

WU07

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



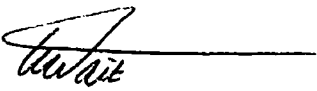
Companies House

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

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

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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 or email 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

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

Statement of Affairs £	From 06/09/2020 To 05/09/2021 £	From 06/09/2019 To 05/09/2021 £
ASSET REALISATIONS		
Bank Refund	1,359.49	1,359.49
Excess Drawings income	112,996.03	325,996.03
Input VAT from Administration	NIL	104,974.93
Interest Gross	166.25	979.06
Transfer from the Administration	NIL	259,681.79
	<u>114,521.77</u>	<u>692,991.30</u>
COST OF REALISATIONS		
Administrators' Fees	NIL	100,000.00
Bank Charges	88.00	154.15
IS Banking fee	NIL	22.00
IS Co Liquidation Administration fee	NIL	5,000.00
IT costs	70,244.40	156,889.61
Legal Fees & Disbs	46,784.04	211,823.83
OR General Fee	NIL	6,000.00
Partner retainer costs	15,888.67	31,530.18
Sec of State Remittance Fees	4.50	10.05
Storage Costs	2,379.38	2,379.38
Tax deducted at source	33.25	195.81
	<u>(135,422.24)</u>	<u>(514,005.01)</u>
	<u>(20,900.47)</u>	<u>178,986.29</u>
REPRESENTED BY		
Input VAT		7,472.85
ISA NIB		176,376.98
Trade Creditors		(8,352.24)
Vat Control Account		3,488.70
		<u>178,986.29</u>

Note:

Statement of Affairs Values are not included as the Liquidation followed Administration

TO ALL KNOWN CREDITORS AND MEMBERS

1 November 2021

Our Ref BPLLP/WMT/DF/C3

Please ask for
David Forster
0151 237 4530
Email 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 Rules 18.3 and 18.8 of the Insolvency (England and Wales) Rules 2016 ('the Rules').

This report covers the period from 6 September 2020 to 5 September 2021 ('the Period') and should be read in conjunction with my last report in the Liquidation dated 5 November 2020, along 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. 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's 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 Limited ('BPPL') on 6 September 2019 (together with BPLLP 'the Group'). The Joint Liquidators were also previously appointed as Joint Administrators of Bell Pottinger (Services) Limited ('BPSL'). The Administration of BPSL was closed on 7 October 2019 and the company has subsequently been dissolved in accordance with the Administrators' proposals.

Progress of the Liquidation and Investigations

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

As detailed in the last report to creditors, and set out in greater detail below, these relate primarily to recovering excess drawings and capital account balances, claims for breach of contract and other claims arising from the Partnership Deed and/or the Insolvency Act.

Breaches of contract / excess drawings

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

The Joint Liquidators' lawyers have been in correspondence with the Member's lawyers and associated parties. As the claims are subject to potential litigation, the Joint Liquidators are unable at this time to provide any further detail, but will provide further updates to the creditors when they are in a position to do so.

Failure of the LLP

As reported 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. Future realisations in this respect are currently uncertain, and remain subject to the Joint Liquidators' ongoing investigations.

Excess drawings / capital balances

The Joint Liquidators have continued correspondence with Members of the LLP to recover excess drawings balances and/or unpaid capital balances. During the Period, recoveries in the sum of £112,996 have been received into the Liquidation estate. With regard to the residual claims, in the sum of c£1.7m (not including any claim against the former Member who is also subject to a breach of contract claim, referred to above), the Joint Liquidators have instructed their lawyers to prepare particulars of claim which will shortly be issued to the relevant Members.

Again, as these claims are subject to litigation, the Joint Liquidators are unable at this time to provide any further detail, although do consider that further recoveries are expected to be made in due course. Accordingly, further updates will be provided to the creditors when the Joint Liquidators are able to do so.

Disqualification proceedings

As referred to in the previous report to creditors, the Insolvency Service has investigated the events leading to the failure of the LLP and instituted legal proceedings against three of the Members seeking their 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 this, the Joint Liquidators has a statutory duty to assist the Insolvency Service with their work, specifically with the provision of information obtained from the LLP's records.

On 11 September 2020, the Secretary of State for Business, Energy and Industrial Strategy ("SOS") issued disqualification proceedings against three former Members two of which then sought to strike out the disqualification proceedings. That action was dismissed pursuant to the Judgment of Mr Justice Michael Green dated 23 March 2021.

Whilst they are not party to the proceedings, and subject to any directions handed down by the Court, the Joint Liquidators will continue to discharge their duties as directed by the Court, specifically with regard to the further provision of information obtained from the LLP's records.

Further investigations

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.

As appropriate (and as set out in greater detail later in this report), during the Period it has been necessary to incur certain charges with third party IT service providers in order to maintain the integrity of this data. The position remains under close review in order to identify any further cost efficiencies in this regard.

Other assets

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 the Rules.

Receipts & Payments

Enclosed at Appendix 1 is a summary of the receipts and payments during the Period showing a balance in hand of £178,986.

Receipts

Bank Refund

During the Period a bank refund totalling £1,359 was received from Barclays Bank Plc in respect of a pre-appointment bank account held with them.

Excess Drawings Income

As set out above, the Joint Liquidators continue to make progress in relation to the recovery of excess drawings. During the Period, a total of £112,996 has been received in this respect.

Payments

Legal Fees and Disbursements

Payments totalling £4,859 have been made to Stephenson Harwood LLP ('Stephenson Harwood') in relation to legal fees and disbursements during the Period. These payments represented legal fees and disbursements charged in relation to advice pertaining to the various claims being pursued, as referred to above, and were in line with the fees estimated by the Joint Liquidators.

It should be noted that the fees incurred during the Period were largely related to future recoveries which it is anticipated should be achieved in due course.

In addition, the sum of £2,925 was paid to 3VB Collections in respect of Counsel's advice in relation to the above.

IT Costs

During the Period, £70,244 was 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 in the seat and also for the purposes of complying with any directions handed down by the Court in the disqualification proceedings.

Partner Retainer Costs

For legal reasons it was a requirement for the Joint Liquidators to retain two individuals as Members of the LLP. Following legal advice the Joint Liquidators were able to reduce the number to one following which no further retainer costs will be required.

During the Period, prior to the conclusion of this exercise, payments totalling £15,889 were made in respect of retainer costs.

Costs in the Liquidation

I provide a summary of the professional fees and other expenses which have been incurred and paid in the Period and in the Liquidation to date, together with anticipated future costs.

Professional Fees and Expenses	Incurred in Period (£)	Incurred cumulatively (£)	Paid in the Period (£)	Paid cumulatively (£)
Stephenson Harwood - legal fees and disbursements	43,859.04	208,898.83	39,822.84	204,862.63
3VB Collections	2,925.00	2,925.00	-	-
RnD Systems Integration Limited - IT costs	59,444.40	118,604.61	59,444.40	118,604.61
m-hance Limited - IT costs	10,800.00	38,285.00	10,800.00	38,285.00
Total Data Management Ltd - storage costs	2,379.38	2,379.38	2,379.38	2,379.38
Partner retainer costs	15,889.00	31,530.18	15,889.00	31,530.18
ISA fees	92.50	164.20	4.50	164.20
Tax deducted at source	33.25	195.81	33.25	195.81
Total	135,422.57	402,983.01	128,373.37	396,021.81

Future Prospects for Creditors

Secured Creditor

At the date of the 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 BPSL.

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

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 preceding Administration.

The LLP did not have any employees, only Members, therefore, there will be no preferential claims in the LLP.

Unsecured Creditors & the 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. HMRC has since confirmed that it has no claim against the LLP, thereby reducing the estimated value of creditor claims to c. £7m.

To date, the Joint Liquidators have received unsecured creditor claims totalling approximately £3.31m. Of the claims received, £1.04m were rejected in the Administration.

Based on present information, I anticipate 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 Joint Liquidators 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 LLP did grant a floating charge to a creditor after 15 September 2003, therefore the Prescribed Part will apply in this Liquidation, subject to their being adequate realisations.

The value of the LLP's Net Property subject to calculation of the Prescribed Part is heavily reliant on recoveries made in respect of the various legal claims referred to above. We are therefore unable to provide an accurate estimate the potential value of the Prescribed Part at this time.

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 their 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 Liquidation. The Joint Liquidators' remuneration is fixed on the same basis as that of the Joint Administrators in accordance with Rule 18.20 of the Rules.

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

Standard and Discounted Rates

The Joint Liquidators propose to apply a significant 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.

	Discounted Rates £	Standard Rates £
Partner	274-320	665-835
Principal/Director	251-297	340-681
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.

Appended to the last report to creditors dated 5 November 2020 was the Joint Liquidators' Fees Estimate that set out the total estimated fees for the Liquidation at the discounted rates. I can confirm that the fees incurred during the Period are in line with our earlier estimate.

The Joint Liquidators are required to provide a detailed analysis of their actual time costs. This is presented at Appendix 2.

BDO's systems record this at standard time costs and therefore the time costs shown are at standard and not discounted rates.

BDO LLP changed its time recording system with effect from 17 April 2021, as well as the form in which the Joint Liquidators present their time costs. I have therefore combined the time costs from the two reports into one schedule for each time period. I therefore attach detailed reports of the time incurred by the Joint Liquidators for the Periods:

- 6 September 2020 to 5 September 2021
- 6 September 2019 to 5 September 2021

During the Period, times costs at standard rates totalling £176,870 have been incurred, being 381 hours at an average charge out rate of £464. This equates to £88,680 at the discounted rates. During the whole of the appointment, time costs of £415,662 have been incurred over 969 hours at an average rate of £429. This equates to £219,949 at the discounted rates.

For guidance, I attach at Appendix 3 details of BDO LLP's policy in respect of fees and disbursements.

The Joint Liquidators have not drawn any fees during the Period.

Joint Liquidators' Expenses

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 £61,671 have been incurred but not drawn.

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 £61,671 have been incurred in this Liquidation as detailed in the following table.

	Incurring in Period (£)	Incurring cumulatively (£)
Category 1		
Land Registry	-	30.00
Statutory Advertising	-	81.00
Staff Travel & subsistence	-	366.78
Data Processing	6,334.75	61,193.00
Category 2		
Mileage	-	-
Total	6,334.75	61,670.78

The expenses shown are largely self-explanatory, however I would comment specifically on the data processing costs. During the Period, disbursements totalling £6,335 were incurred in respect of costs relating to data hosting fees and searching 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. The records are being maintained to allow access to information required to enable recoveries into the estate and also for the purpose detailed in the investigations section of this report.

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.

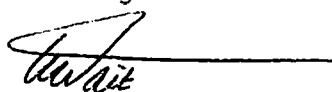
Creditors may access information setting out creditors' rights in respect of the approval of the Joint Liquidators' remuneration and on the rights, duties and functions of a liquidation committee at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>.

The 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 can be found at: <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>.

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 my response then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

If you require any further information please do not hesitate to contact me or my colleague David Forster at BRCMTLondonandSouthEast@bdo.co.uk.

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 both 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 06/09/2020 To 05/09/2021 £	From 06/09/2019 To 05/09/2021 £
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ISA NIB		176,376.98
Trade Creditors		(8,352.24)
Vat Control Account		3,488.70
		<u>178,986.29</u>

Note:

Statement of Affairs Values are not included as the Liquidation followed Administration

Bell Pottinger LLP

Information to creditors including Joint Liquidators' fees estimate and expenses

Bell Pottinger LLP - In Compulsory Liquidation**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 together with Accrued time to 5 September 2021

Joint Liquidators' Fees	Total Hours	Blended Rate £	Estimated Fee £	Accrued Time £
Summary Activity				
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	36,370.00
D. General Administration	281.37	193.13	54,341.17	52,825.25
E. Assets Realisation/Dealing	839.58	228.57	191,901.91	122,181.15
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	232.00
I. Reporting	75.60	192.95	14,587.00	6,639.25
J. Distribution and Closure	60.00	176.67	10,600.00	80.00
TOTAL	391.10		310,098.78	219,948.65

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

The Joint Liquidators' fees are currently in line with their total estimate dated 5 September 2020 although we note that more time has been incurred in respect of strategy and planning.

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 during the Liquidation.

B Steps upon Appointment

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. More work has been incurred in this area that was previously anticipated.

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.

Matters relating to investigations in respect of the potential claims being explored are also included in this section.

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.

The majority of work undertaken in this area during the Period 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, investigations and extracting data from the IT records. We note work in this area has been split between General Administration and Asset Realisation.

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

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 £	Total £
B. Steps on Appointment																			
01. Review Appointment Validity																	-	-	-
02. Statutory Documentation																	-	-	-
03. Review Company Search																	-	-	-
04. Meet Directors/Debtors etc.																	-	-	-
05. Initial Reviews																	-	-	-
06. Third Party Discussions																	-	-	-
07. Attendance at Premises																	-	-	-
08. Detail Documentation Review																	-	-	-
09. Preparation of Proposals																	-	-	-
10. Prepare Financial Data																	-	-	-
11. Applications to Court																	-	-	-
12. Setting up Internal Files																	-	-	-
99. Other Matters																	-	-	-
B. Sub Total - Steps on Appointment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C Planning and Strategy																			
01. Historic Performance Review																	-	-	-
02. Review Financial Position					19.50	8,760.45											19.50	8,760.45	449.25
03. Review Bus. Process/Systems																	-	-	-
04. Assessment of Management																	-	-	-
05. Review Options Available	11.25	8,855.00	0.80	578.80													12.05	9,383.80	778.74
06. Meet Appointee Committees																	-	-	-
07. Strategy Planning	3.00	2,364.00	24.10	13,734.10	33.85	15,151.90											60.95	31,350.00	514.36
08. Reporting																	-	-	-
99. Other Matters					27.35	12,722.45											27.35	12,722.45	465.17
C. Sub Total - Planning and Strategy	14.25	11,219.00	24.90	14,262.90	80.70	36,734.80	-	-	-	-	-	-	-	-	-	-	119.85	62,216.70	519.12
D. General Administration																			
02. VAT					4.10	1,905.05									0.10	7.40	4.20	1,932.45	460.11
03. Taxation			1.50	1,551.00	6.25	3,073.25											7.75	4,624.25	596.68
04. Instruct/Liaise Solicitors	1.35	1,084.20	20.70	12,406.70	9.15	4,379.30											31.20	17,870.20	572.76
05. Investigations			18.20	10,034.95	10.25	2,121.75											28.45	12,156.70	427.30
07. Receipts/Payments Accounts			0.55	185.00	29.05	13,771.10	1.70	123.90							17.70	1,524.50	49.00	15,604.50	318.46
08. Remuneration Issues									0.45	67.95							-	-	-
09. Statutory Matters					4.70	2,301.40											5.15	2,369.35	460.07
10. Contractual Matters					1.00	497.00											1.00	497.00	497.00
13. General Meetings					1.30	560.60											1.30	560.60	431.23
14. General Discussions					15.95	7,528.90			0.70	107.95					13.45	1,383.50	37.05	13,580.05	366.53
15. Gen. Admin/Correspondence	0.25	197.00	6.70	4,362.70													-	-	-
16. Maintain Internal Files																	-	-	-
99. Other Matters																	-	-	-
D. Sub Total - General Administration	1.60	1,281.20	47.65	28,540.35	81.75	38,158.35	1.70	123.90	1.15	175.90	-	-	-	-	31.25	2,915.40	165.10	69,195.10	419.11
E. Assets Realisation / Dealing																			
07. Debt Collection	5.80	4,570.40	4.60	2,169.10	35.40	15,066.20											45.80	21,805.70	475.59
09. Dealing with Other Assets	12.75	9,622.25			1.60	775.70											14.35	10,397.95	724.60
99. Other Matters					6.20	1,305.90											6.20	1,305.90	210.63
E. Sub Total - Assets Realisation / Dealing	18.55	14,192.65	4.60	2,169.10	43.25	17,147.85	-	-	-	-	-	-	-	-	-	-	66.40	33,509.60	504.66
H. Creditor Claims																			
02. Secured Creditors					0.50	212.50											0.50	212.50	425.00
04. Non-Preferential Creditors					0.35	148.75									0.50	35.50	0.85	184.25	216.76
H. Sub Total - Creditor Claims	-	-	-	-	0.85	361.25	-	-	-	-	-	-	-	-	0.50	35.50	1.35	396.75	293.89
I. Reporting																			
01. Statutory Reporting					21.35	9,073.75			0.55	74.55					2.35	291.40	24.25	9,439.70	389.27
03. Reporting to Committee	1.25	978.75	1.75	805.00													-	-	-
04. Reporting to Creditors					0.25	51.75									1.00	55.00	1.25	106.75	85.40
99. Other Matters							-	-	0.55	74.55	-	-	-	-	3.35	346.40	28.50	11,330.20	397.55
I. Sub Total - Reporting	1.25	978.75	1.75	805.00	21.60	9,125.50	-	-			-	-	-	-					
J. Distribution and Closure																			
99. Other Matters	0.25	221.75															0.25	221.75	887.00
J. Sub Total - Distribution and Closure	0.25	221.75															0.25	221.75	887.00
	35.90	27,893.35	78.90	45,777.35	228.15	99,527.75	1.70	123.90	1.70	250.45	-	-	-	-	35.10	3,297.30	381.45	176,870.10	463.68

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 2021 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 £	Total £	
B. Steps on Appointment																				
01. Review Appointment Validity					4.75	2,018.75			1.10	144.10					4.50	319.50	10.35	2,482.35	239.84	
02. Statutory Documentation																	-	-	-	
03. Review Company Search																	-	-	-	
04. Meet Directors/Debtors etc.																	-	-	-	
05. Initial Reviews																	-	-	-	
06. Third Party Discussions																	-	-	-	
07. Attendance at Premises																	-	-	-	
08. Detail Documentation Review																	-	-	-	
09. Preparation of Proposals																	-	-	-	
10. Prepare Financial Data																	-	-	-	
11. Applications to Court																	-	-	-	
12. Setting up Internal Files							0.10	13.10									0.10	13.10	131.00	
99. Other Matters																	-	-	-	
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	
02. Review Financial Position					19.50	8,760.45											19.50	8,760.45	449.25	
03. Review Bus. Process/Systems																	-	-	-	
04. Assessment of Management																	-	-	-	
05. Review Options Available	22.50	16,336.25	0.80	578.80													23.30	16,865.05	723.82	
06. Meet Appointee/Committees																	-	-	-	
07. Strategy Planning	5.25	3,860.25	29.80	16,356.10	36.85	16,526.90											71.90	36,743.25	511.03	
08. Reporting																	-	-	-	
99. Other Matters					27.35	12,722.45											27.35	12,722.45	465.17	
C. Sub Total - Planning and Strategy	27.75	20,196.50	30.60	16,884.90	84.70	38,434.80	-	-	-	-	-	-	-	-	-	-	143.05	75,516.20	527.90	
D. General Administration																				
02. VAT					9.85	4,383.80									0.10	7.40	9.75	4,391.20	440.12	
03. Taxation			1.50	1,551.00	6.25	3,073.25											7.75	4,624.25	596.68	
04. Instruct/Liaise Solicitors	2.60	2,062.95	20.95	12,521.70	18.70	8,438.05											42.25	23,022.70	544.92	
05. Investigations			18.20	10,034.95	10.25	2,121.75									0.40	86.00	28.85	12,242.70	424.36	
07. Receipts/Payments Accounts			3.40	1,154.00	51.40	23,259.85	2.55	184.25							32.85	2,484.80	90.20	27,082.90	300.25	
08. Remuneration Issues	0.25	208.75	0.50	230.00													0.75	438.75	585.00	
09. Statutory Matters					4.70	2,301.40			1.40	192.40							6.10	2,493.80	408.82	
10. Contractual Matters					1.00	275.00											1.00	275.00	275.00	
13. General Meetings					2.00	847.00											2.00	847.00	423.50	
14. General Discussions			0.20	92.00	3.40	1,329.35											3.60	1,421.35	394.82	
15. Gen. Admin/Correspondence	0.25	197.00	6.90	4,454.70	33.95	14,863.00			0.70	107.95					19.05	1,827.90	60.85	21,450.55	352.52	
16. Maintain Internal Files																	-	-	-	
99. Other Matters																	-	-	-	
D. Sub Total - General Administration	3.10	2,468.70	51.65	30,038.35	141.30	60,792.45	2.55	184.25	2.10	300.35	-	-	-	-	52.40	4,406.10	253.10	98,190.20	387.95	
E. Assets Realisation / Dealing																				
07. Debt Collection	20.05	14,046.65	21.70	10,035.10	360.20	153,076.50											401.95	177,158.25	440.75	
09. Dealing with Other Assets	25.00	17,768.50			2.60	1,025.70											27.60	18,794.20	680.95	
99. Other Matters	1.00	665.00	26.55	11,969.00	35.45	9,318.40	10.35	2,666.25	25.90	6,097.00					1.00	175.00	100.25	30,896.65	308.14	
E. Sub Total - Assets Realisation / Dealing	46.05	32,480.15	48.25	22,004.10	398.25	163,420.60	10.35	2,666.25	25.90	6,097.00	-	-	-	-	1.00	175.00	529.80	226,843.10	428.17	
H. Creditor Claims																				
02. Secured Creditors					0.50	212.50											0.50	212.50	425.00	
04. Non-Preferential Creditors					0.35	148.75											0.85	184.25	216.76	
H. Sub Total - Creditor Claims	-	-	-	-	0.85	361.25	-	-	-	-	-	-	-	-	0.50	35.50	1.35	396.75	293.89	
I. Reporting																				
01. Statutory Reporting					21.35	9,073.75			0.55	74.55					2.35	291.40	24.25	9,439.70	389.27	
03. Reporting to Committee					0.10	42.50											0.10	42.50	425.00	
04. Reporting to Creditors	1.25	978.75	1.75	805.00																
99. Other Matters					2.75	676.75									1.00	55.00	3.75	731.75	195.13	
I. Sub Total - Reporting	1.25	978.75	1.75	805.00	24.20	9,793.00	-	-	0.55	74.55	-	-	-	-	3.35	346.40	31.10	11,997.70	385.78	
J. Distribution and Closure																				
99. Other Matters	0.25	221.75															0.25	221.75	887.00	
J. Sub Total - Distribution and Closure	0.25	221.75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	221.75	887.00	
Total	78.40	56,345.85	132.25	69,732.35	654.05	274,820.85	13.00	2,863.60	29.65	6,616.00	-	-	-	-	61.75	5,282.50	969.10	415,661.15	428.91	

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 periodically and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case 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 time for this case under the following categories:-

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

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 10 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.

Expenses

Expenses including disbursements (costs incurred in the case which have been paid by the firm and are recharged to the estate) can be divided into two categories.



1) Category 1 expenses

These are expenses relating directly to the estate incurred by an independent third party. In addition to professional fees and expenses, such expenses may include items such as bonding, advertising, insurance, external printing and postage costs, couriers, travel (by public transport), company and land registry searches, fees in respect of swearing legal documents and storage of the Company's records.

Creditor approval is not required to pay category 1 expenses.

2) Category 2 expenses

These are expenses relating directly to the estate which have been incurred by an associated party or which have an element of shared costs.

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 Company. 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.

Creditor approval is required to pay category 2 expenses from the estate.

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

Bell Pottinger LLP

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.