

The Insolvency Act 1986

## Statement of administrator's proposals

Name of Company  
Kinetics South Limited (Formerly T A.  
Horn Limited)

Company number.  
02004668

In the  
High Court of Justice  
Manchester District Registry  
Chancery Division

Court case number  
1261 of 2011

(a) Insert full name(s) and  
address(es) of  
administrator(s)

We, (a) Gary N Lee and Dean Watson of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY and Neil Mather of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT

\* Delete as applicable

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 2 September 2011

Signed

Gary N Lee  
Joint Administrator

Dated

2/9/11

### Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Begbies Traynor (Central) LLP  
340 Deansgate, Manchester, M3 4LY

Tel 0161 837 1700

Fax Number 0161 837 1762

DX Number

When you have completed and signed this form please send it to the Registrar of Companies at  
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff



\*AC511XDK\*

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08/09/2011

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COMPANIES HOUSE

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

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## Kinetics South Limited(Formerly T.A. Horn Limited) (In Administration)

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Statement of proposals for achieving the purpose of the administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986

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## Important Notice

This statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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# 1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Kinetics South Limited(Formerly T.A. Horn Limited) (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 13 July 2011
"the administrators", "we", "our", "us"	Gary N Lee, Dean Watson of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY and Neil Mather of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and  (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

## 1. STATUTORY INFORMATION

Name of Company	Kinetics South Limited(Formerly T A. Horn Limited)	
Trading name(s)	T A Horn Ltd	
Date of Incorporation	27 March 1986	
Company registered number	02004668	
Company registered office	340 Deansgate, Manchester, M3 4LY	
Former registered office	181-189 Garth Road, Morden, Surrey, SM4 4LL	
Trading address	181-189 Garth Road, Morden, Surrey, SM4 4LL	
	Innova Park, Mollison Avenue, Enfield, EN3 7XH	
	Building 600, Langstone Technology Park, Langstone Road, Havant, PO9 1SA	
Principal business activities	Others - Not Reported	
Directors and details of shares held in the Company (if any)	<b>Name</b>	<b>Shareholding</b>
	Mr C Cheshire	Nil
	Mr D Blount	Nil
Company Secretary and details of the shares held in Company (if any)	<b>Name</b>	<b>Shareholding</b>
	N/a	N/a
Auditors	Pnce Waterhouse Coopers, First Point, Buckingham Gate, Gatwick, RH6 0PP	
Share capital	99 ordinary shares of £1 00	
Shareholders	Kinetics Facility Services Ltd	

## 2. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment	13 July 2011
Date of resignation	N/a
Court	High Court of Justice, Manchester District Registry
Court Case Number	1261 of 2011
Person making appointment	Sovereign Capital Limited Partnership, 25 Victoria Street London, SW1 0EX
Acts of the administrators	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

### STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows

- "3 (1) The administrator of a company must perform his functions with the objective of-
- (a) rescuing the company as a going concern, or
  - (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
  - (c) realising property in order to make a distribution to one or more secured or preferential creditors
- (2) Subject to sub-paragraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole
- (3) The administrator must perform his functions with the objective specified in sub-paragraph (1)(a) unless he thinks either-
- (a) that it is not reasonably practicable to achieve that objective, or
  - (b) that the objective specified in sub-paragraph (1)(b) would achieve a better result for the company's creditors as a whole
- (4) The administrator may perform his functions with the objective specified in sub-paragraph (1)(c) only if-
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph (1)(a) and (b), and
  - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole "

### 3. CIRCUMSTANCES GIVING RISE TO OUR APPOINTMENT

Zolfo Cooper were appointed Administrators and Fixed Charge Receivers in June 2011 to a number of companies within the Kinetics Group of Companies which specialised in the provision and delivery of design, installation, maintenance and repair of mechanical, gas and electrical installations of both a commercial and domestic nature. A Group Structure is attached at Appendix 4 of this report for reference.

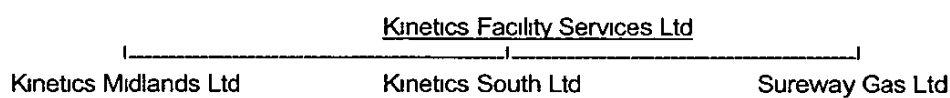
SCP Renewable Energy Ltd was incorporated on 7 June 2011 and used as a vehicle to acquire the following from Zolfo Cooper -

- The business and assets of Seaflame Ltd ("Seaflame"),
- Certain assets of Kinetics Group Ltd ("KG"),
- Certain assets of Cameron Industrial Services Ltd ("CIS"),
- The shares of Walmotts Ltd, T A Horn Ltd and Sureway Gas Ltd

The above acquisitions were completed on 9 June 2011 and the following name changes were effected -

- SCP Renewable Energy Ltd became Kinetics Facility Services Ltd
- T A Horn Ltd became Kinetics South Ltd
- Walmotts Ltd became Kinetics Midlands Ltd

Accordingly, the 'New Group' was as follows -



These acquisitions were funded by Sovereign Capital Limited Partnership ("Sovereign") who also provided ongoing working capital to the New Group, secured by way of fixed and floating charge debentures and cross guarantees.

The intention was that the contracts of Seaflame, KG and CIS would transfer to the New Group companies, together with any property leases, asset leases and any other assets required for the continued operation of the businesses.

Unfortunately, following the restructure the New Group suffered from a number of factors, as follows -

- Confusion over which companies had been placed into Administration and which were trading on,
- Delays in novating/assigning the contracts with customers which led to delays in payments,
- Customers re-tendering contracts leading to loss of turnover,
- Suppliers refusing to continue to supply and threatening legal recovery action.

The above factors caused significant disruption to the trading of the New Group and led to an increase in the working capital requirements which Sovereign were not prepared to advance. In response, the Directors and Sovereign entered into discussions with an interested party in respect of the acquisition of the New Group, possibly by way of a Joint Venture, however, nothing could be agreed in the timescale available.

Customers had begun to place their contracts elsewhere and with no way of funding the additional working capital requirements, the New Group was unable to pay its debts as and when they fell due. The Directors took the decision to cease trading on Friday 8 July 2011 with all employees being sent home until further notice.

Gary Lee, Dean Watson and Neil Mather were subsequently appointed Joint Administrators of the New Group companies on Wednesday 13 July 2011. These appointments were made by Sovereign as the Qualifying Floating Charge Holders.

## 4. STATEMENT OF AFFAIRS

A statement of affairs of the Company as at 13 July 2011 is yet to be provided by the Director in this matter

In the absence of a Statement of Affairs, attached at Appendix 2 is an estimate of the financial position taken from the Company's records, together with associated notes. Also attached is a list of the names and addresses of creditors along with details of their debts. Please note that the amounts stated were taken from the Company's records and are not necessarily reflective of the true amounts owed.

The main asset of the Company is its debtor ledger which totalled £2,439,905.87 at the date of the Administrators' appointment.

Although stock has a significant book value I would advise that the majority of this stock may have been utilised in the period leading up to the appointment of Administrators.

The inter-company balances taken from the Company's records relate to sums due to and from other New Group companies which are also insolvent. All inter-company accounts will require reconciliation in order that the relevant claims can be submitted against each New Group company.

## 5. THE ADMINISTRATION PERIOD

### *Receipts and Payments*

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration to date. The costs of the retained employees and undertakings provided in respect of the Administrations of the New Group companies have been funded by Kinetics Midlands Ltd. An appropriate recharge will be allocated to each New Group company in due course and this will be reflected in future receipts and payments.

Following our appointment we met with the directors of the New Group companies to advise of the effect of our appointment and we attended the Morden premises to obtain the necessary information required to assist us in carrying out our statutory duties as Administrators.

The majority of the workforce of the New Group (c550 employees) was formally made redundant by the Administrators upon appointment and we have subsequently spent considerable time in dealing with queries from these employees, together with providing all necessary information to the Redundancy Payments Office in order to ensure that all employee claims are approved and processed for payments.

The majority of the workforce were engineers who had use of a company van. These vans were subject to contract hire agreements and we have liaised extensively with the finance companies in this matter to locate these vehicles and ensure that these are collected.

The main asset of the New Group is the sales ledger which totalled £4,316,674.86 as at 13 July 2011. Several members of staff have been retained to bring the Company's affairs up to date and to assist in the reconciliation and collection of the New Group's sales ledgers.

Considerable time has been incurred by the Administrators in reconciling the sales ledgers of the New Group as debts due on contracts transferred from Seafame, DC and CIS for works performed prior to 9 June 2011 are collectable by Zolfo Cooper in their capacity as Administrators of those companies. Quantity Surveyors have been instructed to assist us in this process.

The Morden premises are currently being occupied by the retained staff whilst the debt collection exercise is ongoing and we expect this to continue until the end of September 2011.

We instructed agents GVA Grimley to prepare an inventory and valuation of the Company's assets, consisting of office furniture and equipment, situated at the following leasehold premises -



- Innova Park, Mollison Avenue, Enfield, EN3 7XH ("Enfield")

- Building 600, Langstone Technology Park, Langstone Road, Havant, PO9 1SA ("Havant")

The assets at Enfield were valued at £6,100 ex-situ and were sold by our Agents for £9,000 on 29 July 2011. The keys to the property have also been returned to the landlord.

It was necessary to remove all company paperwork from the Enfield site and these records are now currently being held in storage.

We understand that former employees of the New Group who worked at the Havant site have subsequently transferred to an unrelated company, Liberty Gas Group Ltd ("Liberty"), who are in the process of taking over the lease of the Havant premises. We have not yet disposed of the assets located at Havant as we are working closely with Liberty in respect of the invoicing and collection of the debts due on the Havant contracts.

All statutory documents confirming our appointment were filed at Court and Companies House in accordance with Insolvency Law and we wrote to all known creditors of the Company to confirm our appointment. The only remaining statutory duty of the administrator is the report to the Department of Business, Innovation and Skills on the conduct of the Directors.

## 6. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment (as detailed in the estimated statement of affairs) are as follows:

### Secured creditor

Sovereign Capital Limited Partnership has a fixed and floating charge debenture which was registered at Companies House on 15 June 2011.

Sovereign Capital Limited Partnership funded the acquisitions made by SCP Renewable Energy Ltd (Kinetics Facility Services Ltd). The records of Kinetics Facility Services Ltd as at 13 July 2011 show a total indebtedness due to Sovereign in the sum of £12,934,747.

We understand that there are cross guarantees in place with the New Group and as a result Sovereign will rank as a secured creditor in this matter for any shortfall on their indebtedness.

### Preferential creditors

For the purpose of this report, preferential claims of employees for arrears of wages, salary and holiday pay are estimated at £450,000. Claims totalling £291,875.25 have been received to date from 282 of the Company's 435 employees.

### Unsecured creditors

The Company's records show that there are unsecured creditors totalling £2,644,787.

### Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a *prescribed part* of the Company's *net property* available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The floating charge holder may not participate in the distribution of the prescribed part of the Company's net property. The *prescribed part of the Company's net property* is calculated by reference to a sliding scale as follows:

- ❑ 50% of the first £10,000 of *net property*,
- ❑ 20% of *net property* thereafter,
- ❑ Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the *prescribed part of net property* if

- ❑ the *net property* is less than £10,000 and the administrator thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit, (Section 176A(3)) or
- ❑ the administrator applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

The floating charge in this matter was created on 9 June 2011, therefore, should any realisations be achieved in this matter, the provisions of Section 176A of the Act will apply

## 7. OUR PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

### ***Purpose of the Administration***

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a), as the Company had ceased to trade prior to our appointment. Trading the business in Administration was never an option due to the lack of funding available to the Administrators.

Consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely 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).

The companies within the New Group are intrinsically linked and it was considered that Sovereign enforcing their security and placing all New Group companies into Administration was the most expedient way to gain control of the situation and would enable the Administrators to implement a suitable strategy to maximise asset realisations within the New Group.

The Administration itself prevented various landlords from distraining over assets belonging to the New Group in an attempt to recover unpaid rent. Accordingly, the protection of the Administration Order has resulted in greater realisations being achieved for the assets throughout the New Group.

The Administrators were able to continue to occupy leasehold premises and utilise certain I.T equipment and software that was subject to third party ownership. In a winding up scenario the equipment and software would have been collected by its owners which would have had a significant impact upon the Administrators' ability to reconcile and collect the New Group's sales ledgers.

With these systems in place the Administrators were able to retain the services of several staff to assist in the debt collection exercise. We consider that being able to retain the services of several employees to undertake the debt collection exercise will result in greater realisations than would be achieved by a liquidator taking the collection in-house or outsourcing to a third party.

In addition, the New Group companies being placed into Administration has ensured that the entitlements of certain employees of the New Group companies have transferred to new contractors under the Transfer of Undertakings (Protection of Employment) Regulations 2006, thus reducing the preferential and unsecured claims in these Administrations

We consider that the strategy adopted by the Administrators will significantly enhance the prospects for the secured and the preferential creditors, and also the unsecured creditors by virtue of the Prescribed Part.

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to conclude the realisation of the Company's property. The principal matter to deal with in this respect is the debt collection exercise.

Upon completion we propose to finalise distributions to the secured and preferential creditors.

#### ***Exit from Administration***

We confirm that we are of the opinion that a distribution will be made to the unsecured creditors of the Company by virtue of the prescribed part.

Administrators do not have a general power to make a distribution to unsecured creditors and may only do so if the court gives permission. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator.

Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to implement the provisions of Paragraph 83 of Schedule B1 to the Act whereby on the registration of a notice sent to the Registrar of Companies, our appointment as administrators shall cease to have effect and the company will automatically be placed into creditors voluntary liquidation. Paragraph 83(7) provides:

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrator

We confirm that as part of our proposals Gary Lee and Dean Watson seek nomination as liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the proposals and before the proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of the administrators' proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

Paragraph 76 of Schedule B1 to the Act provides that the appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of our appointment. In particular, this situation will arise if a potential dividend receivable from other New Group companies cannot be distributed within this period.

In these circumstances, our term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding six months. It may therefore become necessary at some future time for us to seek creditor consent to extending the period of the administration for up to a further six months following the anniversary of our appointment in order to ensure that the objective of the administration can be fully achieved.

Should the position change we will issue revised proposals for consideration by creditors dealing with the most appropriate exit strategy from the administration.

It is proposed that

- 1 The Joint Administrators propose to realise the assets of the Company in order to achieve the objective specified in subparagraph 3(1)(b), namely 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).
- 2 The Joint Administrators propose in the interim to take all necessary actions to preserve the value of the Company's assets.
- 3 Once the Administration is complete and the Joint Administrators think that the purpose of the Administration has been achieved, the Joint Administrators propose to move from Administration to Creditors' Voluntary Liquidation under the provisions of Paragraphs 83 of Schedule B1 to the Insolvency Act 1986. In accordance with Paragraph 83(7) and Rule 2.117(3) of the Insolvency Rules 1986, creditors may nominate a different person to be Liquidator provided that the nomination is made after receipt of the proposals and before the proposals are approved. Any nomination should be made in writing. It is proposed that Gary Lee and Dean Watson, Licensed Insolvency Practitioners of Begbies Traynor, be appointed Joint Liquidators of the Company.
- 4 The Joint Administrators propose to be remunerated on the basis of their hourly costs at scale rates calculated on the time properly spent in the course of the administration and may draw their remuneration on account as and when funds permit.  
  
Remuneration drawn will be notified to any creditors' committee appointed under paragraph 57 of Schedule B1 to the Act. The Joint Administrators will be reimbursed for their incidental expenses. In the absence of a creditors' committee, details of time incurred and disbursements drawn will be reported to creditors in accordance with *Statement of Insolvency Practice 9* issued by the Joint Insolvency Committee on behalf of the Administrators' licensing bodies.  
  
A copy of this Firm's policy note on fees and disbursements, to include details of the hourly rates charged by the relevant grades of staff, together with a summary of time costs are attached at Appendix 3.
- 5 That the Administrators pre-appointment remuneration, as detailed at Appendix 3 of this report, be approved.
- 6 Once the Administration is complete and the Joint Administrators think that the purpose of the Administration has been achieved, then the creditors, in accordance with paragraph 98(2) of Schedule B1 to the Insolvency Act 1986, hereby consent to the Administrator being discharged from liability in respect of any action as Administrator.

These proposals shall be subject to such modifications or conditions as the Court may approve or impose.

## 8. REMUNERATION AND DISBURSEMENTS

### *Pre-administration costs*

In the period before the Company entered administration, we incurred time costs totalling £7,381 73 (27hrs) in liaising with the Directors and the secured creditor to understand the Company's assets and liabilities and in preparing the necessary documentation to place the Company into Administration ("the Work")

It was necessary to undertake the Work prior to appointment to ensure that a suitable strategy to maximise realisations could be implemented immediately upon appointment of Administrators. Accordingly, we consider that the Work has furthered the achievement of the objective of administration being pursued, namely 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)

The Pre-administration costs detailed above are unpaid. We are seeking that the costs be paid as an expense of the administration. Pursuant to Rule 2.67A of the Insolvency Rules 1986, approval to pay such costs as an expense is required from the secured creditor of the Company and preferential creditors whose debts amount to more than 50% of the preferential debts of the Company (disregarding any creditor who does not respond to an invitation to give or withhold approval)

### *Remuneration*

We propose that the basis of our remuneration be fixed under Rule 2.106 of the Rules by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration.

These proposals contain a statement by us, in accordance with paragraph 52(1)(b) of Schedule B1 to the Act, that we consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of Section 176A(2)(a) of the Act (the 'prescribed part' for unsecured creditors referred to at section 7). In these circumstances, it is for each secured creditor and the preferential creditors of the Company to determine the basis of our remuneration under Rule 2.106 of the Rules. In the absence of an initial meeting of creditors (see section 11 Conclusion, below) and the establishment of a creditors' committee, our remuneration is fixed by the approval of the secured and preferential creditors in accordance with Rule 2.106 (5A).

Appendix 3 sets out our firm's hourly charge out rates and the time that we and our staff have spent in attending to matters arising in the administration since 13 July 2011.

### *Disbursements*

We propose that disbursements, including disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) be charged in accordance with our firm's policy, details of which are set out at Appendix 3. These disbursements will be identified by us and subject to the approval of those responsible for determining the basis of our remuneration.

## 9. OTHER INFORMATION TO ASSIST CREDITORS

### *Report on the conduct of directors*

We have a statutory duty to investigate the conduct of the directors and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure. We are obliged to submit confidential reports to the Department for Business, Innovation and Skills.

As administrators of the Company we are required by best practice guidance to make enquires of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration, or wish to bring to our attention any potential recoveries for the estate. If you would like to bring any such issues to our attention please do so in writing to the address detailed at Section 3 of this report. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

## 10. CONCLUSION

We presently consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors (other than by virtue of Section 176A(2)(a)).

In these circumstances the obligation to summon an initial meeting of the Company's creditors to consider our proposals is disapplied by paragraph 52(1). We are therefore not under a statutory obligation to summon such a meeting unless creditors, whose debts amount to at least 10% of the total debts of the Company, requisition such a meeting. Any such requisition must be in the prescribed manner in accordance with Rule 2.37 and be made within 8 business days of the date on which our statement of proposals is sent out. The expenses of summoning and holding a meeting at the request of a creditor shall be paid by that person, who shall deposit with us security for their payment. If no such meeting is requisitioned, then by Rule 2.33(5), our proposals are deemed to have been approved by the creditors. Where the proposals are deemed to have been approved, we will write to you to confirm that is the position.

In the absence of an initial creditors' meeting we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.



G N Lee  
Joint Administrator

**Kinetics South Limited (Formerly T.A. Horn Limited)**  
**(In Administration)**

**Income and Expenditure Account**  
**13 July 2011 to 30 August 2011**

<b>INCOME</b>	<b>Total (£)</b>
Furniture & Equipment	20 00
Book Debts	70,541 42
Cash at Bank	49,178 01
	<hr/>
	<b>119,739 43</b>
	<hr/>
<b>EXPENDITURE</b>	
Debt Collection Costs	500 00
Statutory Advertising	76 50
Bank Charges	123 11
	<hr/>
	<b>699.61</b>
	<hr/>
<b>Balance</b>	<b>119,039.82</b>
	<hr/>

# ESTIMATED STATEMENT OF AFFAIRS AS AT 13 July 2011

	Notes	Book Value
<b>Fixed Charge Assets</b>		
Investments in Subsidiaries	1	239,951
		<u>239,951</u>
<b>Fixed Charge Creditor</b>		
Sovereign Capital	2	(12,934,747)
<b>Surplus / (Deficit) After Repayment of Fixed Charge</b>		<u>(12,694,796)</u>
<b>Floating Charge Assets</b>		
Book Debts, Accrued Sales & WIP	3	2,439,906
Cash at Bank	4	49,178
Stock	5	170,163
Tangible Assets		90,068
Prepayments	6	19,517
Inter-company	7	1,536,998
		<u>4,305,830</u>
<b>Preferential Creditors</b>		
Employees (estimate of arrears of wages and holiday pay)	8	(450,000)
<b>Net Property Available for Prescribed Part</b>		<u>3,855,830</u>
<b>Prescribed Part Calculation</b>		
50 % of the first £10,000		(5,000)
20% above £10,000		(595,000)
<b>Prescribed Part</b>	9	<u>(600,000)</u>
<b>Property Available Under Floating Charge</b>		<u>3,255,830</u>
<b>Floating Charge Creditor (shortfall from Fixed Charge)</b>		<u>(12,934,747)</u>
<b>Surplus / (Deficit) after Floating Charge</b>		<u>(9,678,917)</u>
<b>Prescribed Part Added Back</b>		<u>600,000</u>
<b>Realisations available for Unsecured Creditors</b>		<u>600,000</u>
<b>Unsecured Creditors</b>		
Trade Creditors		535,302
Inter-company		116,180
Accruals (Trade Creditors)		285,743
Other Creditors		99,006
VAT		733,877
PAYE & NI		728,814
Corporation Tax		145,865
		<u>2,644,787</u>
<b>Shortfall to Unsecured Creditors</b>		<u>(2,044,787)</u>



## **Notes**

- 1 The investment in subsidiaries requires further investigation as there is no known subsidiary of the Company. Our investigations are ongoing in this matter.
- 2 We understand that Sovereign has a cross guarantee in respect of these liabilities across the New Group and we are in the process of reviewing the information in our possession to confirm the same.
- 3 The debtors figure represents the value per the Company's records. It is too early to comment on the exact quantum or timing of any debtor receipts.
- 4 Cash at Bank on day 1 - received by the Administrators.
- 5 Upon review, minimal stock was identified by our Agents. It is likely that this was utilised in the period leading up to Administration.
- 6 The Company records show tangible assets recorded at £90,068. This requires further scrutiny as the only assets located consist of office furniture and equipment which has minimal value.
- 7 A review of the prepayments made by the Company is required.
- 8 Inter-company balances need to be reconciled.
- 9 Preferential creditors – employee claims for arrears of wages and holiday pay.
- 10 Prescribed part made available for unsecured creditors - 50% of first £10k of Net Property plus 20% of remainder (capped at the maximum of £600k).

**The figures in this Estimated Statement of Affairs relate to information obtained from the Company's records, books and records and are by no means indicative of the level of funds expected to be realised by the Administrators.**

**In addition, the shortfall to creditors does not take into consideration the costs of the Administration or the additional unsecured liabilities for employee redundancy and notice entitlements.**

**As such, the level of monies available to distribute to creditors is likely to be less than the amounts stated.**

**Begbies Traynor (Central) LLP**  
**Kinetics South Limited (Formerly T.A. Horn Limited)**  
**B - Company Creditors**

Key	Name	Address	£
CA00	ABSOLUTE ENVIRONMENTAL LTD	5 PAXTON ROAD, GORSE LANE IND ESTATE, CLACTON-ON-SEA, CO15 4LR	493 50
CA01	ACORN PRESSURISATION SVCS LTD	AGM HOUSE, LONDON ROAD, COPFORD, COLCHESTER, CO6 1GT	28,115 40
CA02	ANSWER A PHONE SERVICES	9 DOLPHINS, WESSCLIFF ON SEA, ESSEX, SS0 0LD	500 00
CA03	ARCO LIMITED	PO BOX 21 HEAD OFFICE, WAVERLEY STREET, HULL, HU1 2SJ	4,434 37
CA04	Arrow Engineering Services	PERNES CHURCH ROAD, FLOWERS GREEN, HERTS, MONCEUX, BN27 1RJ	8,076 00
CA05	A R Watertight	19 RAMERICK GARDENS, ARLESEY, BEDS, SG15 6XZ	2,217 50
CA06	ASCHAM HOMES	WILLOW HOUSE, 869 FOREST ROAD, London, E17 4UH	500 00
CA07	ASSURED SECURITY LTD		1,500 00
CA08	AIMTEQ SERVICES LIMITED	UNIT 8 CIRENCESTER OFFICE PARK, TETBURY ROAD, CIRENCESTER, GLOS, GL7 6JJ	4,135 96
CB00	B & Q	TIME RETAIL FINANCE LTD, SELECTAPOST 28, SHEFFIELD, S97 3GE	1,324 00
CB01	BARNET ELECTRICAL MART	3-5-7 HENRY ROAD, NEW BARNET, HERTS, EN4 8BL	60 52
CB02	BIP SOLUTIONS LTD	MEDIUS, 60 PACIFIC QUAY, GLASGOW, LANARKSHIRE	1,974 00
CB03	BRAND & CO	NONSUCH HOUSE, LONDON ROAD, NORTH CHEAM, SURREY, SM3 9AA	804 88
CB04	BRITISH GAS	BRITISH GAS BUSSINESS, PAYMENT AREA 60, CAMBERLEY, GU95 1AW	7,096 21
CB05	BRIMAR PLASTICS LTD	UNIT 2, OLLERTON BUSINESS PARK, CHILDS ERCALL, SHROPSHIRE, TF9 2DB	345 45
CB06	THE BSS GROUP PLC	PO BOX 5884, LEICESTER, LE1 3ZN	2,779 76
CB07	C A BALDWIN & CO LTD	Valan House , 146-154 Wells Way, London	925 72
CB08			0 00
CB09	BDO LLP	C/O Banque PSA Finance, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA	9,563 40
CC00	BEARINGS & DRIVES	UNIT 10C , ADVENT WAY, ANGEL ROAD WORKS, EDMONTON, LONDON, N18 3AH	11,061 36
CC01	CA Drillers Ltd	Dockersfield Farm, Pean Hill, Whitstable, CT3 3BJ	333 60
CC02	C & F Scaffolding Ltd	211 Cuffley Hill, Waltham Cross, Hertfordshire	1,628 75
CC03	CITY ELECTRICAL FACTORS	LONDON N DIVISION, HAWKES DRIVE, HEATHCOTE IND ESTATE, WARWICK, CV34 6LX	280 25
CC04	CITROEN CONTRACT MOTORING	QUADRANT HOUSE, PRINCESS WAY, REDHILL, RH1 1QA	251 01
CC05	COLOURCRAFT LTD	181 VICTORIA ROAD, NEW BARNET, HERTS, EN4 9PA	8,278 43
CC06	CRANHAM THERMAL INSULATIONS	30 HERON WAY, CRANHAM, UPMINSTER, ESSEX, RM14 1EP	1,032 14
CC07	CURZON COMPONENTS	PO BOX 7357, GLASGOW, G51 9AB	15 89

Signature \_\_\_\_\_

**Begbies Traynor (Central) LLP**  
**Kinetics South Limited (Formerly T.A. Horn Limited)**  
**B - Company Creditors**

Key	Name	Address	£
CD00	Day Plant Hire		17 12
CE00	E4 ENVIRONMENTAL LTD	BLOCK 1, TRIDENT HOUSE, VALLEY WORKS, GRANGE LANE, SHEFFIELD, SOUTH YORKSHIRE	132 00
CE01	ELECTRIC CENTER	UNIT 12, MOWLEM TRADING ESTATE, LEESIDE ROAD, TOTTENHAM, N17 0QJ	76,176 78
CE02	EMAP Ltd	PO Box 64724, Greater London House, Hampstead Road, London, NW1 7EJ	2,350 00
CE03	ENFIELD COUNCIL RATES	PO BOX 63, CIVIC CENTRE, SLIVER STREET, ENFIELD, EN1 3XW	36,971 12
CE04	EXOR MANAGEMENT SERVICES LTD	BRECON HOUSE, CAERPHILLY BUSINESS PARK, CAERPHILLY, MID GLAMORGAN	391 67
CF00	FAYERS PLUMBING & BUILDING	PO BOX 109, BIGGLESWADE, SG18 8WS	9,873 89
CF01	Flue-stax	The Old Chapel, Chapel Street, Tingley Near, Leeds, WF3 1RE	3,252 40
CF02	FOSTERS AUTO CENTRES	Unit 1-4, 96 Church Road, Mitchem, Surrey, CR4 3BW	1,104 00
CF03	FRAMA	15 LIMES COURT, HIGH STREET, HODDESDON, HERTS, EN11 8EP	117 00
CF04	FUEL CONTAMINATIONS LTD	24 CLARENDON ROAD, CHESHUNT, HERTFORDSHIRE, EN8 9DL	356 25
CG00	Galldri's Construction Ltd	Galldri's House, Pavillion Business Centre, Kinetics Crescent, EN3 7FJ	145 70
CG01	G&D HIGGINS MECH SVCES LTD	MASTERS HOUSE, 1 MARLBOROUGH HILL, HARROW, MIDDLESEX, HA1 1UX	108 61
CG02	ALAN GRAY	1 SAYERS CROFT, BLUNTISHAM, CAMBS, PE28 3NP	9,432 00
CH00	HUDSON	ENTERPRISE HOUSE, 181/189 GARTH ROAD, MORDEN, SURREY, SM4 4LL	144 27
CJ00	JJ ROOFING ACCESSORIES LTD	1 HENRY ROAD, NEW BARNET, London, EN4 8BL	32 08
CJ01	Jordan Environmental	Unit 8 Woodside Business Park, Thetford Road, Bury St Edmunds, IP31 1NR	0 00
CK00	KANE INTERNATIONAL LTD		475 20
CK01	KG YOUNG LTD	KEVIN YOUNG, CROWNSIDE COTTAGE , CROWN ROAD, KELVEDON ROAD, BRENTWOOD, ESSEX, CM14 5TB	2,291 25
CK02	KINGSWOOD CONTROLS LIMITED	278 WOODHAM LANE, NEW HAW VILLAGE, ADDLESTONE, SURREY, KT15 3NT	7,324 22
CK03	KWIK FIT		177 97
CK04	KWIK-FIT FLEET	87 VERULAM ROAD, ST ALBANS, HERTS, AL3 4DJ	223 06
CL00	LEX VEHICLE	HEATHSIDE PARK, HEATHSIDE PARK ROAD, STOCKPORT, SK3 ORB	18 00
CL01	L&M HEATING SUPPLIES LTD	97 LOCKFIELD AVENUE, BRIMDOWN, ENFIELD MIDDLEX, EN3 7PY	987 00
CL02	LONDON BOROUGH OF CAMDEN	156 WEST END LANE, LONDON, NW6 1SD	18 38
CM00	MEDLOCK ELECTRICAL	109 - ELEANOR CROSS ROAD, WALTHAM CROSS, HERTFORDSHIRE, EN8 7NT	121 44
CM01	MILLSTONE MECHANICAL SERVICES	C/O THE FIRS, 113A BURNHAM LANE, SLOUGH, BERKS, SL1 6LA	41,154 28
CM02	myPAlive Ltd	5 Newton Court , Wavetree Technonlogy Park, Liverpool	1,052 48

Signature \_\_\_\_\_

**Begbies Traynor (Central) LLP**  
**Kinetics South Limited (Formerly T.A. Horn Limited)**  
**B - Company Creditors**

Key	Name	Address	£
CN00	NATIONAL WINDSCREENS	QUARTERMAN WINDSCREENS LTD, QUESTOR, 4 AVERY WAY, DARTFORD, DA1 1JZ	105 75
CN01	NATIONAL (YORKSHIRE BANK)		86 84
CN02	National ICEIC	WARWICK HOUSE, HOUGHTON HALL PARK, REGIS DUNSTABLE, LU5 5ZX	554 13
CN03	NORTHBRIDGE FINANCE LTD	26 - 32 CENTRAL AVENUE, BANGOR, COUNTY DOWN	15,883 00
CN04	Nelmar Auto Services Limited	The Whitehouse, Dancers Hall Road, Barnet, Hertfordshire, EN5 4RY	0 00
CO00	ORANGE PCS	ORANGE PO BOX 52, SHEFFIELD, S98 1DX	10,202 55
CP00	PARRS LIMITED	MERSE ROAD, NORTH MOONS MOAT, REDDITCH, WORCESTERSHIRE, B98 9PL	3,918 63
CP01	PHOENIX FIRE SERVICES LIMITED	UNIT 9 MERCIA BUSINESS VILLAGE, TORWOOD CLOSE, COVENTRY, CV4 8HX	978 32
CP02	POLY FACTOR LTD	28 MILL STREAM PLACE, TONBRIDGE, KENT, TN9 1QJ	718 75
CP03	PROFIRE SERVICES LTD	21 CROMWELL ROAD, BOREHAMWOOD, HERTS, WD6 4LW	1,308 70
CP04	PROTOUCH GROUP LIMITED		2,912 34
CP05	ANDREW PERCIVAL		7,500 00
CR00	DO NOT USE ANDY RADLEY	19 RAMERICK GARDENS, ARLESEY, BEDS, SG15 6XZ	3,051 00
CR01	RIBCAR (LIVERPOOL) LIMITED	56 LOWER BRECK ROAD, LIVERPOOL, L6 4BZ	1,317 39
CR02	ROBYLAND LTD		1,020 00
CR03	RS LOCKSMITHS LTD	83 RUSSELL LANE, WHETSTONE, N20 0BA	151 13
CS00	SC Services Ltd	121 Chiltern Drive, Surbiton, SURREY, KT5 8LS	2,551 20
CS01	SIXT KENNING LIMITED	DURRANT HOUSE, 47 HOLYWELL STREET, CHESTERFIELD, DERBYSHIRE, S41 7SJ	1,719 91
CS02	SPECFLUE LTD	8 CURZON ROAD, CHILTON INDUSTRIAL ESTATE, SUDBURY, SUFFOLK, CO10 2XW	539 86
CS03	SPECIALIST FLUE SERVICE LTD	STUDIO 4 HARPERS HILL, NAYLAND, COLCHESTER, ESSEX, CO6 4NT	523 47
CS04	SWAN HEATING LIMITED	25 KINGSLEY ROAD, GREEN STREET GREEN, ORPINGTON, KENT, BR6 6AX	7,560 00
CS05	SWIFT ENVIROMENTAL UK LTD	1 CANTELUPE MEWS, CANTELUPE ROAD, EAST GRINSTEAD, WEST SUSSEX, RH19 3BG	21,443 75
CS06	SEAFLAME COMPANY LIMITED	KINETICS HOUSE, 181-189 GARTH, ROAD MORDEN, SURREY, SM4 4LL	116,179 87
CS07	Swan Heating Limited	25 Kingsley Road, Green Street Green, Orpington, Kent, BR6 6AX	7,560 00
CT00	THE RECRUITMENT CO	12 EAST BARNET ROAD, NEW BARNET, HERTS, EN4 8RW	1,480 50
CT01	T G LYNES & SONS	115 BANCROFT WAY, BRIMSDOWN, ENFIELD, EN3 7QE	39 96
CT02	T&H OFFICE SUPPLIES LIMITED	THE OLD MALTINGS, BREWERY ROAD, HODDESDON, HERTS, EN11 8HF	2,954 09

Signature

**Begbies Traynor (Central) LLP**  
**Kinetics South Limited (Formerly T.A. Horn Limited)**  
**B - Company Creditors**

Key	Name	Address	£
CV00	VEOLIA WATER CENTRAL LIMITED	PO BOX 188, BISHOPS RISE, HATFIELD, HERTS, AL10 9AE	414 30
CV01	VEOLIA WATER CENTRAL LIMITED	TAMBLIN WAY, HATFIELD, HERTFORDSHIRE, AL10 9EZ	285 87
CW00	Walther Environmental LTD		864 00
CW01	WF ELECTRICAL	PO BOX 464, POTTERS BAR, EN6 9EB	6,176 03
CW02	NORMAN WHITTAKER CONSULTANT		10,028 00
CW03	WOLSELEY CENTRES LTD	PO BOX 21, BOROUGHBRIDGE ROAD, RIPON, NORTH YORKSHIRE, HG4 1SL	126,576 44
CX00	XLCR VEHICLE MANAGEMENT LTD	XLCR HOUSE, 35-43 ALBERT ROAD, COLNE, BB8 0BU	540 00
CY00	Yates Mechanical Services Ltd	Linden House, Hall Street, Long Melford, Suffolk, CO10 9JA	2,160 00
CY01	YES TELECOM	Scotscroft Building, Towers Business Park, Wilmslow Rd, Manchester, Lancashire	0 02
<b>91 Entries Totalling</b>			<b>651,482.07</b>

Signature \_\_\_\_\_

## TIME COSTS AND EXPENSES

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Remuneration drawn will be notified to any creditors' committee appointed under paragraph 57 of Schedule B1 to the Act. In the absence of a creditors' committee, details of time incurred and disbursements drawn will be reported to creditors in accordance with *Statement of Insolvency Practice 9* issued by the Joint Insolvency Committee on behalf of our licensing bodies.

Prior to our appointment as Joint Administrators in this matter, we incurred time costs totalling £7,381.73 in liaising with the Directors and the secured creditor and in preparing the necessary documentation to place the Company into Administration. As part of our proposals we seek to recover these pre-appointment time costs.

Total time spent to date on this assignment amounts to 416.70 hours at an average composite rate of £165.41 per hour resulting in total time costs to date of £68,928.50.

To assist creditors in determining this matter, the following further information on time costs and expenses are set out:

- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value

In addition, a copy of *A Creditors' Guide to Administrators' Fees* is available on request. Alternatively, the guide can be downloaded from our website [www.begbies-traynor.com](http://www.begbies-traynor.com) via the "Corporate Recovery and Insolvency" link in the "Quick Links" box on the left hand side of the homepage. From there please follow the "Creditor" link which will take you to the appropriate page where the Guide can be found at the end.

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## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance<sup>2</sup> requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### **EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES**

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting.
- Car mileage is charged at the rate of 45 pence per mile.
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

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<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

<sup>2</sup> Ibid 1

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

#### **BEGBIES TRAYNOR CHARGE-OUT RATES**

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Manchester office as at the date of this report are as follows

	<b>Standard 1 May 2011 – until further notice Regional</b>
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units



## **SUMMARY OF OFFICE HOLDERS' TIME COSTS**

CASE NAME                                      Kinetics South Ltd

CASE TYPE                                        ADMINISTRATION

OFFICE HOLDERS                                Gary N Lee, Dean Watson and Neil Mather

DATE OF APPOINTMENT                      13 July 2011

### **1 CASE OVERVIEW**

- 1 1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case
- 1 2 **Complexity of the case**  
Please see Administrators Proposals for details of the complexity of this case
- 1 3 **Exceptional responsibilities**  
N/a
- 1 4 **The office holders' effectiveness**  
This assignment is ongoing
- 1 5 **Nature and value of property dealt with by the office holders'**  
Please see Administrators Proposals for details of the nature and value of property
- 1 6 **Anticipated return to creditors**  
Please see Administrators Proposals for details
- 1 7 **Time costs analysis**  
An analysis of time costs incurred to date, prepared in accordance with Statement of Insolvency Practice 9, is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type
- 1 8 **The views of the creditors**  
We have dealt with queries of creditors throughout this assignment and we provided the necessary contact details for this assignment on our website
- 1 9 **Approval of fees**  
Fees are yet to be approved
- 1 10 **Approval of Expenses and Disbursements**  
Expenses and disbursements are yet to be approved
- 1 11 **Other professionals employed & their costs**  
We have instructed George Davies (Solicitors) and GVA Gnmley (Agents) No fees have been paid to these professionals to date

### **2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES**

- 2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 3
- 2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 3

[illegible]

**Kinetics South Limited - In Administration  
Administrators Time Costs @ 30 August 2011**

**Staff analysis**

<b>Grade Analysis</b>	<b>Average Charge out rate £</b>	<b>Hours</b>	<b>Amount £</b>
Partner	395 00	51 20	20,224 00
Manager	265 00	38 30	10,149 50
Assistant Manager	205 00	0 40	82 00
Administrator	135 00	101 00	13,635 00
Cashier	110 00	92 90	10,219 00
Junior Administrator	110 00	132 90	14,619 00
Total		416 70	68,928 50

<b>Category of work</b>	<b>Hours</b>	<b>Amount £</b>
Administration & Accountancy	51 50	7,494 00
Appointment Activity	18 00	4,536 00
Banking	4 20	462 00
Bonding	0 40	82 00
Claims, Proofs and distributions	27 20	3,630 00
Debt Collection	64 40	14,362 00
Employees	188 60	23,373 50
Floating charge assets	5 10	1,728 50
Pensions	1 80	711 00
Planning & Control	4 30	1,594 50
Sale of Business/Assets	7 10	1,881 50
Statutory reports and returns	11 10	3,058 50
Third Party Assets	3 00	1,185 00
Trading	3 00	1,185 00
Travel	27 00	3,645 00
Total	416 70	68,928 50

Subject to proceedings with Zolfo Cooper

