



**Boston Prime Limited – In Special Administration**

**Special Administrators' Eleventh Progress Report**

**For the period 9 February 2020 to 8 August 2020**

**CONTENTS**

- 1 Purpose of this report
- 2 Statutory information
- 3 Progress of the Special Administration
- 4 Assets still to be realised
- 5 Special Administrators' costs
- 6 Expenses incurred in the period 9 February 2020 to 8 August 2020
- 7 Estimated outcome for creditors
- 8 Ending the Special Administration
- 9 Creditors' rights
- 10 Next report

**APPENDICES**

- A
  - i) Receipts and payments account from 9 February 2020 to 8 August 2020, and;
  - ii) Cumulative receipts and payments account from 9 February 2015 to 8 August 2020, both in GBP and native currency
- B
  - i) Time analysis for the period from 9 February 2020 to 8 August 2020, and;
  - ii) Time analysis for the period 9 February 2015 to 8 August 2020.
- C Additional information in relation to Special Administrators' fees pursuant to Statement of Insolvency Practice 9
- D Narrative guide to activities undertaken by the Special Administrators

## **1 Purpose of this report**

- 1.1 The purpose of this report is to provide clients and creditors with information in relation to the progress of the Special Administration of Boston Prime Limited (“the Company”) for the period 9 February 2020 to 8 August 2020 (“the Period”). It should be read in conjunction with the previous nine six monthly progress reports covering the period 9 February 2015 to 8 February 2020.
- 1.2 The report has only been prepared for the purpose of compliance with statutory requirements under the Insolvency Act 1986, Insolvency (England and Wales) Rules 2016 (as amended) and The Investment Bank Special Administration Regulations 2011 (“SAR”). It has not been prepared for any other purpose and is not intended, nor suitable to be used, to inform any investment decision in relation to any debt of, or any financial interest in, the Company.
- 1.3 Any person that chooses to rely on any information referred to in this report for any purpose or in any context other than for the purpose of this report referred to above does so at their own risk.
- 1.4 To the fullest extent permitted by law, the Special Administrators, their firm, its employees and agents, do not have or assume any responsibility, and will not accept any liability in respect of, or as a result of, any decision or action taken, or refrained from, as a result of information contained in this report.

## **2 Statutory information**

- 2.1 My colleague, Steve Butt, and I were appointed Joint Special Administrators of the Company on 9 February 2015 by the High Court of England and Wales under court reference number 1051 of 2015.
- 2.2 This Special Administration is being handled by Rollings Butt LLP (“Rollings Butt”) of 6 Snow Hill, London, EC1A 2AY.
- 2.3 The trading address of the Company was Citypoint Suite 1248, 1 Ropemaker Street, London, EC2Y 9HT.
- 2.4 The registered office of the Company is c/o Rollings Butt LLP, 6 Snow Hill, London, EC1A 2AY and its registered number is 07435569. The Company is authorised and regulated by the Financial Conduct Authority (“FCA”), with the firm reference number 539846. However, I refer you to section 3.14 of this report regarding further information in this regard.
- 2.5 The Special Administrators’ proposals were approved without modification by a meeting of the Company’s clients and creditors held on 8 April 2015. A creditors’ committee (“the Committee”) was formed.

## **3 Progress of the Special Administration**

### *Objectives and strategy of the Special Administration*

- 3.1 As detailed in previous progress reports, and in accordance with the Special Administration Regime under the SAR, the Special Administrators have three objectives (“the Objectives”) although the order in which they appear does not indicate a hierarchy of priority between them:
- 1) to ensure the return of client assets as soon as is reasonably practicable;
  - 2) to ensure timely engagement with market infrastructure bodies and the authorities;
  - 3) to either—
    - a) rescue the investment bank as a going concern, or
    - b) wind it up in the best interests of the creditors.

I have outlined the Special Administrators' progress in achieving these objectives during the Period below.

*Receipts and payments account*

- 3.2 Attached at Appendix A(i) is a Receipts and Payments account for the period 9 February 2020 to 8 August 2020 as well as a cumulative account (Appendix A(ii)) for the full period of the Special Administration, both in GBP and native currency.
- 3.3 During the Period, the sum of £3,090.13 excluding Value Added Tax ("VAT") was paid in respect of legal fees to the Special Administrators' Maltese legal advisors.

*VAT*

- 3.4 As you will recall from previous progress reports, whilst the Company is registered for VAT it is subject to partial exemption special method, as agreed with HM Revenue and Customs ("HMRC"). As such, only 94.97% of VAT reclaims submitted are recoverable. As a consequence of this method, the Company has incurred irrecoverable VAT in the Period of £31.09. Irrecoverable VAT for the duration of the Special Administration totals £17,018.92.
- 3.5 In this, and previous six-monthly reports, expenses paid in the Special Administration are shown net of VAT and the cumulative amount of VAT paid is shown as VAT receivable.

*Corporation Tax ("CT")*

- 3.6 CT Returns continue to be submitted to HMRC for the period of the Special Administration. In the Period, £31,54 has been paid in relation to tax due on interest earned in the period 9 February 2018 to 8 February 2019.

*Client money claims and distribution*

- 3.7 As advised in previous progress reports, the Special Administrators have processed all payments in respect of Client Money Claimants.

*Unsecured Creditors and Dividends*

- 3.8 As previously reported, the Special Administrators have declared and paid two interim dividends to its unsecured creditors totalling 31.3208 pence in the GBP.
- 3.9 To date, I have agreed claims totalling £10,778,899.41 compared to estimated claims declared on the statement of affairs of £11,070,452. Dividend payments to unsecured creditors total £3,362,971.66.
- 3.10 In the period covering this report, we have been contacted by a potential creditor who had previously submitted a claim for US\$184,940 prior to the bar date. Initially this claim had been rejected owing to a lack of supporting evidence, however, further documentation has now been provided to support the claim.
- 3.11 In order to adjudicate the claim, the Special Administrators made enquiries with the director of the Company and requested bank statements from Barclays Bank UK. The investigations into the bank statements led to further enquiries of third parties and it is anticipated that the claim will be adjudicated shortly.
- 3.12 It should be noted that, in the event the claim is accepted, they will be entitled to a payment of dividend in arrears, which will total £38,021.76.

- 3.13 The Special Administrators do not anticipate being in a position to pay any further dividends to unsecured creditors until there is clarity on what, if any, further assets are realisable. Further information on asset realisation is detailed in section 4 of this report.

*Regulatory Matters*

- 3.14 As you will recall from previous progress reports, the Special Administrators have liaised with the Financial Conduct Authority (“FCA”), keeping them informed of the progress being made and providing information when required
- 3.15 As all matters relating to client money claims have been resolved, the Special Administrators have been informed that the Company no longer meets the criteria to maintain its FCA registration. As such, in the Period, the Special Administrators have submitted an application to cancel the Company’s part 4a permissions relating to its FCA registration, which will de-register the Company from being an authorised member of the FCA. However, to date there has not been a response from the FCA.
- 3.16 The Special Administrators have also continued to co-operate with the Financial Services Compensation Scheme (“FSCS”), assisting them in the process of claims by providing information on claimants. I can confirm that the FSCS have made payments to a number of the Company’s creditors who met the relevant requirements to be able to submit a claim to the FSCS. For the avoidance of doubt, information in respect of potential compensation claims has been disclosed to creditors previously and can be found at <http://www.rollingsbutt.com/case-documents/bostonprime>.

*Debtors*

- 3.17 As detailed in previous reports, any further recoveries from the Company’s debtors are unlikely and therefore it is not cost-effective to continue to actively pursue these debts. Should any new evidence emerge to assist the Special Administrators in collecting the outstanding sums due, they will reanalyse the position accordingly.

**4 Assets still to be realised**

*Liquidity providers*

- 4.1 In previous progress reports, it has been stated that the Company has commenced legal proceedings in Malta against one of the Company’s liquidity providers relating to activity on the Company’s trading account in the aftermath of the Swiss National Bank’s decision to de-couple the Swiss Franc from the Euro on 15 January 2015.
- 4.2 Owing to the sensitive and confidential nature of these proceedings, a detailed account of the progress in this respect cannot be disclosed in this report. Creditors will recall, however, that I have attended hearings in Malta to give evidence. Creditors will further recall that the Maltese Court ruled in the Company’s favour with respect to the defendant’s preliminary plea regarding Malta being the appropriate jurisdiction for the claim.
- 4.3 The Special Administrators regularly update the Company’s Creditors Committee in respect of the progress of the litigation, and the key aspects and decisions of the proceedings are discussed and agreed with the Committee.

*BT Prime*

- 4.4 As advised in previous progress reports, the Company submitted a claim of US\$7.2m in the bankruptcy of BT Prime Ltd (“BT Prime”). This was partially agreed at US\$1.7m, and the balance of US\$5.5m remains to be adjudicated. The Company has received an initial dividend of US\$124,185 (£96,133) in relation to the agreed claim of US\$1.7m.

- 4.5 The Special Administrators have continued to liaise with the legal representatives of BT Prime in respect of their progress in the Bankruptcy. The legal representatives for BT Prime are undertaking an action in the US and we understand there has been no resolution in this regard, save for the Court decreeing that the US is the relevant jurisdiction. BT Prime's proceedings in the US are of a confidential nature and a detailed account of its progress cannot be provided here.
- 4.6 Since the Company is the largest creditor in BT Prime's Bankruptcy, a significant dividend is expected should BT Prime be successful in their litigation. The proceedings in the US are ongoing and we will provide an update on their progress in the next report.

## **5 Special Administrators' costs**

### *Remuneration*

- 5.1 The basis of the Special Administrators' remuneration has been agreed by the Committee by reference to the time properly spent by them and their staff in attending to matters arising in the Special Administration and can be drawn as and when funds permit.
- 5.2 Time costs for the period from 9 February 2020 to 8 August 2020 are £19,475. This represents 66.3 hours at an average rate of £293.74 per hour. Attached as Appendix B (i) is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by the Joint Special Administrators and their staff in managing the Special Administration.
- 5.3 Time costs for the period 9 February 2015 to 8 August 2020 total £928,615.50. This represents 3,813.50 hours at an average cost of £243.51 per hour. A cumulative Time Analysis is also attached at Appendix B (ii).
- 5.4 Whilst the Joint Special Administrators' remuneration allows for funds to be drawn as and when funds are available, it was agreed with the Committee that only 80% of the Special Administrators' time costs incurred for the period from 1 May 2015 to 30 June 2018 would be drawn with the remaining balance to be considered at a later date. Remuneration since this period is drawn in accordance with the agreed resolutions and on discussion with the Committee. Further details can be found at Appendix C.
- 5.5 In the period from 9 February 2020 to 8 August 2020, no invoices have been raised in relation to the Special Administrators' remuneration. Post appointment fees to date and drawn on account total £750,635.10 (excl. VAT).
- 5.6 A narrative guide to the Special Administrators' time costs has been included at Appendix D and a copy of 'A Creditors' Guide to Administrators' Fees' is available on request or can be downloaded from <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>.
- 5.7 Attached as Appendix C is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade.

### *Category 1 and Category 2 disbursements*

- 5.8 As disclosed in previous reports, the Committee passed a resolution authorising the Special Administrators to draw their Category 2 disbursements in accordance with the rates referred to in our proposals. A further schedule of these rates, and information on Category 1 disbursements, is attached at Appendix C.
- 5.9 From 9 February 2020 to 8 August 2020, no disbursements have been incurred.

**6 Expenses incurred in the period 9 February 2020 to 8 August 2020**

6.1 The following expenses have been incurred in the Period:

Supplier/Service Provider	Nature of expense incurred	Amount incurred in Period (£)	Paid to date (£)
Camilleri Preziosi	Legal fees and expenses	3,090.13	3,090.13
Barclays Bank Plc	Bank charges	0.40	0.40
<b>Total</b>		<b>3,090.53</b>	<b>3,090.53</b>

6.2 Details of the rationale for appointing the professional advisers that the Special Administrators are working with on this matter are set out at Appendix C.

6.3 For previously incurred expenses please review the Special Administrators' previous progress reports.

**7 Estimated outcome for creditors**

*Clients with FCA CASS Protection*

7.1 The client money distributions have now been paid. No further client money distributions are anticipated. The return to client money creditors was c.90 pence in the pound.

*Secured creditors and Prescribed Part*

7.2 There is no registered security giving charges over the assets of the Company. Consequently, the provisions of S176A of the Insolvency Act 1986 in relation to a Prescribed Part will not apply.

*Preferential creditors*

7.3 As previously reported, the only preferential claim in the Special Administration was paid in full in October 2016.

*Non-preferential unsecured creditors*

7.4 Details in respect of further dividends to unsecured creditors can be found earlier in this report and, as stated, whilst it is not anticipated that a further dividend will be payable, this is based on the expectation that no further realisations are achieved.

**8 Ending the Special Administration**

8.1 At this stage, the Special Administrators intend to seek their discharge from liability under Paragraph 98 (2)(c) of schedule B1 to the Insolvency Act 1986 (as that provision applies to special administrations) immediately upon their appointment as Special Administrators ceasing to have effect. This will require the Special Administrators applying to the court.

8.2 As this is a Special Administration, under SAR the provisions of Paragraph 76 of Schedule B1 to the Insolvency Act 1986, which refer to an automatic end of an administration after 12 months, do not apply.

**9 Creditors' rights**

- 9.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Special Administrators provide further information about their remuneration or expenses (other than pre-Special Administration costs) which have been itemised in this progress report.
- 9.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Special Administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Special Administrators, as set out in this progress report, are excessive.

**10 Next report**

- 10.1 The Special Administrators are required to provide a progress report within one month of the end of the next six months of the Special Administration, or earlier if the Special Administration has been finalised.

Yours faithfully  
For Boston Prime Limited



Mike Rollings  
Joint Special Administrator

Michael David Rollings and Steven Edward Butt were appointed as Joint Special Administrators of Boston Prime Limited by order of the High Court on 9 February 2015.

The affairs, business and property of the Company are being managed by the Joint Special Administrators who act as agents of the Company and without personal liability.

Michael David Rollings and Steven Edward Butt are licensed to act in the UK as insolvency practitioners by the Insolvency Practitioners Association.

Boston Prime Limited is authorised and regulated by the Financial Conduct Authority, reference number 539846. The Company Number is 07435569 and the registered office is 6 Snow Hill, London. EC1A 2AY

## RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM 9 FEBRUARY 2020 TO 8 AUGUST 2020 (IN GBP)

Statement of Affairs (£)	ASSET REALISATIONS	(£)	USD Accounts (£)	EUR Accounts (£)	AUD Accounts (£)	PLN Accounts (£)	JPY Accounts (£)
590,896	"Client Funds" Accounts	-	-	-	-	-	-
3,890,559	Cash at Bank	-	-	-	-	-	-
	Interest Received	-	-	-	-	-	-
	Pre-Appointment Bank Refund	-	-	-	-	-	-
	Pre-Appointment Bank Interest	-	-	-	-	-	-
14,945	Liquidity Provider Trading Account	-	-	-	-	-	-
2,194,248	Debtors	-	-	-	-	-	-
	<b>Total Receipts</b>	-	-	-	-	-	-
	<b>COSTS OF REALISATIONS</b>						
	IT Suppliers	-	-	-	-	-	-
	Statutory Advertising	-	-	-	-	-	-
	Stationery & Postage	-	-	-	-	-	-
	Storage Costs	-	-	-	-	-	-
(4,449)	Trade & Expense Creditors	-	-	-	-	-	-
	Legal Fees	(3,090.13)	-	-	-	-	-
	Legal Disbursements	-	-	-	-	-	-
	Accountants Fees (Tax Advisors)	-	-	-	-	-	-
(560,896)	"Client Funds"	-	-	-	-	-	-
(11,070,452)	"Customer Funds"	-	-	-	-	-	-
	Bank Charges	(0.40)	-	-	-	-	-
(182,855)	Liquidity Provider Trading Account	-	-	-	-	-	-
	Intercompany Transfer to GBP	-	-	-	-	-	-
	Special Administrators' Insurance Bond	-	-	-	-	-	-
	Special Administrators' Pre Appointment Fees	-	-	-	-	-	-
	Special Administrators' Post Appointment Fees	-	-	-	-	-	-
	Special Administrators' Disbursements	-	-	-	-	-	-
	Employee Arrears/Holiday Pay	-	-	-	-	-	-
	Client Money Dividend	-	-	-	-	-	-
	Unsecured Creditors Dividend	-	-	-	-	-	-
	Unclaimed Dividend	-	-	-	-	-	-
	Corporation Tax	(31.54)	-	-	-	-	-
	Irrecoverable VAT	(31.09)	-	-	-	-	-
	<b>DISTRIBUTIONS</b>						
(221,750)	Ordinary Shareholders	-	-	-	-	-	-
	<b>Total Payments</b>	(3,153.16)	-	-	-	-	-
	<b>Net Receipts/(Payments)</b>	(3,153.16)	-	-	-	-	-

## Notes:

All figures are exclusive of VAT. Please refer to the progress report for further information on potential VAT recovery.

Foreign Currency rate used as at 6 March 2015: USD 1.5060; EUR 1.3871; AUD 1.9529; PLN 5.7250; JPY 182.1316

## RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM 9 FEBRUARY 2015 TO 8 AUGUST 2020 (IN GBP)

Statement of Affairs (£)	ASSET REALISATIONS	(£)	USD Accounts (£)	EUR Accounts (£)	AUD Accounts (£)	PLN Accounts (£)	JPY Accounts (£)
590,896	"Client Funds" Accounts	-	603,099	-	-	-	-
3,890,559	Cash at Bank	4,986,101	2,812,206	292,477	502,352	38,059	289,808
	Interest Received	548	4,287	-	4,422	-	-
	Pre-Appointment Bank Refund	610	-	-	-	-	-
	Pre-Appointment Bank Interest	130	-	-	-	-	-
14,945	Liquidity Provider Trading Account	-	701,232	-	-	-	-
2,194,248	Debtors	126,284	94	-	-	-	-
	<b>Total Receipts</b>	<b>5,113,672</b>	<b>4,120,917</b>	<b>292,477</b>	<b>506,773</b>	<b>38,059</b>	<b>289,808</b>
	<b>COSTS OF REALISATIONS</b>						
	IT Suppliers	(305)	-	-	-	-	-
	Statutory Advertising	(14,137)	-	-	-	-	-
	Stationery & Postage	(3,982)	-	-	-	-	-
	Storage Costs	(162)	-	-	-	-	-
(4,449)	Trade & Expense Creditors	-	-	-	-	-	-
	Legal Fees	(441,146)	-	-	-	-	(9,571)
	Legal Disbursements	(30,722)	-	-	-	-	-
	Accountants Fees (Tax Advisors)	(10,500)	-	-	-	-	-
(560,896)	"Client Funds"	-	-	-	-	-	-
(11,070,452)	"Customer Funds"	-	-	-	-	-	-
	Bank Charges	(2,493)	(25)	-	-	-	(50)
(182,855)	Liquidity Provider Trading Account	-	-	-	-	-	-
	Intercompany Transfer to GBP	-	(3,593,024)	(292,477)	(506,773)	(38,059)	(280,187)
	Special Administrators' Insurance Bond	(4,000)	-	-	-	-	-
	Special Administrators' Pre Appointment Fees	(42,109)	-	-	-	-	-
	Special Administrators' Post Appointment Fees	(750,635)	-	-	-	-	-
	Special Administrators' Disbursements	(3,523)	-	-	-	-	-
	Employee Arrears/Holiday Pay	(663)	-	-	-	-	-
	Client Money Dividend	-	(505,687)	-	-	-	-
	Unsecured Creditors Dividend	(3,364,231)	-	-	-	-	-
	Unclaimed Dividend	(17,593)	-	-	-	-	-
	Corporation Tax	(749)	-	-	-	-	-
	Irrecoverable VAT	(17,019)	-	-	-	-	-
	<b>DISTRIBUTIONS</b>						
(221,750)	Ordinary Shareholders	-	-	-	-	-	-
	<b>Total Payments</b>	<b>(4,703,969)</b>	<b>(4,098,736)</b>	<b>(292,477)</b>	<b>(506,773)</b>	<b>(38,059)</b>	<b>(289,808)</b>
	<b>Balance in hand</b>	<b>409,703</b>	<b>22,181</b>	-	-	-	-

## Notes:

All figures are exclusive of VAT. Please refer to the progress report for further information on potential VAT recovery.

Foreign Currency rate used as at 6 March 2015: USD 1.5060; EUR 1.3871; AUD 1.9529; PLN 5.7250; JPY 182.1316

## RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM 9 FEBRUARY 2015 TO 8 AUGUST 2020 (IN NATIVE CURRENCY)

Statement of Affairs (£)	ASSET REALISATIONS	(£)	USD Accounts	EUR Accounts	AUD Accounts	PLN Accounts	JPY Accounts
590,896	"Client Funds" Accounts	-	900,344	-	-	-	-
3,890,559	Cash at Bank	4,986,101	4,057,519	377,388	927,125	208,196	46,890,176
	Interest Received	548	6,456	-	8,635	-	-
	Pre-Appointment Bank Refund	610	-	-	-	-	-
	Pre-Appointment Bank Interest	130	-	-	-	-	-
14,945	Liquidity Provider Trading Account	-	1,056,055	-	-	-	-
2,194,248	Debtors	126,284	140	-	-	-	-
	<b>Total Receipts</b>	<b>5,113,672</b>	<b>6,020,514</b>	<b>377,388</b>	<b>935,760</b>	<b>208,196</b>	<b>46,890,176</b>
	<b>COSTS OF REALISATIONS</b>						
	IT Suppliers	(305)	-	-	-	-	-
	Statutory Advertising	(14,137)	-	-	-	-	-
	Stationery & Postage	(3,982)	-	-	-	-	-
	Storage Costs	(162)	-	-	-	-	-
(4,449)	Trade & Expense Creditors	-	-	-	-	-	-
	Legal Fees	(441,146)	-	-	-	-	(1,743,256)
	Legal Disbursements	(30,722)	-	-	-	-	-
	Accountants Fees (Tax Advisors)	(10,500)	-	-	-	-	-
(560,896)	"Client Funds"	-	-	-	-	-	-
(11,070,452)	"Customer Funds"	-	-	-	-	-	-
	Bank Charges	(2,493)	(37)	-	-	-	(9,096)
(182,855)	Liquidity Provider Trading Account	-	-	-	-	-	-
	Intercompany Transfer to GBP	-	(5,225,508)	(377,388)	(935,760)	(208,196)	(45,137,824)
	Special Administrators' Insurance Bond	(4,000)	-	-	-	-	-
	Special Administrators' Pre Appointment Fees	(42,109)	-	-	-	-	-
	Special Administrators' Post Appointment Fees	(750,635)	-	-	-	-	-
	Special Administrators' Disbursements	(3,523)	-	-	-	-	-
	Employee Arreas/Holiday Pay	(663)	-	-	-	-	-
	Client Money Dividend	-	(761,753)	-	-	-	-
	Unsecured Creditors Dividend	(3,364,231)	-	-	-	-	-
	Unclaimed Dividend	(17,593)	-	-	-	-	-
	Corporation Tax	(749)	-	-	-	-	-
	Irrecoverable VAT	(17,019)	-	-	-	-	-
	<b>DISTRIBUTIONS</b>						
(221,750)	Ordinary Shareholders	-	-	-	-	-	-
	<b>Total Payments</b>	<b>(4,703,969)</b>	<b>(5,987,299)</b>	<b>(377,388)</b>	<b>(935,760)</b>	<b>(208,196)</b>	<b>(46,890,176)</b>
	<b>Balance in hand</b>	<b>409,703</b>	<b>33,215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Notes:

All figures are exclusive of VAT. Please refer to the progress report for further information on potential VAT recovery.

## Time Entry - Detailed SIP9 Time &amp; Cost Summary for the period 9 February 2020 to 8 August 2020

Appendix B (i)

Classification of Work Function	Partner	Manager	Associate	Business Trainee	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : Administration & Planning	0.00	0.00	0.00	0.40	0.40	54.00	135.00
104 : Case Management	0.00	0.40	0.30	3.00	3.70	611.50	165.27
105 : Case Planning	1.00	0.60	0.60	0.00	2.20	926.00	420.91
107 : Statutory Reporting	0.00	2.50	11.00	0.00	13.50	2,981.50	220.85
108 : Statutory Compliance	1.50	0.00	0.00	0.00	1.50	812.50	541.67
109 : Review	0.00	0.60	0.00	0.00	0.60	213.00	355.00
111 : Billing	0.00	0.00	0.00	1.00	1.00	120.00	120.00
112 : Post Appointment Tax	0.90	0.00	3.60	0.00	4.50	1,395.00	310.00
116 : Case Accounting	0.00	0.50	0.90	0.20	1.60	368.50	230.31
117 : Bank Reconciliations	0.10	0.60	0.00	0.50	1.20	326.00	271.67
118 : Receipts & Payments	0.00	0.00	2.30	0.10	2.40	462.00	192.50
<b>Administration &amp; Planning</b>	<b>3.50</b>	<b>5.20</b>	<b>18.70</b>	<b>5.20</b>	<b>32.60</b>	<b>8,270.00</b>	<b>253.68</b>
600 : Case Specific	1.90	0.00	4.40	0.00	6.30	1,888.00	299.68
<b>Case Specific Matters</b>	<b>1.90</b>	<b>0.00</b>	<b>4.40</b>	<b>0.00</b>	<b>6.30</b>	<b>1,888.00</b>	<b>299.68</b>
500 : Creditors	1.70	0.00	12.00	0.00	13.70	3,935.00	287.23
501 : Communication With Creditors	0.90	0.40	0.00	0.00	1.30	649.50	499.62
502 : Creditors Claims	0.00	4.40	0.00	0.00	4.40	1,520.00	345.45
505 : Creditors Committee	0.00	0.70	1.70	0.00	2.40	658.00	274.17
510 : Pre Appointment Tax	0.40	0.00	0.00	0.00	0.40	210.00	525.00
<b>Creditors</b>	<b>3.00</b>	<b>5.50</b>	<b>13.70</b>	<b>0.00</b>	<b>22.20</b>	<b>6,972.50</b>	<b>314.08</b>
203 : Investigatory Work	0.00	0.30	0.00	0.00	0.30	106.50	355.00
<b>Investigations</b>	<b>0.00</b>	<b>0.30</b>	<b>0.00</b>	<b>0.00</b>	<b>0.30</b>	<b>106.50</b>	<b>355.00</b>
314 : Litigation	2.90	0.00	1.40	0.00	4.30	2,025.00	470.93
<b>Realisation of Assets</b>	<b>2.90</b>	<b>0.00</b>	<b>1.40</b>	<b>0.00</b>	<b>4.30</b>	<b>2,025.00</b>	<b>470.93</b>
801 : Shareholders - Communication	0.00	0.60	0.00	0.00	0.60	213.00	355.00
<b>Shareholders</b>	<b>0.00</b>	<b>0.60</b>	<b>0.00</b>	<b>0.00</b>	<b>0.60</b>	<b>213.00</b>	<b>355.00</b>
<b>Total Hours</b>	<b>11.30</b>	<b>11.60</b>	<b>38.20</b>	<b>5.20</b>	<b>66.30</b>	<b>19,475.00</b>	<b>293.74</b>

Time Entry - Detailed SIP9 Time & Cost for the period 9 February 2015 to 8 August 2020

Appendix B (ii)

Classification of Work Function	Partner	Manager	Associate	Business Trainee	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : Administration & Planning	6.75	96.30	29.20	0.40	132.65	34,336.00	258.85
102 : Appointment	1.00	0.00	0.00	0.00	1.00	420.00	420.00
103 : Background Information	6.40	1.60	8.30	0.00	16.30	4,537.00	278.34
104 : Case Management	6.70	31.00	19.20	3.00	59.90	15,130.50	252.60
105 : Case Planning	39.10	24.40	40.70	0.00	104.20	31,033.00	297.82
106 : Maintenance Of Records	3.00	4.70	7.10	0.00	14.80	3,531.00	238.58
107 : Statutory Reporting	28.80	83.70	216.90	0.00	329.40	70,469.25	213.93
108 : Statutory Compliance	9.55	28.10	10.50	0.00	48.15	13,082.75	271.71
109 : Review	0.00	1.50	0.00	0.00	1.50	505.50	337.00
111 : Billing	0.40	0.50	11.30	1.00	13.20	2,240.00	169.70
112 : Post Appointment Tax	18.60	40.50	90.90	0.00	150.00	34,154.50	227.70
115 : Meetings	30.25	6.50	23.60	0.00	60.35	18,792.50	311.39
116 : Case Accounting	3.50	5.10	123.70	0.20	132.50	19,481.00	147.03
117 : Bank Reconciliations	0.10	2.30	13.60	0.50	16.50	2,708.00	164.12
118 : Receipts & Payments	0.00	29.70	98.50	0.10	128.30	22,118.00	172.39
119 : Closure	0.00	0.50	0.00	0.00	0.50	135.00	270.00
702 : Liaison With Directors	2.55	7.30	0.70	0.00	10.55	3,046.00	288.72
<b>Administration &amp; Planning</b>	<b>156.70</b>	<b>363.70</b>	<b>694.20</b>	<b>5.20</b>	<b>1,219.80</b>	<b>275,720.00</b>	<b>226.04</b>
600 : Case Specific	80.75	100.20	92.20	0.00	273.15	76,463.00	279.93
<b>Case Specific Matters</b>	<b>80.75</b>	<b>100.20</b>	<b>92.20</b>	<b>0.00</b>	<b>273.15</b>	<b>76,463.00</b>	<b>279.93</b>
316 : Client Monies	81.15	63.00	39.90	0.00	184.05	60,003.00	326.01
317 : Customer Funds	35.75	100.30	109.50	0.00	245.55	56,538.50	230.25
500 : Creditors	52.25	159.80	445.70	0.00	657.75	130,342.00	198.16
501 : Communication With Creditors	1.20	1.10	0.10	0.00	2.40	1,049.50	437.29
502 : Creditors Claims	0.00	4.40	0.00	0.00	4.40	1,520.00	345.45
505 : Creditors Committee	139.05	212.20	284.20	0.00	635.45	166,681.75	262.31
508 : Employees	0.70	4.40	4.10	0.00	9.20	2,169.00	235.76
510 : Pre Appointment Tax	4.40	11.30	3.80	0.00	19.50	5,823.50	298.64
<b>Creditors</b>	<b>314.50</b>	<b>556.50</b>	<b>887.30</b>	<b>0.00</b>	<b>1,758.30</b>	<b>424,127.25</b>	<b>241.21</b>
200 : Investigations	4.80	8.80	15.60	0.00	29.20	7,342.00	251.44
201 : CDDA Reports	4.70	11.40	27.00	0.00	43.10	9,055.50	210.10
203 : Investigatory Work	0.00	0.30	0.00	0.00	0.30	106.50	355.00
<b>Investigations</b>	<b>9.50</b>	<b>20.50</b>	<b>42.60</b>	<b>0.00</b>	<b>72.60</b>	<b>16,504.00</b>	<b>227.33</b>
300 : Realisation Of Assets	10.55	50.30	21.80	0.00	82.65	21,131.25	255.67
301 : Assets - General	0.30	0.00	0.00	0.00	0.30	148.50	495.00
302 : Identifying, Securing, Insuring Assets	0.00	0.00	4.90	0.00	4.90	716.00	146.12
303 : Book Debts	19.30	53.50	44.60	0.00	117.40	30,428.00	259.18
314 : Litigation	87.20	90.60	105.60	0.00	283.40	83,112.50	293.27
<b>Realisation of Assets</b>	<b>117.35</b>	<b>194.40</b>	<b>176.90</b>	<b>0.00</b>	<b>488.65</b>	<b>135,536.25</b>	<b>277.37</b>
801 : Shareholders - Communication	0.00	0.60	0.00	0.00	0.60	213.00	355.00
<b>Shareholders</b>	<b>0.00</b>	<b>0.60</b>	<b>0.00</b>	<b>0.00</b>	<b>0.60</b>	<b>213.00</b>	<b>355.00</b>
403 : Ongoing Employee Issues	0.00	0.00	0.40	0.00	0.40	52.00	130.00
<b>Trading</b>	<b>0.00</b>	<b>0.00</b>	<b>0.40</b>	<b>0.00</b>	<b>0.40</b>	<b>52.00</b>	<b>130.00</b>
<b>Total Hours</b>	<b>678.80</b>	<b>1,235.90</b>	<b>1,893.60</b>	<b>5.20</b>	<b>3,813.50</b>	<b>928,615.50</b>	<b>243.51</b>

**Additional Information in Relation to Special Administrators’ Fees Pursuant to Statement of Insolvency Practice 9**

**1 Policy**

Detailed below is Rollings Butt LLP’s policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisers; and
- disbursements

**1.1 Staff Allocation and the use of Sub-contractors**

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Associate. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule in section 2 below provides details of all grades of staff and their experience level.

We are not proposing to utilise the services of any sub-contractors in this case.

**1.2 Professional Advisers**

On this assignment, we have used the professional advisers listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Adviser	Basis of Fee Arrangement
CMS Cameron Mckenna Nabarro Olswang (legal advice)	Hourly rate and disbursements
Camilleri Preziosi (legal advice)	Hourly rate and disbursements
Anderson Mori & Tomotsune (legal advice)	Hourly rate and disbursements (up to a capped fee)
Smith & Williamson	Agreed rate

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

**1.3 Disbursements**

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and accommodation, external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

On this case, no Category 1 or Category 2 disbursements have been incurred during the period 9 February 2020 to 8 August 2020.

## **2 Charge-out Rates**

A schedule of Rollings Butt LLP's charge-out rates for this assignment effective for this period is detailed below. For information on charge-out rates for the whole Special Administration, please refer to previous progress reports.

<b>Staff Grade</b>	<b>1 April 2019 - 31 March 2020</b>	<b>From 1 April 2020</b>
Partner	525	575
Director	420	460
Manager	265-325	295-355
Associate	160-240	175-260
Business Trainee	120-150	135-165

Please note that this firm records its time in minimum units of 6 minutes.

**NARRATIVE GUIDE TO ACTIVITIES UNDERTAKEN BY THE SPECIAL ADMINISTRATORS**

**From 9 February 2015 to 8 August 2020**

Analysis Code	Description	Narrative
<b>Administration and planning</b>		
100	Administration & Planning	<ul style="list-style-type: none"> <li>• Complying with internal case management procedures; filing, status checklists, IPS (internal case management system) administration, recording and analysing time incurred by the Special Administrators and their staff, maintaining/completing IP records</li> <li>• Preparation for internal and external meetings, including document production and review</li> </ul>
102	Appointment	<ul style="list-style-type: none"> <li>• Attending Court hearing</li> </ul>
103	Background Information	<ul style="list-style-type: none"> <li>• Retrieval of accounts and filings from Companies House and 3rd party Credit Search engines.</li> <li>• Requesting, printing, reviewing information provided by Director and 3rd parties.</li> <li>• Collating information relating to the Company prior to appointment, including details of assets, information relating to licence agreements, relevant online material.</li> </ul>
104	Case Management	<ul style="list-style-type: none"> <li>• Associate, Manager and Partner Reviews of Files</li> </ul>
105	Case Planning	<ul style="list-style-type: none"> <li>• Initial formulation and ongoing documentation of strategy to achieve special administration objectives</li> <li>• Consultation and ongoing correspondence with regulatory bodies (FCA and FSCS) to ensure strategy is appropriate</li> <li>• Ongoing consultation with legal advisors to ensure process and strategy are appropriate</li> <li>• Internal staff briefings and discussions relating to the progress of the case</li> <li>• Review of case workstreams to ensure appropriate staff assigned to appropriate tasks</li> <li>• Planning of future tasks necessary to achieve special administration objectives</li> </ul>
106	Maintenance of Records	<ul style="list-style-type: none"> <li>• Maintaining and amending IPS records</li> </ul>
107	Statutory Reporting	<ul style="list-style-type: none"> <li>• Drafting and amending the initial proposals</li> <li>• Preparation and maintenance of receipts and payments accounts</li> <li>• Drafting and preparing 6 monthly progress reports</li> </ul>
Analysis Code	Description	Narrative

108	Statutory Compliance	<ul style="list-style-type: none"> <li>• Gathering of initial information to enable statutory filing and reporting to be completed, including creditor details, management accounts for Statement of affairs, details of assets/cash at bank</li> <li>• Initial notifications to the Registrar of Companies, Creditors, Shareholders, Directors, Court, FCA and FSCS</li> <li>• Advertisements in London Gazette and additional press as necessary</li> <li>• Review of Statement of Affairs and filing with the Registrar of Companies</li> <li>• Initial statutory bonding and regular checks for adequacy</li> <li>• Ensuring compliance with all relevant regulation and legislation within statutory periods including adherence to The Investment Bank Special Administration Regulations 2011 and (England &amp; Wales) Rules 2011.</li> </ul>
111	Billing	<ul style="list-style-type: none"> <li>• Analysis of Work in Progress</li> <li>• Raising Rollings Butt LLP Invoices as and when approved by the creditors' committee</li> </ul>
112	Post Appointment Tax	<ul style="list-style-type: none"> <li>• Initial information gathering relating to the Company's tax position</li> <li>• Correspondence relating to post-appointment VAT, PAYE and Corporation Tax</li> <li>• Initial notification and subsequent communications to/from HM Revenue &amp; Customs</li> <li>• Submission of relevant returns and ensuring all post-appointment liabilities are accounted for</li> </ul>
115	Meetings	<ul style="list-style-type: none"> <li>• Preparation of documents for initial creditors' meeting, agendas</li> </ul>
116	Case Accounting	<ul style="list-style-type: none"> <li>• Initial set-up and ongoing administration of special administration bank accounts</li> <li>• Processing of receipts and payments</li> <li>• Maintenance of IPS cash book</li> <li>• Correspondence with banks in respect of holding funds in specific currencies</li> <li>• Correspondence with banks in order to place funds into interest bearing accounts</li> </ul>
117	Bank Reconciliations	<ul style="list-style-type: none"> <li>• Reconciling IPS and bank accounts</li> </ul>
118	Receipts & Payments	<ul style="list-style-type: none"> <li>• Preparing and processing R&amp;P accounts for creditors' committee and progress reports.</li> </ul>
119	Closure	<ul style="list-style-type: none"> <li>• Discussing the sending of a resolution to the creditors' committee</li> </ul>

Analysis Code	Description	Narrative
702	Liaison With Directors	<ul style="list-style-type: none"> <li>• Email/telephone correspondence with the Director relating to the Company</li> <li>• Information requests from the Director relating to the Company and/or third parties.</li> <li>• Email/telephone correspondence in respect of payments made to other group entities and third parties, including details of both cash movements and liquidity provider movements</li> </ul>
<b>Case Specific</b>		
600	Case Specific	<ul style="list-style-type: none"> <li>• Correspondence/Emails/Phone calls regarding retrieval of data from Forexware</li> <li>• Collating information received from Forexware</li> <li>• Legal correspondence regarding retrieval of data from Forexware</li> <li>• Correspondence with legal advisors of BT Prime</li> <li>• Correspondence regarding consideration of need to seek recognition of Special Administration in other jurisdictions.</li> <li>• Review of licencing agreements with Forexware</li> <li>• Investigations and discussions regarding trading data platform, feasibility of data retrieval, and general access to "back office" systems</li> <li>• Correspondence with liquidity providers regarding licenses and data retrieval</li> <li>• Correspondence with the FCA regarding the cancellation of part 4a permissions</li> </ul>
<b>Creditors</b>		
316	Client Monies	<ul style="list-style-type: none"> <li>• Correspondence relating to monies covered by FCA CASS rules as detailed in customer terms and conditions</li> <li>• Reconciling segregated client balances with Company records</li> <li>• Establishing the status of monies held by the Company in accordance with FCA CASS rules.</li> <li>• Discussions with Counsel and CMS McKenna in respect of client monies and pooled funds as per FCA CASS rules.</li> </ul>

Analysis Code	Description	Narrative
317	Customer Funds	<ul style="list-style-type: none"> <li>• Collation and review of information on client positions</li> <li>• Review of close out positions</li> <li>• Review of claims information provided by customers</li> <li>• Review of customer terms and conditions</li> </ul>
500	Creditors	<ul style="list-style-type: none"> <li>• Initial notifications to Creditors</li> <li>• Creation of web portal to provide general creditor information</li> <li>• Creation of documentation to be uploaded to web portal</li> <li>• Investigation work to establish accurate creditor postal and email addresses</li> <li>• Responses to general creditor queries to boston.prime@rollingsbutt.com</li> <li>• Administration of web portal and boston.prime@rollingsbutt.com</li> <li>• Preparation of documentation and venue for initial creditors' meeting</li> <li>• Collating information from clients and creditors in anticipation of adjudicating claims and future distributions</li> <li>• Processing and recording client and creditor claims in accordance with internal requirements</li> </ul>
505	Creditors Committee	<ul style="list-style-type: none"> <li>• Correspondence with creditors' committee</li> <li>• Attendance at creditors' committee meetings</li> <li>• Preparation of documentation for Committee meetings</li> </ul>
508	Employees	<ul style="list-style-type: none"> <li>• Correspondence with former employees of the Company</li> <li>• Answering queries regarding the status of the Company and their employment</li> <li>• Managing employee claims in relation to potential arrears of pay, redundancy, holiday pay, PILON etc</li> </ul>
510	Pre-Appointment Tax	<ul style="list-style-type: none"> <li>• Liaising with pre-appointment accountants to establish tax position of Company</li> <li>• Reconciliation of pre-appointment HMRC claims</li> <li>• Gathering information from HMRC relating to outstanding balances due for pre-appointment tax periods</li> <li>• Filing any returns due for pre-appointment period</li> </ul>

Analysis Code	Description	Narrative
<b>Investigations</b>		
200	Investigations	<ul style="list-style-type: none"> <li>• Correspondence with director and former directors regarding obligations to file CDDA report</li> <li>• Review of information provided by Director and former directors</li> <li>• Investigatory work required for the completion of CDDA reports</li> </ul>
201	CDDA Reports	<ul style="list-style-type: none"> <li>• Drafting and filing of CDDA report</li> </ul>
<b>Realisation of Assets</b>		
300	Realisation Of Assets	<ul style="list-style-type: none"> <li>• Initial correspondence notifying banks of special administration and requirement to freeze all funds</li> <li>• Correspondence with banks to retrieve funds held by the Company</li> <li>• Reconciling funds received to funds believed to be held</li> <li>• Legal correspondence to retrieve funds from Japanese bank</li> <li>• Submitting and reviewing claim in class action against one of the Company's former liquidity providers</li> </ul>
302	Identifying, Securing, Insuring Assets	<ul style="list-style-type: none"> <li>• Initial notification to insurers to provide open cover</li> <li>• Review of Company's previous insurance provisions</li> <li>• Ongoing correspondence with insurers regarding potential insurance for Company assets</li> </ul>
303	Book Debts	<ul style="list-style-type: none"> <li>• Initial notification to debtors of the special administration</li> <li>• Investigation into nature of relationship with Company</li> <li>• Reconciling Company records with debtor records</li> <li>• Legal correspondence regarding debtors</li> <li>• Correspondence relating to retrieval of balances due from debtors</li> <li>• Reconciliation of received funds with Company records</li> <li>• Consultation with legal advisers in respect of potential future litigation against third parties</li> </ul>
314	Litigation	<ul style="list-style-type: none"> <li>• Correspondence with CMS Cameron McKenna Nabarro Olswang LLP and Camilleri Preziosi in respect of litigation against third parties</li> <li>• Preparing and reviewing documents for court application and court hearings</li> <li>• Attending court hearings in Malta</li> </ul>
Analysis Code	Description	Narrative

<b>Trading</b>		
403	Ongoing Employee Issues	• Preparing documents for employee claims