

The Insolvency Act 1986

**Administrator's progress report**

Name of Company
Balli Group Plc

Company number
02632984

In the High Court of Justice <small>(full name of court)</small>
--

Court case number 1387 of 2013
-----------------------------------

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

We (a) Neville Barry Kahn  
Deloitte LLP  
PO Box 810  
66 Shoe Lane  
London  
EC4A 3WA

Philip Stephen Bowers  
Deloitte LLP  
PO Box 810  
66 Shoe Lane  
London  
EC4A 3WA

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From
(b) 01/01/2015

To
(b) 30/06/2015

Signed

*PSB*  
\_\_\_\_\_  
Joint / Administrator

Dated

*27 JULY 2015*  
\_\_\_\_\_

**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

Neville Barry Kahn  
Deloitte LLP  
PO Box 810  
66 Shoe Lane  
London  
EC4A 3WA  
  
DX Number LDE DX599

Tel 020 7936 3000  
DX Exchange

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**



A28      29/07/2015      #231

COMPANIES HOUSE

WEDNESDAY

# Deloitte.

Balli Group plc	Court Case No 1387 of 2013
Balli Steel plc	Court Case No 1388 of 2013
Balli Trading Limited	Court Case No 1386 of 2013
(all in administration) (“the Companies”)	

Registered Office: c/o Deloitte LLP, Hill House, 1 Little New Street, London EC4A 3TR

Progress report to creditors for the period 1 January 2015 to 30 June 2015 pursuant to Rule 2.47 of the Insolvency Rules 1986 (as amended) (“the Rules”).

Neville Barry Kahn, Philip Stephen Bowers and Carlton Malcolm Siddle were appointed Joint Administrators of the Companies on 20 March 2013 by the High Court of Justice. On 4 February 2015 Carlton Siddle ceased to act as one of the Administrators. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP (“Deloitte”) are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended) (“the Act”), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

27 July 2015

## Contacts

### Joint Administrators of the Companies

Neville Barry Kahn  
Philip Stephen Bowers  
(‘the Administrators’)

Baill Group plc (‘BGP’)

Baill Steel plc (‘BSP’)

Baill Trading Limited (‘BTL’)

c/o Deloitte LLP

PO Box 810

66 Shoe Lane

London

EC4A 3WA

### Contact details

Email [asturge@deloitte.co.uk](mailto:asturge@deloitte.co.uk)

Website [www.deloitte.com/uk/baill](http://www.deloitte.com/uk/baill)

Tel 020 7936 3000

## Key messages

### Commentary

#### Purpose of administrations

- The purpose of the administrations are to achieve a better result for the Companies’ creditors as a whole than a liquidation

#### Progress of administrations

- The Administrators continue to pursue without prejudice settlement discussions with the shareholders which, in the view of the Administrators, present the best prospect of a recovery for creditors, these discussions have been delayed while the Shareholders seek to resolve with certain creditors questions around the treatment of claims against affiliates which are not in administration
- The Administrators are monitoring the discussions - on a minimum cost basis – but are not party to them and are unable to comment as to when they will be concluded
- Other potential realisations, including relating to outstanding litigation, continue to be progressed but recoveries are either uncertain or immaterial compared to total creditor claims

#### Costs

- The basis of the Administrators’ remuneration has been fixed by reference to time costs
- The Administrators’ time costs incurred during the report period are £58,066
- The Administrators have drawn fees of £250,000 in the period See page 12

#### Outstanding matters

- Subject to satisfactory resolution of the settlement discussions, draft documentation previously circulated will be finalised – taking into account as far as possible creditor comments - and the Joint Administrators will proceed to convene meetings of creditors to formally vote on the proposals, prior to the settlement being implemented via Creditors Voluntary Arrangements (‘CVA’s’)
- In the meantime the Administrators will continue to pursue such other asset realisations as are available and commercially justifiable





#### Dividend prospects

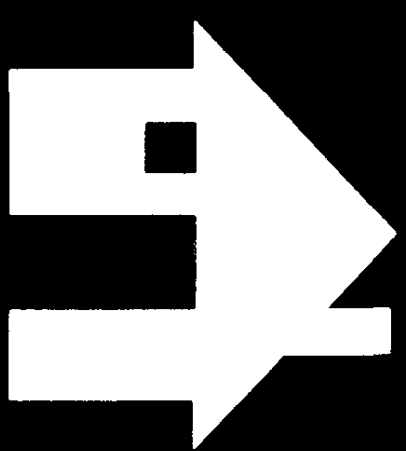
- Where creditors held security over specific assets these assets have been realised (to the extent commercially possible) and net proceeds paid to the relevant creditor in reduction of their claim, the balance of which will rank equally alongside other unsecured creditors
- Dividend prospects to preferential and other unsecured creditors are dependent on satisfactory conclusion of the settlement discussions and implementation of the CVA’s

#### Extension to administration periods

- Pursuant to orders of the Court the administrations were extended to end on or before 19 September 2016. The extensions were granted to allow completion of the discussions noted above and implementation of the CVA’s being proposed

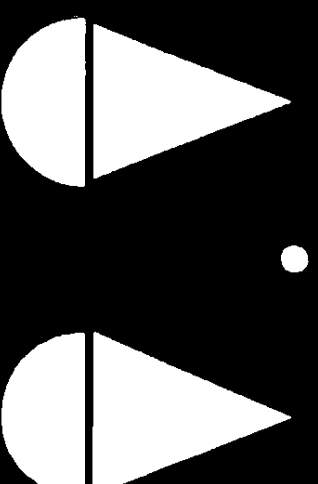


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## Progress of the administrations

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## Progress of the Administrations Summary

### Progress of the administration

#### Without Prejudice Settlement Proposals

Progress in without prejudice settlement discussions with the Shareholders has been delayed while the Shareholders seek to resolve questions around the treatment of claims against affiliates which are not in administration

Bilateral discussions between the Shareholders and the relevant creditors are progressing. The Administrators are monitoring the discussions - on a minimum cost basis – but are not party to them and are unable to comment as to when they will be concluded

Subject to a satisfactory resolution, draft documentation previously circulated will be finalised – taking into account as far as possible comments received from creditors on the previous draft - and the Administrators will proceed to convene meetings of creditors to formally vote on the proposals, prior to the settlement being implemented via CVA's

At present it is not possible to put a timescale on when matters will be resolved

It remains the Administrators' view that the proposed settlement provides the best prospect of a recovery for creditors

### Asset Realisations

There have been no material asset realisations in the period under review

The Administrators have concluded their review of secured creditor claims in relation to insurance proceeds received in relation to Hurricane Sandy. Proceeds of \$800k were recovered of which ~\$612k will be distributed to the relevant creditors who had financed the original cargo (reducing their unsecured claims) and the balance of funds will remain within the general estate to cover costs of realisation

#### Other Future realisations

The West Virginia Court has set a trial date of July 2016 for BSP's damages and non-performance claims against a supplier. As with any litigation, recoveries remain uncertain

The Administrators continue to progress a small number of other potential asset realisations. However, these are immaterial in comparison to creditor claims

#### Administrators' Remuneration

The Administrators drew remuneration of £250k during the six months to 30 June 2015

#### Costs Incurred but unpaid

The receipts and payments account on pages 5-8 have been prepared on a cash basis and exclude costs which have been incurred but which have not yet been paid, specifically unpaid legal fees of £551k and Administrators' unpaid remuneration and expenses as at 30 June 2015 of £2.0m

Further information on these costs are provided from page 12 onwards



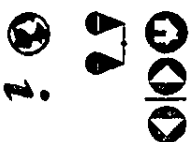
# **Progress of the administrations** **Receipts and payments account for Balli Group plc (In Administration)**

Balli Group plc - Joint Administrators' receipts and payments account  
1 January 2015 to 30 June 2015

£	£000 values	Notes	Period	To date
<b>Receipts</b>				
Cash at bank	2,269	1,2	-	5,627
Bank interest	-	-	119	1,950
Book Debts	1,409,282	-	-	24,599
Refunds	-	-	-	29,940
Foreign Exchange - Receipt of GBP for USD	-	3	-	259,004
Related Party Debtors	-	-	-	1,261,907
Shareholder contribution to costs recovered in Balli Steel plc	-	4	250,000	250,000
<b>Total receipts</b>			<b>250,119</b>	<b>1,833,027</b>
<b>Payments</b>				
Foreign exchange - Payment of USD for GBP	-	3	-	267,734
Wages and Salaries	-	-	-	129,883
Payment to Contractors	15,750	-	-	59,625
Contractor Expenses	61	-	-	317
Pre-Administration Costs	-	-	-	9,329
Administrators' Fees	250,000	-	-	861,820
Administrators' Expenses	-	-	-	10,872
Legal Fees	-	-	-	175,308
Legal Disbursements	-	-	-	4,074
Loan to Balli Steel plc	-	5	-	50,000
Loan to Balli Trading Limited	-	5	-	10,000
Other Costs	2,299	-	-	35,330
<b>Total payments</b>			<b>268,110</b>	<b>1,734,293</b>
<b>Balance</b>				<b>(17,891)</b>
<b>Represented by</b>				<b>98,734</b>
Cash in hand	46,257	-	-	46,257
VAT Receivable/(Payable)	52,478	6	-	52,478
<b>Balance in hand at 30 June 2015</b>	<b>98,734</b>			<b>98,734</b>

## **Notes to receipts and payments account**

- Statement of Affairs values are estimates provided by the directors and do not necessarily represent the views of the Administrators
- Funds are held in an interest bearing account. The associated corporation tax on interest received will continue to be accounted for to HM Revenue & Customs
- The Companies primarily contracted in USD and the Administrators have continued to maintain USD accounts to settle liabilities incurred in that currency, although their own costs and expenses are mainly incurred in Sterling. The USD accounts maintained by the Administrators have been translated at the spot rate occurring on the date of appointment (£151,325/\$). To settle liabilities arising in the Administration (in currencies other than GBP), currency has been exchanged between the Companies to minimise losses arising from currency translation - the reason for the disparity between the receipt and payment shown is due to the prevailing exchange rate at the date of transfer being different to that at the date of appointment
- Shareholder contribution to costs in relation to negotiating the without prejudice settlement agreement
- Intercompany funding provided to BSP and BTL to cover those Companies' costs of administration and which will be repaid upon asset realisations
- As appropriate expenses are shown net of VAT, which is recoverable



# Progress of the Administrations Receipts and payments account for Balli Steel plc (In Administration)

Balli Steel plc - Joint Administrators' receipts and payments account  
1 January 2015 to 30 June 2015

£	SOA values	Notes	Period	To date
<b>Receipts</b>				
Cash at Bank	28,052	1, 2	-	24,915
Bank Interest	-	-	89	455
Stock	122,300	-	-	108,766
Book Debts	8,950,967	-	-	17,435
Insurance claim settlement	-	-	-	528,681
Contribution to Costs relating to Stock Realisations	-	3	-	48,242
Foreign Exchange - Receipt of GBP for USD	-	4	-	250,000
Transfer of monies from Balli Trading Limited	-	5	-	211,438
Amounts due from Related Parties	60,663,837	-	-	-
Loan from Balli Group plc	-	6	-	50,000
Shareholder contribution to costs	-	7	-	683,478
<b>Total receipts</b>			89	1,923,410
<b>Payments</b>				
Foreign exchange - Payment of USD for GBP	-	4	-	263,344
Sponsor Settlement Payment transferred to Balli Group plc	-	7	250,000	250,000
Creditor Winding-Up Petition Costs	-	-	-	4,336
Pre-Administration Costs	-	-	-	9,329
Administrators' Fees	-	-	-	371,182
Administrators' Expenses	-	-	-	1,030
Committee Expenses	-	-	-	1,118
Insurance of Assets	-	-	-	37,453
Legal Fees	100,000	-	-	377,331
Legal Disbursements	2,300	-	-	4,336
Other Costs	-	-	-	548
<b>Total payments</b>	352,300	-	-	1,319,987
<b>Balance</b>			(352,211)	603,423
<b>Represented by</b>				
Cash in hand	-	-	-	587,593
VAT Receivable/(Payable)	8	-	-	15,830
<b>Balance in hand</b>				603,423

## Notes to receipts and payments account

- Statement of Affairs values are estimates provided by the directors and do not necessarily represent the views of the Administrators
- Funds are held in an interest bearing account. The associated corporation tax on interest received will continue to be accounted for to HM Revenue & Customs

3 Fees were agreed with financing parties to cover the work performed in relation to realising the stock over which they held security

4 The Companies primarily contracted in USD and the Administrators have continued to maintain USD accounts to settle liabilities incurred in that currency, although their own costs and expenses are mainly incurred in Sterling. The USD accounts maintained by the Administrators have been translated at the spot rate occurring on the date of appointment (£1,513,262/\$). To settle liabilities arising in the Administration (in currencies other than GBP), currency has been exchanged between the Companies to minimise losses arising from currency translation - the reason for the disparity between the receipt and payment shown is due to the prevailing exchange rate at the date of transfer being different to that at the date of appointment

5 Debtor collections originally paid to BTL but reallocated following a review of the specific receipts

6 Intercompany funding provided to BSP and BTL to cover those Companies' costs of administration and which will be repaid upon asset realisations

7 Shareholder contribution to costs in relation to negotiating the without prejudice settlement agreement

8 As appropriate expenses are shown net of VAT, which is recoverable



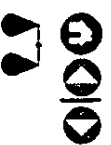


## Progress of the administrations Receipts and payments account for Balli Trading Limited (In Administration)

Balli Trading Limited - Joint Administrators' receipts and payments account 1 January 2015 to 30 June 2015				
£	SoA values	Notes	Period	To date
<b>Receipts</b>				
Cash at bank	214,131	1 2	-	214,868
Bank interest			9	164
Loan from Balli Group plc		3	-	10,000
<b>Total receipts</b>			<b>9</b>	<b>225,032</b>
<b>Payments</b>				
Transfer of Funds to Balli Steel plc		4	-	211,438
Statutory advertising			-	131
Legal fees			800	1,225
Legal disbursements			450	600
Bank charges			520	545
<b>Total payments</b>			<b>1,770</b>	<b>213,938</b>
<b>Balance</b>			<b>(1,761)</b>	<b>11,094</b>
<b>Represented by</b>				
Cash in hand				10,823
VAT Receivable/(Payable)		5		271
<b>Balance in hand</b>				<b>11,094</b>

### Notes to receipts and payments account

- Statement of Affairs values are estimates provided by the directors and do not necessarily represent the views of the Administrators
- Funds are held in an interest bearing account. The associated corporation tax on interest received will continue to be accounted for to HM Revenue & Customs
- Intercompany funding provided to BSP and BTL to cover those Companies' costs of administration and which will be repaid upon asset realisations
- Debtor collections originally paid to BTL but reallocated following a review of the specific receipts
- As appropriate expenses are shown net of VAT, which is recoverable





## Information for creditors

Outcome

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## Information for creditors Outcome

### Secured creditors

Certain creditors held security over specific assets for transactions they had financed. To the extent that these assets have been realised, the net proceeds have been paid to the relevant secured creditor in reduction of their overall claim.

The balance of any claims will rank equally alongside other unsecured creditors.

### Preferential creditors

The only preferential claims currently known to the Administrators are from former employees of BGP.

These have not yet been agreed but are estimated at c £70k, with the unsecured element amounting to c £600k.

Due to the uncertainty over overall potential recoveries, it is not currently possible to estimate the amount of any recovery for preferential creditors.

### Prescribed Part

As noted in our first report, as there were no floating charges created by the Companies the Prescribed Part provisions will not apply.

### Unsecured creditors

On present information it is not currently possible to estimate the overall quantum of funds that will be realised in the administrations or of any dividend to be paid to unsecured creditors.

It remains the Joint Administrators' view that the proposed settlement provides the best prospect of a recovery for creditors.

### Claims process

The Administrators have suspended their review of creditor claims, pending greater certainty on the settlement discussions.

Unsecured creditors who have not yet submitted their claim are invited to submit their claims by completing a proof of debt form which is available on the administration website and which should be sent to the address on page 1, marked for the attention of Anthony Sturge.

There is no requirement to resubmit claims. The Administrators will notify creditors accordingly in the event that funds become available for distribution, including with confirmation as to the amount of claim which has been admitted for dividend in the administrations.

### Exit

In the event that the CVA's do not proceed, or if they are approved but there is a subsequent default, then it is likely that the Companies would be placed into liquidation.



## Information for creditors

### Statutory information

Statutory information			
	Baill Group plc	Baill Steel plc	Baill Trading Limited
Company number	02632984	03418142	02098770
Registered office	c/o Deloitte LLP, Hill House, 1 Little New Street, London, EC4A 3TR	c/o Deloitte LLP, Hill House, 1 Little New Street, London, EC4A 3TR	c/o Deloitte LLP, Hill House, 1 Little New Street, London, EC4A 3TR
Trading names	Baill Group plc	Baill Steel plc	Baill Trading Limited
Court	High Court of Justice, Chancery Division, Companies Court	High Court of Justice, Chancery Division, Companies Court	High Court of Justice, Chancery Division, Companies Court
Court reference	1387 of 2013	1388 of 2013	1386 of 2013
Company directors	Nasser Alagband Vahid Alagband	Nasser Alagband Vahid Alagband	Nasser Alagband Vahid Alagband
Company Secretary	Nasser Alagband	Nasser Alagband	Nasser Alagband
Directors' shareholdings	None	Vahid Alagband - 1 share	Vahid Alagband - 1 share



## **i** Remuneration and expenses

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## Remuneration and expenses Joint Administrators' remuneration

### Joint Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at [www.deloitte.com/uk/baili](http://www.deloitte.com/uk/baili)

Should you require a paper copy, please send your request in writing to the Administrators at the address on the front of this report and this will be provided to you at no cost

#### Basis of remuneration

The basis of the Administrators' remuneration was fixed on 14 May 2013 by the creditors' committees for BGP and BSP, and by the creditors of BTL at a meeting of creditors held on 14 May 2013. This was fixed by reference to the time properly given by the Administrators and their staff in attending to matters arising in the administration calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT

#### Time costs incurred

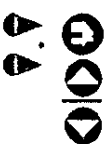
The Administrators' time costs for the period are £58k made up of 100 hours at an average charge out rate of £582.4/hour across all grades of staff. The time charges for this six month period are split between the Companies as follows

	Hours	Total (£)	Average hourly rate (£/hour)
Baili Group plc	79	48,512	616.4
Baili Steel plc	14	6,936	502.6
Baili Trading Limited	7	2,618	390.7
<b>Total</b>	<b>99.7</b>	<b>58,066</b>	<b>582.4</b>

Since the date of appointment to 30 June 2015, the Administrators have incurred total time costs of £3.3m made up of 5,760 hours at an average charge out rate of £578.5/hour across all grades of staff. These time charges since the date of the Joint Administrators' appointment are split between the Companies as follows

	Hours	Total (£)	Average hourly rate (£/hour)	Remuneration drawn
Baili Group plc	4,178	2,383,555	570.7	981,820
Baili Steel plc	1,483	828,970	622.1	371,182
Baili Trading Limited	91	30,782	403.3	-
<b>Total</b>	<b>5,760</b>	<b>3,249,307</b>	<b>581.5</b>	<b>1,352,982</b>

Details of the time costs incurred, together with an explanation of the work undertaken and charge out rates is provided on pages 13-18. Creditors may request a detailed breakdown of the time costs incurred by writing to the address at the front of this report



# Remuneration and expenses – Balli Group plc

## Joint Administrators' time costs for the period 1 January 2015 to 30 June 2015

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
<b>Administration and Planning</b>													
Cashiering and Statutory Filing	-	-	1 30	845 00	1 30	656 50	4 30	1 904 50	4 00	1 200 00	11 50	4 696 00	407 48
Case Management and Closure	-	-	-	-	-	-	1 20	486 00	0 50	150 00	1 70	636 00	374 12
Initial Actions	6 00	5 340 00	1 00	650 00	13 00	6 565 00	-	-	-	-	-	-	-
Liaison with Other Insolvency Practitioners	8 00	5 340 00	2 30	1 485 00	14 30	7 221 50	6 10	2 670 50	3 00	735 00	36 20	13 280 00	577 83
General Reporting	-	-	-	-	-	-	-	-	-	-	-	-	814 14
<b>Investigations</b>													
Investigations	46 00	39 465 00	96 95	51 093 00	30 75	13 177 50	28 75	8 583 75	30 25	4 235 00	230 70	116 554 25	505 22
Reports on Directors Conduct	48 00	39 465 00	96 95	51 093 00	30 75	13 177 50	28 75	8 583 75	30 25	4 235 00	230 70	116 554 25	505 22
<b>Trading</b>													
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Ongoing Trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Monitoring Trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Closure of Trade	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Realisation of Assets</b>													
Book Debts	22 50	20 077 50	-	-	-	-	-	-	-	-	22 50	20 077 50	892 33
Other Assets (e.g. Stock)	-	-	-	-	-	-	-	-	-	-	-	-	-
Chattel Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	-	-	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Businesses / Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Third Party Assets	22 50	20 077 50	-	-	-	-	-	-	-	-	22 50	20 077 50	892 33
<b>Creditors</b>													
Employees	-	-	-	-	-	-	-	-	5 80	1 740 00	5 80	1 740 00	300 00
Preferential	-	-	-	-	-	-	-	-	-	-	-	-	-
Secured	-	-	-	-	-	-	-	-	-	-	-	-	-
Shareholders	2 00	1 790 00	-	-	5 00	2 525 00	-	-	-	-	7 00	4 315 00	616 43
Unsecured	2 00	1 790 00	-	-	5 00	2 525 00	-	-	5 80	1 740 00	12 80	6 055 00	473 05
<b>Case Specific Matters</b>													
Litigation	-	-	-	-	-	-	-	-	-	-	-	-	-
Pensions	-	-	0 50	517 50	-	-	-	-	-	-	0 50	517 50	1 035 00
VAT	1 00	1 160 00	1 70	1 530 00	-	-	-	-	4 00	560 00	6 70	3 250 00	485 07
Tax	1 00	1 160 00	2 20	2 047 80	-	-	-	-	4 00	560 00	7 20	3 167 80	522 28
<b>TOTAL HOURS &amp; COST</b>	77 80	67 532 50	101 45	54 635 50	50 05	22 924 00	32 85	11 054 25	47 55	8 620 00	309 40	165 066 25	533 50
<b>AVERAGE RATE/HOUR PER GRADE</b>		£ 875 26		£ 538 55		£ 458 02		£ 338 51		£ 181 28			



# Remuneration and expenses – Balli Steel plc Joint Administrators' time costs for the period 1 January 2015 to 30 June 2015

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/hour
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning	-	-	-	-	-	-	-	-	-	-	-	-	-
Case Management and Closure	-	-	-	-	-	-	-	-	-	-	-	-	-
Initial Actions	-	-	-	-	-	-	-	-	-	-	-	-	-
Union with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-	-	-	-	-
General Reporting	-	-	-	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-	-	-	-	-
Reports on Directors' Conduct	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Ongoing Trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Monitoring Trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Closure of Trade	-	-	-	-	-	-	-	-	-	-	-	-	-
Realisation of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Book Debts	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets (e.g. Stock)	-	-	-	-	-	-	-	-	-	-	-	-	-
Chattel Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	-	-	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Business / Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Third Party Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	-	-	-	-	-	-	-	-	-
Employees	-	-	-	-	-	-	-	-	-	-	-	-	-
Preferential	-	-	-	-	-	-	-	-	-	-	-	-	-
Secured	-	-	-	-	-	-	-	-	-	-	-	-	-
Shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-
Unsecured	-	-	-	-	-	-	-	-	-	-	-	-	-
Case Specific Matters	-	-	-	-	-	-	-	-	-	-	-	-	-
Litigation	-	-	-	-	-	-	-	-	-	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL HOURS & COST	1.00	885.00	4.00	2,940.00	0.30	151.50	3.80	1,539.00	4.70	1,410.00	13.80	6,935.50	602.57
AVERAGE RATE/HOUR PER GRADE		£ 885.00		£ 735.00		£ 505.00		£ 405.00		£ 300.00			



6.6





# Remuneration and expenses – Balli Trading Limited

## Joint Administrators' time costs for the period 1 January 2015 to 30 June 2015

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average ratio
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning													
Costing and Statutory Filing	-	-	-	-	0.30	151.50	4.00	1,620.00	1.00	300.00	5.30	2,071.50	390.85
Case Management and Closure	-	-	-	-	-	-	1.20	486.00	0.20	60.00	1.40	546.00	390.00
Initial Actions	-	-	-	-	-	-	-	-	-	-	-	-	-
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-	-	-	-	-
General Reporting	-	-	-	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	0.30	151.50	5.20	2,106.00	1.20	360.00	6.70	2,617.50	390.67
Reports on Directors Conduct	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading													
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Ongoing Trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Monitoring Trading	-	-	-	-	-	-	-	-	-	-	-	-	-
Closure of Trade	-	-	-	-	-	-	-	-	-	-	-	-	-
Realisation of Assets													
Book Debts	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets (e.g. Stock)	-	-	-	-	-	-	-	-	-	-	-	-	-
Chattel Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Freehold and Leasehold	-	-	-	-	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Business / Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Third Party Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Creditors													
Employees	-	-	-	-	-	-	-	-	-	-	-	-	-
Preferential	-	-	-	-	-	-	-	-	-	-	-	-	-
Secured	-	-	-	-	-	-	-	-	-	-	-	-	-
Shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-
Unsecured	-	-	-	-	-	-	-	-	-	-	-	-	-
Case Specific Matters													
Litigation	-	-	-	-	-	-	-	-	-	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL HOURS & COST	-	-	-	-	0.30	151.50	5.20	2,106.00	1.20	360.00	6.70	2,617.50	390.67
AVERAGE RATE/HOUR PER GRADE						£ 605.00		£ 405.00		£ 300.00			



# Remuneration and expenses – Balli Group plc

## Joint Administrators' time costs for the period 20 March 2013 to 30 June 2015

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support	
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)
Administration and Planning	0.45	382.50	5.05	3,227.75	9.70	4,806.50	6.50	3,406.50	48.40	13,982.00
Cashiering and Statutory Filing	12.50	10,977.50	9.45	6,111.25	9.20	4,554.00	6.20	3,251.00	10.70	2,771.50
Case Management and Closure	6.50	5,875.00	48.20	29,337.00	-	-	-	-	42.00	11,427.50
Initial Actions	114.50	101,175.00	2.40	1,539.00	152.30	75,739.50	7.50	2,962.50	13.20	3,508.50
Usual with Other Insolvency Practitioners	133.85	118,410.00	63.10	40,216.00	171.20	85,119.00	24.20	9,620.00	114.30	31,787.50
General Reporting										
Investigations	302.70	274,305.00	554.20	303,745.50	656.20	300,858.75	326.90	125,442.25	480.70	70,447.50
Reports on Directors Conduct	11.00	9,625.00	1.00	635.00	30.00	14,850.00	-	-	-	-
Trading	313.70	283,930.00	666.20	304,380.50	688.20	316,608.75	328.90	126,442.25	460.70	70,447.50
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-	-
Ongoing Trading	-	-	16.00	11,520.00	-	-	-	-	-	-
Monitoring Trading	-	-	-	-	-	-	-	-	-	-
Closure of Trade	-	-	-	-	-	-	-	-	-	-
Realisation of Assets			16.00	11,520.00	-	-	-	-	-	-
Book Debts	515.50	453,010.00	4.00	2,880.00	5.00	2,475.00	-	-	-	-
Other Assets (e.g. Stock)	3.50	3,062.50	43.00	30,960.00	-	-	-	-	-	-
Charitable Assets	-	-	-	-	-	-	-	-	-	-
Property / Freehold and Leasehold	-	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-	-	-
Sale of Businesses / Assets	-	-	-	-	-	-	-	-	-	-
Third Party Assets	-	-	-	-	-	-	-	-	-	-
Creditors	619.00	454,072.50	47.00	33,940.00	5.00	2,475.00	-	-	-	-
Employees	27.00	23,625.00	-	-	53.20	26,334.00	-	-	182.90	56,634.50
Preferential	-	-	-	-	-	-	-	-	-	-
Secured	-	-	-	-	-	-	-	-	-	-
Shareholders	221.00	197,612.50	31.50	20,787.50	194.20	98,219.00	36.50	16,355.00	25.60	6,538.50
Unsecured	248.00	221,287.50	31.50	20,787.50	247.40	122,653.00	36.50	16,355.00	218.50	63,474.00
Case Specific Matters										
Litigation	-	-	-	-	5.00	2,475.00	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-	-
VAT	74.10	76,275.50	38.60	39,225.00	-	-	-	-	0.90	235.50
Tax	25.70	25,531.50	14.90	13,164.00	-	-	3.60	1,395.00	23.80	6,302.00
	99.80	103,807.00	63.50	62,389.00	6.00	2,475.00	3.60	1,395.00	34.70	6,637.50
TOTAL HOURS & COST	1,314.46	1,183,617.00	786.30	463,112.00	1,114.80	629,430.75	393.20	162,803.25	818.20	172,246.50
AVERAGE RATE/HOUR PER GRADE		£ 900.39		£ 604.35		£ 474.01		£ 388.61		£ 210.62
FEES DRAWN										

# Remuneration and expenses – Balli Steel plc

## Joint Administrators' time costs for the period 20 March 2013 to 30 June 2015

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rates	
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)	Cost (£)
Administration and Planning	-	-	3.90	2,497.50	3.90	1,887.00	3.60	1,450.00	32.70	9,697.50	44.00	15,532.00	353.00	
Cashiering and Stationery Filing	-	-	0.05	31.75	0.40	198.00	1.10	445.50	11.90	3,306.50	13.45	3,881.75	298.04	
Case Management and Closure	5.00	4,375.00	0.20	127.00	-	-	-	-	24.50	7,227.50	29.70	11,729.50	394.83	
Initial Actions	20.00	17,500.00	21.30	13,780.50	-	-	-	-	7.70	2,271.50	49.00	33,552.00	664.73	
Union with Other Insolvency Practitioners	26.00	21,875.00	25.45	16,436.75	4.20	2,035.00	4.70	1,855.50	76.80	22,603.00	136.15	64,795.25	478.91	
General Reporting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investigations	22.00	19,250.00	19.00	12,085.00	80.10	38,649.50	-	-	-	-	121.10	70,964.50	595.00	
Reports on Directors' Conduct	36.00	31,500.00	7.00	4,445.00	87.80	43,461.00	-	-	-	-	130.90	78,406.00	607.09	
Trading	64.00	60,750.00	26.00	16,610.00	167.80	83,119.50	-	-	-	-	251.80	160,370.50	596.85	
Day 1 Control of Trading	2.00	1,750.00	-	-	-	-	-	-	-	-	2.00	1,750.00	875.00	
Ongoing Trading	21.00	18,375.00	-	-	26.10	12,819.50	-	-	-	-	47.10	31,294.50	664.43	
Monitoring Trading	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closure of Trade	23.00	20,125.00	-	-	26.10	13,519.50	-	-	-	-	49.10	33,644.50	673.00	
Realisation of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Book Debts	8.00	7,000.00	-	-	8.30	4,108.50	-	-	-	-	16.30	11,108.50	681.50	
Other Assets (e.g. Stock)	53.00	46,375.00	395.00	253,575.00	15.00	7,425.00	-	-	-	-	463.00	307,375.00	953.88	
Chattel Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property - Freehold and Leasehold	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retention of Title	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State of Business / Assets	-	-	-	-	26.00	12,870.00	-	-	-	-	26.00	12,870.00	495.00	
Third Party Assets	61.00	53,375.00	395.00	253,575.00	49.30	24,423.50	-	-	-	-	605.30	331,353.50	665.76	
Creditors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employees	-	-	-	-	-	-	-	-	0.10	29.50	0.10	29.50	295.00	
Preferential	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Secured	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shareholders	121.00	106,145.00	220.50	140,217.50	208.50	102,217.50	-	-	2.30	678.50	550.30	348,258.50	634.67	
Unsecured	121.00	106,145.00	220.50	140,217.50	208.50	102,217.50	-	-	2.40	708.00	550.40	349,288.00	634.61	
Case Specific Matters	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Litigation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT	-	-	-	-	-	-	-	-	0.40	118.00	0.40	118.00	295.00	
Tax	-	-	-	-	-	-	-	-	0.40	118.00	0.40	118.00	295.00	
TOTAL	268.00	262,270.00	666.95	426,739.25	464.00	224,736.00	4.70	1,855.50	79.80	23,329.00	1,493.25	626,963.75	622.11	
AVERAGE RATE/HOUR PER GRADE		£ 876.94		£ 639.64		£ 495.01		£ 403.30		£ 293.06				
FEES DRAWN														
														371,182.00

# Remuneration and expenses – Balli Trading Limited

## Joint Administrators' time costs for the period 20 March 2013 to 30 June 2015

	Partners & Directors				Assistant Directors				Managers				Assistant Managers				Accountants & Support				TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)		
Administration and Planning	0.20	170.00	13.00	8,256.00	0.80	389.00	4.40	1,778.00	19.50	5,757.50	37.90	16,359.50	431.65										
Chartering and Statutory Filing	-	-	0.10	63.50	0.40	198.00	1.20	498.00	8.80	2,573.50	11.50	3,321.00	298.78										
Case Management and Closure	-	-	0.20	127.00	-	-	-	-	23.10	6,814.50	23.30	6,941.50	297.92										
Initial Actions	-	-	1.30	825.50	-	-	-	-	4.80	1,416.00	6.10	2,241.50	367.46										
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-	-	-	-	-										
General Reporting	0.20	170.00	14.60	9,271.00	1.20	587.00	6.60	2,764.00	67.20	18,547.50	78.60	25,833.60	336.29										
Investigations	5.00	4,375.00	1.00	635.00	-	-	-	-	-	-	5.00	4,375.00	875.00										
Reports on Directors' Conduct	5.00	4,375.00	1.00	635.00	-	-	-	-	-	-	1.00	635.00	635.00										
Trading	-	-	-	-	-	-	-	-	-	-	6.00	5,070.00	845.00										
Day 1 Control of Trading	-	-	-	-	-	-	-	-	-	-	-	-	-										
Ongoing Trading	-	-	-	-	-	-	-	-	-	-	-	-	-										
Monitoring Trading	-	-	-	-	-	-	-	-	-	-	-	-	-										
Closure of Trade	-	-	-	-	-	-	-	-	-	-	-	-	-										
Realisation of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-										
Book Debts	-	-	-	-	-	-	-	-	-	-	-	-	-										
Other Assets (e.g. Stock)	-	-	-	-	-	-	-	-	-	-	-	-	-										
Chattel Assets	-	-	-	-	-	-	-	-	-	-	-	-	-										
Property - Freehold and Leasehold	-	-	-	-	-	-	-	-	-	-	-	-	-										
Retention of Title	-	-	-	-	-	-	-	-	-	-	-	-	-										
Sale of Business / Assets	-	-	-	-	-	-	-	-	-	-	-	-	-										
Third Party Assets	-	-	-	-	-	-	-	-	-	-	-	-	-										
Creditors	-	-	-	-	-	-	-	-	-	-	-	-	-										
Employees	-	-	-	-	-	-	-	-	0.10	29.50	0.10	29.50	296.00										
Preferential	-	-	-	-	-	-	-	-	-	-	-	-	-										
Secured	-	-	-	-	-	-	-	-	-	-	-	-	-										
Shareholders	-	-	3.00	1,905.00	-	-	-	-	2.90	855.50	5.90	2,760.50	467.88										
Unsecured	-	-	3.00	1,905.00	-	-	-	-	3.00	855.00	6.00	2,760.00	465.00										
Case Specific Matters	-	-	-	-	-	-	-	-	-	-	-	-	-										
Litigation	-	-	-	-	-	-	-	-	-	-	-	-	-										
Pensions	-	-	-	-	-	-	-	-	-	-	-	-	-										
VAT	-	-	-	-	-	-	-	-	0.40	118.00	0.40	118.00	295.00										
Tax	-	-	-	-	-	-	-	-	0.40	118.00	0.40	118.00	295.00										
TOTAL HOURS & COST	6.20	4,645.00	18.60	11,811.00	1.20	587.00	6.60	2,764.00	60.60	17,664.60	91.20	38,781.60	403.31										
AVERAGE RATE/HOUR PER GRADE	£ 874.04		£ 635.00		£ 497.50		£ 404.29		£ 289.94														
FEE'S DRAWN																							



4.4



## Remuneration and expenses

### Detailed information

#### Joint Administrators' time costs – work undertaken

A detailed breakdown of the time costs incurred by the Administrators and their staff during the period from 20 March 2013 to 30 June 2015 is shown on the previous pages. Time is charged in six minute increments. The work undertaken has been categorised into the following task headings

#### Administration and planning

- Activities include case set-up and management, statutory reporting and compliance, appointment notifications, processing the extensions to the administrators correspondence and cashing functions

#### Investigations

- Activities include investigating the Companies' affairs and in particular any antecedent transactions and also reporting on director conduct

#### Trading

- Costs allocated to Trading include the orderly cessation of trade subsequent to the commencement of the administration, managing operations, accounting and employees

#### Realisation of Assets

- Activities include identifying, securing and insuring assets, dealing with allocation of proceeds of all realisations, disposals of stock, collection of debts and other fixed asset realisations

#### Creditors

- Activities include set-up of creditor records, creditor communications (in particular with respect to the current status of the settlement agreement and CVA proposals), preferential claims, unsecured claims and employee claims

#### Case specific matters

- VAT accounting for all transactions since the appointment of the Joint Administrators, and
- Reporting to HMRC to fulfil statutory corporation tax requirements



# Remuneration and expenses

## Detailed information

Restructuring Services charge out rates (£/hour)	
Grade	From 1 Sept 2014
Partners & Directors	615 - 970
Assistant Directors	475 - 735
Managers	410 - 660
Assistant Managers	310 - 525
Assistants & Support	50 - 310

The average charge - out rates applicable to this case are provided on pages 16 to 18

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Deloitte Real Estate may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Charge out rates increased on 1 September 2014.



## Remuneration and expenses

### Detailed information

Category 1 Expenses Incurred					
£ (m)	BGP	BSP	BTL	Paid	Unpaid
Bond Insurance	230.01	230.01	230.01	230.01	460.02
Courier	55.00	10.00	10.00	25.00	50.00
IT Hosting charges	59,809.20	-	-	-	59,809.20
Printing	1,417.75	-	-	259.77	1,157.98
Searches	38.46	-	-	38.00	2.46
Storage	9.58	-	-	-	9.58
Tax fees	1,859.86	139.00	139.00	-	2,137.86
Transcripts	1,448.70	-	-	567.90	881.10
Creditor Meeting Costs	8,079.21	-	-	3,500.83	4,578.38
Accommodation	7,480.05	474.00	-	2,882.24	4,977.81
Subsistence	2,416.08	60.96	-	485.11	1,891.93
Telephone - Business Calls	128.72	-	-	-	128.72
Travel	12,047.86	674.20	-	3,815.42	8,908.64
Total	85,024.48	1,568.17	379.01	11,901.98	85,089.68

Category 2 Expenses Incurred					
£ (m)	BGP	BSP	BTL	Paid	Unpaid
Mileage	389.40	-	-	-	389.40
Total	389.40	-	-	-	389.40

#### Expenses

##### Category 1 expenses

The Joint Administrators' direct expenses and disbursements incurred to date (excluding VAT) are set out above

##### Category 2 expenses

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred

#### Creditors' right to request information

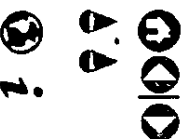
Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request the Joint Administrators to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2.47(1)(fa) and 2.48A of the Rules

#### Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 2.109(4) of the Rules), reducing the amount or the basis of remuneration which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2.109 of the Rules

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports



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