

# AM10

## Notice of administrator's progress report



Companies House

THURSDAY



A19 03/05/2018 #314  
COMPANIES HOUSE

### 1 Company details

Company number O C 3 8 0 4 7 8

Company name in full Bell Pottinger LLP

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) William Matthew Humphries

Surname Tait

### 3 Administrator's address

Building name/number 55

Street Baker Street

Post town London

County/Region

Postcode W 1 U 7 E U

Country

### 4 Administrator's name

Full forename(s) Malcolm

Surname Cohen

Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address

Building name/number 55

Street Baker Street

Post town London

County/Region

Postcode W 1 U 7 E U

Country

Other administrator  
Use this section to tell us about  
another administrator.

## Continuation page

### Name and address of insolvency practitioner

✓ **What this form is for**  
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①  
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**  
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.  
All fields are mandatory unless specified or indicated by \*

#### 1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

#### 2 Insolvency practitioner's name

Full forename(s) Colin Michael Trevethyn

Surname Haig

#### 3 Insolvency practitioner's address

Building name/number 55

Street Baker Street

Post town London

County/Region

Postcode W 1 U 7 E U

Country

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	d	1	d	2	m	0	m	9	y	2	y	0	y	1	y	7
To date	d	1	d	1	m	0	m	3	y	2	y	0	y	1	y	8

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

*[Handwritten Signature]*

X

Signature date

d	0	d	2	m	0	m	5	y	2	y	0	y	1	y	8
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# AM10

## Notice of administrator's progress report



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

BDO LLP

Address

55 Baker Street

Post town

London

County/Region

Postcode

W 1 U 7 E U

Country

DX

Telephone

01512 374 500



### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



### Important information

All information on this form will appear on the public record.



### Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

**Bell Pottinger LLP  
(In Administration)  
Joint Administrators' Trading Account**

Statement of Affairs	From 12/09/2017 To 11/03/2018	From 12/09/2017 To 11/03/2018
TRADING EXPENSES		
Partner / Employee Costs	55,423.56	55,423.56
Wages and salaries	587,762.64	587,762.64
PAYE/NIC	115,703.79	115,703.79
Telephony	32,043.04	32,043.04
PR Services	17,437.50	17,437.50
Sundry Costs	741.82	741.82
IT	157,493.56	157,493.56
Bell Pottinger Bahrain S.P.C-funding	50,696.99	50,696.99
Security & Cleaning Costs	3,308.00	3,308.00
Finance & Leasing	969.06	969.06
Professional Fees	2,100.00	2,100.00
Stationery and Postage	490.00	490.00
Insurance	82,691.66	82,691.66
Bank Charges & Interest	2,094.29	2,094.29
	(1,108,955.91)	(1,108,955.91)
TRADING SURPLUS/(DEFICIT)	(1,108,955.91)	(1,108,955.91)

**Bell Pottinger LLP**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 12/09/2017 To 11/03/2018	From 12/09/2017 To 11/03/2018
	<b>FIXED CHARGE ASSETS</b>		
Uncertain	Goodwill	NIL	NIL
	Revenue Service Agreement (Partners	NIL	NIL
		NIL	NIL
	<b>FIXED CHARGE CREDITORS</b>		
(6,241,000.00)	Lloyds Banking (net of cash)	NIL	NIL
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
1,062,000.00	Intercompany Receivables	NIL	NIL
	Fixtures & Fittings	14,121.27	14,121.27
NIL	Sundry Debtors	NIL	NIL
6,180,000.00	Book debts	2,527,854.74	2,527,854.74
116,000.00	Cash at Bank	104,893.42	104,893.42
	Revenue Share Agreement (Partners N	147,694.20	147,694.20
Uncertain	Accrued Income	NIL	NIL
	Interest Gross	2,510.31	2,510.31
	Bank Interest Net of Tax	NIL	NIL
	Sundry Refunds	7,662.95	7,662.95
	Trading Surplus/(Deficit)	(1,108,955.91)	(1,108,955.91)
	Group Life Receipts	19,873.45	19,873.45
	EDB - Bahrain Recharges	225,355.99	225,355.99
		1,941,010.42	1,941,010.42
	<b>COST OF REALISATIONS</b>		
	Exchange rate gain	4,288.61	4,288.61
	Debt Collection costs	90,381.04	90,381.04
	Pre appt Agents' Fees & Disbs	5,000.00	5,000.00
	Pre appt Legal Fees & Disbs	17,679.46	17,679.46
	Costs re; Creditors meeting room	398.75	398.75
	EDB Reimbursement/ Expenses	111,514.25	111,514.25
	Irrecoverable VAT	79.75	79.75
	Storage Costs	3,046.64	3,046.64
	Rents Payable	138,203.99	138,203.99
	Staff Bonus Payments	70,588.58	70,588.58
	Bank Charges	95.45	95.45
	Agents' Fees & Disbs	7,769.70	7,769.70
	Legal Fees & Disbs	160,691.25	160,691.25
		(609,737.47)	(609,737.47)
	<b>FLOATING CHARGE CREDTS</b>		
	Floating Charge Holders	65,041.70	65,041.70
		(65,041.70)	(65,041.70)
	<b>UNSECURED CREDITORS</b>		
(2,839,000.00)	Intercompany Payables	NIL	NIL
(7,454,000.00)	HM Revenue & Customs	NIL	NIL
(3,515,000.00)	Accruals & Deferred Income	NIL	NIL
(753,000.00)	Partners Tax Withholdings and Pension	NIL	NIL
(1,000.00)	Other Creditors	NIL	NIL
		NIL	NIL

**Bell Pottinger LLP  
(In Administration)  
Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 12/09/2017 To 11/03/2018	From 12/09/2017 To 11/03/2018
(13,445,000.00)	1,266,231.25	1,266,231.25
REPRESENTED BY		
Input VAT		122,415.53
BOS - Administration A/C		1,043,936.74
Barclays: Pre Appointment A/C		41,957.73
Barclays: Pre Appointment A/C (AED)		15.60
Barclays: Pre Appointment A/C (BHD)		827.37
Barclays: Pre Appointment A/C (EUR)		2,171.01
Barclays: Pre Appointment A/C (EUR2)		32,740.58
Barclays: Pre Appointment A/C (SAR)		26,330.59
Barclays: Pre Appointment A/C (SGD)		4,407.25
Barclays: Pre Appointment A/C (USD)		25,950.18
Output VAT		(34,521.33)
		<b>1,266,231.25</b>

**TO ALL KNOWN CREDITORS AND MEMBERS**

**12 April 2018**

Our Ref 00276271/WMT/DF/C2

Please ask for  
David Forster  
0151 237 4530  
Email BRCMT@bdo.co.uk

Dear Sirs

**Bell Pottinger LLP - In Administration ('the Partnership' or 'BPLL')**

It is now six months since my appointment in respect of the Partnership. In accordance with Rule 18.6 of the Insolvency (England and Wales) Rules 2016, I am now reporting the progress made in implementing the approved Proposals and achieving the statutory purpose of the Administration for the period from 12 September 2017 to 11 March 2018 ('the Period').

**1 Statutory Information**

The Joint Administrators are William Matthew Humphries Tait (officeholder number: 9564), Malcolm Cohen (officeholder number: 6825) and Colin Michael Trevethyn Haig (officeholder: 7965) all of BDO LLP, 55 Baker Street, London, W1U 7EU and were appointed in respect of the Partnership on 12 September 2017. Under the provisions of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 the Administrators carry out their functions jointly and severally meaning any action can be done by one Administrator or by all of them.

The Joint Administrators were appointed by the designated members of the Partnership, pursuant to Paragraph 22 of Schedule B1 to the Insolvency Act 1986. The Administration proceedings are dealt with in the High Court of Justice, Chancery Division, Companies Court and the Court case number is 006683 of 2017.

The Partnership's registered office is situated at 55 Baker Street, London W1U 7EU, and the registered number is OC380478. The Partnership's former trading address was 6<sup>th</sup> Floor, Holborn Gate, 330 High Holborn, London WC1V 7QD.

**2 Receipts and Payments**

I enclose at Appendix 1, a summary of my receipts and payments to date showing a balance in hand of £1,266,231. The account is shown net of VAT as this will be recoverable and payable under the Group VAT registration.

### **3 Summary of what we have done to date**

You will recall from the Proposals that following the appointment of the Joint Administrators an immediate review of the Partnership's affairs together with those of Bell Pottinger Private Ltd ('BPPL') and Bell Pottinger (Services) Ltd ('BPSL') (together 'the Group') was undertaken. This assessment was undertaken with the support of the designated members and the Group's senior management team.

The outcome of this review was to implement a controlled wind down of the underlying operations of the Group to:

- support on going delivery and finalisation of certain client engagements, thus minimising the potential for breach of contract claims from clients and maximising debtor recoveries;
- implement stabilisation plans for the overseas subsidiaries owned by the corporate entities in support of the Joint Administrators' strategy to maximise realisations from the sale of these; and
- support the orderly transfer of client relationships and to enter into discussions with exiting partners of the Partnership to transition these clients elsewhere in return for a fee directly related to the future income generated from these clients.

It was anticipated that this approach would maximise net realisations for the benefit of the creditors generally.

### **4 Progress since the date of the proposals**

#### **4.1 Wind down of operations**

At the date the Joint Administrators issued their proposals, the affairs of the Group had been substantially wound down and significant progress made towards winding down the operations of the Group and positioning it to maximise realisations.

Since this date, the Joint Administrators have vacated Holborn Gate (the Group's head office) following the sale of the chattel assets and the removal of the Company's records, its server and IT equipment. All electronic and hard copy data is being retained by them pending conclusion of investigations into the affairs of the Group.

One member of staff was retained to assist the Joint Administrators to finalise certain financial matters. This remaining employee was made redundant on 24 November 2017.

At the date of this report, one partner has been retained to assist the Joint Administrators to finalise the affairs of the Partnership and the corporate entities. We are advised that prudently it is beneficial to ensure that BPLLP retains its LLP status, and to achieve this, at least one partner must remain in office.

You may recall that to support the strategy, Lloyds Bank Plc provided the Partnership in Administration with a funding facility of £1m. At the date of this report, this has been fully repaid from realisations.

## 4.2 Realisation of assets

### Revenue share agreements

As detailed in the Joint Administrators' Proposals, the strategy for partners exiting the Partnership has been as follows:

- engage with partners regarding the terms of the Partnership Deed and provide confirmation of the restrictive covenants and excess drawing provisions;
- to work with the partners to maintain existing projects to protect debtor balances; and
- assist to facilitate the transfer of client relationships for value, by entering into Revenue Sharing Agreements ('RSA') with the partner wishing to transfer clients.

The Joint Administrators have entered into 13 RSAs with exiting partners generating income of £147,694 to date. Contract terms are being negotiated for a further 4 RSAs. The current expectation is that total income from the RSA's over the course of the next 6 months will total approximately £300-£400,000.

We previously indicated that the value derived from the RSAs be treated as goodwill and therefore be caught under the Bank's fixed charge security. The Joint Administrators sought legal advice and it has since been confirmed that the RSA income is in fact a floating charge realisation and is therefore subject to the provisions of the prescribed part.

### Trade debtors

As detailed in the Proposals, the gross debtors at the date of the Joint Administrators' appointment totalled £7m across 185 accounts.

The position as at the date of this report is as follows:

	31/03/2017	30/09/2017	30/09/2017
	£	£	£
Current ledger total at 31/03/17	7,277		7,277
Revised ledger total after transfers	7,277	30	7,307
Bank debt provisions	(825)	(1,406)	(2,231)
Provisions	(215)	(3)	(218)
Third party liability contribution	(1,406)		(1,406)
	4,831	(1,421)	3,416
Revised ledger total	2,936	1,979	4,915
Revised ledger before further provisions & costs	2,712	(1,623)	1,089

The strategy to conclude certain projects and facilitate the transfer of client contracts as part of an orderly wind down of the Group's business has contributed to the collectability of the ledger by minimising claims for breach of contract. Collections to date total £2.5 million.

The bad debt provision of £2.2million relates to lack of supporting paperwork, in-advance invoicing and limitations to enforcement of debt judgments in foreign jurisdictions.

The Joint Administrators have been assisted by a specialist debt collection agency, CreDebt Limited on a contingent fee basis and they have been paid £82,488.10 plus VAT in relation to collections of £1,626,415.

The Joint Administrators continue to pursue the remaining ledger and are in dialogue with a number of parties. It is anticipated that a further £350k of the remaining ledger of £889k is collectable and advanced negotiations are on going with a foreign debtor to facilitate payment.

#### ***Cash at bank***

The Group had funds totalling £1.13 million in accounts held with Lloyds Bank plc at the date of the Joint Administrators' appointment. Following appointment, these funds were set-off against the BPPL long-term loans, pursuant to the set-off provisions contained in the facility agreement.

The Group operated foreign currency bank facilities with Barclays Bank plc and at the date of Administration, £116k was held in the accounts of the Partnership. These accounts are in the process of being closed and Barclays has been requested to transfer the balances into the Administration account.

#### ***Bell Pottinger Bahrain S.P.C ('BP Bahrain')***

The sole client of Bahrain gave notice of contract termination on 7 September 2017, which became effective on 22 October 2017.

Since Administration, the Group (in particular BPLLP) has supported the Bahrain team to deliver on going contracted services up to the date of termination. A binding agreement between EDB Bahrain (the client), BP Bahrain, BPLLP and BPPL to settle certain subcontractor costs and to enable Group recharges to be recovered was entered into following appointment of the Joint Administrators.

Total net realisations of £114k have been received to date (excluding approximately £6k of share capital, which is reflected in BPPL as the 100% shareholder of BP Bahrain).

The solvent winding up of BP Bahrain commenced on 11 December 2017 and completed on 31 January 2018.

#### **4.3 Other actions**

##### ***Partnership tax matters***

The Joint Administrators sought assistance from our specialist team of tax advisors in relation to the completion and submission of the historic Partnership tax returns and also in relation to submission of a terminal loss relief claim (available following cessation of a businesses trade).

Both of these are required to allow the partners to conclude their tax affairs and for the Joint Administrators to be able to finalise the potential for over/under drawing of Partnership profits, particularly for the Period commencing on 1 January 2017 and ending on the date of the Joint Administrators' appointment. To the extent that drawings have exceeded profits for this Period, it may be possible to recover these funds for the benefit of the creditors. These matters are highly complex and expert legal advice has been sought.

Any update on this will be provided in the next report.

#### **5 Outcome of the meeting of creditors held on 24 November 2017**

The Joint Administrators' proposals summarised under resolution 1 were approved by the creditors as follows:

- a) The Joint Administrators continue to manage the Partnership, its business and realise assets in accordance with objective 3 of the statutory purpose of the Administration;
- b) The Joint Administrators assisted by the specialists within the BDO Forensic and Contentious Insolvency departments and their legal advisors continue to investigate any potential actions that may be brought and respond to actions notified by third parties;
- c) They continue to realise assets in accordance with objectives 2 and 3 of the statutory purpose of the Administration;
- d) They make payments to the secured creditor; and
- e) They exit the Administration by way of a Compulsory Liquidation and that William Matthew Humphries Tait, Malcolm Cohen and Colin Michael Trevethyn Haig will be the Joint Liquidators and will act jointly and severally. Alternatively, the Partnership will be dissolved.

NB. Under Paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.117(3) creditors may nominate different liquidators, but in the absence of such nomination the above named would become the liquidators.

At the meeting of creditors, the following representatives agreed to form a Creditors' Committee to assist the Joint Administrators:

- Mr Philip Pank
- Mr Steve Summers
- Bell Pottinger Bahrain Co.SPC\*
- Bell Pottinger Middle East
- JSC Kahzumunai Gas Exploration

\* No longer a creditor following the dissolution of the Company so their membership automatically terminates.

## **5.1 Creditors' Committee**

The statutory filing requirements regarding constitution of the Creditors' Committee has been filed at Companies House.

The Joint Administrators have held two meetings of the committee concerning the Administration. Future meetings and updates will be agreed between the Joint Administrators and the committee when they are in a position to consult with them on issues arising in the Administration.

## **6 Investigations**

The Joint Administrators are rigorously investigating the affairs of the Partnership to establish if there are any rights of action that can be pursued for the benefit of the creditors as a whole. This includes the reasons for the failure of the Group's business and the conduct of the partners . In this later respect, the Joint Administrators must submit a confidential report to the Secretary of State and a report has been submitted.

If any creditor holds any information which may assist us in the Administrations or which they believe requires further investigation please contact the Joint Administrators at BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH.

## **7 Extension of Administration**

The Administration Order is due to expire on 12 September 2018 but it is likely that creditors will be asked to consent to an extension of the Administration to allow the Joint Administrators to complete their objectives.

## **8 Prospects for Creditors**

### **8.1 Secured Creditor**

The following charge is registered at Companies House:

Creditor	Security granted	Date
Lloyds Bank PLC	Composite Debenture - containing fixed & floating charges	17/03/2017

The proposals previously reported at the date of the Administrators' appointment that £6.7m was due to Lloyds Bank PLC ('the Bank') in relation to term loans in the name of BPPL. Following a further reconciliation of the Banks debt the revised amount owing to the Bank at the date of the Administrators' appointment was £6.3m.

The debt was secured by the security stated above, which included guarantees from both BPSL and BPPL.

Following the Administrators' appointment, the Bank set-off approximately £1.1m of Group funds against the term loans, pursuant to the terms contained in their facility agreement (previously reported as £1.2m).

The Bank is therefore currently owed c.£5.2m subject to accruing interest and charges.

To date, the Joint Administrators of BPLLP have distributed £65k to the Bank from Floating charge realisations.

No personal guarantees have been provided in support of the Bank liability.

## **8.2 Preferential Creditors**

Preferential claims are defined as monies owed to former employees in respect of arrears of wages and accrued holiday pay at the date of Administration. The Partnership did not have any employees and therefore the Joint Administrators do not anticipate receiving any preferential claims in the Administration.

## **8.3 Unsecured Creditors**

Unsecured creditors claim are as follows:

Creditor	Amount claimed (£)	Amount paid (£)
BPLLP	14,562,000	157,010

Creditor claims have not been agreed and therefore the quantum remains subject to change.

## **8.4 Prescribed Part**

Under the provisions of Section 176A of the Insolvency Act 1986 the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where a company/partnership has granted a floating charge to a creditor after 15 September 2003.

Based on present information the Joint Administrators estimate that after allowing for costs the value of the Partnership's net property, will be £1m and this would equate to a Prescribed Part of approximately £207k. These estimates are reliant on future realisations and costs and therefore remain subject to change.

## 9 Pre Appointment Costs

The Joint Administrators' Proposal included a resolution to pay pre appointment costs as set out below:

- (i) the fees charged by the Joint Administrators;
- (ii) the expenses incurred by the Joint Administrators;
- (iii) the fees charged (to the Joint Administrators' knowledge) by any other person qualified to act as an insolvency practitioner.

The below table summarises the pre-appointment costs paid and outstanding as at the date of the Joint Administrators' appointment with regard to all entities in the Group. The requisite approval to discharge all of the pre appointment costs was sought and approved by the Creditors' Committee.

Pre-Appointment Costs		
As at 15 September 2017		
Entity	Pre-Appointment Costs Paid	Pre-Appointment Costs Outstanding
BDO LLP Pre Appointment Time Costs	161,354	
Stephenson Harwood LLP	10,800	6,527
Ashurst LLP		33,000
Gordon Brothers		5,000
Infinite Global		3,839
<b>Total</b>	<b>172,154</b>	<b>48,366</b>

### (i) The fees charged by the Joint Administrators

BDO LLP was engaged by the Group in accordance with the letters of engagement dated 16 August 2017 and 5 September 2017. The scope of the work covered under the letters of engagements was as follows:

- Financial and options analysis;
- Financial and options analysis in support of the Directors' engagement with key stakeholders;
- Attendance at Board meetings and other meetings;
- Accelerated merger & acquisition process;
- Production of Information Memorandum;
- Provision of data room hosting services; and
- Liaising with interest parties, offers and sale negotiations.

In respect of the fees and expenses incurred by the Joint Administrators prior to the Administration appointments, these were subject to a formal engagement with the

Group dated 16 August 2017 and 5 September 2017 which set out that our fees would be based on discounted time costs.

**(ii) The expenses incurred by the Joint Administrators**

The engagement letters also provided for the proposed Joint Administrators to engage other specialists to assist, where necessary, on such reasonable terms as could be negotiated.

In this regard I report as follows:

**Stephenson Harwood LLP** - was engaged by the Group to provide legal advice to the Group. The sum of £10,800.00 (gross) was paid prior to Administration.

A further payment of £6,527 has been made in the Period.

**Ashurst LLP** - was retained and engaged by the Group to provide legal advice in respect of the steps required to place the entities into Administration and to draft and file the Administration appointment documents. In the Period a payment of £11,153 has been made in respect of costs incurred, leaving outstanding costs of £21,847 which will be paid from BPPL and BPSL respectively in equal proportions to bring their account to zero.

**Gordon Brothers** - was engaged by the Group to provide asset valuation advice. The costs outstanding at the date of the Joint Administrators' appointment, totalling £5,000, have been paid in the Period.

**Infinite Global** - was engaged by BDO LLP to provide specific public relations advice in relation to the proposed Joint Administrators' appointment. The unpaid costs (net) total £3,839.43 and remain outstanding.

**(iii) The fees charged (to the Joint Administrators' knowledge) by any other person qualified to act as an insolvency practitioner.**

The Joint Administrators are not aware of any other person qualified to act as an insolvency practitioner having acted in relation to the Partnership immediately preceding the appointment of the Joint Administrators.

**10 Joint Administrators' Remuneration**

Pursuant to the Rules, the Joint Administrators are obliged to fix their remuneration in accordance with Rule 18.16. This permits remuneration to be fixed either:

- (1) As a percentage of the assets realised and distributed; and/or
- (2) By reference to the time the Joint Administrators and their staff have spent attending to matters in the Administration; and/or
- (3) As a set amount; and/or
- (4) As a combination of the above.

I attach a schedule to Appendix 2 detailing the time costs incurred in the Period. This records time costs of £859,498 which represents 1,909 hours spent at an average charge out rate of £450 per hour.

Included below is the Joint Administrators' original Fees Estimate annotated with a column showing the time costs accrued in respect of each activity:

**Joint Administrators' Fees  
Estimate as at 3 November 2017  
compared to actual Fee as at 11  
March 2018.**

	Total Hours	Blended Rate £	Estimated Fee £	Actual Fee £
Summary Activity				
B. Steps on Appointment	58	328	19,024	20,990.40
C. Planning and Strategy*	60	626	37,540	65,318.10
D. General Administration*	91	522	47,502	175,618.50
E. Assets Realisation/Dealing*	400	594	237,600	423,538.00
F. Trading Related Matters*	103	423	43,569	52,555.80
G. Employee Matters	57	406	23,142	8,022.65
H. Creditor Claims*	52	214	11,128	41,031.25
I. Reporting*	61	520	31,720	72,423.50
<b>TOTAL</b>			<b>451,225</b>	<b>859,498.20</b>
<b>BDO Forensic Services</b>			<b>300,000</b>	<b>323,247</b>

\*\* The Joint Administrators have reviewed the above estimated Fees' Estimate and make the following observations concerning the estimates versus accrued costs where there is a substantial variance:

- With regard to activities (B),(C),(D),(F) and (H) a full analysis of the costs can be found at Appendix 2. The proposals and the report try to summarise the key areas that the Joint Administrators have been dealing with since their appointment. These costs are mainly associated with the statutory aspect of the Administration and are therefore required by statute.
- Assets Realisation/Dealing (E) - the previous estimate of £237,600 excluded the costs of debt collection and this was an omission in the proposals. This has now been rectified and will explain the difference between the accrued fee and the Estimated Fee. A full analysis of the time incurred under this heading can be found at Appendix 2 under (E).

At the time of the proposals debt collections totalled £2.1m and at the date of this report collections have increased by a further £402k with future recoveries estimated at £350k. (see paragraph 4.2).

The Joint Administrators have been supported by the BDO Forensic Services team in fulfilling their statutory obligations in the Administration. The specialist work undertaken by them assisting the Joint Administrators includes:

- Onsite support in securing all data in electronic and hard copy format;

- Managing and overseeing the extraction of data pertaining to the overseas subsidiaries;
- Reviewing relevant insurance policies; and
- Liaising with and meeting with the engaged legal advisors

The Creditors' Committee have approved a resolution authorising the Joint Administrators' to draw fees on account from the balance in hand within the fee estimate of £451,225. Further requests over and above this amount will only be made after a revised fee estimate has been issued to the Creditors' Committee to seek their approval.

As previously reported in the proposals that were circulated to all relevant parties the time costs incurred by the Joint Administrators and their staff during the Period can be attributed to the following:

- Immediate review of the Partnership/Group affairs with particular regard to both the financial and resource requirements of the businesses;
- A controlled wind down of the Partnership/Group operations to support the overall strategy to support/finalise existing engagements, to implement and support stabilisation plans for the overseas subsidiaries and to implement an orderly transfer of projects to protect the debtors ledger and maximise realisations;
- Attendance on site.
- Meetings with staff/partners and management following the appointment;
- Employee and Partner redundancy and retention programme;
- Consulting and reporting to the secured creditor at all times concerning strategy and subsequent implementation.
- Instructing agents Gordon Brothers to value and dispose of the unencumbered chattel assets;
- Securing access and control of the hard and soft copy data/books/records of the Group;
- Gathering all financial information;
- Identifying and securing support of the existing suppliers by way of undertaking to pay for ongoing services during the wind down Period;
- Creditor and partner enquiries;
- Book and other debtor realisation ( including impact of subsidiary realisation strategies);
- Tax matters including finalisation of Period end accounts for purposes of calculating Terminal Loss Relief;
- Insurances;
- Negotiating Revenue Share Agreements with partners and monitoring the collection of income;
- Press and Media enquiries;
- Litigation review and responses to inbound litigation notification;
- Investigations into the financial affairs of the Group and the office holders;
- Internal management meetings and process control;
- Liaising with the engaged legal advisors in relation to matters arising in the Administration;
- Dealing with all statutory duties to include appointment related tasks, preparation of the proposals, reporting on the conduct of the directors, maintaining all statutory records etc.

The Joint Administrators time costs have been approved by the Creditors' Committee but limited to the original Fees estimate. No further fees will be drawn outside of this estimate without firstly issuing a revised Fee estimate and seeking the Committee approval.

It has been necessary to utilise substantial senior time due to the complex issues arising which are covered in this report and as outlined in the Joint Administrators' proposals.

For guidance, I enclose at Appendix 3 a document which outlines the policy of BDO LLP in respect of fees and disbursements.

## 11 Expenses Estimate

The following table shows the expenses incurred and accrued during the Period of this report together with an estimate where possible for future costs.

Estimated Expenses Incurred and Accrued during the Period of this Report			
£			
Agent's Costs		7,770	
Solicitors Costs	160,200	160,452	20,000
Trading Costs	1,000,000	1,066,132	218,000
Total	1,160,200	1,234,354	238,000

### 11.1 Agents' Costs

Gordon Brothers costs including disbursements in relation to the disposal of the chattel assets. These were not previously included in the original Fees & Expenses estimate as there was no known value for the chattel assets.

### 11.2 Solicitors' Costs

£160,691 has been paid to Stephenson Harwood LLP in relation to legal advice concerning:

- RSA agreements;
- Allocation of RSA income under the Bank's security;
- General advice relating to the partners and the Partnership Deed;
- Funding agreement with the Bank;
- Legal claims against the Partnership;
- Adhoc advice in relation to matters arising in the Administration.

This is in excess of the original Fees & Expenses estimate but due to the complexity of matters arising in the Administration, it has been necessary to seek legal advice in relation to the various issues arising.

### **11.3 Trading Costs**

Costs currently total £1m and have been essential to the strategy that the Joint Administrators have adopted during the Administration to date.

These costs are over the original Fees & Expenses estimate and future costs are being reviewed regularly to ensure that they are essential costs to the Administration.

These costs relate to storage, preservation of hard copy record records, employee and partner retainers in accordance with the agreements entered into with these parties.

### **11.4 Other Expenses**

These are all included in Appendix 1 and are classed as essential costs :

- Debt collection costs;
- Storage costs in respect of Company books and records
- Rents payable for the Joint Administrators' Period of occupation of Holborn Gate;
- Bank charges, bond premium etc.

In relation to the Joint Administrators' future estimates for expenses the current estimates in this report are based on the next 6 months and may be subject to change as matters progress in the Administration. In particular the legal costs estimate excludes a provision for litigation costs.

## **12 Joint Administrators' Disbursements**

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. Category 1 disbursements of £8,489 have been incurred in the Period as detailed in the below table.

Some Administrators recharge expenses, for example printing, photocopying and telephone costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP in respect of this appointment is not to charge any category 2 disbursements with the exception of mileage on the basis of the mileage scale approved by HMRC, being 45p per mile unless otherwise disclosed to the creditors. No category 2 disbursements have been incurred in the Period.

Total disbursements of £8,489 have been incurred in this Administration as detailed below:

Disbursement	Cat 1 (£)	Cat 2 (£)	Total (£)
Statutory Bonding	67		67
Staff Travel & Accommodation	4,724		4,724
Statutory Advertising	164		164
Consulting	3,479		3,479
Sundry Expenses	55		55
	8,489	-	8,489

To date, the disbursements detailed above have not been drawn.

### 13 Creditor Rights and Enquiries

Creditors with the concurrence of at least 5% in value of the unsecured creditors may within 21 days of this report request in writing further information regarding the remuneration and expenses set out in this report. In accordance with Rule 18.9(3) of the Rules within 14 days of a request we will provide further information or explain why further information is not being provided. Creditors may access information setting out creditors' rights in respect of the approval of Administrator's remuneration at <https://www.r3.org.uk/what-we-do/publications/professional/fees>.

Creditors with the concurrence of at least 10% of the creditors may apply to the court if they consider that the remuneration of the administrators, or the basis fixed for the remuneration of the administrator or expenses charged by the Administrator are excessive (Rule 18.34 of the Rules). Such an application must be made within 8 weeks of receiving this report. The text of Rules 18.9 and 18.34 are set out at the end of this report.

The Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at <http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>.

Creditors may access information setting out creditors' rights in respect of the approval of Joint Administrators' remuneration at <https://www.r3.org.uk/what-we-do/publications/professional/fees>.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency practitioners. In the event that you make a complaint to me but are not satisfied with the response from me then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.



If you require any further information, please contact me or my colleague David Forster at [BRCMT@bdo.co.uk](mailto:BRCMT@bdo.co.uk).

Yours faithfully  
for and on behalf of  
Bell Pottinger LLP

A handwritten signature in black ink, which appears to read 'W. Tait', is written over a horizontal line.

William Matthew Humphries Tait  
Joint Administrator

Enc

William Matthew Humphries Tait, Colin Michael Trevethyn Haig and Malcom Cohen were appointed Joint Administrators of the LLP on 12 September 2017. The Joint Administrators are all authorised to act as Insolvency Practitioners in the UK by the Institute of Chartered Accountants in England and Wales in the UK. The Joint Administrators act as agents of the LLP and contract without personal liability.

**Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of creditors in respect of the Joint Administrators' fees and expenses:**

**Creditors' and members' requests for further information in administration, winding up and bankruptcy**

**18.9.—**(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
  - (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
  - (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
  - (d) any unsecured creditor with the permission of the court; or
  - (e) any member of the company in a members' voluntary winding up with the permission of the court.
- (2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.
- (3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—
- (a) providing all of the information requested;
  - (b) providing some of the information requested; or
  - (c) declining to provide the information requested.
- (4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—
- (a) the time or cost of preparation of the information would be excessive; or
  - (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
  - (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
  - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—
- (a) the office-holder giving reasons for not providing all of the information requested; or
  - (b) the expiry of the 14 days within which an office-holder must respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

**Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive**

**18.34.**—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
- (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
- (c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—

- (a) a secured creditor,
- (b) an unsecured creditor with either—
  - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
  - (ii) the permission of the court, or
- (c) in a members' voluntary winding up—
  - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
  - (ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ('the relevant report').

**Applications under rules 18.34 and 18.35 where the court has given permission for the application**

**18.36.**—(1) This rule applies to applications made with permission under rules 18.34 and 18.35.

(2) Where the court has given permission, it must fix a venue for the application to be heard.

(3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

- (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
- (b) an order reducing any fixed rate or amount;
- (c) an order changing the basis of remuneration;
- (d) an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the administration, winding up or bankruptcy;
- (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
  - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
  - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
- (f) any other order that it thinks just.

(5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.

(6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

**Applications under rule 18.34 where the court's permission is not required for the application**

**18.37.**—(1) On receipt of an application under rule 18.34 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.

(2) Unless the application is dismissed, the court must fix a venue for it to be heard.

(3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.

(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

(a) an order reducing the amount of remuneration which the office-holder is entitled to charge;

(b) an order reducing any fixed rate or amount;

(c) an order changing the basis of remuneration;

(d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration or winding up or bankruptcy;

(e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —

(i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or

(ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;

(f) any other order that it thinks just.

(5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.

(6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.

**Summary of Receipts and Payments**

Please see below a summary of my receipts and payments, to the extent that they have not been referred to previously in this report. Enclosed is my receipts and payments account to 11 March 2018 showing a balance in hand of £1,266,231 and I report as follows:

**Receipts**

The below table summarises the receipts referred to in this section:

Receipts	Period: £
Fixtures & Fittings	14,121
Cash at Bank	104,893
Bank Interest	2,510
Sundry Refunds	7,663

The Receipts shown are largely self-explanatory, although I would comment specifically on:

***Fixtures & Fittings***

The Partnership realised an amount of £14,121 in respect of Fixtures & Fittings.

***Cash at Bank***

Please see paragraph 4.2 of the report.

***Interest Gross***

The Partnership received a total payment of £2,510 in respect of Bank Interest accrued during the Period.

***Sundry Refunds***

During the Period, the Partnership received £7,663 from Vitality Health in respect of Sundry Refunds.

**Payments**

The Payments shown are largely self-explanatory, although I would comment specifically on:

***VAT Paid***

The Partnership was unable to recover VAT of £80 in the Period.

***Storage Costs***

The Partnership paid Total Data Management £3,047 in respect of storage costs during the Period.

***Rents Payable***

In respect of Rents Payable, the Partnership made a payment of £138,204 to Colliers International in the Period.

***Bank Charges***

During the Period, the Partnership paid £95 to BOS in respect of bank charges.

***Legal Fees & Disbursements***

During the Period, the Partnership paid a total of £160,452 in respect of legal fees & disbursement.

***Agents' fees & Disbursements***

During the period, the Partnership paid a total of £7,770 in respect of Agents' fees & Disbursements charges incurred during the Period of this report.

***Trading Expenses***

EXPENSES	£
Employee Related Costs	758,890
Bell Pottinger Bahrain S.P.C. funding	50,697
I.T Costs	157,494

It was necessary to make the above payments at the outset of the appointment to protect the debtors' ledger and minimise counter claims as well as securing a smooth transfer of projects to partners in an orderly fashion.

***Partner/Employee Costs***

During the Period, the Partnership paid £758,890 in respect of Employee related costs. A payment of £55,424 was paid in respect of Partner/Employee costs, £587,763 in respect of wages and salaries, and £115,704 in respect of PAYE/NIC. A further payment of £86k is to be paid to certain partners in accordance with their retention agreements in the period to final cessation.

***I.T Costs***

During the Period, the Partnership paid a total of £157,494 to multiple I.T Companies in respect of costs incurred to continue using I.T systems.

**Bell Pottinger LLP  
(In Administration)  
Joint Administrators' Trading Account**

Statement of Affairs	From 12/09/2017 To 11/03/2018	From 12/09/2017 To 11/03/2018
TRADING EXPENSES		
Partner / Employee Costs	55,423.56	55,423.56
Wages and salaries	587,762.64	587,762.64
PAYE/NIC	115,703.79	115,703.79
Telephony	32,043.04	32,043.04
PR Services	17,437.50	17,437.50
Sundry Costs	741.82	741.82
IT	157,493.56	157,493.56
Bell Pottinger Bahrain S.P.C-funding	50,696.99	50,696.99
Security & Cleaning Costs	3,308.00	3,308.00
Finance & Leasing	969.06	969.06
Professional Fees	2,100.00	2,100.00
Stationery and Postage	490.00	490.00
Insurance	82,691.66	82,691.66
Bank Charges & Interest	2,094.29	2,094.29
	(1,108,955.91)	(1,108,955.91)
TRADING SURPLUS/(DEFICIT)	(1,108,955.91)	(1,108,955.91)

**Bell Pottinger LLP**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 12/09/2017 To 11/03/2018	From 12/09/2017 To 11/03/2018
	<b>FIXED CHARGE ASSETS</b>		
Uncertain	Goodwill	NIL	NIL
	Revenue Service Agreement (Partners	NIL	NIL
		NIL	NIL
	<b>FIXED CHARGE CREDITORS</b>		
(6,241,000.00)	Lloyds Banking (net of cash)	NIL	NIL
		NIL	NIL
	<b>ASSET REALISATIONS</b>		
1,062,000.00	Intercompany Receivables	NIL	NIL
	Fixtures & Fittings	14,121.27	14,121.27
NIL	Sundry Debtors	NIL	NIL
6,180,000.00	Book debts	2,527,854.74	2,527,854.74
116,000.00	Cash at Bank	104,893.42	104,893.42
	Revenue Share Agreement (Partners N	147,694.20	147,694.20
Uncertain	Accrued Income	NIL	NIL
	Interest Gross	2,510.31	2,510.31
	Bank Interest Net of Tax	NIL	NIL
	Sundry Refunds	7,662.95	7,662.95
	Trading Surplus/(Deficit)	(1,108,955.91)	(1,108,955.91)
	Group Life Receipts	19,873.45	19,873.45
	EDB - Bahrain Recharges	225,355.99	225,355.99
		1,941,010.42	1,941,010.42
	<b>COST OF REALISATIONS</b>		
	Exchange rate gain	4,288.61	4,288.61
	Debt Collection costs	90,381.04	90,381.04
	Pre appt Agents' Fees & Disbs	5,000.00	5,000.00
	Pre appt Legal Fees & Disbs	17,679.46	17,679.46
	Costs re; Creditors meeting room	398.75	398.75
	EDB Reimbursement/ Expenses	111,514.25	111,514.25
	Irrecoverable VAT	79.75	79.75
	Storage Costs	3,046.64	3,046.64
	Rents Payable	138,203.99	138,203.99
	Staff Bonus Payments	70,588.58	70,588.58
	Bank Charges	95.45	95.45
	Agents' Fees & Disbs	7,769.70	7,769.70
	Legal Fees & Disbs	160,691.25	160,691.25
		(609,737.47)	(609,737.47)
	<b>FLOATING CHARGE CREDTS</b>		
	Floating Charge Holders	65,041.70	65,041.70
		(65,041.70)	(65,041.70)
	<b>UNSECURED CREDITORS</b>		
(2,839,000.00)	Intercompany Payables	NIL	NIL
(7,454,000.00)	HM Revenue & Customs	NIL	NIL
(3,515,000.00)	Accruals & Deferred Income	NIL	NIL
(753,000.00)	Partners Tax Withholdings and Pension	NIL	NIL
(1,000.00)	Other Creditors	NIL	NIL
		NIL	NIL

**Bell Pottinger LLP  
(In Administration)  
Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 12/09/2017 To 11/03/2018	From 12/09/2017 To 11/03/2018
(13,445,000.00)	1,266,231.25	1,266,231.25
REPRESENTED BY		
Input VAT		122,415.53
BOS - Administration A/C		1,043,936.74
Barclays: Pre Appointment A/C		41,957.73
Barclays: Pre Appointment A/C (AED)		15.60
Barclays: Pre Appointment A/C (BHD)		827.37
Barclays: Pre Appointment A/C (EUR)		2,171.01
Barclays: Pre Appointment A/C (EUR2)		32,740.58
Barclays: Pre Appointment A/C (SAR)		26,330.59
Barclays: Pre Appointment A/C (SGD)		4,407.25
Barclays: Pre Appointment A/C (USD)		25,950.18
Output VAT		(34,521.33)
		<u>1,266,231.25</u>

## Detail of Time Charged and Rates Applicable for the Period From 12/09/2017 to 11/03/2018

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
<b>B. Steps on Appointment</b>														
02. Statutory Documentation			0.80	160.00			4.05	469.80					4.85	629.80
07. Attendance at Premises			30.75	13,680.25									30.75	13,680.25
09. Preparation of Proposals			9.00	1,993.60					26.75	1,792.25			35.75	3,785.85
90 Other Matters	3.50	2,894.50											3.50	2,894.50
sub total -	3.50	2,894.50	40.55	15,833.85			4.05	469.80	26.75	1,792.25			74.85	28,998.40
<b>B. Steps on Appointment</b>														
<b>C. Planning and Strategy</b>														
02. Review Financial Position	59.50	37,485.00											59.50	37,485.00
05. Review Options Available	13.25	8,347.50											13.25	8,347.50
06. Meet Appointment Committees			1.40	280.00			1.60	185.60					3.00	465.60
07. Strategy Planning	21.50	15,931.50	3.50	1,410.50									25.00	17,342.00
90 Other Matters			4.00	1,678.00									4.00	1,678.00
sub total -	94.25	61,764.00	8.90	3,368.50			1.60	185.60					104.75	65,318.10
<b>C. Planning and Strategy</b>														
<b>D. General Administration</b>														
01. Insurance Matters			21.35	9,169.50									21.35	9,169.50
02. VAT			2.25	906.75									2.25	906.75

Name of Assignment

Bell Pottinger LLP

00276271

## Detail of Time Charged and Rates Applicable for the Period From 12/09/2017 to 11/03/2018

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
03 Taxation	47.00	41,596.25	33.25	13,640.95					9.50	2,606.50			89.75	57,843.70
04 Instruct Case Solicitors	5.00	3,150.00	1.50	644.50					3.50	328.50			6.50	3,754.50
05 Investigations			55.50	27,866.50									59.00	28,195.00
06 Conduct Reports			0.25	100.75									0.25	100.75
07 Receipts Payments Accounts	0.10	48.40	71.30	25,336.60	13.05	1,618.20	22.75	2,821.00	43.90	5,079.25	4.10	274.70	155.20	35,178.15
08 Remuneration Issues			6.70	2,819.70									6.70	2,819.70
09 Statutory Matters			48.65	21,302.75					2.85	190.95	0.20	27.40	51.70	21,521.10
13 General Meetings			0.75	192.75					4.00	949.00			4.75	1,141.75
14 General Discussions	3.00	2,223.00											3.00	2,223.00
15 Gen. Admin Correspondence	3.90	2,138.00	22.15	8,781.25			3.80	417.60	8.70	871.40	0.35	30.45	38.70	12,228.70
16 Maintain Internal Files			0.50	185.50									0.50	185.50
99 Other Matters			1.00	328.00	0.10	12.40							1.10	340.40
sub total -	59.00	49,155.65	265.15	111,235.50	13.15	1,630.60	26.35	3,238.60	72.45	10,025.60	4.65	332.55	440.75	175,618.50
B. General Administration														
E. Assets Realisation Dealing														
04 Agent Instruction Lending			0.50	201.50									0.50	201.50

Name of Assignment

Bell Pottinger LLP

00276271

## Detail of Time Charged and Rates Applicable for the Period From 12/09/2017 to 11/03/2018

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
06 Property Related Matters			3.25	1,367.50									3.25	1,367.50
07 Debt Collection	45.50	28,665.00	404.70	215,642.25	0.20	59.00	0.05	5.80					540.45	244,372.05
08 Dealing with Chattel Assets			3.25	1,417.00									3.25	1,417.00
09 Dealing with other Assets	83.25	52,447.50	50.50	22,018.00					12.00	2,988.00			145.75	77,453.50
10 HP Leasing Matters			3.00	1,308.00									3.00	1,308.00
14 Sale of Business Assets	80.00	59,280.00	61.00	27,844.00					11.55	2,875.95			152.55	80,000.95
99 Other Matters			14.50	6,671.50					3.00	747.00			17.50	7,418.50
sub total :	208.75	140,392.50	630.70	276,469.75	0.20	59.00	0.05	5.80	26.55	6,610.95			866.25	423,538.00
<b>E. Assets Realisation/Dealing</b>														
<b>F. Trading Related Matters</b>														
02 Trading other Projections														
03 Cashflow Forecasts														
04 Having down the Business			1.25	503.75									1.25	503.75
05 Attendance at Premises			21.20	9,243.20									21.20	9,243.20
06 Monitor Supervise Trading			7.00	3,052.00									7.00	3,052.00
07 Business Management			1.25	545.00									1.25	545.00

## Detail of Time Charged and Rates Applicable for the Period From 12/09/2017 to 11/03/2018

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
06 Trading Accounts	0.05	24.20	20.30	8,560.40					0.25	65.75			20.60	8,650.35
09 Business Closure			67.25	27,101.75									67.25	27,101.75
99 Other Matters			1.50	658.50									1.50	658.50
sub total -	0.05	24.20	119.75	49,664.60					11.50	2,867.00			131.30	52,555.80
F. Trading Related Matters														
G. Employee Matters														
02 Dealing with Employees			1.05	395.70									1.05	395.70
04 Pension Issues			0.55	125.95			0.15	17.40					0.70	143.35
99 Other Matters			18.10	7,483.60									18.10	7,483.60
sub total -			19.70	8,005.25			0.15	17.40					19.85	8,022.65
G. Employee Matters														
H. Creditor Claims														
02 Secured Creditors			90.65	36,216.15									90.65	36,216.15
03 Preferential Creditors			0.30	68.70									0.30	68.70
04 Non-Preferential Creditors			4.00	1,583.10			3.65	423.40	10.90	1,230.80	0.30	26.10	18.85	3,263.40
06 Other Creditors							0.50	58.00					0.50	58.00
99 Other Matters			3.00	1,425.00									3.00	1,425.00

Name of Assignment

Bell Pottinger LLP

00276271

## Detail of Time Charged and Rates Applicable for the Period From 12/09/2017 to 11/03/2018

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
sub total -			97.95	39,292.95			4.15	481.40	10.90	1,230.80	0.30	26.10	113.30	41,031.25
H. Creditor Claims														
I. Reporting														
01 Statutory Reporting			7.00	2,339.90					22.70	3,158.90			29.70	5,498.80
02 Reporting to Appointor			25.40	12,421.90									25.40	12,421.90
03 Reporting to Committee			16.00	6,448.00					9.65	646.55			25.65	7,094.55
04 Reporting to Creditors	21.00	13,563.00	0.25	109.00									21.25	13,672.00
06 Reporting to other bodies	49.25	31,027.50											49.25	31,027.50
99 Other Matters			6.25	2,708.75									6.25	2,708.75
sub total -	70.25	44,590.50	54.90	24,027.55					32.35	3,805.45			157.50	72,423.50
I. Reporting														
Net Total														859,498.20
Secretarial Expense														0.00
Other Disbursements														0.00
Billed														0.00
Grand Total														859,498.20

**Bell Pottinger LLP - In Administration**

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency, follows:

<b>GRADE</b>	<b>£</b>
Partner	726
Manager	321-560
Assistant Manager	289
Senior Administrator	270-289
Administrator	100-244
Other Staff	100

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP, 55 Baker Street, London, W1U 7EU are reviewed in December and July each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories: -

Pre Appointment  
Steps upon Appointment  
Planning and Strategy  
General Administration  
Asset Realisation/Management  
Trading Related Matters  
Employee Matters  
Creditor Claims  
Reporting  
Distribution and Closure  
Other Issues.

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

1) Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

**1) Category 1**

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

**2) Category 2**

Insolvency practice additionally provides for the recharge of expenses such as printing, stationery, photocopying charges, telephone, email and other electronic communications eg webhosting, which cannot be economically recorded in respect of each specific case. Such expenses, which are apportioned to cases, must be approved by the creditors in accordance with the Insolvency (England and Wales) Rules 2016, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP, in respect of this appointment is not to recharge any expense which is not a specific cost to the case, therefore there will be no category 2 disbursements charged.

A further disbursement under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP  
11 April 2018