

In accordance with
Paragraph 49 of Schedule B1
of the Insolvency Act 1986
and Rule 3.35 of the
Insolvency (England and
Wales) Rules 2016; and The
Investment Bank Special
Administration (England
and Wales) Rules 2011

20 April 2018

Anticipated to be
delivered on:
25 April 2018

Beaufort Asset Clearing Services Limited – in Special Administration

In the High Court of Justice, Business and Property
Courts of England and Wales Insolvency & Companies
List (ChD)

Case No. 1745 of 2018

Beaufort Securities Limited –in Administration

In the High Court of Justice, Business and Property
Courts of England and Wales Insolvency & Companies
List (ChD)

Case No. 1881 of 2018

Joint Administrators' Proposals for achieving the
purpose of Administration and Special Administration

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Further information on the Administrations can be found at www.pwc.co.uk/beaufort

Amongst other information, this includes:

- BSL Creditor proxy form
- BACSL Client attendance / proxy form
- BACSL Creditor proxy form
- BSL Creditor claim form (proof of debt)
- BACSL Creditor claim form (proof of debt)

Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this document:

Abbreviation or definition	Meaning
Administration	The Administration of Beaufort Securities Limited & the Special Administration of Beaufort Asset Clearing Services Limited
Administrators/we/us/our	Russell Downs, Douglas Nigel Rackham and Dan Yoram Schwarzmann
Barclays	Barclays Bank Plc – Secured Creditor of BSL
BACSL	Beaufort Asset Clearing Services Limited
BSL	Beaufort Securities Limited
CASS	Client Asset Sourcebook – a set of rules for holding Client Money and Client Assets set by FCA.
Client	Any party for whom BACSL held, or should have held, Client Money or Client Assets.
Client Assets	Client securities which BACSL held (or should have held) at 1 March 2018
Client Claim Portal	A new client portal being created by the Administrators.
Client Money	Client cash balances held by BACSL at 1 March 2018 or received thereafter and which are subject to the FCA’s client money rules
Client Money Entitlement	The entitlement to receive a distribution from the pre-Administration Client Money pool
Client Portfolios	Refers to both Client Money and Client Assets
Companies or Company	Beaufort Securities Limited & Beaufort Asset Clearing Services Limited
Court	The courts of England and Wales.
Creditors	Secured, Preferential and Unsecured Creditors
CVA	Company voluntary arrangement under Part 1 IA86
CVL	Creditors’ voluntary liquidation
FCA	Financial Conduct Authority
FSCS	Financial Services Compensation Scheme, the UK’s statutory investors compensation scheme for customers of authorised financial services firms
House Assets	The Companies respective general assets excluding those held for clients
HMRC	HM Revenue & Customs
IA86	Insolvency Act 1986
IBSAR11	The Investment Bank Special Administration (England and Wales) Rules 2011
IR16	Insolvency (England and Wales) Rules 2016
ISA Regulations	The Individual Savings Account Regulations SI 1998 (No. 1870)

NEX	NEX Exchange, a Regulated Investment Exchange
Preferential Creditors	Primarily employee claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
Prescribed Part	The amount set aside for Unsecured Creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
Proposals	This document, being the Administrators’ Proposals for the Administration of BSL and the Special Administrators’ Proposals for the Special Administration of BACSL
PwC	PricewaterhouseCoopers LLP
the Regulations	The Investment Bank Special Administration Regulations 2011
RPS	Redundancy Payments Service, part of the Insolvency Service, which is an executive agency sponsored by the Department of Business, Innovation and skills, and which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
Sch. B1 IA86	Schedule B1 to the Insolvency Act 1986
Secured Creditor	A Creditor with security in respect of their debt, in accordance with section 248 IA86
SoA	Statement of Affairs
SIP	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply.
SIP 9	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates
Special Administration	Special Administration was introduced by law in 2011 to sort out situations where investment firms which hold Client Money and Client Assets under the FCA’s CASS rules become insolvent. Special Administration has different objectives from ordinary Administrations including returning Client Money and Client Assets as soon as reasonably practicable.
Special Administrators	The Administrators as Special Administrators of BACSL
Unsecured Creditors	Creditors who are neither secured nor preferential and do not hold any Client Money and Client Assets
VAT	Value Added Tax

Why we’ve prepared this document

We previously wrote to you, to tell you that on 1 March 2018, BSL and BACSL respectively went into Administration and Special Administration and that Russell Downs, Douglas Nigel Rackham and Dan Yoram Schwarzmann had been appointed as Administrators of BSL and Special Administrations of BACSL.

As required by legislation, this document and its appendices form our statement of Proposals for achieving the purpose of the Administrations. We have produced one report covering both BSL and BACSL in order to minimise costs and for the convenience of any Creditors common to each estate. Accordingly, we discuss matters in general terms, but make reference to the Companies where relevant and necessary to do so.

This document sets out the following:

- a summary of what you could recover;
- a brief history of the Companies and why they are in Administration;
- what we have done so far and what’s next if our Proposals are approved;
- copies of the directors’ Statements of Affairs and our comments thereon;
- statutory and other information about the Companies; and
- the receipts and payments accounts for the Companies since our appointment.

This document does not contain the Administrators’ distribution plan which was explained in the Administrators’ letter, dated 12 April 2018. The distribution plan is being developed separately by the Administrators and, once approved by BACSL’s Creditors’ committee (should one be elected) and the Court, will be published in due course.

BSL

According to the IA86, the purpose of an Administration is to achieve one of the following objectives:

- a) rescuing the company as a going concern, or if that is not possible, or if (b) would achieve a better result for the Creditors than (a);
- b) achieving a better result for the company’s Creditors as a whole than would be likely if the company were wound up (without first being in Administration), or finally, if that is not possible; or
- c) realising the company’s assets to pay a dividend to Secured or Preferential Creditors.

It is not reasonably practical to rescue BSL as a going concern given the cessation of trade, so we are proposing to continue the Administration with a purpose to achieve objective (b), or failing that, objective (c).

Our job is to manage BSL until Creditors agree our Proposals for achieving the purpose of Administration and until we’ve implemented our Proposals so far as possible. After that the Administration will end. This process but may take several years.

As more than 10 Creditors have requested that a physical meeting of Creditors be called, a meeting will be held on 10 May 2018 concurrent with the BACSL Creditors and Clients’ meeting. A vote of Creditors to approve the Administrators’ Proposals will be held and, should the Creditors decide, a Creditors committee will be elected to assist the Administrators. The Administrators support the calling of a physical meeting of Creditors and the forming of a Creditors’ committee.

BACSL

Regulation 10(1) of the Regulations, provides the Special Administrators with three Special Administration objectives, namely:

- 1) Objective 1: to ensure the return of Client Assets as soon as is reasonably practicable;
- 2) Objective 2: to ensure timely engagement with market infrastructure bodies and the FCA, Bank of England and HM Treasury where required; and
- 3) Objective 3: to either –
 - i. rescue the investment bank as a going concern, or
 - ii. wind it up in the best interests of Creditors

As required by statute, the Special Administrators commenced work on achieving each of the three objectives immediately following their appointment. The Special Administrators intend, once these Proposals have been approved, to pursue Objective 1 as a priority whilst concurrently pursuing Objective 2 and 3 ii. As we do not consider it possible to rescue BACSL as a going concern (i.e. Objective 3 i.) the Administrators intend to take appropriate steps to wind up BACSL’s affairs in accordance with Objective 3 ii. above.

Objective 1 also crucially includes assisting the FSCS to enable it to administer the compensation scheme in relation to eligible Clients which we expect to cover the majority of Clients of BACSL.

Our job is to manage BACSL until its Creditors and Clients agree our Proposals for achieving the objectives and until we’ve implemented the Proposals so far as possible. After that, the Special Administration will end. This process may take several years due to specific issues which may arise with Clients.

A meeting of the Creditors and Clients of BACSL will also be held on 10 May 2018. The purpose of this meeting will be for the Creditors and the Clients to approve the Special Administrators’ Proposals, and to appoint a Creditors’ committee to assist the Special Administrators. Similarly, the Special Administrators welcome the appointment of a Creditors’ committee and expect the committees of BSL and BACSL to work closely together.


The whole of this document and its appendices form our statement of Proposals for achieving the purpose of Administrations.

If you’ve got any questions, please contact one of the below:

Email: client.services@beaufortsecurities.com

UK telephone: 0800 0639283

International telephone: +44 30 7293 0227

Signed.....

Russell Downs

Joint Administrator of Beaufort Securities Limited and joint Special Administrator of Beaufort Asset Clearing Securities Limited

Russell Downs, Douglas Nigel Rackham, and Dan Yoram Schwarzmann have been appointed as joint Administrators by the High Court to manage the affairs, business and property of Beaufort Securities Limited. Russell Downs, Douglas Nigel Rackham, and Dan Yoram Schwarzmann have also been appointed as joint Special Administrators by the High Court to manage the affairs, business and property of Beaufort Asset Clearing Services Limited.

The Administrators and Special Administrators act as agents of the Companies, without personal liability. All are licensed in the United Kingdom to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales. The Administrators and Special Administrators are bound by the Insolvency Code of Ethics which can be found at:
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.

The Administrators and Special Administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. Personal data will be kept secure and processed only for matters relating to these appointments.

A summary of what you could recover

This is a brief summary of the possible outcome for Creditors of BSL and Creditors and Clients of BACSL based on what we know so far. It is relatively early in the Administrations and there are still a number of material uncertainties which may cause the current assumptions underpinning the conclusions in this document to change. You shouldn’t use this summary as the main basis of any bad debt provision or debt trading. Please read the rest of this document and seek further specific advice where needed.

BSL

Secured Creditors

BSL owed approximately £290,000 secured by fixed and floating charges over all of BSL’s assets. We do not currently expect Barclays will recover its lending in full, given the low level of anticipated realisations and costs of the general Administration (not connected with Client Assets and Client Money) and amounts owed to Preferential Creditors. Unless the indebtedness owed to Barclays is repaid in full, it is highly unlikely that there will be material funds available to enable a return to be paid to Unsecured Creditors.

Preferential Creditors

We think there may be some funds available for a partial distribution to the Preferential Creditors (who will mainly comprise of employees) in due course, but the amount and timing is uncertain.

Unsecured Creditors

From what we currently know, we think it unlikely that there will be any return to BSL’s Unsecured Creditors, other than potentially through a small distribution by way of the Prescribed Part. The Prescribed Part is limited by law to a maximum of £600,000 and could well be significantly less than this in respect of BSL. If the value of the Prescribed Part is less than the cost of agreeing Unsecured Creditor Claims and making a distribution, we may ask the Court to have the Prescribed Part disappplied.

As we noted in our update of 12 April 2018, certain Clients might have claims against BSL, for example for miss-selling. We will develop with the FSCS a basis for submitting these claim and having them adjudicated. If claims are awarded through this process then they may be eligible for FSCS compensation up to the statutory maximum limit of £50,000.

Claimants and interested parties have enquired about indemnity insurance that might be available to settle claims of this type in full or part. We have taken steps to protect such rights as might exist but we do not believe that this will develop into a significant basis for such claimants to recover value on their claims.

BACSL

Secured Creditors

We are not aware of any Secured Creditors of BACSL at the date of Administration.

Preferential Creditors

It is currently uncertain whether there will be any funds available for Preferential Creditors. This will depend on the level of House Asset realisations and costs at the end of the Special Administration.

Unsecured Creditors (excluding Clients)

From what we currently know, we think it is unlikely that there will be any funds available for Unsecured Creditors. This will, however, depend on the level of House Asset realisations after costs have been deducted at the end of the Special Administration.

Clients

There will be a material return to Clients in respect of their Client Portfolios, but the precise level of return for each Client will depend on (i) the level of any related Client Money and Client Asset deficiencies, (ii) the costs of the statutory distribution plans and the Special Administration generally and (iii) the eligibility of Clients to receive compensation for such deficiencies and costs from the FSCS up to a maximum of £50,000 per Client (or earlier payment by the FSCS in full of smaller Client Money balances).

In pages 12 to 17 of the Proposals, we set out in greater detail the steps that we are proposing to take in order to return Client Portfolios on a basis which seeks to maximise each Client’s recovery in respect of its entitlements, whilst ensuring that such recovery cannot be disturbed by any competing claims that may arise. Such steps include undertaking a Creditors’ committee and Court approved distribution plan for Client Assets, run in parallel with a plan for distributing Client Money in accordance with relevant statutory rules. We explain that such processes will entail material costs that will need to be levied against the Client Assets and Client Money respectively and describe the basis on which such costs are expected to be reserved for and allocated.

We explain further:

- that the levying of such costs, will result in shortfalls in recoveries for Clients, as will any deficiencies in Client Money and Client Assets (although, as we note later in these Proposals, we believe there are a limited number of deficiencies in this respect);
- that it is expected that resulting shortfalls will, for Clients eligible for FSCS compensation, be compensated by the FSCS in an amount up to £50,000; and
- that, in any event, some Clients with smaller balances of Client Money that are eligible for FSCS compensation are expected to be paid in full in respect of those balances on an earlier basis by the FSCS.

We think that some 700 Clients with Client Portfolios valued in excess of £150,000 (per Client) may suffer shortfalls in recovery of their entitlements in excess of the FSCS £50,000 compensation limit, which will therefore not be compensated to the extent of that excess. Clients who do not fulfil the FSCS eligibility criteria will not be entitled to receive FSCS compensation in respect of any part of their respective shortfalls in recovery.

Brief history of the Companies and why they are in Administration

Background and the circumstances leading to the Administrators’ appointments

BSL was incorporated on 5 March 1992 and its principal activity comprised of a broad range of stockbroking services to private Clients and corporate financial services. BSL was authorised and regulated by the FCA and was a member of The London Stock Exchange and NEX .

BACSL was incorporated on 3 July 2008. The principal activity of BACSL was that of clearing agent and custodian.

All Client correspondence will have been branded as BSL. However, BACSL provided clearing and custody services to BSL. All Client Money and Client Assets were therefore held by BACSL. Client Money balances were held in appropriately segregated Client accounts (and segregated from the rest of the BACSL’s assets) and securities were held on a safe custody basis with the majority being held through several nominees in dematerialised form.

The Companies formed part of a group, under common ownership.

For reasons explained below, the FCA applied to the Court for orders placing BSL and BACSL into Administration and Special Administration respectively and appointing the Administrators. On the basis of the evidence presented by the FCA, the Court ruled in favour of the Administrations and our appointment as Administrators.

Due to these circumstances, the appointments of the Administrators unavoidably occurred with very limited preparation. Consequently, there was no time to make any substantive plans as to how the disruption to Creditors and Clients might be minimised and the return of Client Portfolios could be expedited. As you will be aware, BSL was (alongside certain other parties) charged with securities fraud in the United States of America. The FCA had also imposed various regulatory restrictions including a prohibition on all investment activity immediately prior to the Companies’ Administration.

Prior to the Administrations, the Companies had submitted to the FCA, on a routine basis, various regulatory confirmations regarding the status, quantity and amounts of Client Portfolios held by BACSL. The Administrators have examined these regulatory confirmations and they have provided an important starting point for the Administrators to review and assess the sufficiency of the Client Money and Client Assets held as compared with what is believed to be owed to Clients. The regulatory confirmations highlighted some relatively modest deficiencies in both Client Money and Client Assets. The Companies had, sometime previously, switched over to a new accounting and record keeping system which had a number of teething problems. These issues, together with the complex nature of the Administrations, may create further challenges in returning Client Portfolios to Clients and potentially paying dividends to Creditors (as appropriate).

Pre-Administration costs

Before the Companies went into Administration and Special Administration, PwC incurred costs of nearly £40,000 (exclusive of VAT) preparing for the appointment of Administrators. We are therefore looking to recover the balance of these pre-appointment costs in due course split equally between the Companies. The pre-appointment work undertaken by PwC included the following:

- Identifying the risks to customers and the implications for the UK Financial Market arising from the failings in governance for BSL and BACSL;
- Preparing appropriate communication plans and content for stakeholders that could be delivered as soon after the appointments were made;

- Identifying, briefing and mobilising a suitable team of professionals to be ready once the appointments were made ; and
- Considering the FCA’s imposed restrictions on BSL and BACSL and the consequences of these restrictions on their ability to make payments.

The payment of unpaid pre-Administration costs as expenses of the Administrations is subject to approval, and doesn’t form part of our Proposals. If Creditors’ committees are elected, it will be up to the committee of each of the Companies to give this approval.

If no committee is elected in either of the Companies, we will seek the Court’s approval of the relevant costs at the same time as seeking approval of the basis of our fees.

To the best of our knowledge and belief, no fees or expenses were charged by any other insolvency practitioner. PwC was, however, retained by the FCA to provide very limited services.

What we’ve done so far and what’s next if our Proposals are approved

How we’ve managed and financed the Companies’ affairs and business

Our overriding objective is to achieve the best possible outcome for Creditors and Clients, typically achieved by maximising the value of the Companies’ House Assets and protecting and securing Client Portfolios and minimising costs and claims against the Companies. As noted above, it will be imperative to continue to work closely with the FSCS to ensure compensation can be made available to eligible claimants.

The Companies ceased trading immediately after entering into Administration.

Our strategy

For BACSL our priority is to facilitate an orderly and coordinated return of Client Portfolios to rightful Clients to the fullest extent possible to mitigate the losses to Creditors and Clients and work closely with the FSCS regarding compensation arrangements. For BSL, our priority is to mitigate the losses to Creditors. As these are complex insolvencies, it is going to take many months to address the numerous issues that will need to be resolved.

Our strategy in order to facilitate the return of Client Portfolios and to mitigate the losses to Creditors and Clients, is as follows;

- Safeguard the Companies’ IT and data systems as well as the House Assets and Client Portfolios;
- Take steps to reduce the Companies’ cost base including the closure and vacation of the Companies’ offices in Colwyn Bay and Bristol;
- Achieve further savings by a reduction in staff based in the Companies’ central operations in the City of London but also bringing in, where necessary, relevant experts to assist us in the conduct of the Administrations;
- Secure funding to ensure that all critical operations can be maintained in order to facilitate the return of Client Portfolios, in accordance with the proposed courses of action set out below;
- Develop a basis for enabling Clients and Creditors to contact the Companies to raise questions and receive such assurance as we are able to give;
- Seek to encapsulate the steps being taken to start the return of Client Portfolios through an integrated distribution plan;
- Identify subsets of the Client population where expedited returns can be made; and
- Liaise routinely with the FCA and FSCS, on progress and other matters arising.

As Administrators, we manage the business, affairs and property of the Companies as their agents and without personal liability. We will implement our strategy in accordance with the Administrations’ objectives and our Proposals as set out here. We will use the realisations made from House Assets and funding and will take all such necessary steps to appropriately manage ongoing costs.

Funding of up to £10m has been obtained through a loan agreement, of which £4m has been drawn down. This is specifically to finance the activities related to the return of Client Portfolios and has therefore ensured that

Client Assets do not need to be sold in this interim period. The funding can be used by BACSL and will be repayable from permitted cost deductions in relation to the return of Client Portfolios.

The receipts and payments accounts included later show the level of funding that has been drawn down and the payments made to date.

Communications with Clients and Creditors

Immediately following our appointment we put together a dedicated team to provide support to Clients and Creditors, drawing from the Companies existing client service team together with PwC and external resources.

A new Administration website was operational on day one of the Administrations with the Company’s website diverting to this. This has had over 20,000 unique hits to date. An external call centre was up and running in the afternoon of day one. We prepared immediate communications for the different groups of stakeholders, including scripts, frequently asked questions and statutory letters and notifications. We have liaised with the regulator for the approval on information being published and continued to refine our communication to the developing circumstances.

After the initial peak of calls, the call centre was brought in-house using the Companies’ retained staff to reduce cost and enable us to access client information real-time, improving the quality of our responses to specific client queries. Some 2,000 calls have been received to date. The client service team have been trained to be brought up to speed with the new and unique information to be communicated with PwC staff coordinating this and providing technical insolvency support.

The Client service email account has been monitored during working hours with the majority of queries being dealt with within 48 hours, with enquiries being escalated as needed.

We will continue to use the website www.pwc.co.uk/beaufort as a key way of communicating with Clients and Creditors. For the Clients who have agreed to email communication in their terms of business into the Companies, we may send statutory notifications in relation to BACSL’s Special Administration by email to save costs and efficiently. Other Clients will have statutory notifications sent to their postal address held by the Companies. **Please inform the Client services team of any changes in email or postal address in a timely manner.**

As set out later in our Proposals, we are in the process of rebuilding the Companies’ client portal to act as a Client Claim Portal and the interface between the Companies, Clients and Creditors.

BSL – general website notice

We have issued a general website notice in respect of the Administration of BSL. This means that most communications to BSL’s Creditors will be put on the website www.pwc.co.uk/beaufort rather than being posted out to Creditors. Creditors should check the website from time to time for updates. We anticipate uploading a report on the result of the meeting by 18 May 2018 and a statutory progress report by 30 September 2018.

Creditors of BSL who wish to continue to receive paper copies of all communications should notify us as set out in the general website notice, a copy of which was sent with notification of the Creditors meeting and can be downloaded from www.pwc.co.uk/beaufort.

Creditors and Clients of BACSL are not affected by this general website notice and will continue to receive statutory communications by their preferred choice of email or post.

Clients

We have carried out an initial assessment of the Companies’ records. We set out later in this section details of the work undertaken and some of the difficulties which we have faced. However, this work has enabled us to reach the following preliminary conclusions:

- The Companies had about 29,500 clients of which approximately 60% had Client Money or Client Assets holdings.
- The Client Monies were, as at the date of Special Administration, substantially intact save for a limited aggregate shortfall, which is being investigated. This is before costs.
- The Client Assets total about 4,000 individual ISINs (i.e. different and unique securities or financial instruments) held by four external custodians (CREST, Cortland, Shaw Partner and AllFunds). As at Administration date, there were over 150 discrepancies in the stock lines, which we continue to investigate.
- BACSL also maintained about 400 share certificates in physical custody, of which 100 presented some discrepancy.
- With 15,000 Clients holding one or more lines of stock, there is a total of nearly 64,000 lines of stock to be checked and agreed before being returned to Clients in an orderly way. This includes both stocks held by external custodians and share certificates.
- 94% of the Companies’ Clients are based in the United Kingdom. The vast majority of them are retail Clients; therefore should fulfil the FSCS eligibility criteria and will be entitled to receive FSCS compensation.

Company books and records

We successfully secured and preserved structured and unstructured data related to the Companies in the first days of the Administration in 15 relevant systems.

We have captured the data and systems landscape (including systems or data sources holding information on Client Money and Client Assets), worked to understand any existing issues and formulated a data capture, access and extraction plans for more complex structured data sources.

Many of the Companies’ regulated activities and business processes were suspended on Administration whilst the Administrators took control of the Companies. This suspension initially required restricting access to the front office, back office and client facing systems, turning off data feeds and suspending the posting of any unsettled trades or corporate actions. Following this, the Administrators worked with a small number of the staff who have been retained to assist in the Administrations to identify which systems the Companies would require in the Administrations going forward, who would have access to the systems and the implications of reinstating critical business processes. This process was used to inform our discussions with suppliers regarding whether or not the Administrators ought to continue their contracts for services post Administration.

Prior to the Administrations, the Companies had switched over to a new trading and client management platform, which went live in October 2017. There were a number of unresolved issues following this transfer that impact the reliability of data currently held within the Companies’ systems. These unresolved issues impact approximately 40 stock lines. During the course of the Administration, we have spent considerable amount of time ensuring that the affected Client accounts are identified and reviewed appropriately.

The impact of this migration was mitigated pre-Administration by the Companies putting into place a number of interim processes which, require further development for the purposes of the return of Client Portfolios.

Both the legacy and existing trading systems are hosted via external software providers, as a result, the Administrators were required to negotiate new contractual frameworks with those suppliers to secure the continued provision of existing services, support of data extracts from the systems and the provision of any new

functionality that may be required by the Administrators to support the return of Client Portfolios to Clients. This process has been time-consuming and has delayed the extraction of Client data particularly as the relationships with some suppliers were difficult prior to the Administrations, caused in part by overdue and accruing accounts.

The Administrators are continuing to resolve the system issues which currently affect a number of stock lines, in order to ensure that we are able to produce accurate statements of Client Portfolios. This will include the re-enablement of market data feeds to the Companies’ trading systems, allowing ongoing dividends and other adjustments to be reflected in Client Portfolios as part of a business as usual process.

The Administrators will continue to focus on the return of Client Portfolios as a priority. This will involve developing an efficient method to collect and extract data relating to Client Portfolios, we will also need to update personal details and portfolio valuations (which will be shared with the FSCS, and with third party brokers should a client elect to have their assets transferred to another provider).

In addition, the Administrators will automate data extraction and provision for regulated activities, facilitating the transfer of Client Portfolios for approximately 10,000 Clients whilst retaining and preserving their ISA and pension status.

Alongside resolving the existing inconsistencies in data we have been preparing a number of reports for the FCA and FSCS to provide updates and an initial view of our preliminary analysis. These reports have assisted formulating the outline of a distribution strategy, such as the return to Clients who have Client Money only claims of less than £2,000. This is described in more detail below.

Client Money and Client Assets

We have secured over 80 pre-appointment bank accounts and worked with a number of banks and custodians to ensure Client Monies and Client Assets were frozen upon Administration, minimising loss or risk to Client Portfolios. We spent considerable time seeking banks’ and custodians’ collaboration for the production of statements which would provide visibility of balances on a daily basis to monitor movements and with sufficient details for various in-house reconciliations. We have also agreed a post-Administration account structure for Client Money bank accounts in accordance with CASS regulatory rules so that Client Money continues to be segregated and banks do not have any liens on these accounts.

Whilst the overall Client Money cash of c. £49.6m held in accounts was rapidly secured, we had to review how this balance was allocated across up to 14,000 Clients. The process of performing the Client Money calculation is manual and, under the Companies’ processes, a number of manual adjustments are made for which there is limited information available. We continue to work with the Companies retained employees to understand the nature of those adjustments and consider the impact on the Client Money calculation. This is taking a considerable amount of time and effort as the books and records given the issues noted above. There was also a use of different control accounts which were expected to be cleared at the end of the day with the corresponding entries to the correct account. However, at times this was not fully completed. Thousands of small balances have not been appropriately closed down. Based on the work to date, we noted that some of the entries in the control accounts have a direct impact on the Client Money requirement.

The review of the Client Money reconciliation has also raised a number of other issues, such as whether certain Client Money should be segregated at parent group level or at an individual account level. This approach reduces the number of Clients owing funds to BACSL, which is around £2.5m, as money owed to/from Clients is netted at group level. This approach also impacts the Client Money requirement. Contracts are being reviewed to ensure the correct Client Money segregation is applied.

The other challenge facing the Special Administrations is to unwind the trades which were executed before the Special Administration but have either remained open or settled post-Administration. There were over 1,000 open trades as at Administration. The Administrators have had to work closely with the custodians to cancel / settle those trades in compliance with the regulatory requirements and with the London Stock Exchange to support trade default processes and to ensure that Clients were notified appropriately. As part of the suspension of the regulated activities, a number of services were disabled by the supplier who maintains the books and records for BACSL. This has meant that settlements have been maintained outside of the system on a manual

ledger pending the reactivation of the electronic records. This has resulted in a number of manual reconciliations being maintained.

There is also a significant amount of dividend and corporate actions money received near or post the Administration date which needs to be deposited, processed, and allocated to individual Clients. We had to investigate how these were treated and allocated to Clients prior to the Special Administration and provide guidance on how this should continue post Special Administration.

BACSL held about 400 physical share certificates in safe custody. We have performed a detailed physical count and are in the process of identifying and resolving the discrepancies between the shares held in the safe and the register kept pre Administration. In some cases this has required obtaining correct or replacement certificates from the registrars.

There are circa 4,000 stock lines held by external custodians. These have been reconciled to the books and records of the Companies as at 1 March 2018 showing a discrepancy in 150 stock lines. These are being investigated on a stock line basis and so far we have identified the following main reasons for the cause of the discrepancies: (i.) outstanding corporate actions (such as dividends, etc.); (ii.) trades open on the books and records of the Companies but settled in the market; (iii.) System generated errors due to migration issues arising out of the platform switch discussed above; and (iv.) stocks still being investigated and where the reason is currently unknown. We continue to work with staff to ensure these discrepancies are reviewed and cleared, but would also need the supplier’s support in fixing some of the system issues.

Revised estimate of Client Assets value

The indicative figures first published as to the value of the Client Assets in the Client Assets portfolio have now been subjected to an initial independent valuation. This has highlighted a number of important issues, including the fact that a number of highly illiquid positions are held where the carrying values were based on historic prices which we do not believe appropriately reflects a more cautiously assessed valuation. The more conservative assessment of value is in the region of £500 million.

Corporate actions

We have put in place new interim arrangements to manage the portfolio of custodial assets for corporate actions arising since our appointment, be this receipt of dividends or otherwise. We will provide an update at a later stage on our plans for dealing with Clients’ accruing interests.

Clients owing funds to the Companies

A number of Clients are indebted to one or both of the Companies. Those amounts will need to be collected from the relevant Clients as part of the Client Assets distribution programme referred to below.

Post – Administration Client Money

Subject to limited exceptions (e.g. reconciliation corrections), Client Money received by BACSL after its entry into administration will not form part of the general pool of Client Money and will be held in a separate bank account and distributed in due course to the relevant Clients.

Access to BACSL’s client portal

Shortly after our appointment, we suspended access to the Companies’ online client portal. We are in the process of updating the Companies’ records for the work detailed above and building a new Client Claims Portal. Once these are complete, we will provide access and notify Clients.

A review of the Companies’ online client portal was conducted to see how this could be used to enable communications with Clients for the purpose of distributing their Client Portfolios. Due to a number of issues with the current supplier, we decided that adapting the existing client portal may lead to further delays in the distribution of Client Portfolios and the costs may be excessive. We therefore put together a list of requirements and started building a new Client Claims Portal which is to be developed in accordance with the distribution timeline and requirements. The work has been intense over a short time period as we customised the design to

act as an interface between external parties. We are currently, running user acceptance testing with the data and the statements produced. Clients will be able to receive the initial statement of their cash and asset position as at the commencement of the Administration. The Client Claim Portal will allow Clients to confirm entitlement information and act as a method of obtaining confirmations from Clients regarding how their claim will be dealt with.

Arrangements will be made for Clients who cannot access the Client Claims Portal through an online basis.

Plans for distribution programme to Clients of BACSL

FSCS compensation summary and overall Client outcome

Irrespective of the method of allocating costs amongst Clients, it is clear that Clients will face shortfalls as a result of BACSL’s insolvency and ensuing Special Administration. In accordance with applicable legislation, we have worked closely with the FSCS and are able to confirm that, where eligible Clients have Client Portfolios held with BACSL with a shortfall (including reserves for costs) of up to a value of £50,000, the FSCS will seek to provide compensation to eligible Clients without it being necessary for a claim to be submitted in most cases. Further information on FSCS eligibility is available here: www.fscs.org.uk/what-we-cover/eligibility-rules

Proposed distributions

On an urgent basis, we are developing two strands of an overall programme of distributions:

- We have worked closely with the FSCS to identify approximately 2,700 BACSL Clients who held Client Money only, each of whose claim is less than £2,000 in value. FSCS will aim to compensate these Clients in full during May 2018, without the Clients having to submit an application form. No reserves for costs will be deducted in this context. FSCS compensation will compensate these Clients in full, and they will have no further claim against BACSL in the Special Administration. A notification will be sent to qualifying Clients separately. This notification will include details of the cash sum to be returned along with limited bank details (if Any) and affected Clients will have an opportunity to reject the distribution or notify BACSL of any amendments. (any rejected claims will be deferred for distribution under the distribution plan described below); and
- A statutory distribution plan, pursuant to the applicable insolvency legislation, designed to facilitate the return to Clients of the balance of the Client Portfolios held by BACSL, running alongside a process of returning Client Money not covered by the distribution referred to above.

The applicable procedure laid down for the distribution plan by the relevant insolvency legislation requires the Administrators to:

1. Set a bar date for claims in respect of Client Assets

That bar date will be set by means of a notice currently expected to be issued to all of BACSL’s Clients later in May 2018. We presently anticipate that the bar date will be set approximately a month later in June 2018. Under the applicable legislation, the effect of the bar date is that Clients who submit a claim after the bar date are not guaranteed to have their claims taken into account when distributions are effected, albeit the Administrators will in any event take into account Clients’ Assets insofar as they are reflected in BACSL’s books and records. When notifying Clients of the bar date, we will explain how Clients can access the Client Claims Portal on the Companies’ website, designed to show Clients what the Companies’ books and records show their entitlements to be. Clients will then be in a position to submit any corrections or other information or documentation that they consider the Administrators ought to take into account, prior to the bar date.

2. Prepare and circulate to Clients (and the FCA, among others) a distribution plan setting out how they propose to go about returning the Client Assets in BACSL’s possession:

This will be a detailed document and it will take some time to prepare. We set out below some of the substantive features that we currently expect it will have.

3. Seek and obtain approval of the distribution plan from the Creditors’ committee (where one is constituted)

The Administrators have issued a notice of the initial meeting of Creditors and Clients of BACSL. One of the purposes of that meeting is to form a committee, made up of Creditors and Clients of BACSL, which can then represent the wider constituency of Creditors and Clients during the remaining course of the Special Administration. It is a requirement of the applicable insolvency legislation that the statutory distribution plan be approved by the Creditors’ committee (where one is constituted), prior to seeking the Court’s approval. Following the constitution of the Creditors’ committee, there will need to be a meeting of the committee to consider and approve the Administrators’ proposed distribution plan.

4. Seek and obtain the approval of the distribution plan by the Court

It is a requirement of the applicable insolvency legislation that the statutory distribution plan be approved by the Court, prior to being put into effect. Following the approval by the Creditors’ committee of the draft distribution plan, the Administrators will need to make an application to Court seeking its approval.

The statutory distribution plan applies to Client Assets but not Client Money. In practice, in order to expedite the process of returning Client Assets, the Administrators are planning to deal with Client Money in parallel with the process for returning Client Assets. That parallel process will also entail the setting of a bar date and may also involve one or more applications to the Court for approval of particular aspects of the process.

These procedures are important for the following reasons: if Client Money and/or Client Assets were to be distributed to those Clients to whom BACSL’s records indicate they are owed, without these procedures first having been implemented, it is possible that competing Client Claims (not reflected in BACSL’s books and records) could subsequently be asserted by Clients or other counterparties of the Companies, and that those asserting such claims might contend that the earlier distributions of Client Assets ought to be disturbed, or that Client Money already distributed ought to be recovered from the Clients to whom they were originally paid, for the purposes of meeting the late claims.

In the circumstances, a significant advantage to Clients that will be secured by the Administrators following the procedures set out above is that, once Clients receive their assets from BASCL in accordance with such procedures, the applicable insolvency legislation expressly provides that such distributions cannot be disturbed by late Client claimants who later assert that they were entitled to share in the Client Portfolios (i.e. the Clients will receive good title).

As can be seen from the above, the statutory process is necessarily complex, involving as it does a number of steps, including one or more Court applications. There will inevitably be material costs associated with this process and such costs will need to be paid for out of Client Portfolios. The complexity, as well as the timeframes specified in the rules themselves, will also mean that there is a certain amount of unavoidable delay associated with their return.

The Administrators currently anticipate the statutory distribution plan (and the parallel plan for distributing Client Money in accordance with the applicable rules) will involve, among other things:

- A transfer for Clients holding Client Money (who have not been compensated by FSCS in relation to money claims of less than £2,000) and/or Client Assets up to a certain limit to a nominated regulated broker. We are in the process of identifying a recipient broker and will communicate directly with those Clients included within this programme. Eligible Client Portfolios will automatically transfer to the recipient broker nominated by the Administrators unless the Client opts to nominate another new custodian; but that may delay the eventual transfer depending on the circumstances at the time. This is a complex exercise to arrange and execute but will provide the most cost effective solution. We anticipate, that it may be possible to effect returns to a majority of Clients by number and value in this way. We have explored the possibility of effecting such a transfer outside of the statutory process described above, (with a view to effecting it more quickly than will be possible within the confines of that process). We have reluctantly concluded that such a transfer outside the statutory process is not practicable or in the interests of Clients, particularly in light of the point made above as regards finality

once distributions have been made (i.e. Clients receiving good title). As it is, the Administrators hope that a transfer of this nature may be achievable in or shortly after September 2018;

- A plan for effecting distributions of all remaining Client Assets, possibly involving further bar dates and/or the liquidation of unclaimed or other Client Assets. Given that the Clients and/or the assets to which this part of the overall plan will apply will be those giving rise to complexities of one kind or another (failing which they would have been included in one of the other methods of return referred to above), it is likely that this part of the process will be time-consuming and therefore the relevant returns to Clients will inevitably take place at a later date than those referred to above;
- A methodology for levying costs against Client Portfolios. This is likely to be by reference to value and charged on a sliding scale after consultation with the FSCS and Creditors’ Committee. Costs will need to be assessed on a prudent (high case basis) and allocated against Client Portfolios valued on a conservative basis. The methodology will need to offer alternatives to avoid Client Assets being sold to settle costs (which may need to be carried out as a last resort) and also set out how any rebate for costs will be returned to Clients once the final costs have been settled and value of illiquid and potentially nil valued positions finalised; and
- How the Companies and Clients will interact jointly with FSCS in order to streamline claims for shortfalls arising on their Client Portfolios interests through costs levies or otherwise.

Regulatory matters

We are working closely with the FCA regarding the distribution of Client Portfolios.

As part of the above, we may be seeking various “Know Your Client” information and documentation. We shall provide guidance where specific actions on Clients’ parts are needed.

BSL: Other claims for compensation

We are aware of approximately 700 claims against BSL by Clients for compensation in respect of various matters, including poor investment advice. It is possible that further claims will be made and we will develop as appropriate a programme for dealing with these in due course. As regards what relevant claimants might recover in respect of such claims, we note the following:

- Distributions, if any to unsecured Creditors of the Companies are likely to be minimal.
- Clients of BSL who believe they have a claim for example in relation to negligent advice can submit their claims via the FSCS online portal at www.fscs.org.uk/your-claim/ with any compensation being capped at £50,000 per investor. This is separate from any claim the Client may have in relation to a shortfall in Client Portfolios that were held by BACSL, where there is a separate £50,000 cap per investor. The FSCS will seek to compensate eligible Clients without the need for an application to be submitted.
- Existing claims against BSL being adjudicated by the Financial Ombudsman Service are expected to be transferred to the FSCS. We understand the Financial Ombudsman Service is in the process of writing to all affected Clients and will need Client consent for this transfer to occur.
- Once the FSCS is in receipt of the files, it will contact affected claimants. If a claim is accepted, the FSCS may pay compensation and if so, will take an assignment of the claimant’s rights against BSL and any third party. This will enable the FSCS to seek recoveries, including from BSL’s Professional Indemnity Insurer. Any recovery of insurance proceeds is likely to be limited.

Employees

An overview of the workforce reductions

At the date of Companies appointment, the Companies employed 118 staff and 8 contractors across three locations. As the Companies did not continue to trade following our appointment, it was necessary to make a number of redundancies.

Communication with all affected employees to quickly provide information and support was one of our key priorities for the Administrations following the appointments. We continue to receive enquiries from redundant employees and will continue to provide timely support.

The following table shows how the number of employees has reduced since appointment and the number of retained staff for winding-up the Companies’ affairs	Number
On the date of appointment	118
Redundancies - 5 March 2018	76
Redundancies - 7 March 2018	2
Redundancies – later in March 2018	1
Resignations	2
Retained Employees as at 31 March 2018	37

Retained employees

We have retained 37 employees who have been of great assistance in helping us progress the many areas of work, in unusual and difficult circumstances.

We are keeping the resourcing needs of the Companies under regular review whilst we work towards the objectives set out earlier. Further redundancies will be necessary, although likely at different times as the various matters are resolved.

Landlords

On appointment, the Administrators staff attended the Companies’ three locations, with the aim of briefing staff and gathering information.

In regards to the Bristol office, we have removed all documentation and equipment from the site and surrendered the lease as at 22 March 2018. An agreement has been established with the Colwyn Bay landlords that we will not incur any costs and they are willing to provide access when required. The lease has not been surrendered nor have the premises been emptied. This is because the landlords are former employees and owned a business which was bought by the Companies a number of years ago; under the terms of the purchase agreement, they have the rights to purchase back their business and therefore may buy all equipment in the offices from the Companies in due course. Such a transaction would not formally be a connected party transaction (see below), but we will assess the appropriateness and commercial terms of any transaction for these assets.

The Companies are continuing to occupy the London head office.

Connected party transactions

We have a duty (under SIP13) to disclose any disposal of assets in the Administrations to a director or other connected party, regardless of the nature or value of the assets concerned.

We can confirm that no such transactions have occurred and none are expected in future.

Directors’ conduct and investigations

As we said in our initial letter to Creditors, one of our duties is to look at the actions of anybody who has been a director of either of the Companies in the three years before our appointment. We have to submit our findings to the Secretary of State for Business, Energy and Industrial Strategy within three months of our appointment. The Secretary of State may then take further action in relation to such findings. Our work in relation to the books and records referred to above will form part of our consideration.

We also have to decide whether any action should be taken against anyone to recover or contribute to the Companies’ assets. If you think there is something we should know about and you haven’t yet told us, please write to us. This is part of our normal work regardless of the circumstances leading to the Companies’ insolvency.

Please note that we will not be able to publish our findings and work in this area will be subject to strict confidentiality.

Estimated outcome for Creditors of BSL

We set out in the Section “Summary of what you could recover” an outline of the possible outcomes for Creditors. We set out in this section further information which may impact Creditors of BSL.

Prescribed part

It is not yet possible to provide an accurate estimate of the dividend prospects for Unsecured Creditors of BSL.

With regard to Unsecured Creditors, the “Prescribed Part” is an amount of money that insolvency legislation requires to be set aside and has to be made available for Unsecured Creditors. This fund would otherwise be paid to a Secured Creditor under its floating charge. It’s paid out of “net property”. Net property is floating charge realisations after costs, and after paying - or setting aside enough to pay - Preferential Creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003.

The amount of the Prescribed Part is:

- 50% of net property up to £10,000
- 20% of net property above £10,000
- Subject to a maximum of £600,000.

The Prescribed Part applies in the BSL Administration as there is a floating charge created on or after 15 September 2003. Although there is also a floating charge registered in respect of BACSL, no liability is thought to be due to the floating charge holder in BACSL, so there is no impact on returns to Unsecured Creditors.

We are currently uncertain if there will be a Prescribed Part dividend for the Unsecured Creditors because we are uncertain of the likely amount of BSL’s net property. The requirement to pay the Prescribed Part to Unsecured Creditors may not apply if we think the costs of agreeing claims and paying a dividend to the Unsecured Creditors would exceed the available funds. It is too early to make any conclusion whether or not this will be the case.

BSL & BACSL Creditors’ committees

We’re asking you to decide whether you wish to elect separate Creditors’ committees to help us in discharging our duties. If the Creditors or Clients (for BACSL) do wish to do so, there will be a Creditors’ committee for each of the Companies if enough Creditors want to be on it. Each committee will have a minimum of 3 and a maximum of 5 Creditors or Clients (for BACSL) on it. The FSCS will wish to be a member of the BACSL and BSL committees. Please refer to Appendix A for a guide to Creditors’ committees.

It will be up to the Creditors’ committees to fix the basis of our fees and Category 2 disbursements, being expenses incurred by PwC and recharged to the Companies. But if no committee is formed for either of the Companies we may ask the general body of Creditors to do so instead. If Creditors or the committee do not fix the basis of our fees and Category 2 disbursements, we may apply to the Court to fix them no later than 18 months after the date of our appointment.

The Creditors committee for BACSL will also have an important role as described above in reviewing the distribution plan for returning Client Assets.

It is important that the full diverse range of Clients’ perspectives are captured through the forum of a Creditors’ committee.

Ending the Administration - BSL

Our exit route will depend on the outcome of the Administration. At the moment we think that the most likely exit route is set out below.

As previously mentioned, we are currently unsure as to the prospect of a dividend for Unsecured Creditors from the Prescribed Part. Once we have paid any Prescribed Part dividend and finished our other work, we’ll file a notice with the Registrar of Companies then BSL will be dissolved three months later. But if we think that there are further matters that should be conducted in a liquidation rather than in the Administration we may instead apply for a court order ending the Administration and for BSL to be wound up.

Ending the Special Administration - BACSL

If there are funds available to allow a distribution to be paid to Unsecured Creditors then the Administrators currently envisage that once the objectives have been achieved and funds available for the benefit of Unsecured Creditors have been distributed, we will apply to the Court under Paragraph 79 Sch.B1 IA86 to terminate the Special Administration and for BACSL to be placed in liquidation.

If it transpires that there are not funds available to make a distribution to Unsecured Creditors, then the Administrators may use one of the following options:

- 1) File a notice with the Registrar of Companies and BACSL will be dissolved approximately three months later;
or
- 2) Apply for a court order ending the Special Administration and for BACSL to be wound up; or
- 3) Apply for a court order ending the Special Administration and for BACSL to be dissolved.

Statement of affairs

The directors of the Companies are required under IA86 and IBSAR11 to provide a SoA. There are further obligations under IBSAR11 to include particulars of Client Assets. The SoA is statutory form which sets out a summary of the assets of the company and includes an estimate of their realisable value. Creditors are also included in order of their statutory priority.

We have received a SoA for each Company, signed by Tahir Akbar on behalf of the directors of the Companies. Copies of the SoA are attached at Appendix D. With regard to the contents of the SoA’s, the Administrators make the following comments:

BSL

- The value of uncharged assets is based on the book value contained in management accounts prepared as at 31 March 2018 rather than the date of Administration. The attributed values appears high and are unlikely to be achieved on realisation. The majority of these assets relate to prior business acquisitions and loans (including a loan facility, which has since been repaid and appears in the attached receipts and payments account). The remaining assets include fixtures and fittings and miscellaneous other assets which we would not expect to realise book values.
- No significant amount appears to have been reserved for claims or awards of Clients. As noted above there are some 700 such claims presently in process.
- BSL is insolvent and therefore a surplus as regards Creditors (before costs) is not expected.
- As is normal in a SoA, there is no provision for the costs of realising the Company’s assets or the costs of the Administration.
- The SoA does not have a full list of the names, addresses and amounts owed to Creditors as is required.
- We haven’t audited the information provided in the SoA.

BACSL

- The value of uncharged assets are based on the book values contained in management accounts prepared as at 31 March 2018 rather than the date of the Administration.
- No details of Client Assets and Client Money have been included.
- The attributed values appears high and are unlikely to be achieved on realisation. The majority of these assets are trade and other receivables (with an estimated value of £1.976M before provisioning) which are usually much harder to realise in an insolvency situation. As the detail around realisation of this class of asset is subject to various circumstances, and commercially sensitive, the Joint Administrators will not be providing their own estimated to realise values for these assets. We will update on the position of these assets within our next report. The remaining assets are cash of £60,722. Other assets are not expected to realise their book value.
- The SoA only includes House Assets which are potentially available to BACSL’s Creditors.
- BACSL is insolvent and therefore a surplus as regards Creditors (before costs) is not expected.
- The level of Creditors will increase for the claims the Clients will be entitled to make for any shortfalls (arising from costs or otherwise) in their Client Portfolios.

- As is normal in a SoA, there is no provision for the costs of realising the Company’s assets or the costs of the Special Administration.
- The SoA does not have a full list of the names, addresses and amounts owed to Creditors as is required.
- We haven’t audited the information provided in the SoA.

Statutory and other information

Full and Trading name:	Beaufort Asset Clearing Services Limited	Beaufort Securities Limited
Court details for the Administration:	In the High Court of Justice, Business and Property Courts of England and Wales Company and Insolvency List (CH. D.) Court Case number: 1745 of 2018	In the High Court of Justice, Business and Property Courts of England and Wales Company and Insolvency List (CH. D.) Court Case number: 1881 of 2018
Registered number:	06637499	02693942
Registered address:	63 St. Mary Axe, London, EC3A 8AA	63 St. Mary Axe, London, EC3A 8AA
Company directors:	Peter Armour Sanjeev Verma Tahir Akbar Tanvier Malik	John Farthing John Henry Craft Tahir Akbar Tanvier Malik Timothy James Chandler
Company secretary:	Tahir Akbar	Tahir Akbar
Shareholdings held by the directors and secretary:	Wholly owned subsidiary of Beaufort International Associates PLC	Wholly owned subsidiary of Beaufort International Associates PLC
Date of the Administration appointment:	1 March 2018	1 March 2018
Administrators’ names and addresses:	Russell Downs, Douglas Nigel Rackham and Dan Yoram Schwarzmenn of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT	Russell Downs, Douglas Nigel Rackham and Dan Yoram Schwarzmenn of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT
Appointer’s/applicant’s name and address:	FCA 25 The North Colonnade London E14 5HS	FCA 25 The North Colonnade London E14 5HS
Website	client.services@beaufortsecurities.com	client.services@beaufortsecurities.com
Objectives being pursued by the Administrators:	Objectives 1, 2 and 3 in Regulation 10(1)(a),(b) and (c)(ii).	Objective (b) achieving a better result for the company’s Creditors as a whole than would be likely if the company were wound up (without first being in Administration), or failing that, Objective (c) realising the company’s assets to pay a dividend to Secured or Preferential Creditors.
Division of the Administrators’ responsibilities:	Any act required or authorised under any enactment to be done by either or all of the joint Special Administrators may be done by any one or more of the persons for the time being holding that office.	Any act required or authorised under any enactment to be done by either or all of the joint Administrators may be done by any one or more of the persons for the time being holding that office.

Receipts and payments account

Beaufort Securities Limited – in Administration

From 1 March 2018 to 20 April 2018

Directors' statement of affairs		1 Mar 2018 to 20 April 2018
£		£
Floating charge		
Receipts		
400,000	Repayment of loan	288,334
429,129	Book debts	205
Total receipts		288,539
Payments		
	Sub-Contractors	(20,800)
	Sundry Expenses	(1,279)
	Office Costs, Stationary & Postage	(420)
	Property / Asset expenses	(915)
	Wages & Salaries	(62,066)
	PAYE/NIC and Pension Deductions	(30,100)
	Irrecoverable VAT	(3,617)
Total payments		(119,197)
Net floating charge realisations		169,342
Balance held in interest bearing current account		169,342
Represented by		£
	Held in interest bearing Barclays account	169,342
Total		169,342

Note

The pre-Administration current account for Beaufort Securities Limited is overdrawn. However, the overdrawn balance has reduced since the date of Administration and we are investigating whether this is caused by receipts that should be transferred to the Administrators bank account.

Beaufort Asset Clearing Service Limited – in Special Administration

House Estate

From 1 March 2018 to 20 April 2018

Directors' statement of affairs		1 Mar 2018 to 20 April 2018
£		£
Receipts		
60,772	Cash at bank	4,723
-	Repayable Loan funding	4,000,000
121,030	Book debts	3,000
Total receipts		4,007,723
Payments		
	Rents	(164,679)
	Heat & Light	(17,406)
	IT expenses	(1,824)
	Sundry expenses	(845)
	Statutory advertising	(1,350)
	Wages & Salaries	(29,291)
	PAYE/NIC and Pension Deductions	(16,807)
	Irrecoverable VAT	(37,220)
Total payments		(269,422)
Net realisations		3,738,301
Balance held in interest bearing current account		3,738,301
Represented by		£
	Held in interest bearing Barclays account - House A/C	3,738,301
Total		3,738,301

Appendix A: Creditors' committee guidance

The Guide is intended to provide you with:

1. an understanding of the role of the Committee in insolvency proceedings;
2. information on how Committees are formed; and
3. guidance on what might be expected of you should you choose to serve as a member of a Committee

to enable you to make an informed decision as to whether you wish to either seek to form a Committee or to nominate yourself to serve on a Committee.

The Guide provides only an overview. Detailed provisions regarding the membership, formation, functions and procedural operation of a Committee are set out in legislation.

Introduction

Most of us will be familiar with the term “committee” which is used to define a group of people appointed for a specific function by a larger group and typically consisting of members of that group.

In the context of an insolvency procedure, the office holder may invite Creditors (or Creditors and Clients in the case of BACSL) to form a committee either to assist generally in discharging his or her functions as an office holder or, more commonly, for a specific purpose, such as where litigation or investigation is anticipated. Such committees may be called “liquidation committee” or “Creditors’ committee”, depending on the type of insolvency process, or, in sequestration in Scotland, “Commissioners”. For the purposes of this guidance note we will use the term “Committee”.

Role of the Committee in Insolvency Proceedings

The primary purpose of a Committee is to assist the office holder in fulfilling his or her duties. This could involve helping them to make key decisions, for example whether to take legal action to recover assets, to represent the interests of the main body of Unsecured Creditors (and Clients as applicable), or to provide the office holder with the benefit of specialist knowledge either about the company or the industry in which the company operates. The office holder should always take into account the views of the Committee but is not obliged to follow their wishes. The Committee cannot direct an office holder in relation to the conduct of the insolvency proceeding.

In any insolvency process there are a number of decisions that Creditors may be asked to make, including how the office holder is to be paid out of the assets of the insolvent estate. Where there are large numbers of Creditors or Creditors are geographically remote, having a Committee would enable the office holder to seek approval from the Committee which is often a quicker and cheaper process than seeking a decision from the entire body of Creditors, and is thereby to the benefit of the body of Creditors as a whole.

How are Committees formed?

For a Committee to come into being, generally, there must be a minimum of three Unsecured Creditors (or Creditors and Clients in the case of BACSL) who are willing to act. The maximum number of Creditors (and Clients as applicable) who may sit on the Committee at any one time is five, so if more than five Unsecured Creditors (and Clients as applicable) express an interest in being on the Committee there must be a vote. This vote will be managed by the office holder, and other Unsecured Creditors will be given the opportunity of deciding which of the interested Creditors get to form the Committee. You have to agree in writing to sit on the Committee so you will never be voted onto a Committee without your knowledge or agreement. In a Special Administration, as in the case of BACSL, the committee may comprise both Creditors and clients, and the office holders will prescribe the maximum number of members to be elected onto the committee of each class of voter to ensure that the make-up of the committee is a reflection of all parties with an interest in the achievement of the Special Administration objectives.

Who can sit on the Committee?

Any Creditor (or Client as applicable) of the insolvent company with a debt at least part of which is Unsecured may be put forward to sit on the Committee. If they cease to be an Unsecured Creditor (or Client as applicable) for any reason they will automatically cease to be a member of the Committee.

You do not need to have any Special qualifications or previous experience as a Committee member.

Where the Creditor or Client is a company, i.e. not a real person, it must be represented by an individual who will be given a letter of authority, by the company, enabling them to act on the company's behalf.

A member of the Committee may be represented by another person if they hold a letter of authority to act.

Exceptions

You cannot be on the Committee as a Creditor in your own right and act for another Creditor at the same time.

You cannot be represented by a body corporate, an undischarged bankrupt, a person whose estate has been sequestrated and who has not been discharged, a person to whom a moratorium period under a debt relief order applies, a disqualified director, a person subject to a bankruptcy restriction order or undertaking or a debt relief restrictions order or undertaking.

What will I have to do as a Committee member?

Business of the Committee is conducted through meetings (physical or by way of conference call or other remote attendance). Decisions may also be made by written correspondence and resolutions. For the purposes of this Guide, reference to meetings include all such forms.

The frequency of meetings and reporting by the office holder to the Committee will generally be agreed between the office holder and members at the first meeting of the Committee. The first meeting of the Committee must be held within six weeks of its formation – as indicated it is not uncommon for meetings to be held by conference call.

At the meetings the office holder will update the Committee on relevant matters and may seek guidance or formal approval for specific courses of action. In particular you will be asked to approve the basis of calculation of the remuneration of the office holder.

As a Committee member you would also be able to request additional information from the office holder, who will be required to provide the information unless the request is deemed to be unreasonable, frivolous or excessively costly to provide.

You should try and attend all meetings as if you fail to attend three consecutive meetings you will automatically cease to be a member (though the remaining members can decide to allow you to remain as a member). An office holder will only call a meeting when they think there is something important which requires the Committee's input. If you are unable to attend a meeting you could appoint someone to attend on your behalf.

A Committee may also be required to consider other matters appropriate to the insolvency proceeding. This may include matters in connection with the resignation of the office holder and any vacancy in office, or consideration of whether legal costs should be assessed by the court.

You can resign as a member at any time by giving the office holder written notice.

Committee members are not paid for their time acting on the Committee, this is a voluntary role. You will however be entitled to reclaim reasonable travelling expenses incurred in attending Committee meetings.

As a Committee member you will be in a privileged position, assisting the office holder in his duties and being involved at each stage in the insolvency process. Serving on a Committee will give you the opportunity to have a positive impact on the insolvency process, assisting the office holder to maximise returns to Creditors (and in the case of BACSL Creditors and Clients), providing essential information and knowledge which could assist in tracing company assets which have been misappropriated or identify conduct by the directors that could ultimately lead to their disqualification by the Insolvency Service.

It is important to consider that acting on the Committee is a responsible role and you would be required to act ethically and in good faith in all of your Committee dealings. You would be expected to avoid any situations

where a conflict of interest might arise. You would also be unable to obtain any of the company or individual's assets without the prior agreement of the Committee.

There is no requirement for there to be a Committee in every insolvency process. There may be insufficient Creditors willing to form a Committee or in a straightforward insolvency process there may be no need for a Committee.

Appendix B: Summary of the financial accounts

BSL Profit and Loss Account

	BSL Audited accounts for the year ended 31 December 2016 £'000	BSL Audited accounts for the year ended 31 December 2015 £'000
Turnover	13,769	11,851
Cost of Sales	(6,898)	(5,727)
Gross Profit	6,871	6,124
Operating profit	864	721
Profit before tax	835	581
Net profit	553	522

BACSL Profit and Loss Account

	BACSL Audited accounts for the year ended 31 December 2016 £'000	BACSL Audited accounts for the year ended 31 December 2015 £'000
Turnover	1,575	1,771
Cost of Sales	(943)	(680)
Gross Profit	632	1,091
Operating profit/loss	(478)	433
Loss before tax	(483)	429
Net profit/loss	(394)	429

BSL Balance Sheet

	BSL Management Accounts for the period ended 31.03.18 £'000	BSL Audited accounts for the year ended 31 December 2016 £'000	BSL Audited accounts for the year ended 31 December 2015 £'000
Non Current Assets	2,702	2,161	2,089
Current Assets	4,373	3,404	3,676
Total Assets	7,075	5,565	5,765
Liabilities	(4,042)	(2,359)	(3,112)
Net Assets	3,033	3,206	2,653
Retained Losses	(2,248)	(1,175)	(1,728)
Equity + Resources	5,281	4,381	4,381
	3,033	3,206	2,653

BACSL Balance Sheet

	BACSL Management Accounts for the period ended 31.03.18 £'000	BACSL Audited accounts for the year ended 31 December 2016 £'000	BACSL Audited accounts for the year ended 31 December 2015 £'000
Non Current Assets	29	35	56
Current Assets	2,127	1,333	1,686
Total Assets	2,156	1,368	1,742
Liabilities	(2,124)	(1,091)	(1,071)
Net Assets	32	277	671
Retained Losses	(1,538)	(1,043)	(649)
Equity + Resources	1,570	1,320	1,320
	32	277	671

Appendix C: Information regarding Creditors / Clients meeting

Who will attend the Creditors Meeting?

One of the Administrators or a person nominated by us in writing will chair the meeting and answer Creditors' questions (rule 15.21 IR16). The Companies directors don't have to attend unless we require them to (rule 15.14(1) IR16).

What will happen at the Creditors Meeting?

We'll assume that Creditors will already have read our Proposals. We will provide an update since the Proposals were drafted give further information or certain parts of the proposed if appropriate. The meeting will give Creditors an opportunity to put questions to us. The meeting will then consider and vote upon any modifications to our Proposals that individual Creditors might put forward, following which a vote will be taken upon the whole Proposals as modified.

Various other resolutions might be considered, in particular dealing with the basis of our fees, and we will also ask Creditors to decide whether they wish to form a Creditors' committee.

Do I have to attend the Creditors Meeting?

You don't have to attend the meeting. The law recognises that Creditors aren't always able to attend in person and allows you to ask a representative to attend as proxy and vote on your behalf. You won't prejudice your claim and entitlement to dividend if you don't attend or appoint a proxy.

How do I ensure that my vote counts at the Creditors Meeting?

In order to vote, a Creditor must have submitted a proof of debt in respect of their claim and the chair must have admitted that claim for voting purposes following the guidelines below. The proof needs to be submitted to us no later than 4pm on the business day before the meeting (rule 15.28(1) IR16). You might also need to lodge a proxy.

The chair can admit a claim for voting purposes even though it was submitted late but is not obliged to do so (rule 15.28(1)(b)(ii) IR16).

Do I need to lodge a proxy?

If you, an individual, are the Creditor (and the Creditor is not a corporate body such as a limited company), you may vote by simply attending the meeting, provided you have lodged proof of your claim as explained above.

If you don't want to attend the meeting, you may nominate the chair of the meeting, or someone else, to vote for you as your proxy. A proxy may be either a specific proxy, relating only to this particular PM, or a continuing proxy for the Administration. A specific proxy allows you to instruct the proxy holder how to vote or you can leave it to their discretion but a continuing proxy only allows the proxy holder to vote at their discretion. A continuing proxy will apply at all future meetings in the Administration unless it is superseded by a proxy for a specific meeting or withdrawn by written notice to the Administrators.

When deciding whether to appoint the chair as proxy holder remember that the chair will be one of the Administrators or a member of our staff and you might wish to consider granting a specific proxy specifying clearly how the proxy holder should vote.

To appoint a proxy you must complete the proxy document attached to the decision notice or a substantially similar document. See the information headed "How to complete a proxy" in an attachment to the Proposals for further guidance. The proxy must be submitted to us before the meeting.

Please remember that if the debt is owed to a limited company or other corporation and you wish to attend and vote at the meeting, you should complete and return the proxy even if you're a director of the company. (Alternatively you can produce to the chair a resolution of the directors authorising you to represent that company (rule 16.9 IR16)).

Guidance on completing the proxy form is provided in an attachment to the Proposals.

Who decides whether my claim ranks for voting purposes?

The chair has the power to accept or reject the whole or any part of your claim for the purpose of voting (rule 15.33(2) IR16). If there's any doubt whether your claim should be admitted, we'll mark it as objected to and allow you to vote. If however, the objection is sustained, then your vote will be declared invalid (rule 15.33(3) IR16). If your vote was critical to the outcome, this could change the decisions/resolutions that were passed and/or result in a further decision being required (rule 15.35(3) IR16).

What happens if I disagree with the chair's decision on my claim?

You're entitled to appeal to the court for an order reversing the chair's decision on your claim provided you do so within 21 days of the decision date (rule 15.35(4) IR16). If the court reverses or varies the chair's decision, or votes are declared invalid, the court may order us to initiate another decision procedure or make such other order as it thinks just (rule 15.35(3) IR16).

You also have the right to appeal to the court if you believe that the Administrators are acting/have acted/propose to act in a way which unfairly harms your interests (paragraph 74(1) Sch B1 IA86).

We recommend that you seek legal advice about the merits of taking these steps in any particular circumstances.

How do I calculate my claim for voting purposes?

Votes are calculated according to the amount of a Creditor's claim as at the date on which the Companies entered Administration, less any payments that have been made to them after that date in respect of their claim and any adjustments by way of set-off made in accordance with rule 14.24 IR16 or that would be made if that rule were applied on the date that the votes are counted (rule 15.31(1)(a)(ii) IR16).

What majorities are needed to approve decisions/resolutions?

A decision to approve the Proposals or any modification to them is made by Creditors if more than 50% in value of those voting vote for the decision.

But a decision is not made if those voting against it include more than half in value of the Creditors to whom notice of the decision procedure was delivered who are not, to the best of the convener or chair's belief, persons connected with either of the Companies (rule 15.34(2) IR16).

What happens if I cannot yet quantify my claim with certainty?

You can vote in respect of a debt for an unliquidated amount or any debt whose value is not ascertained, if the chair agrees to put on the debt an estimated minimum value for voting purposes and admits the claim for that purpose (rule 15.31(2) IR16).

What happens if my debt is wholly or partly secured?

If you're a Secured Creditor whose debt is wholly or partly secured, you're entitled to vote only in respect of the balance (if any) of your debt after deducting the value of your security as estimated by you. However, if we've made a statement under paragraph 52(1)(b) Sch B1 IA86 (that we think the Companies have insufficient assets for a dividend to be paid to Unsecured Creditors other than from the Prescribed Part) in our Proposals and the Companies Creditors ask us to seek a decision as to whether they approve the Proposals, you can vote in respect of the full value of your secured debt without any deduction for the value of the security (rule 15.31(6)(a) IR16).

What happens if I am a Creditor under a hire-purchase, conditional sale agreement or leasing agreement?

If you're an owner of goods under a hire-purchase or chattel leasing agreement, or a seller of goods under a conditional sale agreement, you're entitled to vote in respect of the amount of the debt due and payable to you by the Company on the date the Company entered Administration. In calculating the amount of any debt for this purpose, no account shall be taken of any amount attributable to the exercise of any right under the relevant agreement, so far as the right has become exercisable solely by virtue of:

- the making of an Administration application;
- a notice of intention to appoint an Administrator or any matter arising as a consequence; or
- the Company entering Administration (rule 15.32 IR16).

Am I bound by the Administrators' Proposals if they are approved?

Our Proposals, when approved by the Creditors, will dictate how the Company's affairs will be conducted in future and how Creditors' claims will be addressed.

For this reason, it is important that Creditors properly consider our Proposals and decide whether and how they wish to vote.

Important Information

A client/Creditor can vote at the meeting by:

- attending in person; or
- appointing someone else to vote on the Client's/Creditor's behalf (by proxy); or
- if the client/Creditor is a corporation, authorising a representative under Section 434B of the Insolvency Act 1986.

NB: A client/Creditor which is a company must appoint someone to attend on its behalf in one of the two ways referred to above, even if the person attending is a director.

All clients/Creditors who want to vote at the meeting, whether in person, by proxy, or in some other way, must send a proof in respect of their claim against the Companies to the Administrators or Special Administrators – PricewaterhouseCoopers LLP so that it is received by 4pm on the business day before the meeting (please see the notice of meeting for more information about submitting your proof). It would be helpful if proxy forms could be provided at the same time, although they can be delivered at any time before the meeting.

You will find additional notes on the proxy form itself regarding its completion.

Name of client/Creditor

Insert the name of the person, company or other body who is owed money by the company.

Address

Insert the client's/Creditor's full address (including the postcode).

Name of proxy-holder

If the client/Creditor is a company and you, or another authorised representative of your company, will be going to the meeting on the company's behalf, then please put your/his/her name in here.

If someone else is attending on your behalf (for example your solicitor), then please state his or her name here.

If you wish, you may list more than one proxy-holder, in case your first choice is unable to attend.

If you are not attending the meeting or sending a representative, you may still vote by appointing the chair of the meeting as your proxy-holder. To do this, insert the words ***"the chair of the meeting"*** in the space for the proxy-holder's name. The chair will be one of the Administrators or one of their experienced employees who is dealing with the Administration.

Section A

Name of proxy-holder

Please complete this section (and leave section B blank) if you wish your proxy to be a specific proxy only to the specific meeting identified on the form or any adjournment of that meeting. If you wish to give a continuing proxy (explained below) please leave section A blank and complete section B.

Voting instructions

You don't need to give voting instructions for any resolution or decision if you're happy for your proxy-holder to vote on that resolution or decision as he or she thinks fit. But please note that a proxy-holder (including the chair of the meeting) may not vote for any resolution which would put the proxy-holder or their associate in a position to receive any fees or expenses from the insolvent estate or which would fix the amount or basis of any such fees or expenses receivable by the proxy-holder or their associates, unless you give the proxy holder voting instructions on the proxy form for those resolutions.

If you wish to give voting instructions:

- Place a tick in either the "For" or "Against" box to tell your proxy-holder how to vote on a resolution.
- Delete the relevant wording so that you leave in the appropriate instruction to your proxy-holder on how to vote on whether a Creditors' committee should be formed.
- Only complete section 3 if you wish to vote for a specific Creditor to be appointed to the Creditors' committee if one is established. If you don't wish to vote for a specific Creditor to be appointed to any Creditors' committee please leave this section blank.

If you are completing section 3 you will see that there are spaces to insert a Creditor's name and a representative's name, which you should complete as follows:

Creditor's name: You must insert here the name of the Creditor that you wish to be appointed as a member of the committee. If the Creditor is a company you must insert the company's name here.

Representative's name: if the Creditor for whom the proxy form is being completed is nominated as a committee member you may (but don't have to) insert the name of any person who is to represent the Creditor on the committee. A Creditor which is a company or other body corporate must be represented by an individual. A Creditor who is an individual can be represented by another individual but does not need to be. If you don't insert the name of a representative, the nominated Creditor can still be represented on any committee, but may need to provide a letter of authority to the representative before they can act.

Other resolutions might be put forward at the meeting (e.g. to change the Proposals or appoint other Creditors to the committee). If you're happy for your proxy-holder to vote on any such resolution as he or she thinks fit, you don't need to do anything. If you don't want your proxy-holder to use his or her discretion, you should delete the words in square brackets above the voting instructions. *Please note that if you delete these words without completing any of the voting instructions, your proxy-holder won't be able to vote at all.*

Signature

The proxy must be signed by:

- the Client/Creditor him / herself if the Client/Creditor is an individual person, or
- an individual duly authorised to act on behalf of the Client/Creditor if the Client/Creditor is a corporation.

The relationship between the Client/ Creditor and the person authorised to sign the proxy form must be stated (e.g. director / credit controller).

Section B

Please sign this section (and leave section A blank) if you wish your proxy to be a continuing proxy for the insolvency proceedings. A continuing proxy must authorise the proxy-holder to attend, speak, vote or abstain, or to propose resolutions, without giving the proxy-holder any specific instructions on how to do so. It will apply at all future meetings in the Administration and Special Administration unless it is superseded by a proxy for a specific meeting or withdrawn by written notice to the Administrators.

Signature

The proxy must be signed by:

- the Creditor him / herself if the Creditor is an individual person, or
- an individual duly authorised to act on behalf of the Creditor if the Creditor is a corporation.

The relationship between the Creditor and the person authorised to sign the proxy form must be stated (e.g. director / credit controller)

Appendix D: Copy of the Statement of Affairs

Insolvency (England and Wales) Rules 2016 Rule 3.30

Statement of affairs

Name of company
Beaufort Securities Limited
Registered office address
63 St. Mary Axe, London, England, EC3A 8AA

Company number
02693942

In the
High Court of Justice, Business and Property Courts of England and Wales and Insolvency List

Court case number
1881 of 2018

The particulars and other information shown in this statement of affairs and any continuation sheets give a full and complete statement of the company's affairs as at

Date 1 March 2018

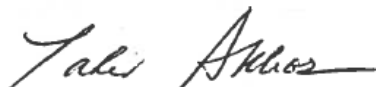
Insert date the company entered into administration

Statement of truth

To the best of my knowledge,
I believe that the facts in this statement of affairs are true.

Full name TAHIR AKBAR

Signed



Dated 12/04/2018

A – Summary of assets

Assets subject to fixed charge:

287

Assets subject to floating charge:

Uncharged assets:

6,789

4,771

Estimated total assets available for preferential creditors

6,789

4,771

Total 7,075

Signature Tate Akles Date 12/04/2018

B – Summary of liabilities

		Estimated realisable value £'000
Estimated total assets available for preferential creditors (carried from page A)		4,771
Preferential creditors:	Estimated to rank	
	£ 695	695
Estimated deficiency / surplus as regards preferential creditors	6,094 £	4,076
Estimated prescribed part where applicable (to carry forward)	£ -	-
Estimated total assets available for floating charges	£	
Debts secured by floating charges	£ -	-
Estimated deficiency / surplus after floating charges	£	
Estimated prescribed part of net property where applicable (brought down)	£ -	-
Total assets available to unsecured creditors	£	
Unsecured non preferential claims (excluding any shortfall to floating charge holders)	£ 3,060	3,060
Estimated deficiency / surplus as regards non preferential creditors (excluding any shortfall to floating charge holders)	3,033 £	1,016
Shortfall to floating charge holders (brought down)	£ -	-
Estimated deficiency / surplus as regards creditors	£	
Issued and called up share capital	£ 5,241	5,241
Estimated total deficiency / surplus as regards members	£	(4,225)

Signature Tale Akkas Date 12/04/2018

B - Company creditors

Note: You must include all creditors, other than employees and consumer creditors claiming amounts paid in advance of the supply of goods or services (“consumer deposit creditors”), and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* creditors claiming retention of title over property in the company’s possession.

Include in this schedule the number of employees and former employees and the total of the debts owed to them and the number of consumer deposit creditors and the total of the debts owed to them. Full details of their claims must be set out in separate schedules. The employee and consumer deposit creditor schedules are **NOT** delivered to the Registrar of Companies.

If more convenient, a list of the company's creditors may be attached to this page as long as it contains all the same information as in this table.

[illegible]Date 12/04/2018

please next page

B - Company creditors

Note: You must include all creditors, other than employees and consumer creditors claiming amounts paid in advance of the supply of goods or services ("consumer deposit creditors"), and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* creditors claiming retention of title over property in the company's possession.

Include in this schedule the number of employees and former employees and the total of the debts owed to them and the number of consumer deposit creditors and the total of the debts owed to them. Full details of their must be set out in separate schedules. The employee and consumer deposit creditor schedules are **NOT** delivered to the Registrar of Companies.

If more convenient, a list of the company's creditors may be attached to this page as long as it contains all the same information as in this table.

[illegible]

Signature

Date 12/04/2018

CURRENT ASSETS

Trade and other payables

VAT

E
E1
E1.5
17

Y/E Note:

	Mar-18 £'000	Feb-18 £'000	Mar-18 £'000	Dec-17 £'000
VAT Control Account	15	15	15	58
Input VAT (Purchases)	(17)	(16)	(17)	(108)
Output VAT (Sales)	15	15	15	23
	13	14	13	(27)
Per TB	-	14,224.30	12,688.10	26,753.05
Check	-	-	-	-

CURRENT LIABILITIES**Trade and other payables****ACCRUALS AND DEFERRED INCOME****E****E1****E1.4**

Y/E Note:

17

	Mar-18 £'000	Feb-18 £'000		Mar-18 £'000	Dec-17 £'000	
Accruals and deferred income	1,092	1,092	E1.41	Accruals and deferred income	1,092	983
Deferred Income	0	0		Deferred Income	0	0
Directors Loan Account - T. Malik	(3)	(3)	E1.42	Directors Loan Account - T. Malik	(3)	(3)
Directors Loan Account - T. Akbar	(3)	(3)	E1.43	Directors Loan Account - T. Akbar	(3)	(3)
	<u>1,086</u>	<u>1,086</u>		<u>1,086</u>	<u>977</u>	
Per TB	- 1,085,846.09	- 1,085,846.09	Per TB	- 1,085,846.09	- 977,499.96	
Check	-	-	Check	-	-	

CURRENT LIABILITIES
Trade and other payables
TRADE CREDITORS

E
E1
E1.1

Y/E Note:

17

	Mar-18 £'000	Feb-18 £'000		Mar-18 £'000	Dec-17 £'000
Broker Ledger Control	0	0	E1.11	0	0
Purchase Ledger Control Account	<u>1,498</u>	<u>1,522</u>	E1.12	<u>1,498</u>	<u>1,464</u>
	<u>1,498</u>	<u>1,522</u>		<u>1,498</u>	<u>1,463</u>
Per TB	- 1,498,101.13	- 1,522,347.52	Per TB	- 1,498,101.13	- 1,462,669.67
Check	-	-	Check	-	-

N/A

Claims of consumer creditors claiming amounts paid in advance of the supply of goods or services. This schedule is NOT delivered to the Registrar of Companies.

If more convenient, a list of the company's consumer creditors may be attached to this page as long as it contains all the same information as in this table.

[illegible]

Signature John Aklos

Date 12/08/2018

(Including former employees)

Claims of employees and former employees. This schedule is NOT delivered to the Registrar of Companies.

If more convenient, a list of the employee and former employee claims may be attached to this page as long as it contains all the same information as in this table.

[illegible]

Signature

Date 12/04/2018

C - Company shareholders

If more convenient, a list of the company's shareholders may be attached to this page

Number	Name of shareholder	Address (with postcode)	Type of shares held	Nominal value of shares £	Number of shares held	Amount per share called up £	Total amount called up £
5,241,352	Beaufort International Associates Plc		Ordinary	£1	5,241,352	£1	5,241,352
						TOTAL £	5,241,352

Tahir Abbas

Signature _____ Date 12/04/2018

Statement of affairs

Name of company
Beaufort Asset Clearing Services Limited

Company number
06637499

High Court of Justice, Business and
Property Courts of England and Wales
and Insolvency List

Court case number
1745 of 2018

Statement as to affairs of Beaufort Asset Clearing Services Limited, 63 St. Mary Axe,
London, England, EC3A 8AA on 1 March 2018, the date that the company entered
administration.

(a) Insert name and address
of registered office of the
company

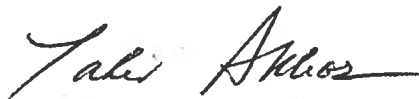
Statement of truth

To the best of my knowledge,
I believe that the facts stated in this statement of affairs are full, true and
complete statement of the affairs of the above named company as at (b) 1
March 2018 the date that the company entered administration.

(b) Insert date

Full name TAHIR AKBAR

Signed



Dated 12/04/2018

A – Summary of assets

Assets subject to fixed charge:

Assets subject to floating charge:

Uncharged assets:

Estimated total assets available for preferential creditors

Book value £ '000	Estimated realisable value £ '000
-	-
-	-
2,156	1,970
2,156	1,970

Signature Tina Adams Date 12/04/2018

B – Summary of liabilities

		Estimated realisable value £ '000
Estimated total assets available for preferential creditors (carried from page A)		1,970
Preferential creditors:	Estimated to rank £ '000	
	£ 25	25
Estimated deficiency / surplus as regards preferential creditors	£	1,945
Estimated prescribed part where applicable (to carry forward)	£ -	-
Estimated total assets available for floating charges	£	
Debts secured by floating charges	£ -	-
Estimated deficiency / surplus after floating charges	£	
Estimated prescribed part of net property where applicable (brought down)	£ 2,121	1,886
Total assets available to unsecured creditors	£	59
Unsecured non preferential claims (excluding any shortfall to floating charge holders)	£ -	-
Estimated deficiency / surplus as regards non preferential creditors (excluding any shortfall to floating charge holders)	£	
Shortfall to floating charge holders (brought down)	£ -	-
Estimated deficiency / surplus as regards creditors	£	59
Issued and called up share capital	£	1,094
Estimated total deficiency / surplus as regards members	£	1,035

Signature Tali Akkari Date 12/04/2018

B - Company creditors

Note: You must include all creditors, other than employees and consumer creditors claiming amounts paid in advance of the supply of goods or services ("consumer deposit creditors"), and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* creditors claiming retention of title over property in the company's possession.

Include in this schedule the number of employees and former employees and the total of the debts owed to them and the number of consumer deposit creditors and the total of the debts owed to them. Full details of their must be set out in separate schedules. The employee and consumer deposit creditor schedules are **NOT** delivered to the Registrar of Companies.

If more convenient, a list of the company's creditors may be attached to this page as long as it contains all the same information as in this table.

[illegible]

Signature

Talsi Akhosa

Date 12/04/2018

CURRENT LIABILITIES

Trade and other payables

TRADE CREDITORS

Purchase Ledger Control Account

D**D1****D1.1****D1.11**

Y/E Note: 12

ACCOUNT NAME	90 DAYS	60 DAYS	30 DAYS	CURRENT	TOTAL
All Funds Bank S.A				4,500.00	4,500.00
Peter Armour			33,000.00		33,000.00
British Telecommunications PLC			10,000.00		10,000.00
The Chartered Institute of Legal Executives			128.00		128.00
Cortland Capital Market Services LLC		99,696.21	16,910.18		116,606.39
Cyprus Stock Exchange	380.00				380.00
DAC Beachcroft LLP	3,348.00				3,348.00
Exchange Data International				2,188.62	2,188.62
Euroclear UK & Ireland Ltd				- 7,796.86	- 7,796.86
Peter Evans			680.00		680.00
FSA (Premium Credit)	11,392.00				11,392.00
London Stock Exchange	1,361.10	22.54		3,136.85	4,520.49
Moore Stephens LLP		34,082.16		917.84	35,000.00
Morningstar Real-Time Data Limited	0.80			3,585.60	3,586.40
Satt Caterers Ltd	2,742.00				2,742.00
Wiener Borse AG	3,511.54				3,511.54
	22,735.44	133,800.91	60,718.18	6,532.05	223,786.58

Per TB	- 223,786.58
Check	-

CURRENT LIABILITIES

Trade and other payables

AMOUNTS OWED TO GROUP UNDERTAKINGS**D****D1****D1.2****12**

Y/E Note:

	Mar-18 £	Feb-18 £		Mar-18 £	Dec-17 £
Amounts owed to group undertakings			Amounts owed to group undertakings		
IntraGroup balance- BSL	1,647,123.89	1,647,123.89	D1.21 IntraGroup balance- BSL	1,647,123.89	1,980,767.56
Intragroup Balances: Beaufort International	0.00	0.00	D1.22 Intragroup Balances: Beaufort International	0.00	(430,604.00)
FX trading liability to BSL	15,209.92	11,513.57		15,209.92	21,244.38
	<u>1,662,333.81</u>	<u>1,658,637.46</u>		<u>1,662,333.81</u>	<u>1,571,407.94</u>
Per TB	1,662,333.81	1,658,637.46	Per TB	1,662,333.81	1,571,407.94
Check	-	-	Check	-	-

B1 - Consumer deposit creditors

N/A

Claims of consumer creditors claiming amounts paid in advance of the supply of goods or services. This schedule is NOT delivered to the Registrar of Companies.

If more convenient, a list of the company's consumer creditors may be attached to this page as long as it contains all the same information as in this table.

[illegible]

Signature

Tals Akor

Date 12/04/2018

B2 - Company employees ^{N/A}
(Including former employees)

Claims of employees and former employees. This schedule is NOT delivered to the Registrar of Companies.

If more convenient, a list of the employee and former employee claims may be attached to this page as long as it contains all the same information as in this table.

[illegible]

Signature Tale Aksoz

Date 12/04/2018

C - Company shareholders

If more convenient, a list of the company's shareholders may be attached to this page

Number	Name of shareholder	Address (with postcode)	Type of shares held	Nominal value of shares £	Number of shares held	Amount per share called up £	Total amount called up £
	BEAUFORT INTERNATIONAL ASSOCIATES PLC		ORDINARY	£1	1,094,139	£1	1,094,139
						TOTAL £	1,094,139

Signature Tahir Akhoo

Date 12/04/2018