

TO ALL KNOWN CREDITORS AND SHAREHOLDERS

2 June 2020

Please email: [arm.abs.sa@bdo.co.uk](mailto:arm.abs.sa@bdo.co.uk)

Dear Sirs

**ARM Asset Backed Securities S.A. ('ARM')**  
**In Compulsory Liquidation ('the Liquidation') and Subject to a Company Voluntary Arrangement ('CVA')**  
**High Court of Justice, Chancery Division No. 006914 of 2017**

I set out below the third annual progress report in the CVA in accordance with Rule 18.4 of the Insolvency (England and Wales) Rules 2016 ('the Rules').

As previously reported, following an application made during the Provisional Liquidation of ARM, Mark Shaw, Malcolm Cohen and I were appointed Joint Liquidators of ARM on 10 March 2017 by the Secretary of State. We have previously reported to creditors on the conduct of the Liquidation on 30 April 2020, and this report should be read in conjunction with my report available at <https://www.bdo.co.uk/en-gb/arm-asset-backed-securities-sa>.

As you will aware, the Joint Liquidators proposed a CVA on 5 April 2017, which was approved at a meeting of creditors on 3 May 2017, and subsequently by the members of ARM on 4 May 2017.

The purpose of this report is to:

- Explain the payment of the third interim standard dividend of 5p in the £;
- Explain developments and progress in the CVA;
- Give a brief summary of some key events post this reporting period which will be described in further detail in future reports; and
- Provide you with an update on our costs of dealing with the CVA and request your approval to draw fees from the funds which we are holding.

This report covers the period from 4 May 2019 to 3 May 2020 ('the Period'), and should be read in conjunction with previous bondholder updates issued during this CVA, together with reports issued in the Liquidation and the Provisional Liquidation, available at <https://www.bdo.co.uk/en-gb/arm-asset-backed-securities-sa>.

## **1. Professional information regarding the Supervisors**

The Supervisors are Sarah Rayment (officeholder number: 9162), Mark Shaw (officeholder number: 8893) and Malcolm Cohen (officeholder number: 6825) all of BDO LLP, 55 Baker Street, London, W1U 7EU. The Supervisors carry out their functions jointly and severally, meaning any action can be done by any one or more Supervisor.

## **2. Receipts & Payments**

I attach for your information a summary of our receipts and payments account for the Period and since the date of our appointment. The account shows a balance in hand of £9,600,691 at 3 May 2020, prior to the declaration of the fourth and final dividend.

The Supervisors maintained a US dollar account during this Period for the CVA; however, all funds have now been transferred to the sterling account for distribution in the CVA and the US dollar account has been closed.

### **2.1. Receipts**

The receipts shown are largely self-explanatory, although I comment specifically on the following:

#### **2.1.1. FCIL Receivable**

The annual instalment of \$7,227,868, due as part of the FCIL Receivable was received on 15 August 2019.

#### **2.1.2. Accelerated FCIL Receipt**

As previously reported, ARM's principal asset (other than cash held) was the right to receive future payments from the entity which acquired ARM's life policies (the 'FCIL Receivable'). Instalments of cUS\$7.2m were due to be paid to ARM at the end of every year up to and including 2021.

In the annual report presented in 2019, the Joint Supervisors confirmed that they were in advanced negotiations to reach an early settlement of the FCIL Receivable. With the approval of the FSCS, the largest creditor in the CVA, a settlement was agreed and completed on 4 October 2019. At such time, there remained three instalments payable by FCIL, totalling \$21,683,599, the agreed early settlement saw \$18,272,144 being received on 7 October 2019, in full and final settlement of the FCIL Receivable.

### **2.2. Payments**

The payments shown are largely self-explanatory, although I comment specifically on the following:

#### **2.2.1. Luxembourg Tax**

A total payment of £1,279 was made to Luxembourg fiscal authority in respect of tax.

#### **2.2.2. Legal Fees**

During the Period, Akin Gump LLP received a total of £69,025 for their assistance with the negotiations and documentation of the accelerated receipt from FCIL.

Bonn & Schmitt received a sum of £2,822 in relation to ongoing Luxembourg legal and domiciliation matters.

### **3. Investigations into Potential Assets**

#### **3.1. Unassigned Life Settlement Policy**

As part of the accelerated settlement agreement with FCIL, a life policy which had not previously been assigned to FCIL due to a legal hold over the policy, but over which FCIL had beneficial rights, was assigned back to ARM.

As a potential asset in the CVA, the Joint Supervisors investigated the economic interest in this policy and determined that for a number of reasons, including the premiums required to be paid and the legal hold over the policy by a third party, there was no economic interest in the policy and therefore the Joint Supervisors ceased payment of premiums and have allowed the policy to expire.

#### **3.2. Investment in Subsidiary**

ARM held 100% of the shares in a company called AngelRose Limited ('AngelRose'), a Cypriot registered company. AngelRose made two investments into two UK companies, Evolution Mobile Ltd ('Evolution Mobile') and Square Mile Capital Investments Limited (Square Mile Capital').

The investment in Evolution Mobile has been written off as the company was dissolved on 5 May 2015, no assets were available for distribution to shareholders.

The Joint Supervisors have determined that there is no realisable value in the investment in Square Mile Capital. The company itself has reported net assets of c.£33k as at 31 December 2019, and the costs to potentially realise this sum and to distribute to creditors outweighs any benefit to the creditors.

### **4. CVA Progress**

As previously reported, the purpose of the Liquidation was to allow the Joint Liquidators to propose a CVA, through which the terms of the settlement agreement could be put into effect and the assets of ARM could be distributed. As detailed above, all assets have now been realised.

As detailed below, post the Period of this report, a fourth and final dividend has been paid to all creditors whose claims have been admitted in the CVA. The CVA will remain open for a number of months to allow the payments to clear and to deal with any creditor queries. The Joint Supervisors will then issue a final report in the CVA and close the matter.

Following the conclusion of the CVA, the Joint Liquidators will take steps to finalise the Liquidation, and at the conclusion of the Liquidation, the steps will be taken to dissolve ARM in Luxembourg in accordance with the ruling of the Luxembourg District Court dated 26 June 2014.

#### **4.1. First interim dividend**

As creditors are already aware, the Supervisors declared the first interim dividend in the CVA of 11p in the £ on 20 November 2017. This was paid on agreed claims totalling £182,856,773.

A catch up dividend of 11p in the £ was declared on 5 June 2018 and paid on agreed claims totalling £12,974,336, to investors who had not received a payment in the first interim dividend due to their claims having not been reconciled.

### **3.2. Declaration of the second interim standard dividend and settlement of the enhanced dividend**

#### **3.2.1. Second interim standard dividend**

On 5 July 2018, the Supervisors declared the second interim standard dividend in the CVA. This dividend totalled 5.1p in the £ and was paid on agreed claims totalling £195,849,000.

A catch up dividend of 16.1p in the £, in respect of the first and second dividend, was declared on 31 January 2020 and paid on agreed claims totalling £4,667,230 to investors who had not received a payment in the second interim dividend due to their claims not being reconciled.

#### **3.2.2. Enhanced dividend settlement**

The Supervisors declared the enhanced dividend on 20 November 2017, twelve investors entitled to the enhanced dividend received payments via the FSCS totalling £496,574. Two further claims were pending at the time the enhanced dividend was declared; these two claims were admitted and further enhanced dividends totalling £85,634 were paid on 12 June 2018.

During the course of 2018, the Supervisors made settlement payments to the three additional investors totalling £84,429.

On finalisation of the enhanced dividend claims, the residual amount of £283,362 has been released into the general pool of assets available for future standard dividend (as contemplated by the CVA).

### **4.2. Third interim dividend**

A third interim dividend was declared on 31 January 2020 at a rate of 5p in the £, paid on claims totalling £209,078,809.

Approximately 87% of this third interim dividend was paid to the FSCS and represents the assigned claims of the investors who have accepted the FSCS compensation. The FSCS has confirmed that any sums paid to it that are due to a compensated investor, under the FSCS's normal rules, will be paid as soon as reasonably practicable.

The remaining approximately 13% of the third interim standard dividend has been paid in respect of direct claims received from investors, SIPPs or nominees i.e. to investors who have not taken an FSCS compensation/assignment.

Of the investor positions in the company records, approximately 6% in number had not been reconciled/adjudicated by the Supervisors at the time the third dividend was declared. We have worked with the FSCS, SIPPs and nominees to reconcile these remaining positions.

In addition to the investor claims received, the Supervisors have received a small number of other creditor claims. Of these other claims, claims totalling £183,000 have been rejected, claims totalling £191,657 have been admitted.

### **4.3. Fourth and final dividend**

Notice of a fourth and final dividend was given on 20 February 2020. A fourth and final dividend of 3.22p in the £ was declared on 28 May 2020 on claims totalling £213,499,827.

Please note that this is not reflected on the attached receipts and payments account as the dividend was declared and paid post the Period of the report.

Further documentation in relation to this dividend is on the investor portal at <https://www.bdo.co.uk/en-gb/arm-asset-backed-securities-sa>.

#### **4. Total creditor claims**

The Summary for Creditors dated 5 April 2017 estimated the total value of the investor pool to be £216,710,813 based on the gross claim calculation and the information then available to us. Despite our best efforts to ensure all known investors have received notices of intended dividends, there are 3% in number of individuals with investments who have not claimed in the CVA or via the FSCS. Unfortunately these creditors are now excluded from taking part in the dividends declared in the CVA; however, the Supervisors understand that it remains possible to make a claim via the FSCS in respect of any loss.

#### **5. Supervisors' Remuneration and Approval**

##### **5.1. Supervisors' Time Costs**

Attached is a schedule for the time spent in the period since 25 May 2019 to 22 May 2020, being a 12 month period, showing the amount of £371,499, which represents 1,267 hours spent at an average charge out rate of £293 per hour.

Whilst the Supervisors were able to adjudicate the majority of the investor claims within the first two years, the vast majority of time in the third year of the CVA was spent on the more problematic claims, where little or no back up information has been provided by the claimants. The Supervisors recognised the importance of ensuring their best endeavours were employed in respect of each and every position, as an individual sits behind each of the investments and the Supervisors wanted to ensure each investor was treated fairly. At the declaration of the fourth dividend the Supervisors had reconciled 97% of the investors in line with the company records. Where possible the Supervisors have used more junior members of staff to work on the adjudication process, with oversight from senior members of the team to ensure an efficient process.

In addition to the adjudication of the claims, the Supervisors have also spent time in this Period negotiating the accelerated payment with the FCIL and the FSCS.

The Supervisors' original intention had been to declare a third and final dividend in January 2020; however, the FSCS requested that this was made an interim dividend to allow it an opportunity to provide additional back-up for a number of claims that had not been reconciled. As the FSCS represents such a significant proportion of the creditor population the Supervisors felt that it was right to honour this request. In total, the FSCS were given approximately an additional four months to provide further back up for their claims. Throughout the Period the Supervisors have worked closely with the FSCS to reach a final position and allow a fourth and final dividend to be declared.

It is anticipated that the CVA will conclude later this year, allowing time for all payments in respect of the fourth and final dividend to clear.

##### **5.2. Request for approval of Supervisors' fees**

The CVA proposal included an estimate for the supervisors' costs of £350,000, although it was stated that this was an estimate and not a cap. The reasons for the increase in costs on the original estimate are set out above.

The second schedule provided covers the whole period of appointment, 4 May 2017 to 22 May 2020 and records time costs of £793,616 which represents 2,570 hours spent at an average charge out rate of £309 per hour.

The Joint Supervisors' remuneration has been approved on the basis of time properly spent in dealing with issues in the CVA. The position in respect of the Supervisors' fees is set out below:

	(£)
Total Time Costs to 22 May 2020	793,616
Total Time Costs Approved and Drawn to 25 May 2019	422,117
Total Time Costs Incurred from 26 May 2019 to 22 May 2020	371,499

We are therefore currently seeking your approval of fees as set out below:

	(£)
Fees drawn <sup>1</sup>	220,859
Fees to draw	150,639
<b>Total Approval Requested</b>	<b>371,498</b>

Note 1: As stated in the CVA proposal, the Supervisors shall be remunerated on the basis of the time they, and their staff, properly spend in attending to matters arising under the CVA. The Supervisors are able to draw up to 70% on account on a monthly basis, with any excess over any such on account payment requiring creditor approval. We have therefore drawn a total of £220,859 on account, representing 59.5% of the costs incurred, pending final approval.

The Joint Supervisors estimate that a further £30,000 of time costs will be incurred in dealing with the queries in relation to the fourth dividend, ensuring all cheques have cleared and issuing their final report.

For guidance, I enclose a document that outlines the policy of BDO LLP in respect of fees and disbursements.

### 5.3. Supervisor's Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements.

Some Supervisors recharge expenses, for example printing, photocopying and telephone costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP in respect of this appointment is not to charge any category 2 disbursements with the exception of mileage on the basis of the mileage scale approved by HMRC, being 45p per mile unless otherwise disclosed to the creditors. No category 2 disbursements have accrued during the Period.

Total disbursements of £2,356 have been incurred as detailed below.

	Cat. 1 (£)	Cat. 2 (£)	Total (£)
Bonding	£200.01	-	£200.01
Travel Costs & Sundry Expenses	£1,526.92	-	£1,526.92
Printing	£629.00	-	£629.00
<b>Total</b>	<b>£2,355.93</b>	<b>-</b>	<b>£2,355.93</b>

The Joint Supervisors have withdrawn a total of £1,727 in respect of their disbursements, with £1,527 being drawn within the Period, as shown on the enclosed receipts and payments account.

### 5.4. Written resolutions

Please note that a form of written resolution is attached covering the approval of the Joint Supervisors' fees (i.e. the 'notice of resolution by correspondence form' referred to).

Creditors, including investors, may indicate their wishes in respect of this resolution by completing and returning the forms via email no later than 12:00pm on 26 June 2020. Votes must be accompanied by a proof of debt, unless your claim has already been admitted for dividend purposes. Votes received after the time set out above will not be counted.

## 6. Creditors' Rights

I provide at the end of this report an extract from the Rules setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the CVA. Creditors may access information setting out creditors' rights in respect of the approval of Supervisors' remuneration at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>.

The Insolvency Service has established a central gateway for considering complaints in respect of insolvency practitioners. In the event that you make a complaint to me but are not satisfied with the response from me then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

The Joint Liquidators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at: <http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>

For the avoidance of doubt, investors are creditors for the purposes of this paragraph.

If you require any further information please contact me or my colleague Olivia Craven at [BRCMT@bdo.co.uk](mailto:BRCMT@bdo.co.uk).

Yours faithfully  
For and on behalf of  
ARM Asset Backed Securities SA



Sarah Rayment  
Joint Supervisor  
Authorised by the Insolvency Practitioners Association in the UK

Enclosures:  
Receipts and Payments Account  
SIP 9 Time Cost Report for the Period  
SIP 9 Time Cost Report for the period of CVA  
BDO LLP Policy in Respect of Fees and Disbursements  
Statement of Creditors' Rights in respect of Fees and Disbursements

## Notice of resolutions by correspondence

Name of Company

**ARM Asset Backed Securities SA  
(in liquidation and subject to a company  
voluntary arrangement)**

Company Number

**111 830 (Luxembourg)**

(a) Insert full  
name(s) and  
address(es) of the  
Supervisors(s)

Notice is hereby given by Sarah Rayment, Mark Shaw and Malcolm Cohen of BDO  
LLP, 55 Baker Street, London W1U 7EU

(b) Insert full  
name and address  
of registered  
office of the  
company

to the creditors of ARM Asset Backed Securities SA, 148 Avenue de la Faïencerie,  
1511 Luxembourg.

(c) Insert number  
of resolutions  
enclosed

that pursuant to Rule 4.63A of the Insolvency Rules 1986, enclosed is one  
resolution for your consideration. Please indicate below whether you are in  
favour or against the resolution.

(d) insert address  
to which form is  
to be delivered

This form must be received at BDO LLP, 55 Baker Street, London W1U 7EU or  
emailed to arm.abs.sa@bdo.co.uk

(e) insert closing  
date

By 12:00 hours on 26 June 2020 in order to be counted. It must be accompanied  
by details in writing of the value of your voting rights unless your claim has  
already been admitted for dividend purposes. Failure to do so will lead to your  
vote(s) being disregarded.

Repeat as  
necessary for the  
number of  
resolutions  
attached

Resolution 1: The Joint Supervisors' Remuneration is approved in the quantum of  
£371,498.70, for the period from 25 May 2019 to 22 May 2020.

**I am \*in Favour/ Against**

**TO BE COMPLETED BY THE CREDITOR WHEN RETURNING FORM**

Name of  
Creditor: \_\_\_\_\_

Amount of claim: £\_\_\_\_\_

Signature of  
Creditor: \_\_\_\_\_  
(if signing on behalf of creditor, state capacity, e.g., director/ solicitor, etc.)

If you require any further details or clarification prior to returning your votes,  
please contact me/ us at the address above.

Signed



Joint Supervisor

Date

2 June 2020



**ARM Asset Backed Securities SA - Subject to a Company Voluntary Arrangement**  
**Summary of receipts and payments 4 May 2017 to 3 May 2020**

	4 May 2017 to 3 May 2019 (£)	4 May 2019 to 3 May 2020 (£)	Total (£)
<b>Receipts</b>			
Transfer from SLC Registrar Accounts	11,238,457.76	-	11,238,457.76
Transfer from SquareMile Capital Accounts	5,926,298.24	-	5,926,298.24
Transfer from Liquidation Accounts	4,472,087.66	-	4,472,087.66
Transfer from CVA USD (Receipt from FCIL)	5,504,207.21	19,756,707.62	25,260,914.83
Transfer from Jarvis Asset Management	1,080,590.52	166.41	1,080,756.93
Bank Interest	10,493.88	25,920.56	36,414.44
Transfer from Insolvency Service Account	5,641,870.72	154,261.19	5,796,131.91
	<u>33,874,005.99</u>	<u>19,937,055.78</u>	<u>53,811,061.77</u>
<b>Payments</b>			
Professional Fees	26,036.68	2,290.23	28,326.91
Supervisors' Fees	182,536.45	459,639.56	642,176.01
Supervisors' Disbursements	200.01	1,526.92	1,726.93
Legal Fees	32,559.33	74,370.66	106,929.99
Storage Costs	30.00	-	30.00
Bank charges	456.70	362.50	819.20
Luxembourg Tax	-	1,278.88	1,278.88
VAT	4,609.57	15,750.60	20,360.17
	<u>246,428.74</u>	<u>555,219.35</u>	<u>801,648.09</u>
<b>Dividends</b>			
First Interim Dividend of 11p in the £ declared on 20 November 2017	20,042,284.84	71,959.84	20,114,244.68
Enhanced Dividend declared 28 November 2017	496,574.40	-	496,574.40
Catch Up First Interim Dividend of 11p in the £ declared on 5 June 2018	1,499,136.52	(71,959.84)	1,427,176.68
Catch Up Enhanced Dividend declared 12 June 2018	85,634.33	-	85,634.33
Second Interim Dividend of 5.1p in the £ declared on 5 July 2018	9,989,738.64	(1,440.05)	9,988,298.59
Enhanced Dividend Settlement Payments	84,429.06	-	84,429.06
Catch Up First & Second Interim Dividends 16.1p in the £ - 31 Jan 2020	-	751,424.46	751,424.46
Third Interim Dividend of 5p in the £ declared on 31 January 2020	-	10,453,940.44	10,453,940.44
<b>Balance in hand</b>			<u>9,600,691.04</u>
			<u>53,804,061.77</u>

BDO LLP  
55 Baker Street  
London  
W1U 7EU

Sarah Rayment  
Joint Supervisor  
02 June 2020

**Notes**

On 28 May 2020 a Fourth and Final dividend was declared at 3.2p in the £.

Dividends in respect of the Fourth and Final dividend total £6,874,062.95.

Catch up payments in respect of the First, Second and Third Interim Dividends of £2,570,277.00 will shortly be distributed.

A provision has been included for the Joint Supervisors' fees for which they are seeking approval of £151k and costs to close of £30k.

No further significant transactions are anticipated.



ARM Asset Backed Securities SA - Subject to a Company Voluntary Arrangement  
Summary of receipts and payments 4 May 2017 to 3 May 2020  
US Dollar Account

	4 May 2017 to 3 May 2019 (\$)	4 May 2019 to 3 May 2020 (\$)	Total (\$)
<b>Receipts</b>			
Receipt from FCIL	7,227,866.80	25,499,982.53	32,727,849.33
Bank Interest	258.11	-	258.11
	<u>7,228,124.91</u>	<u>25,499,982.53</u>	<u>32,728,107.44</u>
<b>Payments</b>			
Transfer to CVA GBP Account	7,228,124.91	25,499,982.53	32,728,107.44
	<u>7,228,124.91</u>	<u>25,499,982.53</u>	<u>32,728,107.44</u>
			<u>-</u>

BDO LLP  
55 Baker Street  
London  
W1U 7EU

Sarah Rayment  
Joint Supervisor  
02 June 2020



# ARM Asset Backed Securities SA

## Detailed Time Charged and Rates Applicable for the Joint Supervisors for the Period From 25 May 2019 to 22 May 2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AVERAGE RATE
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	£
<b>Planning and Strategy</b>															
Review Business Process/Systems							0.50	145.50					0.50	145.50	
<b>Sub Total</b>							<b>0.50</b>	<b>145.50</b>					<b>0.50</b>	<b>145.50</b>	<b>291.00</b>
<b>General Administration</b>															
Taxation							1.00	291.00	6.05	1,149.50			7.05	1,440.50	
Instruct/Liaise Solicitors	2.00	1,543.00											2.00	1,543.00	
Investigations									0.20	34.00			0.20	34.00	
Receipts/Payments Accounts	1.10	562.10	10.00	2,669.80			24.10	4,907.10	44.85	5,410.10			80.05	13,549.10	
Remuneration Issues			1.25	627.50									1.25	627.50	
General Meetings	1.00	783.00											1.00	783.00	
General Discussions			0.50	251.00					2.30	522.00			2.80	773.00	
Gen. Admin/Correspondence	6.10	4,676.10	15.35	7,549.90			7.65	2,194.15	121.50	25,043.10			150.60	39,463.25	
Maintain Internal Files									0.40	68.00			0.40	68.00	
<b>Sub Total</b>	<b>10.20</b>	<b>7,564.20</b>	<b>27.10</b>	<b>11,098.20</b>			<b>32.75</b>	<b>7,392.25</b>	<b>175.30</b>	<b>32,226.70</b>			<b>245.35</b>	<b>58,281.35</b>	<b>237.54</b>
<b>Assets Realisation/Dealing</b>															
Evaluation/Reconciliation									16.55	3,941.70			16.55	3,941.70	
Asset Tracing									12.95	3,097.55			12.95	3,097.55	
Debt Collection	6.20	4,854.60											6.20	4,854.60	
Dealing with other Assets									11.50	3,280.50			11.50	3,280.50	
Sale of Business/Assets			15.50	7,781.00									15.50	7,781.00	
Other Matters	5.00	4,365.00	5.50	2,761.00			0.50	145.50					11.00	7,271.50	
<b>Sub Total</b>	<b>11.20</b>	<b>9,219.60</b>	<b>21.00</b>	<b>10,542.00</b>			<b>0.50</b>	<b>145.50</b>	<b>41.00</b>	<b>10,319.75</b>			<b>73.70</b>	<b>30,226.85</b>	<b>410.13</b>
<b>Creditor Claims</b>															
Non-Preferential Creditors	1.00	783.00	28.45	14,281.90			510.60	148,584.60	74.50	17,737.15			614.55	181,386.65	
Other Creditors									3.10	510.40			3.10	510.40	
Other Matters			0.25	125.50					0.95	161.50			1.20	287.00	
<b>Sub Total</b>	<b>1.00</b>	<b>783.00</b>	<b>28.70</b>	<b>14,407.40</b>			<b>510.60</b>	<b>148,584.60</b>	<b>78.55</b>	<b>18,409.05</b>			<b>618.85</b>	<b>182,184.05</b>	<b>294.39</b>
<b>Reporting</b>															
Statutory Reporting	1.50	1,151.50	2.60	1,305.20			1.05	137.55	30.00	5,988.50			35.15	8,582.75	
Reporting to Appointer							1.00	291.00					1.00	291.00	
Reporting to Creditors	1.00	760.00					0.20	58.20	0.50	85.00			1.70	903.20	
Reporting to other bodies									0.70	119.00			0.70	119.00	
<b>Sub Total</b>	<b>2.50</b>	<b>1,911.50</b>	<b>2.60</b>	<b>1,305.20</b>			<b>2.25</b>	<b>486.75</b>	<b>31.20</b>	<b>6,192.50</b>			<b>38.55</b>	<b>9,895.95</b>	<b>256.70</b>



ARM Asset Backed Securities SA

Detailed Time Charged and Rates Applicable for the Joint Supervisors for the Period From 25 May 2019 to 22 May 2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AVERAGE RATE
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	£
Distribution and Closure															
Closure Planning	1.00	783.00	2.75	1,380.50					12.10	2,754.90			15.85	4,918.40	
Distributions	5.25	4,015.55	61.35	30,695.70			67.60	19,587.60	138.55	31,200.65			272.75	85,499.50	
Closure Documentation							0.50	145.50					0.50	145.50	
Closure Meetings									0.90	201.60			0.90	201.60	
Sub Total	6.25	4,798.55	64.10	32,076.20			68.10	19,733.10	151.55	34,157.15			290.00	90,765.00	312.98
	31.15	24,276.85	143.50	69,429.00			614.70	176,487.70	477.60	101,305.15					

Net Total 1,266.95 371,498.70



# ARM Asset Backed Securities SA

## Detailed Time Charged and Rates Applicable for the Joint Supervisors for the Period From 4 May 2017 to 22 May 2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AVERAGE RATE
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	£
<b>Planning and Strategy</b>															
Review Bus. Process/Systems							0.50	145.50					0.50	145.50	
<b>Sub Total</b>							<b>0.50</b>	<b>145.50</b>					<b>0.50</b>	<b>145.50</b>	<b>291.00</b>
<b>General Administration</b>															
Taxation							1.00	291.00	7.55	1,493.00			8.55	1,784.00	
Instruct/Liaise Solicitors	3.00	2,303.00	1.00	475.00									4.00	2,778.00	
Investigations									0.20	34.00			0.20	34.00	
Receipts/Payments Accounts	1.10	562.10	15.40	3,756.55	2.25	279.45	33.80	6,119.20	109.25	14,481.05	1.70	142.15	163.50	25,340.50	
Remuneration Issues			1.25	627.50					6.00	1,338.00			7.25	1,965.50	
General Meetings	1.00	783.00											1.00	783.00	
General Discussions			0.50	251.00					7.05	1,372.25			7.55	1,623.25	
Gen. Admin/Correspondence	20.30	14,831.30	22.30	10,622.15			8.55	2,301.80	196.20	35,916.75			247.35	63,672.00	
Maintain Internal Files					0.25	31.75	0.10	11.60	0.50	84.50			0.85	127.85	
<b>Sub Total</b>	<b>25.40</b>	<b>18,479.40</b>	<b>40.45</b>	<b>15,732.20</b>	<b>2.50</b>	<b>311.20</b>	<b>43.45</b>	<b>8,723.60</b>	<b>326.75</b>	<b>54,719.55</b>	<b>1.70</b>	<b>142.15</b>	<b>440.25</b>	<b>98,108.10</b>	<b>222.85</b>
<b>Assets Realisation/Dealing</b>															
Evaluation/Reconciliation									16.55	3,941.70			16.55	3,941.70	
Asset Tracing			1.00	487.00					12.95	3,097.55			13.95	3,584.55	
Debt Collection	13.20	10,174.60											13.20	10,174.60	
Dealing with other Assets			1.25	608.75					11.50	3,280.50			12.75	3,889.25	
Sale of Business/Assets	1.00	760.00	15.50	7,781.00									16.50	8,541.00	
Other Matters	5.00	4,365.00	23.60	11,551.70			0.50	145.50					29.10	16,062.20	
<b>Sub Total</b>	<b>19.20</b>	<b>15,299.60</b>	<b>41.35</b>	<b>20,428.45</b>			<b>0.50</b>	<b>145.50</b>	<b>41.00</b>	<b>10,319.75</b>			<b>102.05</b>	<b>46,193.30</b>	<b>452.65</b>
<b>Creditor Claims</b>															
Secured Creditors			17.00	7,259.00									17.00	7,259.00	
Preferential Creditors	0.50	363.00											0.50	363.00	
Non-Preferential Creditors	4.50	3,395.50	103.85	50,583.20			510.60	148,584.60	215.70	33,812.35			834.65	236,375.65	
Other Creditors			10.25	4,868.75					3.10	510.40			13.35	5,379.15	
Other Matters			50.00	24,053.75					0.95	161.50			50.95	24,215.25	
<b>Sub Total</b>	<b>5.00</b>	<b>3,758.50</b>	<b>181.10</b>	<b>86,764.70</b>			<b>510.60</b>	<b>148,584.60</b>	<b>219.75</b>	<b>34,484.25</b>			<b>916.45</b>	<b>273,592.05</b>	<b>298.53</b>



ARM Asset Backed Securities SA

Detailed Time Charged and Rates Applicable for the Joint Supervisors for the Period From 4 May 2017 to 22 May 2020

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AVERAGE RATE
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	£
<b>Reporting</b>															
Statutory Reporting	1.50	1,151.50	6.50	3,073.70			2.95	370.60	56.55	10,767.35			67.50	15,363.15	
Reporting to Appointer	1.00	741.00					1.00	291.00					2.00	1,032.00	
Reporting to Creditors	8.50	6,317.50	1.75	840.25			0.20	58.20	5.25	1,172.75			15.70	8,388.70	
Reporting to other bodies									0.70	119.00			0.70	119.00	
Other Matters			2.75	1,306.25									2.75	1,306.25	
<b>Sub Total</b>	<b>11.00</b>	<b>8,210.00</b>	<b>11.00</b>	<b>5,220.20</b>			<b>4.15</b>	<b>719.80</b>	<b>62.50</b>	<b>12,059.10</b>			<b>88.65</b>	<b>26,209.10</b>	<b>295.65</b>
<b>Distribution and Closure</b>															
Closure Planning	1.00	783.00	2.75	1,380.50					12.10	2,754.90			15.85	4,918.40	
Distributions	9.75	7,342.55	479.80	220,446.20			67.60	19,587.60	445.05	95,538.65			1,002.20	342,915.00	
Closure Documentation							0.50	145.50					0.50	145.50	
Closure Meetings									0.90	201.60			0.90	201.60	
Other Matters			2.50	1,187.50									2.50	1,187.50	
<b>Sub Total</b>	<b>10.75</b>	<b>8,125.55</b>	<b>485.05</b>	<b>223,014.20</b>			<b>68.10</b>	<b>19,733.10</b>	<b>458.05</b>	<b>98,495.15</b>			<b>1,021.95</b>	<b>349,368.00</b>	<b>341.86</b>
	<b>71.35</b>	<b>53,873.05</b>	<b>758.95</b>	<b>351,159.75</b>	<b>2.50</b>	<b>311.20</b>	<b>627.30</b>	<b>178,052.10</b>	<b>1,108.05</b>	<b>210,077.80</b>	<b>1.70</b>	<b>142.15</b>			

Net Total **2,569.85 793,616.05**

## **ARM Asset Backed Securities SA - In Company Voluntary Arrangement**

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency, follows:

<b>GRADE</b>	<b>£</b>
Partner	783-873
Manager	346-604
Assistant Manager	311
Senior Administrator	291
Administrator	170-291
Other Staff	92-114

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP are reviewed on a regular basis and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:-

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

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

### **Other Costs**

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.



### **Category 1**

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

### **Category 2**

We propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

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

BDO LLP  
2 June 2020



**Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of creditors in respect of the Joint Supervisors' fees and expenses (the Supervisors have imported the liquidation Rules into this CVA):**

**Creditors' and members' requests for further information in administration, winding up and bankruptcy**

**18.9.**—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
  - (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
  - (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
  - (d) any unsecured creditor with the permission of the court; or
  - (e) any member of the company in a members' voluntary winding up with the permission of the court.
- (2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.
- (3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—
- (a) providing all of the information requested;
  - (b) providing some of the information requested; or
  - (c) declining to provide the information requested.
- (4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—
- (a) the time or cost of preparation of the information would be excessive; or
  - (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
  - (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
  - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—
- (a) the office-holder giving reasons for not providing all of the information requested; or
  - (b) the expiry of the 14 days within which an office-holder must respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

**Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive**

**18.34.**—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
  - (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
  - (c) the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—
- (a) a secured creditor,
  - (b) an unsecured creditor with either—
    - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
    - (ii) the permission of the court, or
  - (c) in a members' voluntary winding up—
    - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
    - (ii) a member of the company with the permission of the court.
- (3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

**Applications under rules 18.34 and 18.35 where the court has given permission for the application**

**18.36.**—(1) This rule applies to applications made with permission under rules 18.34 and 18.35.

- (2) Where the court has given permission, it must fix a venue for the application to be heard.
- (3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
  - (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
  - (b) an order reducing any fixed rate or amount;
  - (c) an order changing the basis of remuneration;
  - (d) an order that some or all of the remuneration or expenses in question is not to be treated as expenses of the administration, winding up or bankruptcy;
  - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
    - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
    - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
  - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

**Applications under rule 18.34 where the court's permission is not required for the application**

**18.37.**—(1) On receipt of an application under rule 18.34 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.

- (2) Unless the application is dismissed, the court must fix a venue for it to be heard.
- (3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
  - (a) an order reducing the amount of remuneration which the office-holder is entitled to charge;
  - (b) an order reducing any fixed rate or amount;
  - (c) an order changing the basis of remuneration;
  - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration or winding up or bankruptcy;
  - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
    - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
    - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
  - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.