

# WU07

## Notice of progress report in a winding-up by the court



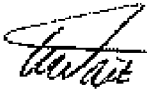
Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

<b>1</b>	<b>Company details</b>	
Company number	O C 3 8 0 4 7 8	<b>→ Filling in this form</b> Please complete in typescript or in bold black capitals.
Company name in full	Bell Pottinger LLP	
<b>2</b>	<b>Liquidator's name</b>	
Full forename(s)	William Matthew	
Surname	Tait	
<b>3</b>	<b>Liquidator's address</b>	
Building name/number	55	
Street	Baker Street	
	London	
Post town		
County/Region		
Postcode	W 1 U 7 E U	
Country		
<b>4</b>	<b>Liquidator's name ①</b>	
Full forename(s)	Malcolm	<b>① Other liquidator</b> Use this section to tell us about another liquidator.
Surname	Cohen	
<b>5</b>	<b>Liquidator's address ②</b>	
Building name/number	55	<b>② Other liquidator</b> Use this section to tell us about another liquidator.
Street	Baker Street	
	London	
Post town		
County/Region		
Postcode	W 1 U 7 E U	
Country		

WU07

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6		Period of progress report																																								
From date	d		0		d		6		m		0		m		9		y		2		y		0		y		1		y		9											
To date	d		0		d		5		m		0		m		9		y		2		y		0		y		2		y		0											
7		Progress report																																								
		<input checked="" type="checkbox"/> The progress report is attached																																								
8		Sign and date																																								
Liquidator's signature			Signature		<div>X</div> <div></div> <div>X</div>																																					
Signature date	d		0		d		5		m		1		m		1		y		2		y		0		y		2		y		0											

WU07

Notice of progress report in a winding-up by the court



### 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

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 Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 06/09/2019 To 05/09/2020 £	From 06/09/2019 To 05/09/2020 £
ASSET REALISATIONS		
Excess Drawings income	213,000.00	213,000.00
Interest Gross	812.81	812.81
Transfer from the Administration	364,656.72	364,656.72
	<u>578,469.53</u>	<u>578,469.53</u>
COST OF REALISATIONS		
Administrators' Fees	100,000.00	100,000.00
Bank Charges	66.15	66.15
IS Banking fee	22.00	22.00
IS Co Liquidation Administration fee	5,000.00	5,000.00
IT costs	86,645.21	86,645.21
Legal Fees & Disbs	165,039.79	165,039.79
OR General Fee	6,000.00	6,000.00
Partner retainer costs	15,641.51	15,641.51
Sec of State Remittance Fees	5.55	5.55
Tax deducted at source	162.56	162.56
	<u>(378,582.77)</u>	<u>(378,582.77)</u>
	<b>199,886.76</b>	<b>199,886.76</b>
REPRESENTED BY		
Input VAT		13,109.60
ISA NIB		129,466.02
Vat Control Account		57,311.14
		<u><b>199,886.76</b></u>

TO ALL KNOWN CREDITORS

5 November 2020

Our Ref BPLLP/WMT/DF/C3

Please ask for  
David Forster  
0151 237 4530  
Email [BRCMTLondonandSouthEast@bdo.co.uk](mailto:BRCMTLondonandSouthEast@bdo.co.uk)

Dear Madams/Sirs

**Bell Pottinger LLP - In Compulsory Liquidation ('the LLP' or 'BPLLP')**  
**Registered number: OC380478**  
**High Court of Justice, Chancery Division, Companies Court No 2017-006683**

I set out below an annual progress report in accordance with Section 104A of the Insolvency Act 1986 and Rule 18.4 of the Insolvency (England and Wales) Rules 2016 ('the Rules').

This report covers the period 6 September 2019 to 5 September 2020 ('the Period') and should be read in conjunction with previous reports issued in the preceding Administration.

#### **Professional information regarding the Joint Liquidators**

The Joint Liquidators are William Matthew Humphries Tait (officeholder number: 9564) and Malcolm Cohen (officeholder number: 6825). Please note Colin Michael Trevethyn Haig (officeholder: 7965) of BDO LLP, 55 Baker Street, London, W1U 7EU, was removed as Joint Liquidator on 14 September 2020 following his retirement from BDO LLP.

The Joint Liquidators were appointed on 6 September 2019 following a Court Order issued on the same day and they carry out their functions jointly and severally meaning any action can be performed by one Liquidator or by both of them.

The Liquidation proceedings are dealt with in the High Court of Justice, Chancery Division and the Court case number is 6683 of 2017.

The LLP registered office is situated at 55 Baker Street, London, W1U 7EU and the registered number is OC380478.

Creditors will be aware that the Joint Liquidators were also appointed as Joint Liquidators of Bell Pottinger Private Ltd ('BPPL') on the 6 September 2019.

#### **Progress of the Liquidation and Investigations**

As well as carrying out matters in relation to their statutory duties, the Joint Liquidators have taken steps to achieve further recoveries into the estate during the Period.

The Joint Liquidators have continued to liaise with their lawyers in respect of a claim for breach of contract by a Member of the LLP and a significant and related excess drawings claim in respect of the same Member.

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.

The Joint Liquidators 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 Liquidation of Bell Pottinger LLP. Please see the privacy statement at <https://www.bdo.co.uk/en-gb/legal-privacy/privacy-notice>

The Joint Liquidators' lawyers have been in correspondence with the Member's lawyers. As the claims are subject to potential litigation, the Joint Liquidators are unable at this time to provide any further detail.

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. In conjunction with their lawyers the Joint Liquidators have continued to review these matters and have prepared a strategy to pursue claims in this respect including engaging with LLP the directors and officers insurance providers. Future realisations in this respect are currently uncertain.

The Joint Liquidators have continued to be in correspondence with Members of the LLP to recover excess drawings balances. The Joint Liquidators have also instructed their lawyers to assist with certain claims. Further recoveries are expected in this respect as balances totalling £1.8m remain unpaid. This sum excludes the claim subject to potential litigation, as detailed above.

The Insolvency Service has investigated the events leading to the failure of the LLP and has instituted legal proceedings against three of the Members seeking disqualification. Whilst documentary and other evidence may be the same, the investigation and action by the Insolvency Service is wholly separate to that of the Joint Liquidators.

Notwithstanding, the Joint Liquidators have a statutory duty to assist the Insolvency Service with their work, specifically with the provision of information obtained from the LLP's records.

In order for the Joint Liquidators to pursue the above mentioned claims, it has been necessary to carry out detailed searches of the LLP's records and information has been provided to their lawyers to assist them in the provision of their advice.

Information extracted from the LLP's systems comprises five terabytes of data over a variety of bespoke and 'off-the-shelf' software platforms. The Joint Liquidators, 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.

I can confirm that there are no assets of a peculiar or special nature which cannot be sold. Consequently there has been no distribution of unsold assets to creditors, as mentioned in Rules 18.10/14.13 of the Insolvency (England & Wales) Rules 2016.

## **Receipts and Payments**

Enclosed at Appendix 1 is a summary of the receipts and payments during the Period showing a balance in hand of £199,887.

### **Receipts**

#### Transfer from the Administration

Cash totalling £259,682 and input VAT in the sum of £104,975 has been transferred from the Administration.

## Excess Drawings

During the Period, a total of £213k has been received in respect of the excess drawings claims.

## **Payments**

### Legal Fees and Disbursements

Payments totalling £165k have been made to Stephenson Harwood LLP ('Stephenson Harwood') in relation to legal fees and disbursements during the Period.

Of this sum, £16k related to legal fees and disbursements that accrued in the Administration period. This included assistance with the exit application from Administration to Liquidation (£12k) and the provision of legal advice in relation to the various claims being pursued (£4k).

The balance of payments made related to the provision of legal advice during the Period. General advice has been provided to the Joint Liquidators relating to matters arising in the course of the Liquidation for example, a review of the number of Members required. Advice has also been provided in respect of the excess drawings claims, the breach of contract claim and the claims relating to the failure of the LLP. We note in respect of the fees incurred during the Period in relation to the claims, they largely related to future recoveries that are likely to be achieved.

The fees charged by Stephenson Harwood are currently in line with the fees estimated by the Joint Liquidators.

### IT costs

During the period £86,645 had been paid to maintain the LLP's electronic books and records. As detailed above, the records are being maintained to allow access to information required to enable future recoveries into the estate and also for the purposes of assisting the Insolvency Service should assistance be required.

### Partner Retainer Costs

For legal reasons it has been a requirement for the Joint Liquidators to retain two Members. During the Period, payments totalling £15,642 were made in respect of associated costs.

Following recent advice, the LLP will now only require one Member going forwards and the Joint Liquidators are finalising the process to reduce the number to one following which no further retainer costs will be incurred.

### Statutory Expenses

These expenses relate to the Official Receiver's general fee and the ISA company liquidation fee, totalling £6k and £5k respectively, both of which were paid during the Period. These are statutory fees generated by this insolvency proceeding.

## **Costs in the Liquidation**

I provide a summary of the professional fees and other expenses, which have been paid in the Period, the costs, which have been accrued and not yet paid, and the costs that are anticipated.

<b>Professional Fees and Expenses</b>	<b>Accrued £</b>	<b>Paid £</b>	<b>Anticipated £</b>
Stephenson Harwood - Legal Fees & Disbursements	165,392	165,040	352
RnD Systems Integration Ltd - IT Costs	68,198	59,160	9,038
m-hance Ltd - IT costs	27,485	27,485	nil
Total Data Management Limited	1,904	nil	1,904
<b>Total</b>	<b>262,979</b>	<b>251,685</b>	<b>11,294</b>

### **Future Prospects for Creditors**

#### Secured Creditor

At the date of the Administration 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.

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 BPPL and Bell Pottinger Services Limited.

Distributions are expected to be contingent on the recoveries achieved in respect of the claims currently being pursued and will be substantially floating charge in nature.

#### Preferential Creditors

There are no preferential creditors' claims.

#### Unsecured Creditors & Prescribed Part

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 had no claim against the LLP, thereby reducing the estimated value of creditor claims to c. £7m.

To date we have received unsecured creditor claims totalling approximately £3.31m which the Joint Liquidators are carefully adjudicating.

Based on present information, it is anticipated that there will be no dividend payable in this matter, other than by way of the 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.

### **The Liquidation Committee**

During the Administration a Creditors' Committee was formed. The Committee has now become the Liquidation committee.

### **Joint Liquidators' Remuneration**

Pursuant to the Rules, the Joint Liquidators 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 Liquidators and the staff have spent attending to matters in the Liquidation as set out in the fees estimate; and/or
- (3) As a set amount; and/or
- (4) As a combination of the above.

The Joint Liquidators' have proposed to fix their remuneration by reference to the time the Joint Liquidators and their staff have spent attending to matters in the Liquidators. The Joint Liquidators' remuneration is fixed on the same basis as that of the Joint Administrators in accordance with Rule 18.20 of the Insolvency (England and Wales) Rules 2016.

### Standard and Discounted Rates

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

Grade Description	Discounted rates	Standard Rates
	£	£
Partner	274-320	665-835
Principal/Director	251-297	340-542
Senior Manager	220-250	247-502
Manager	170-216	131-313
Assistant Manager	140-170	131-250
Administrative Support/Other Professional	90-105	67-215

The Joint Liquidators have agreed a proposal with the Bank and the Liquidation 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

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

Detailed at Appendix 2 is the Joint Liquidators' Fees Estimate that sets out the total estimated fees for the Liquidation at the discounted rates.

The Joint Liquidators are required to provide a detailed analysis of their actual time costs. This is presented at Appendix 3. BDO's systems record this at standard time costs and therefore the time costs shown are at standard and not discounted rates. During the period time costs at standard rates totalling £238,791 have been incurred, being 588 hours at an average charge out rate of £406. This equates to £131,269 at the discounted rates.

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

#### Drawing of the Joint Administrators' fees

During the Period, £100k has been drawn in respect of remuneration relating to the Joint Administrators' fees, as shown on the enclosed Receipts and Payments account.

#### **Joint Liquidators' 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. To date, category 1 disbursements of £55,336 have been incurred.

Some Liquidators 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 based on the mileage scale approved by HMRC, being 45p per mile unless otherwise disclosed to the creditors. No category 2 disbursements have been incurred or drawn during the Liquidation.

Total disbursements of £55,336 have been incurred in this Liquidation as detailed in the following table.

	<b>Cat. 1 (£)</b>	<b>Cat. 2 (£)</b>	<b>Total (£)</b>
Land Registry	30.00	-	30.00
Statutory Advertising	81.00	-	81.00
Staff Travel & subsistence	366.78	-	366.78
Data Processing	54,858.25	-	54,858.25
<b>Total</b>	<b>55,336.03</b>	<b>-</b>	<b>55,336.03</b>

The disbursements incurred in respect of data processing relate to the searching of the Company's records to obtain information to enable recoveries into the estate and also for the purpose detailed in the investigations section of this report.

To date no disbursements have been drawn in the Liquidation.

#### **Creditors' rights**

I provide at the end of this report an extract from the Rules setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the Liquidation. Creditors may access information setting out creditors' rights in respect of the

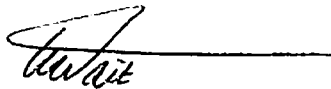
approval of the Joint Liquidators' remuneration and information on the rights, duties and functions of a liquidation committee at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>

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.

The Joint Liquidators 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: <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>

If you require any further information please do not hesitate to contact David Forster of my office.

Yours faithfully  
for and on behalf of  
Bell Pottinger LLP



William Matthew Humphries Tait  
Joint Liquidator

William Matthew Humphries Tait and Malcom Cohen were appointed Joint Liquidators of the LLP on 6 September 2019. The Joint Liquidators 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 Liquidators act as agents of the LLP and contract without personal liability.

Enclosed:

Appendix 1 Receipts and Payments Account  
Appendix 2 Information to creditors including Joint Liquidators' fees estimate and expenses  
Appendix 3 Time costs for the period 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

Receipts and Payments Account

**Bell Pottinger LLP**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 06/09/2019 To 05/09/2020 £	From 06/09/2019 To 05/09/2020 £
ASSET REALISATIONS		
Excess Drawings income	213,000.00	213,000.00
Interest Gross	812.81	812.81
Transfer from the Administration	364,656.72	364,656.72
	<u>578,469.53</u>	<u>578,469.53</u>
COST OF REALISATIONS		
Administrators' Fees	100,000.00	100,000.00
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	<b>199,886.76</b>	<b>199,886.76</b>
REPRESENTED BY		
Input VAT		13,109.60
ISA NIB		129,466.02
Vat Control Account		57,311.14
		<u><b>199,886.76</b></u>

**Bell Pottinger LLP**

**Information to creditors including the Joint Liquidators' Fees Estimate and expenses**

## Bell Pottinger LLP

### Joint Liquidators' Fees Estimate based on discounted rates

Below is the Joint Liquidators' Fees Estimate annotated with a column showing the time costs accrued in respect of each activity.

#### Fees Estimate as at 5 September 2020

Joint Liquidators' Fees	Total Hours	Blended Rate £	Estimated Fee £	Accrued Time £
<b>Summary Activity</b>				
B. Steps on Appointment	10.45	155.12	1,621.00	1,621.00
C. Planning and Strategy	115.20	259.53	29,897.70	6,630.70
D. General Administration	281.37	193.13	54,341.17	16,980.50
E. Assets Realisation/Dealing	839.58	228.57	191,901.91	105,389.55
F. Trading Related Matters	0.00	0.00	0.00	0.00
G. Employee Matters	0.00	0.00	0.00	0.00
H. Creditor Claims	52.00	137.50	7,150.00	0.00
I. Reporting	75.60	192.95	14,587.00	647.00
J. Distribution and Closure	60.00	176.67	10,600.00	0.00
<b>TOTAL</b>			<b>310,098.78</b>	<b>131,268.75</b>

The Joint Liquidators' remuneration will be subject to the approval of the Liquidation Committee.

#### Detail of Work Undertaken

I set out below details of the work that has been undertaken during the period and the work that is envisaged prior to appointment.

#### B Steps upon Appointment

This work included preparation of statutory documentation and setting up files upon appointment. The work was carried out by a combination of junior and more senior staff.

No further work has been undertaken under this category.

#### C Planning and Strategy

This work includes considering options and strategy planning in respect of actions and next steps and includes the preparation of estimated outcome statements. This area of work is led by me as partner in conjunction with a director and senior manager.

## **D General Administration**

This work includes VAT and taxation matters, instructing and liaising with solicitors regarding legal matters and advice, dealing with receipts and payments accounts, statutory matters, dealing with press and media enquiries, general meetings and discussions with the Joint Liquidators' team, general administration and correspondence.

The majority of this work requires a range of insolvency knowledge and experience, balanced with good accounting and administrative skills and is delegated largely to more junior staff with suitable levels of experience, supervised by directors or managers.

## **E Asset Realisation/Management**

This work includes the work being undertaken by the Joint Liquidators to achieve further recoveries into the estate. This work primarily relates to the recovery of excess drawings and capital account balances, claims for breach of contract and other claims arising from the Partnership Deed and/or the Insolvency Act. Work also includes liaising with solicitors and extracting data from the IT records.

Due to the nature of this work, it is being led by a partner with support from director, senior manager, assistant manager and administrative support levels of staff.

## **F Trading-Related Matters**

There are no trading related matters.

## **G Employee Matters**

There are no employee related matters.

## **H Creditor Claims**

This work will include dealing with general creditor enquiries, receiving and recording all creditor claims and if a dividend is likely, identifying whether additional supporting evidence was necessary from the creditor, reviewing the validity of all claims submitted by creditors alleging they have security rights which would afford them a higher priority when funds are distributed, considering, checking and recording all unsecured creditor claims and identifying any claims which might be categorised as deferred claims.

This work will be undertaken by more junior staff, supervised by managers and directors.

## **I Reporting**

Work within this category includes, reporting to the Liquidation Committee, secured creditor and preparing this report to creditors regarding the progress achieved in the Period and the preparation of future progress reports. These reports include summaries of receipts and payments, a suitable analysis of time costs accrued and a review of actual and accrued costs in comparison with the fees and expense estimate.

Directors or senior managers are responsible for leading the reporting and delegating the production of the accounts, fee analysis and comparison with estimates to suitably experienced executives. Reports are initially drafted by junior staff. In estimating the costs in respect of reporting, we assumed that the Liquidation would continue for three years. These activities do not contribute to the financial outcome for creditors - they are largely statutory duties imposed by the relevant legislation, however they do contribute to the creditors' understanding of the work being undertaken on their behalf.





## **J      Distribution and Closure**

The work within this category includes effecting distributions to the secured creditor and if applicable the unsecured creditors by way of the prescribed part. This includes giving notice to the unsecured creditors to prove their claims, adjudicating upon the claims, issuing formal rejection of any relevant claims, issuing payment with suitable notification to creditors, reconciling payments and accounting for unclaimed dividends. The work also includes preparing a final report to creditors together with a receipts and payments account, analysis of time costs accrued and a review of actual costs compared to the fee and expense estimate, completing all administrative arrangements including storage of any records for statutory periods and filing final statutory documentation.

The work is supervised by directors and senior managers, whilst final decisions and the release of funds is authorised by the partner. The majority of these activities do not contribute to the financial outcome for the creditors (although the matters relating to payment of dividends will do so). The formalities of bringing an insolvency to a close are statutory requirements.

**Bell Pottinger LLP**

**Time costs for the Period at Standard charge out rates**

Beil Pottinger LLP - In Compulsory Liquidation  
Detailed Time Charged and Rates Applicable for the Period from 6 September 2019 (date of Appointment) to 5 September 2020 at Standard charge out rates

Description	Partner /Principal		Director		Senior Manager		Manager		Assistant Manager		Senior Administrator		Administrator		Administrative support		Grand Total		
	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Average rate
B. Steps on Appointment																			
02. Statutory Documentation					4.75	2,318.75			1.10	144.10							10.35	2,482.35	236.84
12. Setting up Internal Files							0.10	13.10									0.10	13.10	131.00
B.Sub Total - Steps on Appointment	-	-	-	-	4.75	2,018.75	0.10	13.10	1.10	144.10	-	-	-	-	4.50	319.50	10.45	2,495.45	238.80
C Planning and Strategy																			
01. Historic Performance Review					1.00	425.00											1.00	425.00	425.00
05. Review Options Available	11.25	7,481.25															11.25	7,481.25	665.00
07. Strategy Planning	2.25	1,466.25	5.70	2,622.00	3.00	1,275.00											10.95	5,392.25	492.53
C. Sub Total - Planning and Strategy	13.50	8,977.50	5.70	2,622.00	4.00	1,700.00	-	-	-	-	-	-	-	-	-	-	23.20	13,299.50	573.25
D. General Administration																			
02. VAT					5.55	2,358.75											5.55	2,358.75	425.00
04. Instruct/Liaise Solicitors	1.25	978.75	0.25	115.00	9.55	4,058.75											11.05	5,152.50	466.29
05. Investigations															0.40	86.00	0.40	86.00	215.00
07. Receipts/Payments Accounts			2.85	965.00											15.15	960.30	41.30	11,438.40	276.40
08. Remuneration Issues	0.25	208.75	0.50	230.00	22.35	9,488.75	0.85	60.35									0.75	438.75	585.00
09. Statutory Matters									0.95	124.45							0.95	124.45	131.00
10. Contractual Matters					1.00	275.00											1.00	275.00	275.00
13. General Meetings					1.00	350.00											1.00	350.00	350.00
14. General Discussions					2.10	768.75											2.10	860.75	374.24
15. Gen. Admin/Correspondence			0.20	92.00	18.00	7,334.10													
16. Maintain Internal Files			0.20	92.00											5.60	444.40	23.80	7,870.50	330.69
99. Other Matters																	-	-	-
D. Sub Total - General Administration	1.50	1,187.50	4.00	1,498.00	59.55	24,634.10	0.85	60.35	0.95	124.45	-	-	-	-	21.15	1,490.70	88.00	28,995.10	329.49
E. Assets Realisation / Dealing																			
07. Debt Collection	14.25	9,476.25	17.10	7,866.00	224.75	138,010.25											356.10	155,352.50	436.26
09. Dealing with Other Assets	12.25	8,146.25			1.00	250.00											13.25	8,396.25	633.68
99. Other Matters	1.00	665.00	26.55	11,969.00	29.25	8,012.50	10.35	2,666.25	25.00	6,097.00					1.00	175.00	94.05	29,584.75	314.56
E. Sub Total - Assets Realisation / Dealing	27.50	18,287.50	43.65	19,835.00	355.00	146,172.75	10.35	2,666.25	25.90	6,097.00	-	-	-	-	1.00	175.00	463.40	193,333.50	417.21
I. Reporting																			
03. Reporting to Committee					0.10	42.50											0.10	42.50	425.00
99. Other Matters					2.50	625.00											2.50	625.00	250.00
I. Sub Total - Reporting	-	-	-	-	2.60	667.50	-	-	-	-	-	-	-	-	-	-	2.60	667.50	256.73
	42.50	28,452.50	53.35	23,955.00	425.90	175,293.10	11.30	2,739.70	27.95	6,365.55	-	-	-	-	26.65	1,985.20	587.65	238,791.05	406.35

Net Total	238,791.05
Billed	0.00
Grand Total	£238,791.05

**Bell Pottinger LLP**

**BDO LLP policy in respect of Fees and Disbursements**

**Bell Pottinger LLP - In Compulsory Liquidation**

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	274-320	665-835
Principal/Director	251-297	340-542
Senior Manager	220-250	247-502
Manager	170-216	131-313
Assistant Manager	140-170	131-250
Administrative Support/Other Professional	90-105	67-215

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  
5 November 2020

**Bell Pottinger LLP Appendix 5**

**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 Liquidators' 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.