidator

Encs. New A Ords share certificate, Notice of General Meeting and Voting and Proxy Form.

**SRG REALISATIONS (2017) PLC
(in members' voluntary liquidation)**

(the "Company")

Notice of General Meeting

Notice is hereby given that a General Meeting ("**Meeting**") of the Company will be held at **10.30a.m. on Friday 6 April 2018 at Begbies Traynor (London) LLP 31st Floor, 40 Bank Street, London E14 5NR.**

You will be asked to consider and vote on the proposed special resolutions below.

1. Special resolution – Distribution in Specie

THAT, a distribution in specie be declared on the A ordinary shares of £0.20 each and thereby to transfer to the A ordinary shareholders, in proportion to their shareholding of A ordinary shares in the Company, the entire issued share capital of Rochdale Development Company Limited.

2. Special resolution – Distribution to the B shareholders

THAT, subject to the passing of Resolution 1, a compensatory cash distribution be declared on the B ordinary shares of £0.20 each which is equivalent in monies to the distribution in specie in respect of the A ordinary shareholders, being a sum of £102,033, and thereby to distribute to the B ordinary shareholders, in proportion to their shareholding of B ordinary shares in the Company, the sum of £102,033.

By order of the Joint Liquidators

16 March 2018

Registered office: **c/o Begbies Traynor (London) LLP 31st Floor, 40 Bank Street, London E14 5NR**

Registered number: **03170812**