



Boston Prime Limited – In Special Administration

Special Administrators' Sixth Progress Report

For the period 9 August 2017 to 8 February 2018

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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 August 2017 to 8 February 2018. It should be read in conjunction with the previous six monthly progress reports covering the period 9 February 2015 to 8 August 2017.
- 1.2 The report has only been prepared for the purpose of compliance with statutory requirements under the Insolvency Act 1986, Insolvency 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 the 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”), firm reference number 539846.
- 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 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.

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- 3.2 As all of the open trading positions between the Company and its clients had been closed out and the Company had ceased trading prior to the Special Administrators' appointment, it was not possible to rescue the Company as a going concern and Objective 3) a) was incapable of being achieved. It was therefore decided that the Special Administrators would instead pursue Objective 3) b) to wind up the Company in the best interests of its creditors.

I have outlined the Special Administrators' progress in achieving these objectives during the period 9 August 2017 to 8 February 2018 below.

Receipts and payments account

- 3.3 Attached at Appendix A(i) is a Receipts and Payments account for the period 9 August 2017 to 8 February 2018 as well as a cumulative account (Appendix A(ii)) for the full period of the Special Administration, both in GBP and native currency.
- 3.4 The most significant payments made during the period this report covers were the Special Administrators' fees and legal fees, these total £30,599 and £16,130, excluding Value Added Tax ("VAT"), respectively.
- 3.5 VAT totalling £235,755 has been paid to date and continues to be incurred and paid on the expenses of the Special Administration. The Special Administrators have received a partial recovery of VAT incurred, as detailed below.

VAT

- 3.6 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.
- 3.7 The Company is registered for VAT, however, given the nature of the Company's business, it was unclear at the date of the Special Administrators' appointment as to what extent they may be able to recover any VAT paid within the Special Administration.
- 3.8 As previously reported, following lengthy correspondence with HM Revenue & Customs ("HMRC"), the Company has been submitting VAT returns, applying a recovery percentage of 94.97%, for costs incurred in the Special Administration.
- 3.9 The table below details the breakdown of the VAT incurred in the Special Administration. Notes to the table are provided in paragraphs 3.9.1-3.9.6.

Treatment of VAT	Total (£)	Period (£)
VAT Reclaimed to date	212,768.88	1,021.85
VAT to be reclaimed	7,133.66	7,133.66
Disputed VAT Balance	3,728.57	-
VAT not reclaimed due to incorrect invoicing	279.27	-
Irrecoverable PESM VAT to date	11,466.60	54.12
VAT to be irrecoverable	377.83	377.83
Total VAT Incurred	235,754.81	8,587.46

- 3.9.1 The *VAT Reclaimed* shows the cumulative amounts received from HMRC as a consequence of VAT returns the Company has submitted.
- 3.9.2 The *VAT to be reclaimed* is the expected amount to be received from future VAT return(s) on VAT which has already been incurred, calculated based on the recovery percentage of 94.97%.
- 3.9.3 The *Disputed VAT Balance* of £3,728.57 relates to an unexplained underpayment from HMRC on the VAT return for the period 9 February 2015 to 30 September 2016.

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- 3.9.4 The *VAT not reclaimed due to incorrect invoicing* balance of £279.27 relates to several invoices which were incorrectly invoiced to Rollings Butt as opposed to the Company and, therefore, were not recoverable to the estate.
- 3.9.5 The *Irrecoverable PESH VAT* shows the cumulative total which is irrecoverable as a consequence of the 94.97% recovery rate, i.e. 5.03% of incurred VAT.
- 3.9.6 The *VAT to be irrecoverable* shows the expected amount to be written off from future VAT return(s) on VAT which has already been incurred, calculated based on the recovery percentage of 94.97%.

Corporation Tax ("CT")

- 3.10 As previously reported, the Company submitted a CT return in relation to interest incurred in the period 9 February 2015 to 8 February 2016.
- 3.11 On 1 February 2018, the Company submitted a CT return for the period 9 February 2016 to 8 February 2017. The Company has offset certain costs against interest incurred and therefore does not expect to have suffered any tax in the period.

Client money claims and distribution

- 3.12 As advised in previous progress reports, the Special Administrators have processed all payments due to Client Money Claimants.
- 3.13 As a consequence of this, the Client Money representative on the creditors' committee ("the Committee") was released as a member of the Committee, and subsequently re-appointed to the Committee as an unsecured creditor representative in respect of the balance that remains due to him.

Unsecured Dividends

- 3.14 As previously reported, the Special Administrators have declared and paid two interim dividends totalling 31.3208 pence in the GBP. In the reporting period, dividend payments total £1,826.90, which represents payment to an unsecured creditor who had not supplied the correct bank details previously.
- 3.15 Dividend payments to unsecured creditors to date total £3,378,167.
- 3.16 The Special Administrators do not intend to pay a further dividend to unsecured creditors until there is clarity on what, if any, further assets are realised. Further information on asset realisation is detailed in section 4 of this report.

Regulatory Matters

- 3.17 The Special Administrators have continued to co-operate with the Financial Services Compensation Scheme ("FSCS"), assisting them to process claims by providing information on requested claimants. 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>.
- 3.18 The Special Administrators also continue to liaise with the Financial Conduct Authority ("FCA"), keeping them informed of the progress of the Special Administration and providing them with information when required.
- 3.19 In the reporting period, the Special Administrators submitted a form removing the Company's sole director, George Popescu ("Mr Popescu") from the FCA's controlling functions.

4 Assets still to be realised

Debtors

- 4.1 As detailed in previous reports, the Company has recovered total debts of US\$40,500 (£30,150.95) during the period of the Special Administration, however, as a consequence of the significant cost and uncertainty of recovery, the Special Administrators do not intend to pursue any debtor recoveries any further.

Liquidity providers

- 4.2 As previously reported, investigations into the Company's liquidity providers led to direct correspondence with the Company's principal liquidity provider. A number of further queries arose from these discussions and it was confirmed that a balance of US\$1,056,055 remained on the Company's trading account and was due to the Company. This was received by the Special Administrators on 9 December 2015.
- 4.3 In the previous progress report, it was stated that the Company has commenced legal proceedings in Malta against one of the Company's liquidity providers in relation to unsatisfactory responses to queries raised by the Company about activity on the Company's account with this liquidity provider in the aftermath of the Swiss National Bank's decision to de-couple the Swiss Franc from the Euro on 15 January 2015.
- 4.4 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. However, it should be noted that, in the reporting period, there have been two further hearings in Malta in October 2017, with two further hearings scheduled in the coming months.

BT Prime

- 4.5 As advised in previous progress reports, the Company have received an initial dividend of US\$124,185 (£96,133) on a claim of US\$7,200,000 in the Bankruptcy proceedings for BT Prime Ltd ("BT Prime"), of which US\$1,700,000 has been partially admitted and US\$5,500,000 remains to be adjudicated.
- 4.6 The Special Administrators have continued to liaise with the legal representatives of BT Prime in respect of the Bankruptcy progress. The legal representatives for BT Prime are undertaking an action in the US against the Forexware group of Companies and we understand there have been no material developments in this case during the period covered by this report.

5 Investigations

- 5.1 As disclosed previously by the Special Administrators, and in accordance with the Company Directors Disqualification Act 1986, a report on the conduct of the Company's director, and former directors of the Company, was submitted to the Department for Business, Energy & Industrial Strategy (formerly Department for Business Innovation & Skills). As this is a confidential report its contents cannot be disclosed.
- 5.2 The UK Insolvency Service filed an order, dated 2 August 2017, to disqualify the Company's sole Director, Mr Popescu, from acting as a director in the UK for 12 years.

6 Special Administrators' costs

Remuneration

- 6.1 The basis of the Special Administrators' remuneration has been fixed by resolution of the creditors' committee by reference to the time properly spent by them and their staff in attending to matters arising in the Special Administration.

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- 6.2 Time costs for the period from 9 August 2017 to 8 February 2018 are £33,965.00. This represents 157.70 hours at an average rate of £215.38 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.
- 6.3 Time costs for the period 9 February 2015 to 8 February 2018 total £864,277. This represents 3,534.80 hours at an average cost of £244.55 per hour. A cumulative Time Analysis is also attached at Appendix B (ii).
- 6.4 It has been agreed with the creditors' committee that the Special Administrators' remuneration in respect of time incurred for the period 1 May 2015 onwards would be reduced by 20% of their standard time costs, with the remaining balance to be considered at a later point in time.
- 6.5 From 9 August 2017 to 8 February 2018, £30,598.80 (excl. VAT) has been invoiced and drawn on account, which relates to the period from 1 June 2017 to 31 October 2017. Post appointment fees to date drawn on account total £679,895 (excl. VAT).
- 6.6 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>.
- 6.7 Attached as Appendix D 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

- 6.8 Category 1 disbursements for the period total £4.03, which comprises solely of postage. Further information on Category 1 disbursements is provided at Appendix C
- 6.9 As disclosed in previous reports, the creditors' 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 is attached at Appendix C.
- 6.10 From 9 August 2017 to 8 February 2018 the following Category 2 disbursements have been incurred:

Category 2 Disbursements	Cost (£)	VAT (£)	Total (£)
Printing and Copying	9.90	1.98	11.88

7 Expenses incurred in the period 9 August 2017 to 8 February 2018

- 7.1 The following expenses have been incurred in the above period:

Supplier/Service Provider	Nature of expense incurred	Amount incurred in Period (£)	Paid to date (£)
CMS Cameron Mckenna	Legal Fees	6,108	6,108
CMS Cameron Mckenna	Legal Disbursements	10	10
Camilleri Preziosi	Legal Fees	4,664	4,664
Camilleri Preziosi	Legal Disbursements	9	9
Mail & Print	Postage	812	812
Barclays Bank	Bank Charges	30	30
Total		11,633	11,633

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7.2 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.

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

8 Estimated outcome for creditors

Clients with FCA CASS Protection

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

Secured creditors and Prescribed Part

8.2 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

8.3 As previously stated in the Special Administrators' Proposals, the remaining employees of the Company were made redundant by the Company Director prior to the appointment of the Special Administrators. Notice of the appointment as well as the appropriate documentation to register a claim has been sent to these former employees. At the date of this report, one employee has registered a minimal claim for unpaid holiday pay which was paid in full on 18 October 2016.

Non-preferential unsecured creditors

8.4 Details in respect of further dividends to unsecured creditors can be found earlier in this report and, as stated, any future realisations are based on future recoveries.

9 Ending the Special Administration

9.1 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.

9.2 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.

10 Creditors' rights

10.1 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.

10.2 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.

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11 Next report

- 11.1 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

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Receipts and Payments Account for the Period
from 9 August 2017 to 8 February 2018

Appendix A (i)

<i>Asset Realisations</i>	GBP Account (£)
Brought Forward	5,112,767
Total Receipts	5,112,767
Payments	
Brought Forward	(4,554,396)
Special Administrators' Fees	(30,599)
Special Administrators' Disbursements	(29)
Legal Fees	(16,130)
Legal Disbursements	(41)
Stationery & Postage	(812)
Bank Charges	(30)
Unsecured Creditors - Client	(1,826.90)
Irrecoverable VAT	(432)
Total Payments	(4,604,295)
	508,471

Notes:

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

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RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM 9 FEBRUARY 2015 TO 8 FEBRUARY 2018 (IN UK GBP)

Appendix A (ii)

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	382	4,287	-	4,422	-	-
14,945	Liquidity Provider Trading Account	-	701,232	-	-	-	-
2,194,248	Debtors	126,284	94	-	-	-	-
	Total Receipts	5,112,767	4,120,917	292,477	506,773	38,059	289,808
	COSTS OF REALISATIONS						
	IT Suppliers	(305)	-	-	-	-	-
	Statutory Advertising	(14,137)	-	-	-	-	-
	Stationery & Postage	(2,474)	-	-	-	-	-
	Storage Costs	(54)	-	-	-	-	-
(4,449)	Trade & Expense Creditors	-	-	-	-	-	-
	Legal Fees	(419,607)	-	-	-	-	(9,571)
	Legal Disbursements	(30,715)	-	-	-	-	-
	Accountants Fees (Tax Advisors)	(10,500)	-	-	-	-	-
(560,896)	"Client Funds"	-	-	-	-	-	-
(11,070,452)	"Customer Funds"	-	-	-	-	-	-
	Bank Charges	(2,344)	(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	(679,895)	-	-	-	-	-
	Special Administrators' Disbursements	(2,755)	-	-	-	-	-
	Employee Arrears/Holiday Pay	(663)	-	-	-	-	-
	Client Money Dividend	-	(505,687)	-	-	-	-
	Unsecured Creditors Dividend	(3,378,167)	-	-	-	-	-
	Corporation Tax	(718)	-	-	-	-	-
	Irrecoverable VAT	(12,124)	-	-	-	-	-
	Disputed VAT Balance	(3,729)	-	-	-	-	-
	DISTRIBUTIONS						
(221,750)	Ordinary Shareholders	-	-	-	-	-	-
	Total Payments	(4,604,295)	(4,098,736)	(292,477)	(506,773)	(38,059)	(289,808)
		508,471	22,181	-	-	-	-

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; JPY182.1316

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RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM 9 FEBRUARY 2015 TO 8 FEBRUARY 2018 (IN NATIVE CURRENCY)

Appendix A (ii)

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	382	6,456	-	8,635	-	-
14,945	Liquidity Provider Trading Account	-	1,056,055	-	-	-	-
2,194,248	Debtors	126,284	140	-	-	-	-
	Total Receipts	5,112,767	6,020,514	377,388	935,760	208,196	46,890,176
	COSTS OF REALISATIONS						
	IT Suppliers	(305)	-	-	-	-	-
	Statutory Advertising	(14,137)	-	-	-	-	-
	Stationery & Postage	(2,474)	-	-	-	-	-
	Storage Costs	(54)	-	-	-	-	-
(4,449)	Trade & Expense Creditors	-	-	-	-	-	-
	Legal Fees	(419,607)	-	-	-	-	(1,743,256)
	Legal Disbursements	(30,715)	-	-	-	-	-
	Accountants Fees (Tax Advisors)	(10,500)	-	-	-	-	-
(560,896)	"Client Funds"	-	-	-	-	-	-
(11,070,452)	"Customer Funds"	-	-	-	-	-	-
	Bank Charges	(2,344)	(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	(679,895)	-	-	-	-	-
	Special Administrators' Disbursements	(2,755)	-	-	-	-	-
	Employee Arreas/Holiday Pay	(663)	-	-	-	-	-
	Client Money Dividend	-	(761,753)	-	-	-	-
	Unsecured Creditors Dividend	(3,378,167)	-	-	-	-	-
	Corporation Tax	(718)	-	-	-	-	-
	Irrecoverable VAT	(12,124)	-	-	-	-	-
	Disputed VAT Balance	(3,729)	-	-	-	-	-
	DISTRIBUTIONS						
(221,750)	Ordinary Shareholders	-	-	-	-	-	-
	Total Payments	(4,604,295)	(5,987,299)	(377,388)	(935,760)	(208,196)	(46,890,176)
		508,471	33,215	-	-	-	-

Notes:

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

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Time Entry - Detailed SIP9 Time & Cost for the period 9 August 2017 to 8 February 2018

Appendix B (i)

Classification of Work Function	Partner	Manager	Associate	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : Administration & Planning	0.00	11.30	0.00	11.30	3,220.50	285.00
104 : Case Management	0.00	1.50	0.60	2.10	505.50	240.71
105 : Case Planning	0.40	3.00	1.20	4.60	1,199.00	260.65
107 : Statutory Reporting	0.00	4.50	18.80	23.30	3,726.50	159.94
108 : Statutory Compliance	1.10	0.00	0.00	1.10	517.00	470.00
111 : Billing	0.00	0.00	0.30	0.30	39.00	130.00
112 : Post Appointment Tax	0.00	0.00	8.10	8.10	1,053.00	130.00
116 : Case Accounting	0.00	0.00	6.00	6.00	780.00	130.00
117 : Bank Reconciliations	0.00	0.00	0.60	0.60	78.00	130.00
118 : Receipts & Payments	0.00	0.50	7.80	8.30	1,156.50	139.34
Administration & Planning	1.50	20.80	43.40	65.70	12,275.00	186.83
600 : Case Specific	0.00	3.10	2.10	5.20	1,156.50	222.40
Case Specific Matters	0.00	3.10	2.10	5.20	1,156.50	222.40
316 : Client Monies	0.00	0.40	0.00	0.40	114.00	285.00
500 : Creditors	0.00	2.70	5.40	8.10	1,492.50	184.26
505 : Creditors Committee	6.30	2.80	25.40	34.50	7,061.00	204.67
Creditors	6.30	5.90	30.80	43.00	8,667.50	201.57
201 : CDDA Reports	0.00	0.50	0.20	0.70	168.50	240.71
Investigations	0.00	0.50	0.20	0.70	168.50	240.71
303 : Book Debts	0.00	0.00	0.10	0.10	13.00	130.00
310 : Stock	0.20	0.00	0.00	0.20	94.00	470.00
314 : Litigation	10.90	14.70	17.20	42.80	11,590.50	270.81
Realisation of Assets	11.10	14.70	17.30	43.10	11,697.50	271.40
Totals	18.90	45.00	93.80	157.70	33,965.00	215.38

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Time Entry - Detailed SIP9 Time & Cost for the period 9 February 2015 to 8 February 2018

Appendix B (ii)

Classification of Work Function	Partner	Manager	Associate	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : Administration & Planning	6.75	73.70	28.70	109.15	27,316.00	250.26
102 : Appointment	1.00	0.00	0.00	1.00	420.00	420.00
103 : Background Information	6.40	1.60	8.30	16.30	4,537.00	278.34
104 : Case Management	5.90	18.30	14.10	38.30	9,552.00	249.40
105 : Case Planning	38.10	23.20	37.60	98.90	29,477.00	298.05
106 : Maintenance Of Records	3.00	4.50	7.10	14.60	3,466.00	237.40
107 : Statutory Reporting	24.10	67.20	162.10	253.40	53,701.75	211.92
108 : Statutory Compliance	8.05	25.60	10.50	44.15	11,580.25	262.29
110 : Accounts Filing	0.00	0.00	1.00	1.00	130.00	130.00
111 : Billing	0.40	0.10	8.50	9.00	1,504.00	167.11
112 : Post Appointment Tax	16.20	38.90	67.40	122.50	28,025.00	228.78
115 : Meetings	30.25	6.50	23.60	60.35	18,792.50	311.39
116 : Case Accounting	3.40	3.40	109.60	116.40	16,436.00	141.20
117 : Bank Reconciliations	0.00	1.70	8.70	10.40	1,588.50	152.74
118 : Receipts & Payments	0.00	28.50	68.00	96.50	16,825.50	174.36
119 : Closure	0.00	0.50	0.00	0.50	135.00	270.00
702 : Liaison With Directors	2.55	7.30	0.70	10.55	3,046.00	288.72
Administration & Planning	146.10	301.00	555.90	1,003.00	226,532.50	225.85
600 : Case Specific	150.15	137.70	97.50	385.35	115,194.50	298.93
Case Specific Matters	150.15	137.70	97.50	385.35	115,194.50	298.93
316 : Client Monies	81.15	61.20	39.90	182.25	59,494.50	326.44
317 : Customer Funds	35.75	100.30	109.50	245.55	56,538.50	230.25
500 : Creditors	49.55	154.30	418.50	622.35	121,457.50	195.16
501 : Communication With Creditors	0.40	1.80	3.10	5.30	1,293.00	243.96
502 : Creditors Claims	0.20	0.20	0.00	0.40	148.00	370.00
503 : Statutory Reporting	2.10	1.20	0.00	3.30	1,298.50	393.48
505 : Creditors Committee	133.45	201.00	240.40	574.85	152,958.75	266.08
508 : Employees	0.70	4.40	4.10	9.20	2,169.00	235.76
509 : Unsecured Creditors	0.00	0.00	2.60	2.60	520.00	200.00
510 : Pre Appointment Tax	4.00	11.30	3.80	19.10	5,613.50	293.90
Creditors	307.30	535.70	821.90	1,664.90	401,491.25	241.15
200 : Investigations	4.80	8.80	12.80	26.40	6,810.00	257.95
201 : CDDA Reports	4.70	11.40	27.00	43.10	9,055.50	210.10
203 : Investigatory Work	0.50	0.00	2.00	2.50	602.50	241.00
205 : Special Investigation	0.00	0.00	0.80	0.80	152.00	190.00
Investigations	10.00	20.20	42.60	72.80	16,620.00	228.30
300 : Realisation Of Assets	10.25	38.30	18.20	66.75	16,858.25	252.56
302 : Identifying, Securing, Insuring Assets	0.00	0.00	4.90	4.90	716.00	146.12
303 : Book Debts	19.30	53.50	44.60	117.40	30,428.00	259.18
304 : Debt Collection	0.30	0.00	0.00	0.30	133.50	445.00
305 : Property, Business & Asset Sales	0.00	2.50	0.90	3.40	876.00	257.65
306 : Freehold/Leasehold Property	0.00	1.00	0.00	1.00	285.00	285.00
310 : Stock	0.20	0.00	0.00	0.20	94.00	470.00
312 : Other Assets	0.40	0.00	0.00	0.40	178.00	445.00
313 : Retention Of Title	0.40	0.00	0.00	0.40	188.00	470.00
314 : Litigation	40.10	84.00	88.90	213.00	54,630.00	256.48
Realisation of Assets	70.95	179.30	157.50	407.75	104,386.75	256.01
403 : Ongoing Employee Issues	0.00	0.00	0.40	0.40	52.00	130.00
Trading	0.00	0.00	0.40	0.40	52.00	130.00
Total Hours	684.50	1,173.90	1,675.80	3,534.20	864,277.00	244.55

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 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, the following Category 1 and Category 2 disbursements have been incurred during the period 9 August 2017 to 8 February 2018.

Type and Purpose	Cost (£)	VAT (£)	Total (£)
Category 1 Disbursements			
Postage	4.03	0.81	4.84
Category 2 Disbursements			
Printing and Copying	9.90	1.98	11.88
Total	13.93	2.79	16.72

2 Charge-out Rates

A schedule of Rollings Butt LLP's charge-out rates for this assignment effective for this period is detailed below.

Staff Grade	1 April 2014 - 31 March 2015	1 April 2015 - 31 March 2016	From 1 April 2016
Partner	420	445	470
Director	335	350	370
Manager	250	270	285
Associate	110-175	120-190	130-200

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 February 2018

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

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

600	Case Specific	<ul style="list-style-type: none"> • Correspondence/Emails/Phonecalls regarding retrieval of data from Forexware • Collating information received from Forexware • Legal correspondence regarding retrieval of data from Forexware • Correspondence with legal advisors of BT Prime • Correspondence regarding consideration of need to seek recognition of Special Administration in other jurisdictions. • Review of licencing agreements with Forexware • Investigations and discussions regarding trading data platform, feasibility of data retrieval, and general access to "back office" systems • Correspondence with liquidity providers regarding licenses and data retrieval
Creditors		
316	Client Monies	<ul style="list-style-type: none"> • Correspondence relating to monies covered by FCA CASS rules as detailed in customer terms and conditions • Reconciling segregated client balances with Company records • Establishing the status of monies held by the Company in accordance with FCA CASS rules. • Discussions with Counsel and CMS McKenna in respect of client monies and pooled funds as per FCA CASS rules.
317	Customer Funds	<ul style="list-style-type: none"> • Collation and review of information on client positions • Review of close out positions • Review of claims information provided by customers • Review of customer terms and conditions
500	Creditors	<ul style="list-style-type: none"> • Initial notifications to Creditors • Creation of web portal to provide general creditor information • Creation of documentation to be uploaded to web portal • Investigation work to establish accurate creditor postal and email addresses • Responses to general creditor queries to boston.prime@rollingsoliver.com • Administration of web portal and boston.prime@rollingsoliver.com • Preparation of documentation and venue for initial creditors' meeting • Collating information from clients and creditors in anticipation of adjudicating claims and future distributions • Processing and recording client and creditor claims in accordance with internal requirements
505	Creditors Committee	<ul style="list-style-type: none"> • Correspondence with creditors' committee • Attendance at creditors' committee meeting • Preparation of documentation for Committee meeting

508	Employees	<ul style="list-style-type: none"> • Correspondence with former employees of the Company • Answering queries regarding the status of the Company and their employment • Managing employee claims in relation to potential arrears of pay, redundancy, holiday pay, PILON etc
510	Pre Appointment Tax	<ul style="list-style-type: none"> • Liasing with pre-appointment accountants to establish tax position of Company • Reconciliation of pre-appointment HMRC claims • Gathering information from HMRC relating to outstanding balances due for pre-appointment tax periods • Filing any returns due for pre-appointment period
Investigations		
200	Investigations	<ul style="list-style-type: none"> • Correspondence with Director and former directors regarding obligations to file CDDA report • Review of information provided by Director and former directors • Investigatory work required for the completion of CDDA reports
201	CDDA Reports	<ul style="list-style-type: none"> • Drafting and filing of CDDA report
Realisation of Assets		
300	Realisation Of Assets	<ul style="list-style-type: none"> • Initial correspondence notifying banks of special administration and requirement to freeze all funds • Correspondence with banks to retrieve funds held by the Company • Reconciling funds received to funds believed to be held • Legal correspondence to retrieve funds from Japanese bank
302	Identifying, Securing, Insuring Assets	<ul style="list-style-type: none"> • Initial notification to insurers to provide open cover • Review of Company's previous insurance provisions • Ongoing correspondence with insurers regarding potential insurance for Company assets
303	Book Debts	<ul style="list-style-type: none"> • Initial notification to debtors of the special administration • Investigation into nature of relationship with Company • Reconciling Company records with debtor records • Legal correspondence regarding debtors • Correspondence relating to retrieval of balances due from debtors • Reconciliation of received funds with Company records • Consultation with legal advisers in respect of potential future litigation against third parties
314	Litigation	<ul style="list-style-type: none"> • Correspondence with CMS Cameron McKenna Nabarro Olswang and Camilleri Preziosi in respect of litigation against third parties • Preparing and reviewing documents for court application and court hearings

Trading		
403	Ongoing Employee Issues	• Preparing documents for employee claims