

The Insolvency Act 1986

Statement of administrator's proposals**2.17B**

Name of Company 2K2 Electronic Services Limited	Company number 04308745
In the High Court of Justice Chancery Division Companies Court (full name of court)	Court case number 1238 of 2008

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

We (a) Andrew Gordon Stoneman and Jason James Godefroy
Menzies Corporate Restructuring
43-45 Portman Square
London
W1H 6LY

* Delete as appropriate

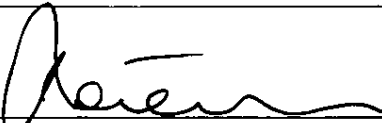
attach a copy of our proposals in respect of the administration of the above company

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

(b) Insert date

(b) 1 April 2008

Signed


Joint Administrator(s)

Dated

1/4/08

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 searches of the

Menzies Corporate Restructuring
43-45 Portman Square
London
W1H 6LY



7487 7240

have completed and signed this form please send it to the Registrar of Companies at

s House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

A48

04/04/2008

187

COMPANIES HOUSE

----- proposals - form 2.17B.doc

FRIDAY

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**2K2 Electronic Services Limited
(In Administration)**

**Joint Administrators' Report and Proposals to Creditors
For the period from 11 February 2008 to 1 April 2008
pursuant to Paragraph 49 of Schedule B1
to the Insolvency Act 1986**

1 April 2008

Names of Joint Administrators: Andrew Gordon Stoneman
Jason James Godefroy

Date of appointment: 11 February 2008

Date of report: 1 April 2008

Appointed by Close Invoice Finance Limited

Court reference: High Court of Justice no. 1238 of 2008

Menzies Corporate Restructuring
43-45 Portman Square
London
W1H 6LY

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1. INTRODUCTION

- 1.1 Jason James Godefroy and I, both of Menzies Corporate Restructuring, were appointed Joint Administrators of 2K2 Electronic Services Limited ("the Company") on 11 February 2008 by Close Invoice Finance Limited ("Close"), the holder of a qualifying floating charge under Paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- 1.2 In accordance with Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 the functions of the Joint Administrators are being exercised by either of us.
- 1.3 This report sets out the circumstances leading up to our appointment and the steps taken by us to date.
- 1.4 Please complete the proxy and proof of debt forms at Appendix 7 and return them to our offices

2. BACKGROUND AND EVENTS LEADING UP TO THE ADMINISTRATION

- 2.1 The Company was incorporated on 22 October 2001 and has traded as an assembler of electronic circuit boards from its freehold premises in Wroxall on the Isle of Wight. Attached, at Appendix 1, is a summary of the Company's statutory information.
- 2.2 The Company was incorporated for the purpose of acquiring an electronic assembly business from a larger electronics group that was in receivership. Following the acquisition of the business and assets, the Company commenced trading in late 2001.
- 2.3 The Company was profitable in its first year of trading, principally due to strong margins derived from the acquisition of low-cost stock from the receivership.
- 2.4 However, the Company made a loss in 2003 due to a fall in the customer order book. These difficulties caused the Company to refinance in 2004, whereby the directors injected capital and converted loans into preference shares. The Company also raised funds through a small firms loan scheme.
- 2.5 The Company continued to experience trading difficulties in 2004 and 2005 and the directors waived a significant proportion of their salaries throughout this period in order to maintain the viability of the Company's business.
- 2.6 The Company improved its turnover in 2006, due to an increase in the customer base, resulting in a profit of £134,000.
- 2.7 However, as a result of historic trading difficulties, the Company had accrued significant arrears of VAT and PAYE/NIC. A deferment plan was agreed with HM Revenue & Customs ("HMRC") to repay these arrears. Although the arrears of PAYE/NIC were discharged, due to ongoing cash flow difficulties the Company was not able to keep up repayment of the VAT arrears.
- 2.8 The Company attempted to renegotiate the deferment plan in late 2006 and early 2007, but was unable to reach a new agreement with HMRC. Attempts were also made to gain additional finance from the equity in the Company's freehold building and debtors, but this also proved unsuccessful.
- 2.9 Once these attempts had failed, the directors approached our firm in order to assist them with proposing a Company Voluntary Arrangement ("CVA") to the Company's creditors.

- 2.10 The proposals were agreed, with modifications, at a meeting of creditors held on 29 June 2007. The proposals provided for a full repayment of all creditors over a four year period.
- 2.11 Initially, trading was in line with forecasts and the monthly contributions of £11,000 were made on time to the Joint Supervisors of the CVA, Jason Godefroy and me. However, later in 2007, the Company's financial position was weakened by a shortfall in turnover, following the loss of one significant customer. Again, the directors suspended payment of their remuneration to assist the position.
- 2.12 The business had by now become increasingly dependent on one customer, which accounted for over half of its turnover. This customer had a poor credit record and, at the commencement of the CVA, the customer promised to put in place a bank guarantee of approximately £100,000 to help secure its trading debt to the Company. Unfortunately, the guarantee never materialised.
- 2.13 Over the next few months, the customer's account became further overdue and, because the amount due was not fully covered by the Company's invoice discounting arrangement, this situation detrimentally affected the Company's cashflow. The Company was therefore unable to keep up to date with its CVA contributions and it also had significant post CVA arrears of PAYE and VAT.
- 2.14 In January 2008, the position worsened further when the customer dishonoured two cheques payable to the Company. The debt was placed in solicitors' hands, and on 6 February 2008, the Company's invoice discounters, Close, withdrew all facilities in respect of that customer.
- 2.15 The directors took further professional advice and invited Close to appoint Administrators as it was clear that the Company was no longer able to honour its obligations under the CVA proposals. Jason Godefroy and I were appointed Joint Administrators of the Company on 11 February 2008. The CVA was subsequently terminated with effect from 4 February 2008.

3 PURPOSE OF THE ADMINISTRATION

- 3.1 The purpose of an Administration is to achieve the following hierarchical objective:
- 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
- 3.2 We consider that the Administration will be successful in achieving the third objective.

4. PROGRESS OF THE ADMINISTRATION TO DATE

- 4.1 The manner in which the affairs and business of the Company have been managed since our appointment and will continue to be managed and financed are set out below

Initial actions on appointment

- 4.2 On our appointment we visited the premises to review the Company's work-in-progress and establish whether it was possible to continue trading for a short period. However, this proved impossible due to insufficient work-in-progress and lack of funding. There was, therefore, no option but to cease trading immediately

Sale of assets

- 4.3 Our agents, SIA Group Limited, prepared a valuation of the Company's assets and stock, and prepared an inventory to provide to interested parties
- 4.4 An offer of £9,328.90 plus VAT was received from two of the current directors for the majority of the assets and the stock. Our agents recommended that this offer be accepted and the sale has now completed. The funds will be forwarded to us in due course.

Freehold Property at Castle Works, Castle Road, Wroxall, Isle of Wight

- 4.5 The Company owns a freehold property subject to a mortgage debenture with National Westminster Bank plc ("Natwest").
- 4.6 Our agents, King Sturge LLP, have valued the property at approximately £250,000. Natwest are owed £104,000 in respect of the mortgage, subject to accruing interest.
- 4.7 We have, with agreement of Natwest, instructed King Sturge LLP to market the property for sale. Once the property has been sold, the proceeds will first be applied to Natwest under their mortgage debenture. Any surplus, after costs of realisation, will be paid into the Administration bank account.

Book debts

- 4.8 The Company has an invoice discounting facility provided by Close.
- 4.9 As at 11 February 2008 the Company's indebtedness to Close was £72,055, subject to accruing interest and charges. The book debt ledger at that date was £181,002.
- 4.10 Close have now collected out in full. The book debt ledger is currently being reassigned and Close hold a credit balance of £89,646, which will be passed to us in due course, subject to Close applying collection fees and final termination charges.
- 4.11 There are estimated to be approximately £18,000 of further book debts to be collected.

Petty cash

- 4.12 Petty cash of £26.80 has been realised.

Investigations

- 4.13 Our investigations into the Company's affairs and the directors' conduct are ongoing.

Receipts and Payments

- 4.14 A summary receipts and payments account is attached, at Appendix 2.

5. STATEMENT OF AFFAIRS

- 5.1 In accordance with Paragraph 47 of Schedule B1 to the Insolvency Act 1986 we have requested that the directors provide us with a Statement of Affairs ("SoA") of the Company.
- 5.2 At the time of preparing this report, the SoA has not been received from the directors, however this is expected shortly.

- 5.3 The assets of the Company are referred to above in Section 4. The Company's liabilities are summarised in Section 7 of this report
- 5.4 A schedule of creditors' names and addresses is attached, at Appendix 3. Some creditor amounts shown may differ from the actual amount owed. This does not affect their ability to claim a different amount.

6. JOINT ADMINISTRATORS' REMUNERATION

- 6.1 In accordance with Rule 2.106 of the Insolvency Rules 1986, as amended, it is proposed that the basis upon which our remuneration should be fixed, is by reference to the time properly given by us and our staff in attending to matters arising in the Administration
- 6.2 Our time costs for the period 11 February 2008 up to and including 28 March 2008 total £29,819. A schedule of these time costs is set out at Appendix 4.
- 6.3 To date, we have not drawn any remuneration.
- 6.4 Our firm has also incurred time costs of £2,642 for work associated with placing the Company into Administration. We have sought a resolution at paragraph 11.1.8 to authorise payment of this amount out of the Company's assets in accordance with Rule 2.67(1)(c) of the Insolvency Rules 1986.
- 6.5 We have incurred Category 1 disbursements of £748 and Category 2 disbursements of £999. These have not yet been paid. A breakdown of all disbursements is included in Appendix 4.
- 6.6 A Creditors' guide to Administrators' fees is attached to the report at Appendix 5.

7. DIVIDEND PROSPECTS / PRESCRIBED PART

Secured Creditors

- 7.1 In consideration for the monies advanced under the invoice discounting facility, the Company granted Close an all assets debenture, dated 2 January 2002, which confers fixed and floating charges over all of the assets of the Company.
- 7.2 As outlined in section 4.10, Close will be paid in full from book debt realisations.
- 7.3 The Company also has a mortgage debenture granted to Natwest, which confers fixed and floating charges over all of the assets of the Company
- 7.4 Natwest are owed approximately £104,000 in respect of a mortgage it holds over the Company's freehold trading premises in the Isle of Wight. Once the property has been sold, Natwest's loan in this regard is expected to be repaid in full and the surplus will be paid into the Administration.
- 7.5 Natwest are owed a further £23,000 in respect of a loan, overdraft and credit cards. We are obtaining legal advice to confirm that this element of Natwest's claim is covered under their floating charge rather than their fixed charge.
- 7.6 A return to Natwest under their floating charge is dependent upon the sale price achieved for the property and also on the level of book debt realisations. Assuming these realisations meet with expectations it is envisaged that Natwest will be repaid in full under their floating charge.

Preferential Creditors

- 7.7 Any claims that employees may have for arrears of pay, subject to statutory limits, and all outstanding statutory holiday pay will rank as a preferential claim against the Company.
- 7.8 The amount due to employees is currently uncertain. Claims are currently being assessed by the Redundancy Payments Office, who will pay employees directly, based on their statutory limits.
- 7.9 It is likely that there will be sufficient funds to pay preferential creditors in full.

Prescribed Part

- 7.10 Pursuant to section 176A of the Insolvency Act 1986 where a floating charge is created after 15 September 2003 a Prescribed Part of the company's net property shall be made available to unsecured creditors.
- 7.11 In this case, the Prescribed Part does not apply as the floating charges granted to Close and Natwest both pre-date 15 September 2003.

Non-preferential Creditors

- 7.12 We are currently receiving claims from the Company's non preferential creditors. According to the Company records, non preferential claims are estimated to be £524,154
- 7.13 We have so far received claims totalling £470,748
- 7.14 Based upon the current information available it is considered that there may be sufficient realisations to enable a small distribution to the non-preferential creditors of the Company, subject to book debt realisations and the sale of the freehold property.

8. EC REGULATION

- 8.1 EC Regulations apply and these proceedings are main proceedings as defined in Article 3 of the EC Regulation. The centre of main interest of the Company is in England within the EC.

9. CREDITORS' MEETING

- 9.1 In accordance with Paragraph 51 of Schedule B1 to the Insolvency Act 1986, a creditors' meeting will be held at 43-45 Portman Square, London W1H 6LY on 17 April 2008 at 10.30am. A notice of the meeting of creditors is enclosed with this report at Appendix 6. We have enclosed a proof of debt form and a proxy form, at Appendix 7, for the purpose of that meeting.
- 9.2 The purpose of this meeting is to vote on our proposals as outlined in section 11 of this report.

10. END OF THE ADMINISTRATION

- 10.1 The options available to us for the exit from the Administration are as follows:
- Compulsory Winding Up
 - Creditors' Voluntary Liquidation
 - Company Voluntary Arrangement
 - Return of control to the director
 - Deregistration of Company (i.e. striking off the Companies House register)

- 10.2 We recommend that, in the event that we form the view that a distribution can be made to non-preferential creditors, the Company should be placed into Creditors' Voluntary Liquidation ("CVL"). If we form the view that a distribution cannot be made to non-preferential creditors, then we recommend that the Company be deregistered once all assets have been realised.

11. JOINT ADMINISTRATORS' PROPOSALS

- 11.1 We propose the following:

- 11.1.1 We continue the Administration to deal with such outstanding matters in relation to the Company as we consider necessary until such time as the Administration ceases to have effect.
- 11.1.2 We do all such other things and generally exercise all of our powers as contained in Schedule 1 of the Insolvency Act 1986, as we, in our sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration
- 11.1.3 To seek an extension to the Administration period if deemed necessary by us.
- 11.1.4 When it is anticipated that no better realisations will be made in the Administration than would be available in a winding up, to take the necessary steps to put the Company into either creditors' voluntary liquidation, company voluntary arrangement or into compulsory liquidation as deemed appropriate by us. It is proposed that Jason Godefroy and I would act as Joint Liquidators should the Company be placed into creditors' voluntary liquidation.
- 11.1.5 In the event that we form the view that the exit options identified in proposal 11.1.4 above are inappropriate, then, in due course, take the necessary steps to give notice to the Registrar of Companies to the effect that the Company has no property which might permit a distribution to its creditors, at which stage the Administration will cease.
- 11.1.6 That we be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration.
- 11.1.7 That our remuneration be fixed by reference to the time properly spent by us and our staff in attending to matters arising in the Administration.
- 11.1.8 That Menzies Corporate Restructuring be authorised to draw fees of £2,642 plus VAT in respect of time costs incurred in assisting in placing the Company into Administration in accordance with Rule 2.67(1)(c).
- 11.1.9 That we be authorised to draw their firm's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements"), if any.
- 11.1.10 That we be authorised to instruct and pay Menzies Chartered Accountants to assist with corporation tax work, employee claims and any other matters the we deem necessary.
- 11.1.11 That we be authorised to instruct and pay Active Receivables Management Limited to assist with the collection of book debts, where considered appropriate.
- 11.1.12 In accordance with Paragraph 83(7) of Schedule B1 of the Insolvency Act 1986 and Rule 2.117(3) creditors may nominate a different person as the proposed liquidator, provided the nomination is received at this office prior to the approval of the revised proposals. In the absence of such nomination, we will be appointed Joint Liquidators.

12. OTHER MATTERS

- 12.1 If any creditor has any information concerning the Company's affairs that they would like to bring to our attention, then we should be pleased to hear from them.
- 12.2 Please complete the proof of debt form at Appendix 7 and return it to our offices, if you have not done so already.

If you require further information or assistance, please do not hesitate to contact my colleague, Claire Taylor

A large, loopy handwritten signature in black ink, which appears to be 'Andrew Gordon Stoneman'.

Andrew Gordon Stoneman
Joint Administrator

Enc.

APPENDIX 1

APPENDIX 1

STATUTORY INFORMATION

Date of incorporation 22 October 2001

Registered number 04308745

Company directors David Rogers
Diane Merkel
Martin Davies
Peter Scott-Jackson
Andrew Scott-Jackson

Company secretary Diane Merkel

Shareholders David Rogers
Diane Merkel
Martin Davies
Peter Scott-Jackson
Andrew Scott-Jackson

Head office Castle Works
Castle Road
Wroxall
Isle of Wight

Registered Office	Current:	Formerly:
	43-45 Portman Square London W1H 6LY	Castle Works Castle Road Wroxall Isle of Wight

Any Other Trading Names MC210 Limited

APPENDIX 2

2K2 Electronic Services Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

From 11/02/2008
To 28/03/2008
£

ASSET REALISATIONS

Petty Cash	26 80
Bank Interest Gross	<u>5 13</u>
	31.93

31.93

REPRESENTED BY

Floating/main current account	<u>31.93</u>
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Note: Book debts have not yet been reassigned from Close and therefore this information has not been included on the receipts and payments account

APPENDIX 3

Menzies Corporate Restructuring
2K2 Electronic Services Limited
B - Company Creditors

Key	Name	Address	£
C100	123-reg co uk	Portland Street, Beeston, Nottingham, NG9 2LP	0.00
C101	1H Roberts & Sons	65 Henton Road, Leicester, LE3 6AY	0.00
CA00	ABC Electronics	Home Farm, Mill Lane, Stillington, York, YO61 1NG	0.00
CA01	Alpha Fry Limited	3 Langlands Place, Kelvin South Business Park, East Kilbride, G75 0YF	0.00
CA02	APEM Components Limited	Drakes Drive, Long Creden, Bucks, HP18 9BA	0.00
CA03	APEX Electronics Limited	Brook House, Mount Pleasant, Crowborough, East Sussex, TN6 2NE	0.00
CA04	Arc Electronics Limited	Lower Ground Floor, 44 Bath Road, Swindon, SN1 4AY	0.00
CA05	Aviza Technology Limited	Ringland Way, Newport, South Wales, NP18 2TA	0.00
CA06	A & S Circuits Ltd	11 Heath Road, Thorpe End, Norwich, NR13 5BQ	0.00
CA07	Abacus Electronics Holdings	Abacus House, Bone Lane, Newbury, Berkshire, RG14 5SF	2,194.90
CA08	Aluminum Shapes Ltd	Princewood Road, Corby, Northants, NN17 4AP	7,511.96
CA09	Anglia Components	Sandall Road, Wisbech, Cambs, PE13 2PS	1,495.69
CA0A	Arrow CMS	London Road Campus, London Road, Harlow, Essex, CM17 9NA	15,976.92
CA0B	Avnet EMG Ltd	Avnet House, Rutherford Close, Stevenage, Hertfordshire, SG1 2EF	1,020.13
CA0C	Azon Components Solutions	Unit 10, Waterside Business Park, Eastways, Wickham Essex, CM8 3YQ	1,872.04
CA0D	AM Transformers Limited	Unit 7 Building 1, Chiltern Paving Estate, Lane End Road, High Wycombe, Buckinghamshire, HP12 4HG	150.99
		Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes, MK14 5LR	0.00
CA0E	Audi Finance		0.00
CA0F	Aktiv Kapital (UK) Limited		0.00
CB00	Beta Pak Limited	Brookley Industrial Park, Pritchetts Way, Rookley, Isle of Wight, PO38 3LT	0.00
CB01	BLT Circuit Services Limited	Brome Industrial Estate, Brome, Eye, Sussex, IP23 7HN	0.00
CB02	Bottomline Technologies	115 Chatham Street, Reading, Berkshire, RG1 7JX	0.00
CB03	British Telecommunications Limited	Durham, DH98 1BT	0.00
CB04	BSI Management Systems	Receipts Office, PO Box 8000, Milton Keynes, MK14 6WW	0.00
CB05	BFI Optilas Ltd	Mill Square, Featherstone Road, Wolverton Mill South, Milton Keynes, MK12 5ZY	72.26
CB06	Block Uk Ltd	24 Bentalls Centre, Colchester Road, Heybridge Maldon, Essex, CM9 4GD	373.54
CB07	British Standards Institute	Management Systems Receipt Office, PO Box 8000, Milton Keynes, MK14 6WW	622.75
CB08	Mr R Wilson	Penningtons Solicitors LLP, Bucklersbury House, 83 Cannon Street, London, EC4N 8PE	6,250.00
CB09	Books For Children	Hargreaves Road, Swindon, SN99 9XX	0.00
CC00	Circuit Component Supplies Limited	Nortex Business Centre, Chorley Old Road, Bolton, Lancashire, BL1 3AS	0.00
CC01	Clipper Components Limited	4 Townsend Piece, Bicester Road, Aylesbury, Bucks, HP19 8BQ	0.00
CC02	C & S Automation Ltd	Unit 2D Lancaster Way, Earls Colne Business Park, Earls Colne, Colchester Essex, CO6 2NS	443.93

Menzies Corporate Restructuring
2K2 Electronic Services Limited
B - Company Creditors

Key	Name	Address	£
CC03	Conro Electronics Ltd	Tither Barn, Estate Yard, Nr Borehamwood, Hertfordshire, WD6 5PL	184.48
CC04	Camden Electronics Limited	15 Porters Wood, Valley Road Industrial Estate, St Albans, Hertfordshire, AL3 6PQ	0.00
CC05	City Link Limited	River Bank, The Meadows Business Park, Blackwater, Camberley, Surrey, GU17 9AB	0.00
CC06	Cardinal Health	Switzerland 317 Sarl, Route de la Vallée, 11 1180 Rolle, Switzerland	0.00
CD00	Distributed Micro Technology	GMAC Commercial Finance plc, PO Box 959, Sovereign House, Brighton, BN1 3YP	0.00
CD01	Demon	Gateway House, 322 Regents Park Road, Finchley, London, N3 2QQ	0.00
CE00	2001 Electronic Components Limited	Eastman Way, Stevenage Business Park, Stevenage, SG1 4SZ	0.00
CE01	Electronics Direct Limited	Headway House, Industrial Park, York Road, Sheriff Hutton, YO60 6RZ	0.00
CE02	Euro-tech (Export) Limited	518 Purley Way, Croydon, Surrey, CR0 4RE	0.00
CE03	Easby Electronics	Gallowfields Trading Estate, Richmond, North Yorkshire, DL10 4TQ	216.21
CE04	EBV Elektronik	12 Interface Business Park, Bicknoll Lane, Wootton Bassett, Wiltshire, SN4 8SY	964.33
CE05	Euroquartz Ltd	Blacknell Lane Crewkerne, Somerset, TA18 7HE	184.83
CE06	Eurooffice Limited	5th Floor, 71 Bondway, London, SW8 1SQ	0.00
CF00	Fedex UK Limited	Parkhouse East Ind Estate, Newcastle Under Lyme, Staffordshire, ST5 7RB	0.00
CF01	Farnell In One	Accounts Office, Canal Road, Leeds, LS12 2TU	9,522.60
CF02	Flint Distribution Ltd	Walker Road, Bardon Hill, Coalville, Leicestershire, LE67 1TU	334.02
CF03	Future Electronics Ltd	Future House, Poyle Road, Colnbrook, Berkshire, SL3 0AA	8,527.77
CF04	Fairview Electronics Limited	Oakley House, Nottingham, Waymouth, Dorset	0.00
CF05	Focus Electronics Distribution Limited	Focus House, Hackmans Lane, Purleigh, Essex, CM3 6RP	0.00
CG00	Greenway Electronic Products	Unit 18 Wealden Place, Bradbourne Vale Road, Sevenoaks, Kent, TN13 3QQ	0.00
CG01	Grove Electronic Sales	Unit 3 Beaver Industrial Estate, 8 Airfield Road, Christchurch, Dorset, BH23 3TG	0.00
CG02	Grove Electronic Sales	Unit 3 Beaver Industrial Estate, 8 Airfield Road, Christchurch, Bournemouth, Dorset, BH23 3TG	79.32
CG03	Gemini Tec Limited	1 Brook Trading Estate, Deadbrook Lane, Aldershot, Hants, GU12 4XU	0.00
CG05	Gearing & Watson Electronics Limited	South Road, Hailsham, West Sussex, BN27 3JJ	0.00
CH02	HM Revenue & Customs	Enforcement & Insolvency Service, Durrington Bridge House, Worthing, West Sussex, BN12 4SE	0.00
CH03	Hitek Calibration Services	Jubilee Estate, Foundry Lane, Horsham, West Sussex, RH13 5UE	0.00
CH04	Hillbans (Vectis) Ltd	Lake Industrial Way, Newport Road, Lake, Isle of Wight, PO36 9PL	246.19
CH05	HM Revenue & Customs	Debt Management & Banking, Voluntary Arrangement Service, Durrington Bridge House, Barrington Road, Worthing, BN12 4SE	0.00
CH06	Hopper William Bell	Highland House, Mayflower Close, Chandlers Ford, Eastleigh, Hants, SO53 4AR	0.00

Menzies Corporate Restructuring
2K2 Electronic Services Limited
B - Company Creditors

Key	Name	Address	£
CH07	HM Revenue & Customs	East Hampshire & Wight Area, Lynx House, 1 Northern Road, Portsmouth, PO6 3XA	0.00
CH08	HM Revenue & Customs	Insolvency Operations, Queens Dock, Liverpool, L74 4AF	372,000.00
CI00	IOTA Device Programming Limited	Sandy Business Park, Unit A1 Gosforth Close, Sunderland Road, Sandy Bedfordshire, SG19 1RB	0.00
CI01	IC Blue Electronics Ltd	Brodrick Buildings, 43-51 Cookridge Street, Leeds, LS2 3AW	258.87
CI02	Initial City Link	Riverbank, The Meadows Business Park, Blackwater Camberley, Surrey, GU17 9AB	1,626.61
CI03	Interconx PCB	20 Mortlake High Street, London, SW14 8JN	24,622.87
CI04	Iota Device Programming Limited	Sandy Business Park, Unit 1A Gosforth Close, Sunderland Road, Sandy Bedfordshire, SG19 1RB	87.42
CI05	Inelco Hunter Limited	Unit 3 Theale Technology Centre, Station Road, Theale, Berkshire, RG7 4XX	0.00
CI06	Interconx (Chilli Marketing) Limited	Unit 3 Kempton Gate, Oldfield Road, Hampton, TW12 2AF	0.00
CJ00	J & L Industrial Supply	7 Pacific Avenue, Wednesbury, West Midlands, WS10 7WP	0.00
CL00	LCR Capacitors (EU) Limited	Unit 18, Rassau Business Park, Ebbw Vale, Gwent, NP23 5SD	915.56
CL01	Leicester Circuits (UK) Ltd	41-45 The Warren, East Goscote Industrial Estate, East Goscote, Leicestershire, LE7 3XJ	3,730.29
CL02	LEM UK Limited	West Lancs Investment Centre, Whitemoss Business Park, Skelmersdale, Lancashire, WN8 9TG	1,129.00
CL03	Lifeline Alarm Systems Ltd	The Island Security Centre, Riverway, Newport, Isle of Wight, PO30 5UX	153.92
CL04	Lintron Electronics Ltd	Unit 6B, Wansbeck Business Park, Ashington, NE63 8QW	942.22
CM00	M R Technical Services	Parsons Paddock, Ames Lane, Kilmersdon, Bath, BA3 5TB	954.28
CM01	Martin Davies	37 Stourview Gardens, Corfe Mullen, Wimbourne, Dorset, BH21 3SZ	4,277.50
CN00	Neutron Limited	The Courtyard, Sevenacres, Smallfield Road, Horne Surrey, RH6 9JP	1,210.83
CN01	Newfields Computers Limited t/a IMS	Nelson Street, Rotherham, South Yorkshire, S65 1EX	1,612.26
CN02	Nobel Electronics	Tudor Cottages, Footscray High Street, Sidcup, Kent, DA14 5HN	1,904.68
CO00	O2 (UK) Limited	260 Bath Road, Slough, Berkshire, SL1 4DX	0.00
CP00	Photo Etch Consultants Limited	19 Maybrook Road, Brownhills, Walsall, WS8 7DG	0.00
CP01	Princeps Electronics Limited	Unit 9C Harlow Seedbed Centre, Coldharbour Road, Pinnacles East, Harlow Essex, CM19 5AF	0.00
CP02	Pacer Components Limited	Unit 4 Horseshoe Park, Pangbourne, Reading, Berks, RG8 7JW	445.92
CP03	Pegasus Electronic System	Unit 4, Eastmead Industrial Estate, Lavant, West Sussex, PO18 0DB	2,134.64
CP04	Peta Limited	9 Acorn Business Park, Northharbour Road, Portsmouth, Hants, PO6 3TH	183.30
CP05	Phoenix Components UK	No1 Riccall Grange, King Ridding Lane, Riccall, York, YO19 6QL	1,321.88
CP06	Photomechanical Services	Unit C Co-ordinated Industrial Esta, Claysdon Lane, Rayleigh, Essex, SS6 7UP	1,043.15

Menzies Corporate Restructuring
2K2 Electronic Services Limited
B - Company Creditors

Key	Name	Address	£
CP07	Pinewood Electronics Limited	Pinewood House, Riverside Business Park, Stansted, Essex, CM24 8ND	1,055.83
CP08	Platinum Sensors Limited	6 Drakeleys Field, Milland, Liphook, Hants, GU30 7NH	996.40
CP09	Plus Opto Limited	B13 Moss Industrial Estate, St Helens Road, Leigh, Lancs, WN7 3PT	852.46
CQ00	Qimtek Limited	The Square, Basing View, Basingstoke, Hants, RG21 4EB	0.00
CR00	Rutronik	Dunscar House, Deakins Business Park, Bolton, BL7 9RP	0.00
CR01	Richco International Co Ltd	Richco House, Springhead Enterprise Park, Springhead Road, Gravesend Kent, DA11 8HE	82.84
CR02	RS Components Ltd	PO Box 99, Corby, Northants, NN17 9RS	627.35
CR03	Rhopoint Components Limited	Hurst Green, Oxted, Surrey, RH8 9AX	0.00
CS00	Sandrock Services Limited	Listead, Sandrock Road, Niton, Isle of Wight, PO38 2NQ	0.00
CS01	Static Safe Environments	6 Stamberrill Industrial Estate, Timmis Road, Lye Stourbridge, West Midlands, DY9 7BQ	0.00
CS02	Salefactors com Ltd	19 Bridgegate, Retford, Notts, DN22 6AJ	1,936.40
CS03	Samtec Europe	117 Deerdrykes View, Cumbernauld, Scotland	3,028.66
CS04	Sandrock Services Ltd	Linstead, Sandrock Road, Niton, Isle of Wight, PO38 2NQ	52.17
CS05	Selwyn Electronics Ltd	Unit B8 Chaucer Business Park, Kemsing, Nr Sevenoaks, Kent, TN15 6QY	54.46
CS06	Sharper Components	Woodside House, Woodside Road, Winkfield, Windsor, SL4 2DX	525.81
CS07	Sparks Laser Services Ltd	1 Mills Court, Swinborne Road, Burnt Mills Industrial Estate, Basildon Essex, SS13 1EH	3,290.00
CS08	Spirit Circuits Ltd	22-24 Aston Road, Waterlooville, Hants, PO7 7XJ	6,873.38
CS09	ST Electronics Ltd	Unit 2, Theale Technology Centre, Station Road, Theale Berkshire, SL1 4HA	2,824.97
CS0A	Switchtec Electronics Ltd	Brooms Road, Stone Business Park, Stone, Staffordshire, ST15 0SH	5,488.01
CS0B	Sage (UK) Limited	PO Box 888, Corby, Northampton, NN17 5UB	0.00
CS0C	Sterling Life Limited	Ambassador House, Paradise Road, Richmond upon Thames, Surrey, TW9 1SQ	0.00
CT00	The Business Support Group	The Wood, Station Road, Keele, Staff, ST5 5AH	0.00
CT01	Torberry Connectors Limited	Jubilee Park, Jubilee Road, Waterlooville, Hants, PO7 7RE	0.00
CT02	TRG Components	TRG House, Deer Park Farm, Hursley, Winchester, SO12 2LD	0.00
CT03	The Business Support Group	The Wood, Station Road, Keele, Staffs, ST5 5AH	3,107.97
CT04	TPD UK Ltd	Unit 19 Chamberlayne Road, Moreton Hall Industrial Estate, Bury St. Edmunds, Suffolk, IP32 7EY	1,885.94
CT05	TR Fastening Limited	Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW	0.00
CT06	TTI Incorporated	2 Clivenden Office Village, Lancaster Road, Cressex Business Park, High Wycombe, Bucks, HP12 3YZ	0.00
CU00	UPS UK Ltd	AR Dept, Gresham Road, Bermuda Ind Estate, Nuneaton Warks, CV10 7QR	171.23
CV00	Vodafone	PO Box 549, Banbury, OX17 3ZJ	0.00

**Menzies Corporate Restructuring
2K2 Electronic Services Limited
B - Company Creditors**

Key	Name	Address	£
CV01	VTM (UK) Ltd	8 Cornium Centre, Raans Road, Amersham, Bucks, HP6 6JQ	52.99
CW00	Westridge Waste Limited	The Yard, Bullen Road, Ryde, Isle of Wight, PO33 1AU	0.00
CW01	Westridge Waste Ltd	The Yard, Bullen Road, Ryde, Isle of Wight, PO33 1AU	186.69
CW02	Whistler Technology Limited	c/o Coface UK, Egale 1, 80 St Albans Road, Watford, WD17 1RP	12,260.10
EF00	Mr M Fitzgerald	24 Windsor Drive, Shanklin, Isle of Wight, PO37 7PB	0.00
EM00	Mr T Martin	24 Hatherton Road, Shanklin, Isle of Wight, PO37 3NA	0.00
EO00	Mr M Oxley	10 Badgers Close, Wroxall, Isle of Wight, PO38 3AY	0.00
ET00	Mrs P Tuckwell	Phoenix House, 4-6 Prospect House, Shanklin, Isle of Wight, PO37 6AE	0.00
EW00	Mr S Webb	6 Robin Hood Street, Newport, Isle of Wight, PO30 2AJ	0.00
RD00	Martin Davies	37 Stourview Gardens, Corfe Mullen, Wimborne, Dorset, BH21 3SZ	0.00
RM00	Diane Merkel	23 Victoria Crescent, Ryde, Isle of Wight, PO33 1DQ	0.00
RR00	David Rogers	The Wood, Station Road, Keele, Staffordshire, ST5 5AH	0.00
RS00	Andrew Scott Jackson	9A Furze Hill Road, Shanklin, Isle of Wight, PO37 7PA	0.00
RS01	Peter Scott Jackson	132 Broadway, Sandown, Isle of Wight, PO36 9AQ	0.00
132 Entries Totalling			524,153.72

APPENDIX 4

2K2 Electronic Services Limited (In Administration)

Analysis of Administrators' time costs for the period 11 February 2008 to 28 March 2008

Classification of Work Function	Hours					Total Hours	Time Cost £	Average Hourly Rate £
	Partner	Manager	Senior	Assistants	Support			
Book debts		2 70				2 70	661 50	245 00
Cashiering & accounting		0 10	0 80	0 70		1 60	284 50	177 81
Closings			0 20			0 20	44 00	220 00
Employee matters		2 40		2 90		5 30	805 50	151 98
Financial review	4 00					4 00	1,560 00	390 00
Fixed charge assets		11 50				11 50	2,908 50	252 91
Floating charge assets		6 10				6 10	1,494 50	245 00
General admin		0 30		23 30	0 30	23 90	1,827 00	76 44
General correspondence		8 30				8 30	2,079 00	250 48
IPS set up & maintenance		4 10		2 40		6 50	1,184 50	182 23
Meetings				1 20		1 20	90 00	75 00
Reporting to appointor		0 70				0 70	217 00	310 00
Retention of title		1 60		0 80		2 40	452 00	188 33
Statement of affairs		0 60				0 60	160 00	266 67
Strategy planning & control	13 50	13 40				26 90	8,678 00	322 60
Trading - operations		22 80		13 10		35 90	6,607 50	184 05
Unsecured creditors		2 60	0 10	0 20		2 90	765 00	263 79
Total Hours	17.50	77.20	1.10	44 60	0 30	140 70	29,818 50	
Total Fees Claimed (£)	6,825 00	19,369.00	242.00	3,376.50	6 00		29,818 50	

Analysis of unpaid category 1 disbursements for the period 11 February 2008 to 28 March 2008

Classification of Work Function	£
Travel and subsistence	576 04
Statutory Advertising	130 36
Mail redirection	23 95
Land registry search	12 00
Company search	6 00
Total	748.35

Analysis of unpaid category 2 disbursements for the period 11 February 2008 to 28 March 2008

Classification of Work Function	£
Menzies Outsourcing	998 75
Total	998.75

APPENDIX 5

MENZIES CORPORATE RESTRUCTURING

PROFESSIONAL FEES – SIP 9

MCR's mission statement is "to provide clients with an outstanding service based on technical excellence, effective problem solving and the highest level of client care". It provides a quality, partner led service and takes compliance with insolvency legislation and best practice guidance seriously

This guide to our fees has been produced to provide creditors with information required by best practice guidance. We recommend that this guidance is read in conjunction with the note entitled "A Creditors Guide to Administrators Fees", which is attached.

At MCR we seek to recover fees on time cost basis. Set out below are our firm's hourly rates, with effect from 1 January 2008, excluding VAT:

	£
Insolvency Practitioner Partners	290 - 390
Managers/Directors	180 - 340
Supervisors	115 - 220
Assistants/Support staff	20 - 120

Other specialists may be called upon from within Menzies Chartered Accountants with hourly rates at between £50 and £250 per hour. Work undertaken to review and reclaim corporation tax prior to the appointment of administrators, when undertaken by Menzies Chartered Accountants, is charged as a percentage of realisations. The rate usually applied is 10%.

In addition, we occasionally use an associated business, Active Receivables Management Limited to assist with the collection of book debts and other matters that the officeholders deem necessary. Depending upon the complexity and difficulties with the debtor records, work is undertaken on a basis of a percentage of realisations. The rate usually applied is 10% plus VAT and expenses.

As previously stated, MCR prides itself on the quality of work undertaken. With that in mind, we would invite creditors to consider the following points:

1. Our own standards mean that we undertake an investigation into the affairs of all companies in liquidation irrespective of the level of realisations that will be achieved.
2. The practice has to meet its own overheads and those associated with an insolvent state irrespective of when fees are available from a particular case. We endeavour to allocate tasks to staff with the appropriate skills and at an appropriate charge-out rate.
3. Expenses and disbursements incurred by MCR in dealing with the administration of insolvent estates are discharged as a practice overhead out of fee income. This means that there are no hidden costs for recharging the use of internal meeting rooms, document storage and other services provided by the firm.
4. For the avoidance of doubt, direct costs relating to the administration of an estate are recovered if funds permit. These include, where applicable, advertising, travel expenses and expense claims by MCR staff where they are obliged to work away from the office. MCR only seeks to recover the costs of printing, room hire and document storage provided by external suppliers.

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

Where Petition Presented or Appointment Made On or After 15 September 2003

ENGLAND AND WALES

1 Introduction

- 1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

2 The nature of administration

- 2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,

or, if the administrator thinks neither of these objectives is reasonably practicable

- realising property in order to make a distribution to secured or preferential creditors

3 The creditors' committee

- 3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions

4 Fixing the administrator's fees

- 4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either

- as a percentage of the value of the property which the administrator has to deal with, or
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is fixed as a percentage fix the percentage to be applied

Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

4.2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of –

- each secured creditor of the company; or
- if the administrator has made or intends to make a distribution to preferential creditors –
 - each secured creditor of the company; and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4.4 A resolution of creditors may be obtained by correspondence

5 What information should be provided by the administrator?

5.1 When seeking fee approval

5.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought;
- the stage during the administration of the case at which it is being sought, and
- the size and complexity of the case

5.1.2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the

charge-out rates of all grades of staff, including principals, which are likely to be involved on the case

- 5.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain

- Any significant aspects of the case, particularly those that affect the amount of time spent
- The reasons for subsequent changes in strategy
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

- 5.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff

5.2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

5.3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

6 What if a creditor is dissatisfied?

- 6.1 If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

7 What if the administrator is dissatisfied?

- 7.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

8. Other matters relating to fees

- 8.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.

- 8.2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court

9. Provision of information – additional requirements

In any case where the administrator is appointed on or after 1 April 2005 he must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is –

- the total number of hours spent on the case by the administrator or staff assigned to the case;
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator's appointment, or where he has vacated office, the date that he vacated office

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.

APPENDIX 6

Rule 2.35

Notice of a meeting of creditors

Name of Company 2K2 Electronic Services Limited	Company number 04308745
In the High Court of Justice Chancery Division Companies Court (full name of court)	Court case number 1238 of 2008

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

Notice is hereby given by (a) Andrew Gordon Stoneman and Jason James Godefroy of 43-45 Portman Square, London, W1H 6LY

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

That a meeting of creditors of (b) 2K2 Electronic Services Limited of 43-45 Portman Square, London, W1H 6LY,

(c) Insert details of place of meeting

Is to be held at 43-45 Portman Square, London, W1H 6LY on (d) 17 April 2008 at 10 30am

(d) Insert date and time of meeting

*Delete as applicable

The meeting is

~~*(1) an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ("the Schedule"),~~
~~*(2) an initial creditors' meeting requested under paragraph 52(2) of the Schedule,~~
~~*(3) to consider revisions to my proposals under paragraph 54(2) of the Schedule,~~
~~*(4) a further creditors' meeting under paragraph 56 of the Schedule,~~
~~*(5) a creditors' meeting under paragraph 62 of the Schedule~~

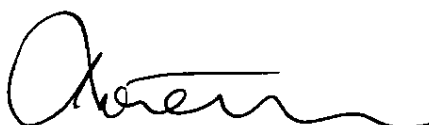
I invite you to attend the above meeting

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented

In order to be entitled to vote under Rule 2.38 at the meeting you must give to me, not later than 12 00pm on the business day before the day fixed for the meeting, details in writing of your claim

*Delete as applicable

Signed


Joint Administrator

Dated

1/4/08

A copy of the proposals is attached

4

APPENDIX 7

Proxy (Administration)

2K2 Electronic Services Limited

Name of Creditor _____

Address _____

Name of Proxy Holder

1 _____

2 _____

3 _____

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend, please state the name(s) of the alternatives as well.

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion.

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 17 April 2008, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

Voting Instructions for resolutions

*Please delete as appropriate

1 For the acceptance/rejection* of the administrator's proposals as circulated

2 For the appointment of

of

representing _____

as a member of the creditors' committee

This form must be signed

Signature _____ Date _____

Name in CAPITAL LETTERS _____

Position with creditor or relationship to creditor or other authority for signature

Only to be completed if the creditor has not signed in person

Remember there may be resolutions on the other side of this form

Proof of Debt – General Form

2K2 Electronic Services Limited (In Administration)

Date of administration 11 February 2008

1	Name of creditor (If a company please also give company registration number)	
2	Address of creditor for correspondence	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration	
4.	Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the administrator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting)	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	

For Administrators' Use only

Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Administrator	Administrator