

AM10

Notice of administrator's progress report



Companies House

TUESDAY



A8FM5Y88

A20

08/10/2019

#34

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

London

Post town

County/Region

Postcode W 1 U 7 E U

Country

4 Administrator's name ①

Full forename(s) Malcolm

Surname Cohen

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 55

Street Baker Street

London

Post town

County/Region

Postcode W 1 U 7 E U

Country

② Other administrator

Use this section to tell us about
another administrator

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 1 ^d 2	^m 0 ^m 3	^y 2 ^y 0 ^y 1 ^y 9
To date	^d 0 ^d 6	^m 0 ^m 9	^y 2 ^y 0 ^y 1 ^y 9

7 Progress report

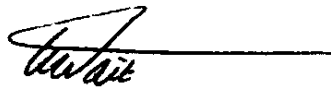
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d0^d4

^m1^m0

^y2^y0^y1^y9

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 **William Matthew Tait**

Company name **BDO LLP**

Address
5 Temple Square
Temple Street

Post town **Liverpool**

County/Region

Postcode **L 2 5 R H**

Country

DX **BRNOTICE@bdo.co.uk**

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 or email enquiries@companieshouse.gov.uk

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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
- LIQ2, LIQ3, 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
London
Post town
County/Region
Postcode W 1 U 7 E U
Country

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

Statement of Affairs £	From 12/03/2019 To 06/09/2019 £	From 12/09/2017 To 06/09/2019 £
TRADING EXPENSES		
Bank Charges & Interest	NIL	2,132.04
Bell Pottinger Bahrain S.P.C-funding	NIL	35,838.75
Finance & Leasing	NIL	969.06
Insurance	NIL	95,002.46
IT	47,167.80	345,198.62
Partner / Employee Costs	13,146.68	90,799.09
PAYE/NIC	NIL	115,703.79
PR Services	NIL	20,312.50
Professional Fees	NIL	2,100.00
Security & Cleaning Costs	NIL	3,308.00
Stationery and Postage	NIL	490.00
Sundry Costs	NIL	741.82
Telephony	661.28	33,634.56
Wages and salaries	NIL	663,880.04
	(60,975.76)	(1,410,110.73)
TRADING SURPLUS/(DEFICIT)	(60,975.76)	(1,410,110.73)

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

Statement of Affairs £		From 12/03/2019 To 06/09/2019 £	From 12/09/2017 To 06/09/2019 £
	FIXED CHARGE ASSETS		
Uncertain	Goodwill	NIL	NIL
	Revenue Service Agreements	NIL	NIL
		NIL	NIL
	FIXED CHARGE CREDITORS		
(6,241,000.00)	Lloyds Banking (net of cash)	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
Uncertain	Accrued Income	NIL	NIL
	Bank Interest Net of Tax	NIL	NIL
6,180,000.00	Book debts	NIL	2,978,048.94
116,000.00	Cash at Bank	(827.37)	104,071.99
	EDB - Bahrain Recharges	NIL	225,355.99
	Excess drawings income	151,582.56	154,473.56
	Fixtures & Fittings	NIL	14,121.27
	Group Life Receipts	NIL	19,873.45
1,062,000.00	Intercompany Receivables	NIL	NIL
	Interest Gross	2,044.15	9,353.49
	Revenue Share Agreements	1,400.00	402,578.64
NIL	Sundry Debtors	NIL	NIL
	Sundry Refunds	NIL	8,456.29
	Trading Surplus/(Deficit)	(60,975.76)	(1,410,110.73)
		93,223.58	2,506,222.89
	COST OF REALISATIONS		
	Administrators' Disbursements	2,484.62	11,187.70
	Administrators' Fees	400,000.00	848,807.52
	Agents' Fees & Disbs	NIL	7,769.70
	Bank Charges	(40.00)	140.45
	Costs re; Creditors meeting room	NIL	398.75
	Debt Collection costs	NIL	138,182.33
	EDB Reimbursement/ Expenses	NIL	111,514.25
	Exchange rate difference	NIL	7,107.63
	Forensic fees and disbursements	NIL	164,373.27
	HMRC interest payable	NIL	66.45
	Independent Accountant Fees	15,000.00	15,000.00
	Insurance	NIL	1,260.00
	Irrecoverable VAT	NIL	79.75
	Legal Fees & Disbs	216,845.51	517,924.94
	PR Services	NIL	11,775.00
	Pre appt Agents' Fees & Disbs	NIL	5,000.00
	Pre appt Legal Fees & Disbs	NIL	17,679.46
	Rents and utility charges payable	NIL	139,417.97
	Staff Bonus Payments	NIL	70,588.58
	Storage Costs	2,078.36	10,146.63
		(636,368.49)	(2,078,420.38)
	FLOATING CHARGE CREDTS		
	Floating Charge Holders	NIL	65,041.70
		NIL	(65,041.70)
	UNSECURED CREDITORS		
(3,515,000.00)	Accruals & Deferred Income	NIL	NIL
(7,454,000.00)	HM Revenue & Customs	NIL	NIL
(2,839,000.00)	Intercompany Payables	NIL	NIL

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

Statement of Affairs £		From 12/03/2019 To 06/09/2019 £	From 12/09/2017 To 06/09/2019 £
(1,000.00)	Other Creditors	NIL	NIL
(753,000.00)	Partners Tax Withholdings and Pension	NIL	NIL
		NIL	NIL
<u>(13,445,000.00)</u>		<u>(543,144.91)</u>	<u>362,760.81</u>
	REPRESENTED BY		
	BOS - Administration A/C		257,785.88
	Input VAT		105,094.93
	Output VAT		(120.00)
			<u>362,760.81</u>

TO ALL KNOWN CREDITORS**4 October 2019**

Our Ref 00276271/WMT/DF/C2

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

Dear Sirs

Bell Pottinger LLP - In Administration ('the LLP' or 'BP LLP')
Registered number: OC380478
High Court of Justice, Chancery Division, Companies Court
Court Number: 006683 of 2017

Our work on the Administration of BP LLP is now complete and so, I set out below our final progress report in respect of this Administration pursuant to Rule 3.60 of the Insolvency (England and Wales) Rules 2016.

This report covers the period from 12 March 2019 to 6 September 2019 ('the Final Period') and should be read in conjunction with my previous reports.

The Administrators are exiting the Administration into Compulsory Liquidation following a Court Order made on the 6 September 2019 appointing the existing Administrators as Liquidators.

There remains matters that will continue to be dealt with in the Liquidation and these are dealt with further on in this report.

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 Administrators of the LLP on 12 September 2017 ('the Administrators').

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 performed by one Administrator or by all of them.

The Administrators were appointed by the designated members of the LLP, 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 LLP's registered office is situated at 55 Baker Street, London, W1U 7EU, and the registered number is OC380478. The LLP's former trading address was 6th Floor, Holborn Gate, 330 High Holborn, London, WC1V 7QD.

Creditors will be aware that the Administrators were also appointed as Joint Administrators of Bell Pottinger Private Ltd ('BPPL') and Bell Pottinger (Services) Ltd ('BPSL') on the 12 September 2017 (together with BP LLP 'the Group').

The Joint Administrators are Data Controllers as defined by the General Data Protection Regulations. BDO LLP will act as Data Processor on the instruction of the Data Controllers. Personal data will be kept secure and processed only for matters relating to the Administration of Bell Pottinger LLP. Please see the privacy statement at <https://www.bdo.co.uk/en-gb/legal-privacy/privacy-notice>

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business

2 Receipts and Payments

Enclosed at Appendix 1 is a summary of the receipts and payments to date showing a balance in hand of £362,761.

3 Background to the Appointment

As previously reported, on appointment the Administrators undertook a review of the Group's affairs and concluded that the appropriate strategy was to implement a controlled wind down with the objective of:

- supporting the finalisation of client engagements in order to minimise the potential for breach of contract claims and to maximise the potential for debtor recoveries;
- implementing stabilisation plans for the overseas subsidiaries in support of a subsequent sale and / or closure process; and
- supporting the orderly transfer of client relationships and entering into discussions with exiting Members of the LLP to transition clients.

Further to the above and in alignment with their statutory duties, the Administrators approach has facilitated a number of further objectives, including:

- providing a mechanism by which client data can be transferred in a manner compliant with the Data Protection Act and the requirements of confidentiality;
- ensuring the integrity of the financial and non-financial information is maintained to the highest of standards and which may be required to support potential litigation;
- overseeing the completion of the financial accounts of the LLP for the period 1 January 2017 to 12 September 2017 (date of the Administrators' appointment) and the period 1 January 2017 to 31 December 2017 (the LLP's financial year end);
- providing appropriate financial information to the LLP's Members to enable them to meet their income and tax reporting obligations to HMRC, noting that the Members of the LLP held self-employed status;
- calculating the value of the terminal loss relief claim to be allocated to the LLP's Members; and
- confirming the quantum of loss incurred by the LLP in the period 1 January 2017 to 12 September 2017 as a basis for the requirement of Members to repay drawings received in excess of profits pursuant to the terms of the Partnership Deed ('Excess Drawings').

4 Asset realisations

4.1 The operational affairs of the Group have been concluded and significant progress has been made towards establishing the basis for further recoveries into the estate. Primarily, these relate to six areas:

- (a) Repayment of Excess Drawings - see 4.3 below;

- (b) Members capital accounts - **see 4.4** below;
- (c) Revenue Sharing Agreements - **see 4.5** below;
- (d) Claims for breach of contract - **see 4.6** below; and
- (e) other claims under the Partnership Deed and/or the Insolvency Act - **see 4.7** below;

4.2 A number of these matters are legally sensitive as they are subject to the potential for litigation. Notwithstanding, the Administrators are able to provide the following update:

4.3 *Repayment of Excess Drawings*

Our previous progress report, dated 10 October 2018, set out in detail the background to and the basis of the LLP's right to recover Excess Drawings. For clarity, 'drawings' comprises the financial remuneration a Member receives including other benefits such as pension contribution or healthcare insurance.

Whilst a Member's immediate financial liability may be limited to his/her capital contribution, the nature of a Member's drawings is such that where an LLP makes no profits, the Member may be liable to repay the amount received.

The Members of the LLP were not employees and were not subject to the PAYE tax regime. Certain Members elected to receive their drawings net of tax deductions, but maintained their self-employed status as evidenced in filings with HMRC. Per the Deed, remuneration comprises an entitlement to a share of the profits. This appropriation or sharing of profit is not 'salary' or 'wages', which would be treated as a trading expense of the LLP and, therefore, a deduction from profit.

In the case of the LLP, the financial year (known as the 'Accounting Period') was from 1 January to 31 December. In common with other LLPs and with respect to the Accounting Period 1 January 2017 to 31 December 2017, BPLLP estimated the value of profits to be made in that year and allocated a proportion of that estimated profit to each of the Members; normally communicated to them in an 'Entitlements Letter'. Each Member then received a monthly payment, stated in the Deed as an "...advance of his entitlement to his Fixed Profit Share and Variable Profit Share."

The Administrators have overseen the completion of the accounts for the final Accounting Period, which have been drawn directly from the records of the LLP.

The Administrators have taken steps to confirm that the work undertaken complies with applicable accounting standards. On 4 November 2018 Crowe UK LLP ("Crowe"), an independent firm of accountants experienced in LLP accounts preparation, were instructed to perform an independent review.

Crowe's opinion was received on 18 January 2019 and confirmed that they were satisfied that the accounts had been prepared in accordance with the applicable accounting standards.

The outcome of this work has been to establish that in the 2017 Accounting Period, the LLP incurred losses totalling £2.71m.

It is pertinent that, under the terms of the Deed, it is not the extent of the loss that quantifies the liability to make repayment but more simply the amount of drawings actually received in excess of profit. Consequently, a Member's liability to repay Excess Drawings is limited to the actual amount received and not a liability to contribute to the actual losses above that sum.

In the case of the LLP, the Deed states that a Member who “has received advances which in aggregate exceed that Member’s entitlement to Net Profit in respect of an Accounting Period (the ‘Excess’) ...may be obliged to repay the whole or part of the Excess to the LLP...”. As no profits were made in the 2017 Accounting Period, the Member is liable to repay all sums received.

The Administrators’ work has also identified that certain Members may have received drawings in excess of profit in the 2016 Accounting Period.

Informed by legal advice, the Administrators consider that the liability to repay Excess Drawings totals £4.0m (inclusive of the outstanding capital contributions as detailed below, but excluding those partners who successfully concluded revenue sharing or other agreements). Our previous report estimated the liability at £3.8m. The increase is attributable to additional Excess Drawings claims arising from the non-compliance by certain Members with the terms of their Revenue Share Agreement.

On 21 February 2019, a letter was sent to 44 Members requesting proposals for the repayment of their Excess Drawings liability. To facilitate a constructive dialogue, each Member has been offered a without prejudice meeting.

We continue to make good progress in relation to the recovery of the Excess Drawings and to date realisations during the Period total £155k and £157k in total for the Administration from 12 members with 9 offers received totalling £311k with the expectation that these can be negotiated up.

We are in continued dialogue with the remaining 17 and 2 members are currently not contactable due to changes of address and not wanting to engage in the process. 4 remaining members’ claims have been resolved following a review of existing agreements that excludes them from this process.

Negotiations will continue in the Liquidation with those Members who are yet to settle their liabilities.

4.4 *Members’ Capital Accounts*

Members of the LLP were generally required to make a Capital Contribution of £2,500 upon admission to the partnership. The detailed review of the financial record has identified 13 Members who at the time of the LLP’s Administration appear not to have paid their capital contribution. These amounts total £32.5k.

4.5 *Revenue Share Agreements (‘RSAs’)*

An element of the Administrators’ strategy for the preservation and maximisation of realisable assets was to offer Members the opportunity to enter into an RSA.

All Members were provided with a detailed communication relating to their status as Members of the LLP including identifying the potential liability to repay Excess Drawings. Members were also informed that any RSA would be negotiated on an individual basis.

The Administrators entered into 12 RSAs, encompassing 15 Members of which nine have successfully concluded. Following a detailed compliance audit of all RSA’s, two have been identified as non-compliant thereby triggering a request to repay Excess Drawings. One RSA is not due to conclude until January 2020.

This has generated £1,400 of RSA income during the Period and £402,579 of RSA income since the date of appointment. The further balance of approximately £40,000 due in relation to one RSA was negotiated as part of an Excess Drawings settlement which has been received and is included in the figure realised under paragraph 4.3.

The Administrators' legal advisers have confirmed that RSA income is a floating charge realisation and is subject to the provisions of the Prescribed Part and will benefit both unsecured and secured creditors.

In addition to the 12 RSAs, the Administrators entered into five agreements with individuals not to pursue Excess Drawings claims in return for specific assistance in asset realisations, asset / information protection and strategy implementation. As with the terms of the RSAs, the terms of these agreements are confidential.

Asset realisations in relation to this strategy have, on a Group basis, totalled c. £1.35m. This is significantly in excess of the Excess Drawings that might otherwise have been recoverable.

4.6 *Claims for breach of contract*

The Administrators, in consultation with their legal advisers and informed by advice from leading Counsel, have established the basis of a significant claim for breach of contract by a Member of the LLP. There is also an Excess Drawings claim against this individual. However, it should be noted that these claims are not mutually exclusive such that if one of the basis of recovery is successful, the other potentially falls away.

Our lawyers are in correspondence with the Member's lawyers regarding this matter. As the claims are subject to potential litigation, the Administrators are unable at this time to provide any further details.

4.7 *Other claims arising from the Partnership Deed and/or the Insolvency Act*

In broad terms, the failure of the LLP is directly linked to its engagement by Oakbay Investments Pty Ltd (Oakbay), a South African entity linked to the Gupta family, a South African family operating in a number of commercial and corporate spheres in that country.

It is not the Administrators' role to make specific investigations into the activities alleged except to the extent that such activities were in breach of the Deed and / or relevant statute leading to a loss being suffered.

Members are potentially financially liable for actions that are in breach of the Deed or which contravene the provisions of the Insolvency Act 1986 (as amended). The Administrators' focus is on actions which give rise to a loss to the LLP and by extension, its creditors.

The Deed places on the Members a number of specific duties and obligations. In summary, the principal duties are:

- A duty to act diligently in the conduct of the LLP in accordance with all relevant professional rules, regulations and codes of conduct and comply with all practices, policies, standards and procedures of the LLP.
- A duty to conduct him / herself in a responsible manner.
- A duty to act with the utmost good faith in all dealings with the other Members of the LLP.
- A Member may not knowingly cause or suffer to be done or omitted to be done anything which may prejudice the LLP.
- Members owe a specific duty to the LLP to refrain from any misconduct.

As set out previously, on a prima-facie basis, there is evidence that certain Members of the LLP failed in their duty to act in good faith and in accordance with applicable standards of corporate governance. The relationship between the actions of these Members and the financial failure of the LLP appears strongly correlated. Specifically,

the loss of clients that resulted from the public association of the LLP with Oakbay was such that it became unable to continue to trade.

Since our last report the Administrators have met with their legal advisers to review matters. A number of actions are under consideration and the basis of claims and strategy to pursue these claims are being considered by our lawyer. Counsel's opinion will need to be sought and this will be discussed with the Creditors' Committee at the appropriate time.

This area of work will continue in the Liquidation.

4.9 Proposals

In my formal proposals dated 7 November 2017, the Joint Administrators proposed that:

- 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 advisers 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.

There have not been any amendments or deviations to the proposals.

5 LLP Tax Matters

The Administrators, have progressed the completion and submission of the historical LLP tax returns and completed the calculation of the terminal loss relief claim ('TLR'). The TLR allocation has been notified to the Members and allocated in accordance with prior practice for the distribution of profits.

As previously advised the expectation is that the TLR allocation may provide the Members with a route to recover previously paid tax and therefore may help facilitate repayment of Excess Drawings.

A final tax return has been submitted to HMRC on the basis that there is no loss or gain for the period to the date of closure.

5.1 Position of Members who had tax withheld by the LLP

Creditors will recall that a number of Members opted to receive their entitlements net of tax, that tax being withheld by the LLP for payment on their personal account to HMRC on the statutory payment dates. Members opting for tax to be withheld received a small percentage increase in their drawings.

At the date of Administration, tax withheld by the LLP had not been paid across to HMRC on the Members' behalf, as the statutory payment dates (31 January 2018 and 31 July 2018) had not occurred. In common with a number of LLP's, monies withheld were not

subject to any form of trust or other protective mechanism and had been 'mixed' with the general working capital facilities of the LLP.

In view of the loss position of the LLP in the period to 31 December 2017, there would appear to be no basis for a tax charge to be levied upon the Members for drawings now constituting Excess Drawings but on the assumption that these are repaid.

The Administrators have made clear to all Members that they are not in a position to provide personal tax (or other) advice and all have been encouraged to seek independent expert assistance.

6 Company Directors Disqualification Act 1986

All Members of an LLP are subject to the provisions of the Company Directors Disqualification Act 1986 ("CDDA 86").

Actions considered under this statute are brought by the Secretary of State for Business, Energy & Industrial Strategy (the "SOS") acting through the Insolvency Service ("the IS"). Where misconduct is proved, sanctions include the prohibiting of individuals from holding the office of director (or equivalent).

On 11 December 2017 and in accordance with the CDDA 86, the Administrators submitted their report to the Secretary of State.

The report is confidential and subject to privilege.

6.1 *Investigation by the Insolvency Service and relationship to the Administrators' investigation*

The Administrators are aware that the IS is investigating events leading to the failure of the LLP.

Whilst documentary and other evidence may be the same, the investigation by the IS is wholly separate to that of the Administrators.

Notwithstanding, the Administrators have a statutory duty to assist the IS with their work, specifically with the provision of information obtained from the LLP's records.

Information extracted from the LLP's systems comprises five terabytes of data over a variety of bespoke and 'off-the-shelf' software platforms. The Administrators, assisted by experts from BDO Forensics Services (as detailed in previous reports), have taken extensive steps to preserve the integrity of the data whilst implementing systems such that it can be accessed and searched.

Following a request from the IS in accordance with their investigative powers the Administrators have provided copies of the requested data. There are no outstanding information requests at the date of this report.

Cooperation is a statutory obligation. As detailed above, the size, nature and platforms on which information is held is complex. The need to preserve its integrity in anticipation of both regulatory investigation and potential litigation has increased the need for exceptional care to be taken. BDO Forensics Services have been fully consulted and engaged throughout the appointment which has impacted costs, a number of which could not have been anticipated at the date of appointment.

The Administrators remain confident that the additional costs incurred, whilst unavoidable, will provide a strong basis for the successful recovery of other assets (or contribution to the assets) as identified above.

7 Creditors' Committee

The Committee originally comprised two corporate creditors and two former Members of the LLP whose claims, in part, comprise claims arising from tax withheld by the LLP and not paid to HMRC.

However following the Excess Drawing exercise detailed above at Section 4.3, the former members' unsecured claims were rejected and their entitlement to act as Committee Members has fallen away.

Two other unsecured creditors of the LLP have consented to act as members and their appointment was confirmed in accordance with a deemed consent procedure. Companies House ('CH') have been notified of the membership changes.

The Committee will continue in the Liquidation subject to statutory filing requirements at CH.

8 Ending the Administration

The Administration Order was due to expire on 12 September 2019.

Whilst the Administrators have achieved the second objective of the Administration which was to achieve a better result for creditors as a whole than would be likely if the Company were wound up. It has not been possible to achieve the third objective realising property in order to make a distribution to one or more secured or preferential creditors.

The proposed exit route from Administration is via Compulsory Liquidation ('Liquidation') and by a Court order of ICC Judge Burton dated 6 September 2019, BPLLP was wound up by the Court and Matthew Tait, Colin Haig and Malcolm Cohen were appointed as its Joint Liquidators.

The outstanding matters in the Administration relating to Excess Drawings, RSA income and ongoing investigations into the events that led to the failure of the Company will all be dealt with in the Liquidation.

9 Prospects for Creditors

9.1 Secured Creditor

At the date of the Administrators' appointment, Lloyds Bank Plc ('the Bank') was due £6.3m in respect of term loans. At the same point in time, the LLP held c. £1.1m as a credit in accounts operated by the Bank. This sum was available for immediate set-off by the Bank, reducing the balance outstanding to £5.2m.

In order to meet the working capital requirements of implementing Administrators' strategy, the Bank permitted the use of the credit balances subject to its repayment being categorised as an expense of the Administration.

The facility was primarily used in meeting the Administrators' commitments to pay the entitlements of Members retained to implement the Administration strategy, employees' wages /salary costs, property costs and IT related services prior to receipt of debtor payments and other asset realisations.

The Bank debt is secured by a composite debenture containing fixed and floating charges over the assets of the LLP. The Bank also holds the benefit of a guarantee (and related debenture) from BPSL and BPPL.

All sums advanced to the Administrators have now been repaid, and a distribution of £65k under the floating charge has been paid. The Bank's claim now stands at £5.1m.

Further distributions are expected to be contingent on the recoveries from the Excess Drawings and future recoveries arising from any actions arising from the causes of the failure of the LLP.

The Administrators do not anticipate any significant fixed charge realisations of LLP assets being subject to the fixed charge.

9.2 *Preferential Creditors*

Preferential claims are defined as monies owed to former employees (not Members of the LLP) in respect of arrears of wages and certain accrued holiday pay at the date of Administration.

The LLP did not have any employees, only Members. The employees working in the LLP had their employment contract with BPSL. Therefore, there will be no preferential claims in the LLP.

9.3 *Unsecured Creditors*

The Statement of Affairs prepared by the designated Members of the LLP identified unsecured creditor claims totalling c. £14.5m. This included an estimated debt owed to HM Revenue and Customs ('HMRC') of £7.5m.

On 25 October 2017 HMRC confirmed that it has no claim against the LLP, thereby reducing the estimated value of creditor claims to c. £7m. This excludes unsecured claims lodged in the administrations of BPPL and BPSL.

The Joint Administrators' have rejected:

- 19 unsecured claims in full and
- 2 unsecured claims partially.

To date we have received unsecured creditor claims against the LLP currently totalling approximately £2,273,814.

9.4 *Prescribed Part*

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

The value of the LLP's Net Property subject to calculation of the Prescribed Part is heavily reliant on the collection of the Excess Drawings.

Indicatively, the potential value of the Prescribed Part is estimated at £278k.

10 *Administrators' Remuneration*

10.1 *Basis on which remuneration is fixed*

The Administrators are obliged to fix their remuneration in accordance with Rule 18.16. This permits remuneration to be fixed either:

- as a percentage of the assets realised and distributed; and/or
- by reference to the time the Administrators and their staff have spent attending to matters in the Administration; and/or
- as a set amount; and/or
- as a combination of the above.

The Administrators have proposed to fix their remuneration by reference to the time the Administrators and their staff have spent attending to matters in the Administration.

Standard and discounted rates

The Administrators propose to apply a reduction to their standard charge out rates, such that that subject to the further notes below, the following rates (the discounted rates) will apply to this Administration and that of BPSL and BPPL.

Grade Description	Discounted Rates	Standard Rates
	(£)	(£)
Partner	278	484-866
Principal/Director	258	436-954
Senior Manager	228	250-487
Manager	188	181-421
Assistant Manager	167	116-295
Senior Administrator/Administrator	117	105-302
Administrative Support/Other Professional	87	105

The Administrators have agreed a proposal with the Bank and the Creditors Committee to align the rates applied to the Excess Drawings recovery action going forward to the recoveries made, such that the rates to be applied would be contingent on the proportion of the Excess Drawings recovered (albeit never exceeding our standard rates and subject to exceeding a minimum value).

Reporting of time costs - Appendices 2-4

In accordance with statute and Statements of Insolvency Practice, the Administrators wish to provide creditors with a clear understanding of their costs, how they are calculated and how they are approved for payment.

In the first report to creditors, the Administrator provided an estimate of their time costs, analysed by activity, for conducting the Administration to its termination. This totalled £751,225 at the discounted rate and was based on information available at that time.

As detailed at Appendix 2 it is apparent that the previous estimate has been exceeded.

Current time costs incurred at the discounted rate are £1,232,888 with an estimate for costs to closure of £15,000.

Detailed below is the revised fees estimate that sets out the total estimated fees for the Administration.

Joint Administrators' Revised fees estimate based on discounted rates

	Incurred to date		Estimated costs to closure		Revised fees estimate		Total costs to closure		Variances from
	Hr	£	Hr	£	Hr	£	Hr	£	Revised fees estimate
Summary Activity									
B Steps on Appointment	145	25,577	-	-	145	30,041	145	25,577	-4,464
C Planning and Strategy	291	73,777	-	-	291	76,423	291	73,777	-2,646
D General Administration	1,322	258,135	-	5,000	1,322	297,382	1,322	263,135	-34,247
E Assets Realisation/Dealing	3,054	678,041	-	-	3,054	743,512	3,054	678,041	-65,471
F Trading Related Matters	151	30,604	-	-	151	30,406	151	30,604	198
G Employee Matters	79	15,941	-	-	79	16,067	79	15,941	-126
H Creditor Claims	231	43,618	-	-	231	43,438	231	43,618	180
I Reporting	489	98,935	-	5,000	489	118,857	489	103,935	-14,922
J Distribution/Closure	50	8,261	-	5,000	50	16,716	50	13,261	-3,455
Joint Administrators' fee estimates	5,812	1,232,888	20	15,000	20	1,372,842	20	1,247,888	-124,954
Forensic Services - Investigation		164,373						164,373	
Total estimates exclusive of VAT	5,812	1,397,261	20		5,832	1,372,842	5,832	1,412,261	-124,954

Notes

- 1 The total amount of the revised fees estimate has not changed but the allocation of time across the activities has due to the proposed exit from Administration into Compulsory Liquidation and the related tasks in that regard
- 2 The revised fees estimate does not include time at the BDO standard rates and the Creditors Committees' approval will be sought to seek time costs at the BDO standard rates in excess of the discounted rates relating to work undertaken in respect of excess drawings only
Therefore the overall amount of the revised fees estimate may increase by a further £450k to take into account this fee proposal
- 3 There may be additional costs to closure and the above table will be updated for future reporting purposes

The Administrators are required to provide a detailed analysis of their actual time costs. This is presented at Appendix 3. BDOs systems record this at standard time costs. Consequently, in this report we have provided an analysis of our time costs at both standard and discounted time costs, the latter being the rates applicable to the calculation and drawing of our fees.

Appendix 4 details BDO LLP's policy in respect of fees and disbursements.

10.2 Approval of fees by the Creditors' Committee

The Creditors' Committee have approved:

- a time cost resolution authorising the Administrators to draw fees on account in accordance with the revised fees estimate;
- a resolution authorising the Administrators to apply an uplift of 17.1428% of any realisations from Excess Drawings claims over £1.5m which is in addition to the discounted rates. and
- a time cost resolution authorising the remuneration of BDO Forensic Services to be paid from the balance in hand within the original fees estimate of £300,000.

10.3 Drawing of fees by the Administrators

To date, the Administrators have drawn:

- £848,807.52 in respect of remuneration as shown on the enclosed Receipts and Payments account. and;
- £164,373.27 in respect of BDO Forensics fees and disbursements as shown on the enclosed Receipts and Payments account.

11 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 £487 have accrued in the Final Period.

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 accrued in the Period.

Total disbursements of £11,548 have been incurred in this Administration as detailed below:

	Cat. 1 (£)	Cat. 2 (£)	Total (£)
Bonding	200.01	-	200.01
Staff Travel & Accommodation	6,921.68	-	6,921.68
Consulting	3,839.43	-	3,839.43
Statutory Advertising	163.53	-	163.53
Storage	350.98	-	350.98
Postage	72.07	-	72.07
Total	11,547.70	-	11,547.70

To date, category 1 disbursements of £11,188 have been drawn, of which £2,485 were drawn during the Period.

12 Administrators' Discharge from Liability

The Court order discharges the Administrators from liability per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 28 days after the filing of the final progress report and sending it to creditors.

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 eight weeks of receiving this report. The text of Rules 18.9 and 18.34 are set out at the end of this report.

The 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 Administrators' remuneration at <https://www.r3.org.uk/what-we-do/publications/professional/fees>.

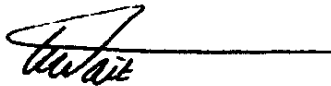
The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency Practitioners. In the event that you make a complaint to me but are not satisfied with the response from me then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where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

14 What happens next

With effect from the 6 September 2019 the LLP will be in Liquidation and the next report in the proceedings will be issued within two months of the 6 September 2020 or sooner dependent on if there are matters that need to be reported to the general body of creditors.

If you require any further information, please contact me or my colleague David Forster at BRCMT@bdo.co.uk.

Yours faithfully
For and on behalf of
Bell Pottinger LLP



William Matthew Humphries Tait
Joint Administrator

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.

Enclosures:

- Appendix 1 Receipts and Payments Account
- Appendix 2 Information to creditors including a revised fees estimate and expenses
- Appendix 3 Detailed Time costs for the period and for the entirety of the Administrations at Standard charge out rates
- Appendix 4 BDO LLP policy in respect of Fees and Disbursements
- Appendix 5 Statement of Creditors' Rights in respect of Fees and Disbursements

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

Statement of Affairs £	From 12/03/2019 To 06/09/2019 £	From 12/09/2017 To 06/09/2019 £
TRADING EXPENSES		
Bank Charges & Interest	NIL	2,132.04
Bell Pottinger Bahrain S.P.C-funding	NIL	35,838.75
Finance & Leasing	NIL	969.06
Insurance	NIL	95,002.46
IT	47,167.80	345,198.62
Partner / Employee Costs	13,146.68	90,799.09
PAYE/NIC	NIL	115,703.79
PR Services	NIL	20,312.50
Professional Fees	NIL	2,100.00
Security & Cleaning Costs	NIL	3,308.00
Stationery and Postage	NIL	490.00
Sundry Costs	NIL	741.82
Telephony	661.28	33,634.56
Wages and salaries	NIL	663,880.04
	(60,975.76)	(1,410,110.73)
TRADING SURPLUS/(DEFICIT)	(60,975.76)	(1,410,110.73)

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

Statement of Affairs £		From 12/03/2019 To 06/09/2019 £	From 12/09/2017 To 06/09/2019 £
	FIXED CHARGE ASSETS		
Uncertain	Goodwill	NIL	NIL
	Revenue Service Agreements	NIL	NIL
		NIL	NIL
	FIXED CHARGE CREDITORS		
(6,241,000.00)	Lloyds Banking (net of cash)	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
Uncertain	Accrued Income	NIL	NIL
	Bank Interest Net of Tax	NIL	NIL
6,180,000.00	Book debts	NIL	2,978,048.94
116,000.00	Cash at Bank	(827.37)	104,071.99
	EDB - Bahrain Recharges	NIL	225,355.99
	Excess drawings income	151,582.56	154,473.56
	Fixtures & Fittings	NIL	14,121.27
	Group Life Receipts	NIL	19,873.45
1,062,000.00	Intercompany Receivables	NIL	NIL
	Interest Gross	2,044.15	9,353.49
	Revenue Share Agreements	1,400.00	402,578.64
NIL	Sundry Debtors	NIL	NIL
	Sundry Refunds	NIL	8,456.29
	Trading Surplus/(Deficit)	(60,975.76)	(1,410,110.73)
		93,223.58	2,506,222.89
	COST OF REALISATIONS		
	Administrators' Disbursements	2,484.62	11,187.70
	Administrators' Fees	400,000.00	848,807.52
	Agents' Fees & Disbs	NIL	7,769.70
	Bank Charges	(40.00)	140.45
	Costs re; Creditors meeting room	NIL	398.75
	Debt Collection costs	NIL	138,182.33
	EDB Reimbursement/ Expenses	NIL	111,514.25
	Exchange rate difference	NIL	7,107.63
	Forensic fees and disbursements	NIL	164,373.27
	HMRC interest payable	NIL	66.45
	Independent Accountant Fees	15,000.00	15,000.00
	Insurance	NIL	1,260.00
	Irrecoverable VAT	NIL	79.75
	Legal Fees & Disbs	216,845.51	517,924.94
	PR Services	NIL	11,775.00
	Pre appt Agents' Fees & Disbs	NIL	5,000.00
	Pre appt Legal Fees & Disbs	NIL	17,679.46
	Rents and utility charges payable	NIL	139,417.97
	Staff Bonus Payments	NIL	70,588.58
	Storage Costs	2,078.36	10,146.63
		(636,368.49)	(2,078,420.38)
	FLOATING CHARGE CREDS		
	Floating Charge Holders	NIL	65,041.70
		NIL	(65,041.70)
	UNSECURED CREDITORS		
(3,515,000.00)	Accruals & Deferred Income	NIL	NIL
(7,454,000.00)	HM Revenue & Customs	NIL	NIL
(2,839,000.00)	Intercompany Payables	NIL	NIL

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

Statement of Affairs £		From 12/03/2019 To 06/09/2019 £	From 12/09/2017 To 06/09/2019 £
(1,000.00)	Other Creditors	NIL	NIL
(753,000.00)	Partners Tax Withholdings and Pension	NIL	NIL
		NIL	NIL
(13,445,000.00)		(543,144.91)	362,760.81
	REPRESENTED BY		
	BOS - Administration A/C		257,785.88
	Input VAT		105,094.93
	Output VAT		(120.00)
			362,760.81



Receipts

The Receipts for the Final Period are largely self-explanatory, although I would comment specifically on:

Excess Drawings income

A total of £154,583 was received in respect of excess drawings income.

Revenue Share Agreements ('RSA')

A sum of £1,400 was received in respect of RSAs during the Period.

Interest Gross

Interest of £2,044 was received in relation to interest accrued on bank deposits.

Payments

The Payments for the Final Period are largely self-explanatory, although I would comment specifically on:

Trading Expenses

Partner/Employee Costs and Wages and salaries (now referred to as Member/Employee)

The following costs were paid:

- £13,147 partner/employee costs representing retention costs for the remaining Member.

Telephony

£661 was paid to Daisy Corporate Services Trading Ltd representing retention costs for the remaining Member.

IT Costs

A total of £47,168 was paid in respect of costs incurred to continue accessing and interrogation of the IT systems and other digital records. Agreement has been reached to reduce this going forward.

Costs of Realisation

Storage Costs

A payment was made totalling £2,078 to Total Data Management in respect of storage costs.

Bell Pottinger LLP - In Administration
Information to creditors including Revised fees estimate and expenses

Bell Pottinger LLP - In Administration Revised fees estimate and expenses

Joint Administrators' Revised fees estimate based on discounted rates

	Incurred to date		Estimated costs to closure		Revised fees estimate		Total costs to closure		Variances from Revised fees estimate
	Hr	£	Hr	£	Hr	£	Hr	£	£
Summary Activity									
B Steps on Appointment	145	25,577	-	-	145	30,041	145	25,577	-4,464
C Planning and Strategy	291	73,777	-	-	291	76,423	291	73,777	-2,646
D General Administration	1,322	258,135	-	5,000	1,322	297,382	1,322	263,135	-34,247
E Assets Realisation/Dealing	3,054	678,041	-	-	3,054	743,512	3,054	678,041	-65,471
F Trading Related Matters	151	30,604	-	-	151	30,406	151	30,604	198
G Employee Matters	79	15,941	-	-	79	16,067	79	15,941	-126
H Creditor Claims	231	43,618	-	-	231	43,438	231	43,618	180
I Reporting	489	98,935	-	5,000	489	118,857	489	103,935	-14,922
J Distribution/Closure	50	8,261	-	5,000	50	16,716	50	13,261	-3,455
Joint Administrators' fee estimates	5,812	1,232,888	20	15,000	20	1,372,842	20	1,247,888	-124,954
Forensic Services - Investigation		164,373						164,373	
Total estimates exclusive of VAT	5,812	1,397,261	20		5,832	1,372,842	5,832	1,412,261	-124,954

Notes

- The total amount of the revised fees estimate has not changed but the allocation of time across the activities has due to the proposed exit from Administration into Compulsory Liquidation and the related tasks in that regard.
- The revised fees estimate does not include time at the BDO standard rates and the Creditors' Committees' approval will be sought to seek time costs at the BDO standard rates in excess of the discounted rates relating to work undertaken in respect of excess drawings only. Therefore the overall amount of the revised fees estimate may increase by a further £450k to take into account this fee proposal.
- There may be additional costs to closure and the above table will be updated for future reporting purposes.

The above table incorporates the revised fees estimate at discounted rates against time costs incurred plus an estimate of costs to closure.

The revised fees estimate and resolution to seek fees in excess of the original fees estimate has been approved by the Creditors' Committee.

The analysis of the time incurred by the Administrators and their staff for the Final Period can be found at Appendix 3. The main areas of activity have been as follows:

- Monitor the collection of revenue share agreement income
- Finalisation of and agreeing the strategy for collection of the Excess Drawings, issuing payment request letters to the Members with Excess Drawings;
- Preparing and issuing the draft letters to Members concerning repayment of Excess Drawings;
- Meeting with Members on a without prejudice basis and responding to Members queries and request for information to support the Excess Drawings being claimed. This additionally included monitoring the process and liaising with our solicitors in relation to specific matters;
- Conference calls and meetings with Members to discuss their proposals to settle the outstanding sums due;
- Statutory/compliance matters i.e. progress reports; extension of the Administration, bank reconciliations, receipts, payments and journals.*
- Reporting to the secured creditor;*
- Tax matters - completion of tax returns i.e. Corporation Tax and VAT;*
- Ongoing investigations into the causes of failure and if appropriate formulation of claims.*
- Steps to conclude the Administration.
- Press and Media enquiries;*
- Investigations into the financial affairs of the LLP and the office holders;*
- Internal management meetings and process control;*
- Liaising with the engaged legal advisors in relation to matters arising in the Administration;
- Assisting the Insolvency Service in relation to their investigation into the conduct of former Members and the provision of information.*
- Creditor enquiries;*

There are a number of statutory and other legislative obligations, which whilst not directly correlating to realisations for the creditors are a necessary part of the Administration. These are marked with an asterix.

The Administrators have been supported by BDO Forensic Services in undertaking a number of the matters identified above, particular as regards preparation of the Accounts and the verification of Members' current accounts. Additionally, the specialist work undertaken by them assisting the Administrators includes:

- Onsite support to secure the Group's data in electronic and hard copy format including emails and other correspondence;
- Managing and overseeing the extraction of data pertaining to the overseas subsidiaries;
- Reviewing relevant insurance policies;
- Liaising with and meeting with the engaged legal advisors;
- Investigations as referred to in 6.0 and 6.1 of the report.

It has been necessary to utilise substantial senior staff time due to the complex issues arising in the Administration.

Professional Fees and other expenses in the Administration

Professional Fees and other expenses	Accrued £	Paid £	Anticipated £
Stephenson Harwood LLP - Legal fees and disbursements	226,136	216,846	9,290
Crowe UK LLP - Independent Accountant Fees	15,000	15,000	Nil
Trading costs and other expenses	60,976	60,976	Nil
Total	302,112	292,822	9,290

The above table is a summary of the professional fees and other expenses, which have been paid in the Final Period, the costs which have accrued and not yet paid, and the costs that are anticipated.

Legal fees

- Stephenson Harwood LLP in respect of legal advice relating to various issues arising during the Period including, Excess Drawings, RSAs, the IS investigation, potential actions against former Members, third party enquiries into the LLP's books and records, rejection of unsecured creditors' claims, exit from Administration etc.

Independent Accountant fees

- Crowe UK LLP in respect of preparing the LLP's final accounts.

Trading costs and other expenses

These costs are essential to the strategy that the Administrators adopted immediately following their appointment and in the main relate to storage of books and records, employee and Members' retainers, IT and preservation of data, telephony etc.

These are in excess of the original Fees & Expenses estimate provided by the Administrators but due to the complexity of matters arising in the Administration, it has been necessary to incur these costs.

BDO LLP
4 October 2019

Bell Pottinger LLP - In Administration

**Detailed Time costs for the period and for the entirety of the Administration at Standard
charge out rates**

Bell Pottinger LLP - In Administration
 Detailed Time Charged and Rates Applicable for the Period from 12 March 2019 to 6 September 2019 at Standard charge out rates

Description	Partner / Principal		Director		Senior Manager		Manager		Assistant Manager		Senior Administrator		Administrator		Administrative support		Grand Total		Average rate	
	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £
C Planning and Strategy																				
01. Historic Performance Review																				
02. Review Financial Position																				
03. Review Bus. Process/Systems																				
05. Review Options Available	1 25	807 50	1 30	595 40	25 35	10 469 55														
07. Strategy Planning	1 25	807 50	1 30	595 40	31 85	13 214 05														
C. Sub Total - Planning and Strategy																				
D. General Administration																				
01. Insurance Matters																				
02. Taxation	32 05	30 830 10			5 00	2 065 00														
04. Intellectual Property Solicitors					17 50	7 362 50														
05. Investigations	4 75	3 101 75			12 25	5 119 25														
06. Conduct Reports					9 55	3 997 05														
07. Receipts/Payments Accounts	0 10	51 10	1 50	505 50	11 50	4 833 50			0 05	6 15										
08. Remuneration Issues					69 50	29 278 50			3 90	507 90										
09. Statutory Matters																				
10. Contractual Matters																				
13. General Meetings																				
14. General Discussions					1 50	525 00														
15. Gen. Admin/Correspondence	2 00	1 077 20			6 20	1 898 75	2 80	679 70	0 90	115 50										
16. Main Admin Internal Files																				
D. Sub Total - General Administration																				
E. Assets Realisation / Dealing																				
01. Debt Collection					5 00	2 125 00														
09. Selling Other Assets	4 25	2 816 25			0 75	187 50														
14. Selling Business Assets																				
99. Other Matters	51 56	33 420 50	106 70	47 959 65	472 45	190 639 55			35 75	10 911 00										
E. Sub Total - Assets Realisation / Dealing																				
F. Trading Related Matters																				
G. Employee Matters																				
02. Dealing with Employees																				
99. Other Matters																				
G. Sub Total - Employee Matters																				
H. Creditor Claims																				
02. Secured Creditor																				
04. Non preferential Creditors			0 10	44 70	25 00	10 325 00	0 80	194 80												
06. Other Creditors																				
99. Other Matters																				
H. Sub Total - Creditor Claims																				
I. Reporting																				
01. Statutory Reporting			12 95	5 788 65	50 20	20 792 00	1 50	360 00												
03. Reporting to Regulator			0 20	89 40																
04. Reporting to Creditors			5 30	2 373 00	5 00	2 226 00	1 40	345 80												
06. Reporting to other bodies																				
I. Sub Total - Reporting																				
J. Distribution & Closure																				
01. Closing Planning					16 50	7 012 50														
02. Distributions																				
03. Shareholder Rights/Enmities																				
04. Closure Documentation					13 80	5 865 00														
05. Closure Meetings																				
06. Closing Statutory Duties																				
99. Other Matters																				
J. Sub Total																				
	114 65	84,359 90	128 05	37,156 30	30 30	12,877 50	6 50	1,560 30	2 95	386 45										
					760 80	310,497 40			43 55	11,928 20										

Net Total	471,535.65
Other Disbursements:	0.00
Billed	0.00
Grand Total	471,535.65

Beil Pottinger LLP - In Administration
Detailed Time Charged and Rates Applicable for the Period from 12 September 2017 (date of Appointment) to 6 September 2019 at Standard charge out rates

Description	Partner /Principal		Director		Senior Manager		Manager		Assistant Manager		Senior Administrator		Administrator		Administrative support		Grand Total		Average rate	
	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £
B. Steps on Appointment																				
01. Statutory Documentation	3.00	2,223.00	32.00	13,078.00			2.80	560.00	26.30	3,050.80					1.00	87.00	65.10	19,798.80		304.13
02. Meet Directors/Deputies etc.			4.00	1,744.00											3.00	747.00	4.00	1,744.00		436.00
03. Meet Directors/Deputies etc.			15.75	9,843.00	27.75	10,555.25	6.80	1,360.00							26.75	1,792.25	50.50	21,145.25		418.72
04. Preparation of Proposals			2.20	633.00													35.75	2,785.85		105.90
05. Other Matters	9.00	7,443.00	1.75	112.50	1.75	112.50	9.60	1,920.00	26.30	3,050.80					30.75	2,628.25	165.60	54,729.40		756.93
B Sub Total - Steps on Appointment	12.00	9,666.00	57.95	26,699.60	29.00	10,667.75														327.47
C Planning and Strategy																				
01. Historic Performance Review	97.50	61,425.00			18.00	7,494.00											18.00	7,494.00		416.33
02. Review Financial Position															1.60	285.00	99.10	61,710.00		622.70
03. Review Bus Process/Systems	94.75	60,670.50					1.40	280.00	1.60	185.60					1.25	258.75	1.25	258.75		207.00
04. Review Options Available					43.85	17,865.05											94.75	60,670.50		640.32
05. Meet Appointor/Committees	29.75	22,133.00	4.30	2,173.90	4.00	1,678.00											3.00	465.60		155.20
06. Strategy Planning					65.85	27,037.05	1.40	280.00	1.60	185.60							77.90	42,171.95		541.36
C Sub Total - Planning and Strategy	222.00	144,228.50	4.30	2,173.90	65.85	27,037.05									2.85	543.75	298.00	174,448.80		419.90
D General Administration																				
01. Insurance Matters			26.00	11,360.75	4.35	1,749.85	0.10	20.00									30.45	13,130.60		431.22
02. VAT					28.50	11,665.50											28.50	11,665.50		469.32
03. Taxation	218.85	205,225.05	1.25	816.00	83.30	35,416.50	30.15	12,475.15							11.25	2,259.50	344.80	256,122.20		763.07
04. Instruct/Liaise Solicitors	14.00	10,469.00			31.25	12,856.25											45.25	23,325.25		515.48
05. Investigations	30.00	21,642.00	79.00	38,497.00	81.45	37,308.85	14.00	4,256.00	3.50	889.00			28.50	5,912.75	21.00	2,835.50	257.45	111,341.10		412.48
06. Conduct Reports	2.50	1,900.00			97.60	34,308.25									1.30	227.50	101.40	36,435.75		359.33
07. Receipts/Payments Accounts	0.20	99.50	1.50	505.50	102.20	40,991.05	28.20	6,958.65	63.95	7,964.00					111.20	10,655.50	307.25	66,974.20		217.98
08. Remuneration Issues			3.40	1,509.90	17.30	7,260.80											20.70	8,770.70		423.71
09. Statutory Matters			21.75	11,101.50	105.25	43,745.75	8.35	1,646.50	7.90	1,006.90					6.05	533.35	149.30	58,028.00		368.67
10. Contractual Matters					2.75	1,013.50											2.75	1,013.50		368.67
11. General Meetings	1.00	827.00			0.25	92.75	0.50	100.00	8.05	962.00					5.50	1,082.50	7.25	2,162.75		289.97
12. General Discussions	6.50	4,859.50			4.25	1,507.50	5.80	1,356.20							62.50	5,320.35	10.75	6,367.00		592.28
13. Gen. Admin/Correspondence	41.30	29,169.30			57.50	22,325.75			0.35	44.15					0.20	33.00	177.55	59,421.20		334.67
14. Other Internal Files					0.30	183.30											0.70	218.50		312.14
15. Other Internal Files							1.00	318.00	83.75	10,860.05			28.50	5,912.75	219.00	22,747.20	1,483.45	635,377.90		441.20
D Sub Total - General Administration	316.55	274,191.35	133.10	63,868.25	616.45	250,657.60	88.10	27,140.50												
E Assets Realisation / Dealing																				
01. Asset Tracing					1.00	487.00											1.00	487.00		487.00
02. Agent Instruction/Liaising			1.75	763.00													0.50	201.50		403.00
03. Property Related Matters	61.00	38,706.00	530.25	231,189.00	1.50	604.50			0.75	64.80					5.50	1,222.00	3.25	1,367.50		420.77
04. Debt Collection			3.75	1,417.00	34.50	14,205.40											61.50	285,387.20		451.92
05. Dealing with Charged Assets			44.00	19,184.00	74.00	31,734.75									38.50	8,664.00	265.75	128,903.00		416.00
06. Dealing with Other Assets			3.00	1,308.00													3.00	1,308.00		436.00
07. HP/Leasing Matters			42.00	18,774.00	132.50	57,304.00									18.30	4,440.70	282.05	145,658.20		516.43
08. Sales of Businesses/Assets	89.25	65,139.50			772.70	318,583.30	34.25	9,926.75	39.75	12,179.00					45.80	6,294.90	1,682.60	740,128.80		419.87
09. Other Matters	172.90	119,647.60	6.17	273,547.25	1,016.70	423,120.45	34.25	9,926.75	40.00	12,193.80					108.10	20,641.60	2,872.90	1,304,938.20		454.22
E Sub Total - Assets Realisation / Dealing	432.40	292,873.35	1,241.45	546,182.25																
F Trading Related Matters																				
01. Trading Related Matters																	3.00	747.00		249.00
02. Trading Related Matters																	8.25	2,054.25		249.00
03. Trading Related Matters					1.25	501.75											1.25	501.75		249.00
04. Hiring down the Business					41.20	17,963.20											41.20	17,963.20		484.00
05. Attendance at Premises																	7.00	3,052.00		416.00
06. Monitor/Supervise Trading					8.80	3,548.40									0.25	65.75	1.25	545.00		416.00
07. Business Management	0.05	24.20	7.00	3,052.00	68.25	26,698.75											66.25	26,698.75		419.92
08. Trading Accounts			11.50	5,014.00	68.25	26,698.75											1.50	638.50		403.00
09. Business Closure					119.00	49,370.60									11.50	2,867.00	150.30	60,872.80		405.01
09 Other Matters			19.75	8,611.00																
F Sub Total - Trading Related Matters	0.05	24.20	19.75	8,611.00																
G Employee Matters																				
01. Dealing with Employees			0.75	327.00	4.50	1,247.25	0.30	68.70	0.15	17.40							5.55	1,642.95		296.03
02. Pension Issues					67.65	28,094.35	1.55	316.45									1.70	333.85		196.38
03. Other Matters					72.15	29,341.60	2.50	454.00	0.15	17.40					4.15	500.30	74.30	29,048.05		390.96
G Sub Total - Employee Matters			0.75	327.00			4.35	839.15	0.15	17.40							81.55	31,025.45		380.45
H Creditor Claims																				
01. Creditor Claims			3.25	1,417.00	164.40	66,631.90	0.30	68.70									167.65	68,048.80		405.90
02. Creditor Claims																	0.30	68.70		273.00
03. Preferential Creditors			2.55	1,134.35	29.75	12,234.45	1.50	354.80	3.75	436.10					15.75	1,389.35	53.30	15,548.95		291.71
04. Non-preferential Creditors			0.20	89.40					0.50	58.00							0.70	147.40		210.57
05. Other Creditors					8.00	3,490.00			0.20	25.40							8.20	3,515.40		418.71
06. Other Matters			6.00	2,640.75	202.15	82,356.35	1.80	423.90	4.45	519.50					15.75	1,389.35	230.15	87,329.35		379.45
H Sub Total - Creditor Claims																				
I Reporting																				
01. Statutory Reporting			18.15	7,661.55	143.30	58,764.80	24.55	4,991.00	5.95	708.30					61.90	5,414.20	254.05	77,541.85		305.22
02. Reporting to Appointor			39.75	18,836.35											9.65	646.55	39.75	18,836.35		473.87
03. Reporting to Committee					23.25	9,539.25									3.85	524.85	32.90	10,175.80		309.29
04. Reporting to Creditors	41.50	26,916.50			5.25	2,332.00	1.40	345.80									57.75	32,696.30		566.17
05. Reporting to other bodies	88.75	56,630.00															88.75	56,630.00		618.08

**Bell Pottinger LLP - In Administration
BDO LLP policy in respect of Fees and Disbursements**

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:

Grade Description	Discounted Rates (£)	Standard Rates (£)
Partner	278	484-866
Principal/Director	258	436-954
Senior Manager	228	250-487
Manager	188	181-421
Assistant Manager	167	116-295
Senior Administrator/Administrator	117	105-302
Administrative Support/Other Professional	87	105

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP are reviewed on a regular basis 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.

2) 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.

3) Category 2

We propose to recover from the estate 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
4 October 2019

Bell Pottinger LLP - In Administration
Statement of Creditors' Rights in respect of Fees and Disbursements

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.