



Boston Prime Limited – In Special Administration

Special Administrators' Seventh Progress Report

For the period 9 February 2018 to 8 August 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 February 2018 to 8 August 2018 (“the Period”). It should be read in conjunction with the previous six monthly progress reports covering the period 9 February 2015 to 8 February 2018.
- 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 (“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.

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Receipts and payments account

- 3.2 Attached at Appendix A(i) is a Receipts and Payments account for the period 9 February 2018 to 8 August 2018 as well as a cumulative account (Appendix A(ii)) for the full period of the Special Administration, both in GBP and native currency.
- 3.3 The most significant payments made during the Period were the Special Administrators' fees and legal fees, these total £35,648 and £10,500, excluding Value Added Tax ("VAT"), respectively.
- 3.5 VAT totalling £245,308 has been paid to date and continues to be incurred and paid on the expenses of the Special Administration. The Special Administrators have received 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, the Company has been submitting quarterly 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	224,638.49	1,671.34
VAT to be reclaimed	2,985.15	2,985.15
VAT not reclaimed due to incorrect invoicing	279.27	-
Irrecoverable VAT	16,109.69	88.52
VAT to be irrecoverable	158.11	158.11
VAT in respect of the reversed charge procedure	6,360.10	2,100.55
Total VAT Incurred	250,530.81	7,003.67

- 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 *VAT not reclaimed due to incorrect invoicing* balance of £279.27 relates to several invoices which were incorrectly invoiced and, therefore, were not recoverable to the estate.
- 3.9.4 The *Irrecoverable VAT* shows the cumulative total which is irrecoverable as a consequence of the 94.97% recovery rate, i.e. 5.03% of incurred VAT.
- 3.9.5 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%.

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- 3.9.6 The VAT in respect of the reversed charge procedure relates to services provided within the EU where the recipient of the goods or services makes the declaration of both their purchase (input VAT) and the supplier's sale (output VAT) in their VAT return. In this way, the two entries cancel each other from a cash payment perspective in the same return.

Corporation Tax ("CT")

- 3.10 The Company has submitted CT returns in relation to interest incurred in the periods 9 February 2015 to 8 February 2016 and 9 February 2016 to 8 February 2017. A further CT return for the period 9 February 2017 to 8 February 2018 is required to be submitted by 8 February 2019. This will be a nil-return as no taxable income has been incurred in the accounting period.

Client money claims and distribution

- 3.11 As advised in previous progress reports, the Special Administrators have processed all payments due to Client Money Claimants.

Unsecured Dividends

- 3.12 As previously reported, the Special Administrators have declared and paid two interim dividends to its unsecured dividends totalling 31.3208 pence in the GBP.
- 3.13 In the Period, the Special Administrators have made payments totalling £18,468.34 to the Insolvency Services Unclaimed Monies Account in relation to uncredited cheques which had previously been issued to creditors of the Company.
- 3.14 To date, dividend payments to unsecured creditors total £3,362,971.66.
- 3.15 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.
- 3.16 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. 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. 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>.

Regulatory Matters

- 3.17 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.
- 3.18 The Special Administrators have commenced the process to deregister the Company from its FCA registration. This is a result of the fact that all of the Company's client money distributions have now been finalised and there are no outstanding matters regarding the client money position.

4 Assets still to be realised

Debtors

- 4.1 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. This decision has been taken but should any new evidence emerge to assist the Special Administrators in collecting outstanding debts remaining due to the Company they will reanalyse their position accordingly.

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Liquidity providers

- 4.2 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 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.
- 4.3 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 Period, there have been two further hearings in Malta: one in February 2018 in which I, as Special Administrator, travelled to Malta to give evidence on behalf of the Company; and one in June 2018 in which the Maltese Court heard submissions to substantiate both parties' evidence. The next hearing scheduled in November 2018.
- 4.4 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

- 4.5 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 progress in the Bankruptcy. The legal representatives for BT Prime are undertaking an action in the US and we understand there have been no material developments in this case during the Period. This case is also being contested in respect of the relevant jurisdiction to hear the case.

Foreign Exchange Antitrust Class Action Litigation ("the Class Action")

- 4.7 Following correspondence with one of the Company's former liquidity providers, the Company may have a potential claim in a Class Action brought by a plaintiff who has alleged fixing of FX Benchmark rates by the defendant in the pre-Special Administration period.
- 4.8 The Company has filed a claim in the Class Action based on the limited information available to the Special Administrators and based on information which has been extracted from the small amount of Company's records that have been provided by the Special Administrators. At this point in time, the Special Administrators are not aware of the potential recoveries of this claim, however, as more information is made available, they will update both the Company's Creditors Committee and the creditors more generally. Please be advised that the Company is not risked to any costs exposure.

Bank Refund

- 4.9 Following correspondence with Barclays Bank, the Company received £610.21 plus interest of £295.71, which related to overcharging on international payments in the period pre Special Administration.

5 Special Administrators' costs

Remuneration

- 5.1 The basis of the Special Administrators' remuneration has been fixed by resolution of the 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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- 5.2 Time costs for the period from 9 February 2018 to 8 August 2018 are £38,413. This represents 143.80 hours at an average rate of £267.13 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 2018 total £860,749. This represents 3,554.60 hours at an average cost of £242.15 per hour. A cumulative Time Analysis is also attached at Appendix B (ii).
- 5.4 It has been agreed with the 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.
- 5.5 From 9 February 2018 to 8 August 2018, £35,647.60 (excl. VAT) has been invoiced and drawn on account, which relates to the period from 1 November 2017 to 30 June 2018. Post appointment fees to date drawn on account total £715,542.60 (excl. VAT).
- 5.6 Following a detailed review of the Special Administrators time allocation for prior reporting periods a number of time entries that had been inconsistently allocated have now been correctly allocated in the attached Appendix B.
- 5.7 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>.
- 5.8 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

- 5.9 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.
- 5.10 From 9 February 2018 to 8 August 2018, the following Category 1 and Category 2 disbursements have been incurred:

Type and Purpose	Cost (£)	VAT (£)	Total (£)
Category 1 Disbursements			
Postage	3.25	0.65	3.90
Travel	334.40	66.88	401.28
Accommodation	379.16	75.83	454.99
Category 2 Disbursements			
Printing and Copying	26.40	5.28	31.68
Total	743.21	148.64	891.85

6 Expenses incurred in the period 9 February 2018 to 8 August 2018

- 6.1 The following expenses have been incurred in the Period:

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Supplier/Service Provider	Nature of expense incurred	Amount incurred in Period (£)	Paid to date (£)
Camilleri Preziosi	Legal Fees	10,500	10,500
Mail & Print	Postage	810	810
Fyfield Equipment	Storage	54	54
Barclays Bank	Bank Charges	90	90
Total		11,454	11,454

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 c90 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 stated in the Special Administrators' Proposals, the remaining employees of the Company were made redundant by the Company's sole 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

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

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.

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- 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

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

Appendix A (i)

<i>Asset Realisations</i>	GBP Account (£)
Brought Forward	5,112,767
Pre-appointment Bank Refund	610
Bank Interest	296
Total Receipts	5,113,672
<i>Payments</i>	
Brought Forward	(4,604,941)
Special Administrators' Fees	(35,648)
Special Administrators' Disbursements	(754)
Legal Fees	(10,500)
Stationery & Postage	(810)
Storage Costs	(54)
Bank Charges	(143)
Unsecured Creditors - Client	(3,273)
Irrecoverable VAT	(432)
Total Payments	(4,656,554)
Balance in hand	457,118

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RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD FROM 9 FEBRUARY 2015 TO 8 AUGUST 2018 (IN 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	2,812,502	292,477	502,352	38,059	289,808
	Interest Received	677	3,991	-	4,422	-	-
	Pre-Appointment Bank Refund	610	-	-	-	-	-
14,945	Liquidity Provider Trading Account	-	701,232	-	-	-	-
2,194,248	Debtors	126,284	94	-	-	-	-
	Total Receipts	5,113,672	4,120,917	292,477	506,773	38,059	289,808
	COSTS OF REALISATIONS						
	IT Suppliers	(305)	-	-	-	-	-
	Statutory Advertising	(14,137)	-	-	-	-	-
	Stationery & Postage	(3,284)	-	-	-	-	-
	Storage Costs	(108)	-	-	-	-	-
(4,449)	Trade & Expense Creditors	-	-	-	-	-	-
	Legal Fees	(430,108)	-	-	-	-	(9,571.41)
	Legal Disbursements	(30,715)	-	-	-	-	-
	Accountants Fees (Tax Advisors)	(10,500)	-	-	-	-	-
(560,896)	"Client Funds"	-	-	-	-	-	-
(11,070,452)	"Customer Funds"	-	-	-	-	-	-
	Bank Charges	(2,485)	(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	(715,543)	-	-	-	-	-
	Special Administrators' Disbursements	(3,509)	-	-	-	-	-
	Employee Arrears/Holiday Pay	(663)	-	-	-	-	-
	Client Money Dividend	-	(505,687)	-	-	-	-
	Unsecured Creditors Dividend	(3,364,231)	-	-	-	-	-
	Unclaimed Dividend	(17,593)	-	-	-	-	-
	Corporation Tax	(718)	-	-	-	-	-
	Irrecoverable VAT	(12,818)	-	-	-	-	-
	Disputed VAT Balance	(3,729)	-	-	-	-	-
	DISTRIBUTIONS						
(221,750)	Ordinary Shareholders	-	-	-	-	-	-
	Total Payments	(4,656,554)	(4,098,736)	(292,477)	(506,773)	(38,059)	(289,808)
		457,118	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 AUGUST 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	677	6,456	-	8,635	-	-
	Pre-Appointment Bank Refund	610	-	-	-	-	-
14,945	Liquidity Provider Trading Account	-	1,056,055	-	-	-	-
2,194,248	Debtors	126,284	140	-	-	-	-
	Total Receipts	5,113,672	6,020,514	377,388	935,760	208,196	46,890,176
	COSTS OF REALISATIONS						
	IT Suppliers	(305)	-	-	-	-	-
	Statutory Advertising	(14,137)	-	-	-	-	-
	Stationery & Postage	(3,284)	-	-	-	-	-
	Storage Costs	(108)	-	-	-	-	-
(4,449)	Trade & Expense Creditors	-	-	-	-	-	-
	Legal Fees	(430,108)	-	-	-	-	(1,743,256)
	Legal Disbursements	(30,715)	-	-	-	-	-
	Accountants Fees (Tax Advisors)	(10,500)	-	-	-	-	-
(560,896)	"Client Funds"	-	-	-	-	-	-
(11,070,452)	"Customer Funds"	-	-	-	-	-	-
	Bank Charges	(2,485)	(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	(715,543)	-	-	-	-	-
	Special Administrators' Disbursements	(3,509)	-	-	-	-	-
	Employee Arreas/Holiday Pay	(663)	-	-	-	-	-
	Client Money Dividend	-	(761,753)	-	-	-	-
	Unsecured Creditors Dividend	(3,364,231)	-	-	-	-	-
	Unclaimed Dividend	(17,593)	-	-	-	-	-
	Corporation Tax	(718)	-	-	-	-	-
	Irrecoverable VAT	(12,818)	-	-	-	-	-
	Disputed VAT Balance	(3,729)	-	-	-	-	-
	DISTRIBUTIONS						
(221,750)	Ordinary Shareholders	-	-	-	-	-	-
	Total Payments	(4,656,554)	(5,987,299)	(377,388)	(935,760)	(208,196)	(46,890,176)
		457,118	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 Summary for the period 9 February 2018 to 8 August 2018

Appendix B (i)

Classification of Work Function	Partner	Manager	Associate	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : Administration & Planning	0.00	18.70	0.00	18.70	5,682.00	303.85
104 : Case Management	0.80	8.30	3.60	12.70	3,489.00	274.72
105 : Case Planning	0.00	0.20	0.70	0.90	167.00	185.56
107 : Statutory Reporting	0.80	0.30	7.20	8.30	1,409.50	169.82
111 : Billing	0.00	0.20	0.50	0.70	149.00	212.86
112 : Post Appointment Tax	0.00	0.00	4.30	4.30	637.00	148.14
116 : Case Accounting	0.00	0.00	4.00	4.00	612.00	153.00
117 : Bank Reconciliations	0.00	0.00	0.60	0.60	86.00	143.33
118 : Receipts & Payments	0.00	0.20	8.10	8.30	1,319.00	158.92
Administration & Planning	1.60	27.90	29.00	58.50	13,550.50	231.63
600 : Case Specific	0.00	0.00	0.20	0.20	30.00	150.00
Case Specific Matters	0.00	0.00	0.20	0.20	30.00	150.00
316 : Client Monies	0.00	1.50	0.00	1.50	427.50	285.00
500 : Creditors	0.00	4.00	2.80	6.80	1,615.50	237.57
505 : Creditors Committee	1.10	8.10	15.90	25.10	5,218.00	207.89
Creditors	1.10	13.60	18.70	33.40	7,261.00	217.40
300 : Realisation Of Assets	0.30	10.80	3.60	14.70	3,934.00	267.62
314 : Litigation	22.00	6.60	8.40	37.00	13,637.50	368.58
Realisation of Assets	22.30	17.40	12.00	51.70	17,571.50	339.87
Total Hours	25.00	58.90	59.90	143.80	38,413.00	267.13

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

Appendix B (ii)

Classification of Work Function	Partner	Manager	Associate	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 : Administration & Planning	6.75	92.40	28.70	127.85	32,998.00	258.10
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	6.70	26.60	17.80	51.10	13,060.00	255.58
105 : Case Planning	38.10	23.40	38.30	99.80	29,644.00	297.03
106 : Maintenance Of Records	3.00	4.50	7.10	14.60	3,466.00	237.40
107 : Statutory Reporting	26.40	68.70	169.30	264.40	56,142.75	212.34
108 : Statutory Compliance	8.05	28.10	10.50	46.65	12,270.25	263.03
111 : Billing	0.40	0.30	9.00	9.70	1,653.00	170.41
112 : Post Appointment Tax	16.20	38.90	72.70	127.80	28,792.00	225.29
115 : Meetings	30.25	6.50	23.60	60.35	18,792.50	311.39
116 : Case Accounting	3.40	3.40	113.60	120.40	17,048.00	141.59
117 : Bank Reconciliations	0.00	1.70	9.30	11.00	1,674.50	152.23
118 : Receipts & Payments	0.00	29.70	76.10	105.80	18,414.50	174.05
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	149.20	333.60	585.00	1,067.80	242,093.50	226.72
600 : Case Specific	78.25	99.20	85.20	262.65	73,506.00	279.86
Case Specific Matters	78.25	99.20	85.20	262.65	73,506.00	279.86
316 : Client Monies	81.15	63.00	39.90	184.05	60,003.00	326.01
317 : Customer Funds	35.75	100.30	109.50	245.55	56,538.50	230.25
500 : Creditors	49.55	158.30	426.90	634.75	124,193.00	195.66
505 : Creditors Committee	136.05	209.60	257.20	602.85	159,180.25	264.05
508 : Employees	0.70	4.40	4.10	9.20	2,169.00	235.76
510 : Pre Appointment Tax	4.00	11.30	3.80	19.10	5,613.50	293.90
Creditors	307.20	546.90	841.40	1,695.50	407,697.25	240.46
200 : Investigations	4.80	8.80	15.60	29.20	7,342.00	251.44
201 : CDDA Reports	4.70	11.40	27.00	43.10	9,055.50	210.10
Investigations	9.50	20.20	42.60	72.30	16,397.50	226.80
300 : Realisation Of Assets	10.55	50.30	21.80	82.65	21,131.25	255.67
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
314 : Litigation	63.10	90.60	97.30	251.00	68,727.50	273.81
Realisation of Assets	92.95	194.40	168.60	455.95	121,002.75	265.39
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	637.10	1,194.30	1,723.20	3,554.60	860,749.00	242.15

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

Type and Purpose	Cost (£)	VAT (£)	Total (£)
Category 1 Disbursements			
Postage	3.25	0.65	3.90
Travel	334.40	66.88	401.28
Accommodation	379.16	75.83	454.99
Category 2 Disbursements			
Printing and Copying	26.40	5.28	31.68
Total	743.21	148.64	891.85

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	1 April 2016 - 31 March 2018	From 1 April 2018
Partner	420	445	470	495
Director	335	350	370	395
Manager	250	270	285	310
Associate	110-175	120-190	130-200	150-225

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 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 (internal case management system) 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"> • Associate, 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 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 • Maintenance of IPS cash book • 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/Phone calls 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@rollingsbutt.com • Administration of web portal and boston.prime@rollingsbutt.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 meetings • Preparation of documentation for Committee meetings
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"> • Liaising 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 • Submitting and reviewing claim in class action against one of the Company's former liquidity providers
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 LLP and Camilleri Preziosi in respect of litigation against third parties • Preparing and reviewing documents for court application and court hearings • Attending court hearings in Malta
Trading		
403	Ongoing Employee Issues	<ul style="list-style-type: none"> • Preparing documents for employee claims