

TO ALL MEMBERS AND CREDITORS

29 June 2021

Our Ref 00273876/C4/SMR/CW

Please ask for Catherine Werner
arm.abs.sa@bdo.co.uk

Dear Madams/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 fourth annual progress report in the CVA in accordance with Rule 2.41 and 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 and CVA on 7 May 2021 and 2 June 2020, respectively, and this report should be read in conjunction with those reports available at <https://www.bdo.co.uk/en-gb/arm-asset-backed-securities-sa>.

As you will be 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 fourth and final standard dividend of 3.2p 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 the final report; 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 2020 to 3 May 2021 ('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>.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

The Joint Supervisors are Data Controllers as defined by the General Data Protection Regulations. BDO LLP will act as Data Processor on the instruction of the Data Controllers. Personal data will be kept secure and processed only for matters relating to the Company Voluntary Arrangement of ARM Asset Backed Securities S.A. Please see the privacy statement at <https://www.bdo.co.uk/en-gb/privacynotices/insolvencies>

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 and 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 £102,460 at 3 May 2021.

The receipts and payments shown are largely self-explanatory, although I comment specifically on the dividend payments to creditors and the Supervisors' remuneration in the sections below.

3. Distributions to Creditors

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. All assets have now been realised and the funds distributed to creditors. A summary of the dividend payments is given in the table below:

Description	Date	Dividend Rate	Agreed Claims £	Amount Distributed £
1 st Interim Dividend	20 Nov 2017	11p in the £	182,856,773	20,114,245
Catch Up Dividend	5 Jun 2018			1,427,177
2 nd Interim Dividend	5 Jul 2018	5.1p in the £	195,849,000	9,988,299
Catch Up Dividend	31 Jan 2020			751,424
3 rd Interim Dividend	31 Jan 2020	5p in the £	209,078,809	10,453,940
Catch Up Dividend	28 May 2020			2,570,277
4 th and Final Dividend	28 May 2020	3.2p in the £	214,814,467	6,874,063

A catch up dividend and fourth and final dividend have been declared and paid in the Period to all creditors whose claims have been admitted in the CVA.

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 received notices of intended dividends, there is approximately 0.9% in value of investments which we did not receive a claim for as part of the CVA or via the FSCS. These creditors were excluded from taking part in the dividends declared in the CVA under its terms from 28 May 2020, the date of the declaration of the final dividend; however, the Supervisors understand that it remains possible to make a claim via the FSCS in respect of any loss.

In addition to the above, the following Enhanced Dividends were paid:

Description	Date	Number of Claims	Amount Distributed £
Enhanced Dividend	20 Nov 2017	12	496,574
Catch Up Enhanced Dividend	12 June 2018	2	85,634
Settlement Payments	During 2018	3	84,429

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

The Proposals did not detail how unclaimed dividends following the final distribution would be treated. During the Period, £65,877 has been returned in relation to unclaimed dividends. Due to the quantum of creditor claims, it is not viable to distribute these monies to creditors.

4. Future of the CVA

We are awaiting a small number of dividend payments to clear the bank account and are dealing with any queries that arise from creditors.

The Supervisors will issue a final report in the CVA in the coming months and close the matter.

Following the conclusion of the CVA, the Joint Liquidators will also take steps to finalise the Liquidation. At the conclusion of the Liquidation, it is understood that steps will be taken by the Public Prosecutor in Luxembourg to dissolve ARM in accordance with the ruling of the Luxembourg District Court dated 26 June 2014.

5. Supervisors' Remuneration and Approval

5.1. Supervisors' Time Costs

Attached is a schedule for the time spent in the period since 23 May 2020 to 3 May 2021, showing the amount of £150,453, which represents 522 hours spent at an average charge out rate of £288 per hour.

The time spent in the Period has exceeded the estimated £30,000 anticipated in our previous report. The Supervisors' time during the Period has been predominantly spent carrying out the final adjudication of c2,000 of the creditors' and investors' claims, paying the final distributions and dealing with a high volume of subsequent queries. The Supervisors recognise the importance of clarifying the final position with investors and so time has been spent ensuring investors were, in line with the CVA's terms, aware of the dividends, re-issuing payments and confirming the final dividend position. As an individual sits behind each of the investments, we wanted to ensure all investors were comfortable with the final position before the case is closed, subject to the terms of the CVA. 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.

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. Following the declaration of the dividend, the Supervisors have continued to assist the FSCS to ensure payments to investors were allocated correctly and efficiently.

5.2. Request for approval of Supervisors' fees and modification to the CVA proposals

The Supervisors' remuneration has been approved on the basis of time properly spent in dealing with issues in the CVA. The CVA proposals ('the Proposals') included an estimate for the Supervisors' fees of £350,000, although it was stated that this was an estimate and not a cap.

Attached is a second schedule of the time costs incurred since appointment to 3 May 2021 and records time costs of £944,069.05 which represents 3,092 hours spent at an average charge out rate of £305 per hour.

The reasons for the increase in costs on the original estimate have been stated in my previous reports and are also set out in 5.1 above.

The 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 3 May 2021	944,069.05
Total Time Costs Approved and Drawn to 22 May 2020	792,816.10
Total Time Costs Incurred from 23 May 2020 to 3 May 2021	150,453.00

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

	£
Fees drawn	Nil
Fees to draw ¹	150,453.00
Total Approval Requested	150,453.00

Note 1: The Supervisors' are seeking approval of their full outstanding time costs for the Period; however, the fees drawn will be limited to the amount available in the Supervisors' account once all payments have cleared and costs paid.

All further time costs accrued after 3 May 2021 will be written off.

We are seeking to modify paragraph 41.1 of the Proposals to reflect that any unclaimed dividends following the payment of the final dividend will become part of ARM's assets and can be drawn as remuneration, as it is not viable to distribute these monies to creditors and that the Supervisors' final remuneration be approved in the quantum of £150,453.00. The fees drawn will be limited to the amount available in the Supervisors' account once all costs have been paid.

Enclosed is a notice of a decision by correspondence procedure, together with a voting form. Creditors, including investors, may indicate their wishes in respect of these resolutions by completing the voting form which must be received by me by 19 July 2021 accompanied by a proof of debt, unless your claim has already been admitted for dividend purposes. Votes received after this date will not be counted.

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

5.3. Supervisors' Expenses

Where expenses relating directly to the CVA are incurred by an independent third party there is no necessity for these costs to be authorised. These are known as category 1 expenses.

Where expenses relating directly to the estate have been incurred by an associated party or have an element of shared costs creditor approval is required to pay these expenses from the CVA. These are known as category 2 expenses.

Expenses include disbursements (costs incurred which have been paid by the Supervisors and are recharged to the CVA).

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 expenses have accrued during the Period.

Total expenses 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
Total	1,726.93	629.00	2,355.93

The Supervisors have withdrawn a total of £1,727 in respect of their expenses, no expenses have been drawn within the Period, as shown on the enclosed receipts and payments account.

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/complainabout-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

The Joint Supervisors 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: <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>.



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

If you require any further information please contact us at BRCMTLondonandSouthEast@bdo.co.uk.

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

A handwritten signature in blue ink, appearing to read 'SRayment'.

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

Enclosures:
Notice of a Decision by Correspondence Procedure
Voting Form
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 Expenses
Statement of Creditors' Rights in respect of Fees and Expenses

NOTICE OF A DECISION BY CORRESPONDENCE PROCEDURE

ARM Asset Backed Securities SA - Subject to a Company Voluntary Arrangement ('the Company')

High Court of Justice, Chancery Division - 006914 of 2017

Company registration number: 111 830 (Luxembourg)

NOTICE IS GIVEN that I am proposing that the following decisions ('the Proposed Decision') be considered by creditors ('the Creditors') by a decision by correspondence procedure:

1. That the Supervisors' final remuneration be approved in the quantum of £150,453.00; and
2. That paragraph 41.1 of the Supervisors' Proposals be modified to reflect that any unclaimed dividends following the payment of the final dividend will become part of ARM's assets and can be drawn as remuneration.

Decision Date: 19 July 2021

To vote on the Proposed Decision please complete and return the attached voting form together with a proof of debt form (unless your claim has already been admitted for dividend purposes) to me at the contact details below. The proof of debt form can be found on <https://www.bdo.co.uk/en-gb/arm-asset-backed-securities-sa>. If your voting form and completed proof of debt form are not received by me by the Decision Date your vote will not be counted.

You may also request that a physical meeting be held to consider the Proposed Decision. If by no later than five business days of delivery of this notice (i) 10% or more in value of Creditors, (ii) 10% or more in number of Creditors or (iii) 10 or more Creditors who are entitled to vote in this decision procedure request a physical meeting in writing, the decision by correspondence procedure will terminate and a physical meeting convened.

If your debt is treated as a small debt (less than £1,000) or you have opted out of receiving notices you must still provide a proof of debt form (unless previously submitted) if voting on the Proposed Decision or requesting a physical meeting.

You may apply to the Court to appeal any decision within 21 days of the Decision Date in accordance with Rule 15.35 of the Insolvency (England and Wales) Rules 2016.



Sarah Rayment
Supervisor and Convener

Date: 29 June 2021

Contact: Catherine Werner
Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH
Email: arm.abs.sa@bdo.co.uk
Reference: 00273876



VOTING FORM

ARM Asset Backed Securities SA - Subject to a Company Voluntary Arrangement ('the Company')

High Court of Justice, Chancery Division - 006914 of 2017

Company registration number: 111 830 (Luxembourg)

Decision Date: 19 July 2021

Name of Creditor

Address

Email

PROPOSED DECISIONS

I vote on the Proposed Decisions as indicated below:

		*Delete as applicable
1.	That the Supervisors' final remuneration be approved in the quantum of £150,453.00.	For / Against*
2.	That paragraph 41.1 of the Supervisors' Proposals be modified to reflect that any unclaimed dividends following the payment of the final dividend will become part of ARM's assets and can be drawn as remuneration.	For / Against*

Signature

Name (BLOCK CAPITALS)

Authority

Dated

Please complete and return this form and a proof of debt form (unless your claim has already been admitted for dividend purposes) to arm.abs.sa@bdo.co.uk or via post to Catherine Werner, Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH to be received no later than the Decision Date.

ARM Asset Backed Securities SA - Subject to a Company Voluntary Arrangement
Summary of receipts and payments 4 May 2017 to 3 May 2021

	4 May 2017 to 3 May 2020 (£)	4 May 2020 to 3 May 2021 (£)	Total (£)
Receipts			
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	(7,000.00)	4,465,087.66
Transfer from CVA USD (Receipt from FCIL)	25,260,914.83	-	25,260,914.83
Transfer from Jarvis Asset Management	1,080,756.93	-	1,080,756.93
Bank Interest	36,414.44	6,831.24	43,245.68
Transfer from Insolvency Service Account	5,796,131.91	-	5,796,131.91
	<u>53,811,061.77</u>	<u>(168.76)</u>	<u>53,810,893.01</u>
Payments			
Professional Fees	28,326.91	1,436.76	29,763.67
Supervisors' Fees	642,176.01	150,640.09	792,816.10
Supervisors' Disbursements	1,726.93	-	1,726.93
Legal Fees	106,929.99	(1,085.83)	105,844.16
Storage Costs	30.00	-	30.00
Bank charges	819.20	177.00	996.20
Luxembourg Tax	1,278.88	-	1,278.88
VAT	20,360.17	(130.45)	20,229.72
	<u>801,648.09</u>	<u>151,037.57</u>	<u>952,685.66</u>
Dividends			
First Interim Dividend of 11p in the £ declared on 20 November 2017	20,114,244.68	-	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	1,427,176.68	-	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	9,988,298.59	-	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 January 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
Dividend refunded prior to final dividend. Funds distributed in final dividend	-	(24,437.50)	(24,437.50)
Fourth and Final Dividend of 3.2p in the £ declared on 28 May 2020	-	6,874,062.95	6,874,062.95
Catch Up First, Second & Third Interim Dividend - 28 May 2020	-	2,570,277.00	2,570,277.00
Dividend refunded as funds cannot be allocated by agent	-	(65,877.40)	(65,877.40)
Balance in hand			<u>102,459.66</u>
			<u>53,810,893.01</u>

BDO LLP
55 Baker Street
London
W1U 7EU

Sarah Rayment
Joint Supervisor
29 June 2021

Notes

No further significant transactions are anticipated.

ARM Asset Backed Securities SA

Detailed Time Charged and Rates Applicable for the Joint Supervisors for the Period From 23 May 2020 to 3 May 2021

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
Planning and Strategy														
Review Business Process/Systems					1.00	302.00	0.25	72.75					1.25	374.75
Sub Total					1.00	302.00	0.25	72.75					1.25	374.75
General Administration														
Taxation					0.50	151.00							0.50	151.00
Receipts/Payments Accounts	0.20	102.20	14.80	2,198.35	20.90	6,311.80	88.40	23,640.35	34.30	2,918.80			158.60	35,171.50
Statutory Matters					0.35	52.85							0.35	52.85
General Discussions			1.05	559.10									1.05	559.10
Gen. Admin/Correspondence	3.60	2,823.80	11.00	5,666.25	0.85	209.40	3.30	900.80	24.25	4,430.00	2.05	103.70	45.05	14,133.95
Sub Total	3.80	2,926.00	26.85	8,423.70	22.60	6,725.05	91.70	24,541.15	58.55	7,348.80	2.05	103.70	205.55	50,068.40
Creditor Claims														
Non-Preferential Creditors			3.90	1,932.30			20.75	6,038.25					24.65	7,970.55
Other Creditors			0.40	200.80									0.40	200.80
Other Matters			0.40	200.80					1.20	204.00			1.60	404.80
Sub Total			4.70	2,333.90			20.75	6,038.25	1.20	204.00			26.65	8,576.15
Reporting														
Statutory Reporting	2.00	1,571.00	5.45	2,735.90	0.15	22.65			4.05	409.20			11.65	4,738.75
Reporting to Creditors	1.50	1,177.00	5.55	3,668.55	14.95	4,514.90	5.30	1,542.30					27.30	10,902.75
Other Matters			1.05	694.05									1.05	694.05
Sub Total	3.50	2,748.00	12.05	7,098.50	15.10	4,537.55	5.30	1,542.30	4.05	409.20			40.00	16,335.55
Distribution and Closure														
Closure Planning			3.85	2,391.45	7.40	2,234.80			0.25	42.50			11.50	4,668.75
Distributions	1.25	910.75	6.15	2,911.80	25.65	7,746.30	201.00	58,366.00	0.60	117.05			234.65	70,051.90
Closing Statutory Duties					2.50	377.50							2.50	377.50
Sub Total	1.25	910.75	10.00	5,303.25	35.55	10,358.60	201.00	58,366.00	0.85	159.55			248.65	75,098.15
	8.55	6,584.75	53.60	23,159.35	74.25	21,923.20	319.00	90,560.45	64.65	8,121.55	2.05	103.70		
Net Total													522.10	150,453.00

ARM Asset Backed Securities SA

Detailed Time Charged and Rates Applicable for the Joint Supervisors for the Period From 4 May 2017 to 3 May 2021

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
Planning and Strategy														
Review Business Process/Systems					1.00	302.00	0.75	218.25					1.75	520.25
Sub Total					1.00	302.00	0.75	218.25					1.75	520.25
General Administration														
Taxation					0.50	151.00	1.00	291.00	7.55	1,493.00			9.05	1,935.00
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	1.30	664.30	30.20	5,954.90	23.15	6,591.25	122.20	29,759.55	143.55	17,399.85	1.70	142.15	322.10	60,512.00
Remuneration Issues			1.25	627.50					6.00	1,338.00			7.25	1,965.50
Statutory Matters					0.35	52.85							0.35	52.85
General Meetings	1.00	783.00											1.00	783.00
General Discussions			1.55	810.10					7.05	1,372.25			8.60	2,182.35
Gen. Admin/Correspondence	23.90	17,655.10	33.30	16,288.40	0.85	209.40	11.85	3,202.60	220.45	40,346.75	2.05	103.70	292.40	77,805.95
Maintain Internal Files					0.25	31.75	0.10	11.60	0.50	84.50			0.85	127.85
Sub Total	29.20	21,405.40	67.30	24,155.90	25.10	7,036.25	135.15	33,264.75	385.30	62,068.35	3.75	245.85	645.80	148,176.50
Assets Realisation/Dealing														
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
Sub Total	19.20	15,299.60	41.35	20,428.45			0.50	145.50	41.00	10,319.75			102.05	46,193.30
Creditor Claims														
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	107.75	52,515.50			531.35	154,622.85	215.70	33,812.35			859.30	244,346.20
Other Creditors			10.65	5,069.55					3.10	510.40			13.75	5,579.95
Other Matters			50.40	24,254.55					2.15	365.50			52.55	24,620.05
Sub Total	5.00	3,758.50	185.80	89,098.60			531.35	154,622.85	220.95	34,688.25			943.10	282,168.20

ARM Asset Backed Securities SA

Detailed Time Charged and Rates Applicable for the Joint Supervisors for the Period From 4 May 2017 to 3 May 2021

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £
Reporting														
Statutory Reporting	3.50	2,722.50	11.95	5,809.60	0.15	22.65	2.95	370.60	60.60	11,176.55			79.15	20,101.90
Reporting to Appointer	1.00	741.00					1.00	291.00					2.00	1,032.00
Reporting to Creditors	10.00	7,494.50	7.30	4,508.80	14.95	4,514.90	5.50	1,600.50	5.25	1,172.75			43.00	19,291.45
Reporting to other bodies									0.70	119.00			0.70	119.00
Other Matters			3.80	2,000.30									3.80	2,000.30
Sub Total	14.50	10,958.00	23.05	12,318.70	15.10	4,537.55	9.45	2,262.10	66.55	12,468.30			128.65	42,544.65
Distribution and Closure														
Closure Planning	1.00	783.00	6.60	3,771.95	7.40	2,234.80			12.35	2,797.40			27.35	9,587.15
Distributions	11.00	8,253.30	485.95	223,358.00	25.65	7,746.30	268.60	77,953.60	445.65	95,655.70			1,236.85	412,966.90
Closure Documentation							0.50	145.50					0.50	145.50
Closure Meetings									0.90	201.60			0.90	201.60
Closing Statutory Duties					2.50	377.50							2.50	377.50
Other Matters			2.50	1,187.50									2.50	1,187.50
Sub Total	12.00	9,036.30	495.05	228,317.45	35.55	10,358.60	269.10	78,099.10	458.90	98,654.70			1,270.60	424,466.15
	79.90	60,457.80	812.55	374,319.10	76.75	22,234.40	946.30	268,612.55	1,172.70	218,199.35	3.75	245.85		

Net Total 3,091.95 944,069.05

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:

GRADE	£
Partner	788
Director	661
Senior Manager	551
Manager	302-402
Senior Executive	242-281
Executive	74-147

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 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.

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 10 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

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

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

Expenses

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

1) Category 1 expenses

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

Creditor approval is not required to pay category 1 expenses.

2) Category 2 expenses

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

We propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the Company. In these cases a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff.

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

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

Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of creditors in respect of the 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.