

The Insolvency Act 1986

Administrator's progress report

Name of Company

Kinetics Group Limited

Company number

05931864

In the
High Court of Justice, Chancery Division,
Birmingham District Registry

(full name of court)

Court case number
8271 of 2011(a) Insert full
name(s) and
address(es) of
administrator(s)We (a)
K J Coates
Zolfo Cooper
10 Fleet Place
London
EC4M 7RBG M Wild
Zolfo Cooper
Toronto Square
Toronto Street
Leeds
LS1 2HJA C O'Keefe
Zolfo Cooper
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB

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

From

To

(b) Insert date

(b) 09/12/2011

(b) 06/05/2012

Signed


Joint Administrators

Dated

7. 6 12

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

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FRIDAY

Joint Administrators' Progress Report for the period 9 December 2011 to 6 May 2012

The Lord Group Limited
Kinetics Group Limited and
Cameron Industrial Services Limited
All in Administration

16 May 2012



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Joint Administrators' Progress Report
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1 Statutory information

- 1.1 Anne O'Keefe was appointed Joint Administrator of The Lord Group Limited (Lord), Kinetics Group Limited (KGL) and Cameron Industrial Services Limited (CIS) (together the Companies) together with Graham Wild and Kevin Coates on 9 June 2011 by the High Court of Justice, Chancery Division, Birmingham District Registry. The application for the appointment of Administrators was made by Sovereign Capital Limited Partnership II (Sovereign), as the holder of a qualifying floating charge.
- 1.2 The Administrations are being handled by Zolfo Cooper's Manchester office, situated at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.
- 1.3 The Administrations are registered in the High Court of Justice, Chancery Division, Birmingham District Registry, under reference numbers 8272, 8271 and 8273 of 2011 respectively.
- 1.4 Lord's trading address was Unit 7, Clifton Business Park, Wynne Avenue, Manchester. KGL's trading address was Enterprise House, Morden, Surrey. CIS traded from three properties. Unit 2, Hurricane Court, Liverpool, Unit 30, Wellington Employment Park South, Dunes Way, Liverpool and Unit 128, Metroplex Business Parkway, Broadway, Salford.
- 1.5 The registered offices of the Companies have been changed to c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB and their registered numbers are 00671369, 05931864 and 00749087 respectively.
- 1.6 In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Joint Administrators are to be exercised by any or all of the Joint Administrators.
- 1.7 Lord, KGL and CIS, along with Hudson Engineering Services Limited - in Administration (Hudson) and Seaflame Company Limited (Seaflame) - in Administration, formed part of the Kinetics Group (the Group).

2 Progress of the Administration

- 2.1 Attached at Appendices A, B and C are the Joint Administrators' Receipts and Payments Accounts for the period 9 December 2011 to 6 May 2012, together with a Cumulative Receipts and Payments Accounts for the period 9 June 2011 to 6 May 2012 for the Companies.
- 2.2 As previously advised, the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
 - rescuing each of the Companies as a going concern; or
 - achieving a better result for the Companies as a whole than would be likely if the Companies were wound up (without first being in Administration), or
 - realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.3 The Joint Administrators pursued the second objective of achieving a better result for the Companies creditors as a whole than would be likely if the Companies were wound up (without first being in Administration). The objective will be achieved by a sale of the assets allowing distributions to be made to the secured creditor. Further information in this regard can be found in section 6.

Sale of business

- 2.4 The Joint Administrators' previous reports provided details regarding the sale of the Companies' assets to SCP Renewable Energy Limited, now Kinetics Facility Services Limited - in Administration (KFS), and therefore those realisations have not been commented on in this report, other than to confirm that the £42,000 in relation to furniture and equipment, previously held by Seaflame, has been transferred to KGL

Third party contribution to costs

- 2.5 As previously reported KFS made a contribution towards the costs of the Administrations of Lord, KGL, CIS, Seaflame, Walmotts (Holdings) Limited and T A Horn Holdings Limited totalling £290,000. At present, £50,000 is currently held by Lord, £159,829 by KGL and £40,171 by CIS.

Book debts

- 2.6 As detailed in the Joint Administrators' previous reports, the Companies were collectively owed £1.29 million as at 9 June 2011. In addition, there were accrued and un-invoiced sales of £1.26 million and outstanding work in progress (WIP) of £0.6 million, split between the Companies as follows

Company	WIP (£)	Debtors (£)	Accrued sales (£)	Total (£)
Lord	37,952	135,115	293,856	466,923
KGL	-	-	-	-
CIS	568,272	1,151,946	964,064	2,684,282
Total	606,224	1,287,061	1,257,920	3,151,205

- 2.7 The previous agreement to collect the outstanding book debts between KFS and our agents, Naismiths Limited (Naismiths), was terminated upon the Administration of KFS. Subsequently, the Administrators of KFS (Neil Mather, Dean Watson and Gary Lee of Begbies Traynor Group) retained a number of key staff to assist in the collection of the outstanding debts due to both KFS and the Group.
- 2.8 As previously advised, the Joint Administrators of each of the companies in the Group and the Joint Administrators of KFS have incurred costs associated with the debt collection process such as rent, wages and telephone calls. Whilst these costs have been paid by the company which held the existing contract, a proportion of the combined costs will be attributed to KFS and each of the Group companies.
- 2.9 Taking into consideration the costs incurred by KFS and other Group companies, the total debt collections costs which are attributable to Lord and CIS are estimated to be £22,000 and £29,000 respectively. As there are no debts due to KGL the costs paid by KGL will be refunded by the other Group companies in due course.
- 2.10 The Joint Administrators have continued to collect the outstanding book debts under one process due to the complex nature of the contracts held by the Group. Drivers Group Plc (Drivers) were appointed in December 2011 to assist and advise on the collection of the outstanding debts.
- 2.11 Drivers have reviewed the debts, and the associated contracts, to determine what recovery strategy is required and the likely cost and timescale of collection. As a consequence of the complex nature of the contracts, the collection process has become protracted and a

further period of time is required to enable the Joint Administrators to collect the outstanding debts. This process is further complicated by the fact that contracts may be in one company name but the work completed by another company within the Group. As a result, a number of significant contracts remain outstanding and the Joint Administrators and Drivers continue to liaise with the debtors. The gross value of the debts still to be collected is £0.2 million for Lords and £1.8 million from CIS. The Joint Administrators are aware that amounts will be offset against these debts.

- 2.12 As at 6 May 2012 recoveries totalling £302,810 and £246,198 have been made in Lord and CIS respectively. Please note that the VAT on a number of receipts received in relation to invoices raised by Lord after the Administrators' appointment has been reallocated and as a result the Receipts and Payments account at Appendix A shows that book debt collections in the period are reduced by £14,602.
- 2.13 The Joint Administrators previously confirmed that they would provide an update on the overall estimated to realise figure for the ledger within this report. As negotiations with significant contracts remain ongoing, the Joint Administrators do not wish to prejudice these and will provide an update in our next report.

Other assets

The Lord Group Limited

- 2.14 At the date of the Joint Administrators' appointment, Lord had cash at bank of £12,726.
- 2.15 The Joint Administrators have received a refund of £3,385 in relation to an overpayment of non-domestic business rates for the period prior to the Joint Administrators' appointment.
- 2.16 Sundry receipts from various parties total £38,516.

Kinetics Group Limited

- 2.17 As previously reported, KFS were granted a licence to occupy the property which was leased by KGL and which was terminated upon the insolvency of KFS. KFS forwarded £19,573 to KGL in order to pay the first month's rent. The debt collection process continued to be operated from the property which was vacated on 24 December 2011 and a surrender of the lease was subsequently offered to the landlord on that date.
- 2.18 Sundry receipts for the period are shown as a reduced balance on the Receipts and Payments Account as £39 previously coded as a sundry receipt actually related to monies due to Hudson.
- 2.19 KGL sold a motor vehicle for £2,900, prior to the Joint Administrators' appointment. The funds were subsequently received in the Administration and are shown on the Receipts and Payments Account.
- 2.20 The Joint Administrators have received £500 in relation to an insurance refund.
- 2.21 At the date of the Joint Administrators' appointment KGL had cash at bank of £37,575.

Cameron Industrial Services Limited

- 2.22 As reported previously, CIS's pre-appointment solicitors were holding funds totalling £2,301 and these have been transferred to the Joint Administrators.

- 2.23 The Joint Administrators have received a refund of £398 in relation to an overpayment of non-domestic business rates for the period prior to the Joint Administrators' appointment
- 2.24 The Joint Administrators have received sundry receipts totalling £1,092

Joint Administrators' incurred costs

- 2.25 The following costs have been incurred to date by the Joint Administrators but remain unpaid

Supplier	Lord (£)	CIS (£)	KGL (£)
DLA Piper UK LLP (legal)	2,426	11,217	5,090
Various costs associated with the debt collection process	21,741	12,688	-
Total	24,167	23,905	5,090

3 Assets still to be realised

- 3.1 As detailed in section 2, the Joint Administrators are pursuing the collection of the remaining book debts on Lord and CIS
- 3.2 The Joint Administrators previously reported that they were investigating two transactions made by KGL immediately prior to the Joint Administrators' appointment, and confirm that investigations are ongoing.

4 Pre-administration costs

- 4.1 The pre-administration costs were reported in the Joint Administrators' proposals dated 19 July 2011. The Joint Administrators have not yet received the required approval to settle these costs and continue to liaise with the relevant parties

5 Joint Administrators' remuneration

- 5.1 The Joint Administrators have not yet received the requisite approval for the basis of their remuneration and continue to discuss the matter with the relevant creditors. The Joint Administrators proposed that the basis of their remuneration be fixed by the reference to the time costs spent by them and their staff
- 5.2 The Joint Administrators' time costs for the period 9 December 2011 to 6 May 2012 in relation to each of the companies are set out below:

	Time costs (£)	Number of hours	Average rate per hour (£)
Lord	14,847	72	206
KGL	45,186	195	232
CIS	21,977	100	219

- 5.3 Attached at Appendices D, E and F are Time Analyses for the period for each of the Companies which provide details of the activity costs incurred by staff grade.

- 5 4 The Joint Administrators can confirm that category 2 disbursement of photocopying, charged at the rate of ten pence per sheet for notifications and reports to creditors and other copying, has been incurred, however, not yet drawn.
- 5 5 Principal areas of activity during the period are discussed in further detail below.
- **Administration and planning** - time has been incurred implementing the case strategies, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
 - **Realisation of assets - fixed charge** - time has been incurred in dealing with the completion of the pre-packaged sale to KFS.
 - **Realisation of assets - floating charge** - includes liaising with the agent in respect of valuations of the assets and the sale to KFS. Time has also been spent corresponding with a number of leasing companies to arrange the collection of the assets from the respective company premises.
 - **Asset realisations - debtors** - a significant amount of time has been incurred reviewing the companies' book debt ledgers, corresponding with employees of KFS, the Administrators of KFS, Naismiths and Drivers, regarding likely realisations. Time has been charged to communicating and negotiating with debtors regarding outstanding balances and dealing with disputes.
 - **Investigations** - time has been incurred conducting investigations into the directors' conduct together with the companies' dealings prior to the appointment of the Joint Administrators.
 - **Creditors** - time has been incurred preparing statutory reports. Time has also been spent dealing with employee claims correspondence and reporting to the secured creditor.
- 5 6 Also attached at Appendices G, H and I are Cumulative Time Analysis for the period 8 June 2011 to 6 May 2012 which provides details of the activity costs incurred by staff grade since the Joint Administrators' appointment.
- 5.7 Appendix J contains additional information in relation to the Joint Administrators' policy on staffing, the use of sub-contractors, disbursements and details of their current charge-out rates by staff grade.

6 Estimated outcome for creditors

Secured creditor - Sovereign Capital Limited Partnership II

- 6 1 The Companies granted fixed and floating charge debentures and guarantees to Sovereign on 8 April 2011. At the date of the Joint Administrators' appointment Sovereign was owed £49 million (excluding interest and charges) under its security across the Group.
- 6 2 To date, distributions from KGL and CIS total £680,449 and £17,800 respectively, with further distributions of £3,852,646 being made from Seaflame. Sovereign will suffer a significant shortfall on its lending.

Preferential creditors

- 6.3 Due to the structure of the Group, many employees were employed by one company but worked for, and were paid by, another company within the Group. The Joint Administrators have taken legal advice in relation to the company with which the individual employee should lodge their claim. The employee claims will be attributed to the company from which their wages were paid and not the company with which their employment contract was held. Based on current information, preferential creditors are anticipated to be in the region of £54,000 on Lord, £15,000 on KGL and £297,000 on CIS.
- 6.4 The preferential creditors will be repaid in full on Lord, however the fund available in CIS will be determined by the level of book debt collections. There will be no dividend available for the preferential creditors on KGL unless there is a recovery from the transactions discussed in section 3.2.

Unsecured Creditors' Fund

- 6.5 Pursuant to section 176A of the Insolvency Act 1986, where there is a floating charge which post-dates 15 September 2003, the Joint Administrators are required to create a fund from the Company's net property available for the benefit of unsecured creditors (Unsecured Creditors' Fund).
- 6.6 As KGL, Lord and CIS granted a floating charge to the secured creditor after 15 September 2003, the Joint Administrators are required to create an Unsecured Creditors' Fund. The value of the Unsecured Creditors' Fund will be determined by the level of book debt collections but is estimated to be approximately £40,000 for Lord.
- 6.7 There will not be an Unsecured Creditors' Fund available for CIS's unsecured creditors and unlikely to be one available in KGL.

7 Ending the Administration

Creditors' Voluntary Liquidation (CVL)

- 7.1 As the Joint Administrators believe that there will be sufficient assets to enable a distribution to unsecured creditors of Lord, they will file a notice with the Registrar of Companies in order that the Administration will cease and Lord will move automatically into CVL. Should there be sufficient funds to enable a distribution to be made to the unsecured creditors of KGL and CIS, these companies will also move from Administration to CVL.

Dissolution

- 7.2 Should there be insufficient assets to enable distributions to the unsecured creditors, the Joint Administrators will file a notice together with their final progress reports at Court and with the Registrar of Companies for the dissolution of the relevant company. The Joint Administrators shall send copies of these documents to the relevant company and its creditors. The appointment will end following the registration of the notice by the Registrar of Companies.
- 7.3 The Administrations are due to end automatically on 7 June 2012, however it will not be possible to conclude all outstanding matters in the Administrations prior to this date. Therefore, the Joint Administrators are seeking the approval of the secured and

preferential creditors, for an extension to the Administrations for a period of six months in accordance with paragraph 78 of schedule B1 of the Insolvency Act 1986

- 7 4 The Joint Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Insolvency Act 1986 directly after their appointment as Joint Administrators ceases to have effect.


8 Creditors' rights

- 8 1 Within 21 days of the receipt of the report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report
- 8.2 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this progress report, make an application to court on the grounds that the basis fixed for the Joint Administrators' remuneration, the remuneration or the expenses incurred by the Joint Administrators as set out in this progress report are excessive

9 Next report

- 9 1 This report has been prepared for creditors in support of the request to extend the Administrations by six months. In the event that the request to extend the administrations is approved, a further report will be circulated to all creditors within one month of the next six month period ended 6 November 2012, or sooner if the Administrations have been finalised

For and on behalf of
The Companies



Anne O'Keefe
Joint Administrator

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The Lord Group Limited - Receipts and Payments Account for the period 9 December 2011 to 6 May 2012 and a Cumulative Account for the period 9 June 2011 to 6 May 2012 **Appendix A**

Statement of Affairs	09/12/2011 - 06/05/2012	09/06/2011 - 06/05/2012
£	£	£
Floating charge assets		
Receipts		
233,000 Book debts	(14,602)	302,810
Cash at bank	-	12,726
Sundry receipts	38,516	38,516
Rates refunds	-	3,385
Bank interest gross	99	227
Third party contribution to costs	-	50,000
	<u>24,013</u>	<u>407,664</u>
Payments		
Agents'/valuers' fees	5,498	12,073
Security costs	1,252	5,689
Hill & Knowlton	-	844
Insol Group Limited	-	2,860
Debt collection fees	795	795
Category 1 disbursements		
Stationery and postage	114	431
Storage costs	2,938	2,938
Re-direction of mail	54	54
Bank charges	9	164
	<u>(10,660)</u>	<u>(25,848)</u>
Balance	<u>13,353</u>	<u>381,816</u>
Represented by:		
Interest bearing accounts		404,263
VAT payable		(22,447)
		<u>381,816</u>

Kinetics Group Limited - Receipts and Payments **Appendix B**
Account for the period 9 December 2011 to 6 May 2012
and a Cumulative Account for the period 9 June 2011 to 6 May 2012

Statement of Affairs	09/12/2011 - 06/05/2012	09/06/2011 - 06/05/2012
£	£	£
Fixed charge assets		
Receipts		
Goodwill	-	500,000
Right to novate contracts	-	180,449
		<u>680,449</u>
Distributions		
Paid to chargeholder	-	680,449
	-	<u>(680,449)</u>
Floating charge assets		
Receipts		
50,000 Furniture and equipment	42,000	42,000
Insurance refund	-	500
Cash at bank	-	37,575
Rent	-	19,573
Bank interest gross	46	148
Motor vehicle	-	2,900
Third party contribution to costs	(20,000)	159,829
Sundry receipts	(39)	32,202
	<u>22,007</u>	<u>294,727</u>
Payments		
Lease and HP agreements	-	551
IT costs	398	398
Agents /valuers' fees	3,921	3,921
Insol Group Limited	-	13,780
Hill & Knowlton	-	844
Category 1 disbursements		
Telephone and internet	-	144
Stationery and postage	98	873
Storage costs	3,397	3,397
Re direction of mail	54	54
Rents payable	-	78,592
Other property expenses	-	7,923
Bank charges	25	351
License fees	-	50,000
	<u>(7,894)</u>	<u>(160,829)</u>
Balance	<u>14,112</u>	<u>133,898</u>
Represented by:		
VAT receivable		8,706
Interest bearing accounts		125,192
		<u>133,898</u>

Cameron Industrial Services Limited - Receipts and Payments Account for the period 9 December 2011 to 6 May 2012 and a Cumulative Account for the period 9 June 2011 to 6 May 2012

Appendix C

Statement of Affairs £	09/12/2011 - 06/05/2012 £	09/06/2011 - 06/05/2012 £
Fixed charge assets		
Receipts		
Right to novate contracts		17,800
		<u>17,800</u>
Distributions		
Paid to chargeholder	-	17,800
		<u>(17,800)</u>
Floating charge assets		
Receipts		
Book debts	232,256	246,198
Rates refund	398	398
Petty cash	-	39
Bank interest gross	14	19
Pre app monies held by third party	-	2,301
Sundry receipts	-	1,092
Third party contribution to costs	20,000	40,171
	<u>252,668</u>	<u>290,218</u>
Payments		
IT costs	15,262	15,262
Agents'/valuers fees	5,064	13,489
Security costs	637	12,766
Insol Group Limited	-	4,680
Hill & Knowlton	-	844
Debt collection fees	10,655	10,655
Category 1 disbursements		
Stationery and postage	207	865
Storage costs	2,938	2,938
Re-direction of mail	54	54
Property agents fees	119	143
Insurance of assets	848	848
Bank charges	12	940
	<u>(35,797)</u>	<u>(63,485)</u>
Balance	<u>216,871</u>	<u>226,734</u>
Represented by:		
Interest bearing accounts		243,933
VAT payable		(17,199)
		<u>226,734</u>

The Lord Group Limited - Time Analysis for the period 9 December 2011 to 6 May 2012 Appendix D

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning	-			4.4	4.4	506.00	115
Strategy and control		0.1	1.7	1.2	3.0	555.50	185
Statutory duties	0.4	0.3	3.4	1.2	5.3	1,166.50	220
Case administration	0.1	0.3	7.2	12.9	20.5	3,046.00	149
Accounting and treasury			0.2		0.2	44.00	220
Internal documentation							
Realisation of assets - debtors							
Debt collection	1.1	9.0	1.4	4.3	15.8	4,014.50	254
Debtor litigation		1.5			1.5	472.50	315
Internal and external documentation	2.0				2.0	680.00	340
Creditors							
Creditor strategy		0.1			0.1	31.50	315
Reporting to creditors	2.5	3.2	7.9		13.6	3,675.00	270
Preferential creditors				0.7	0.7	80.50	115
Unsecured creditors				4.7	4.7	540.50	115
Employees				0.3	0.3	34.50	115
Totals	6.1	14.5	21.8	29.7	72.1	14,847.00	206

Kinetics Group Limited - Time Analysis for the period 9 December 2011 to 6 May 2012 Appendix E

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning							
Strategy and control	1.4	0.8	0.6	5.1	7.9	1,529.50	194
Statutory duties	-	0.4	1.7	0.8	2.9	604.00	208
Case administration	0.9	0.3	4.3	9.5	15.0	2,497.00	166
Accounting and treasury	0.8	0.7	11.2	23.6	36.3	5,359.00	148
Internal documentation	0.2			1.0	1.2	143.00	119
Investigations							
Director conduct reports			4.2		4.2	966.00	230
Other investigations	21.9	0.5	17.8	1.8	42.0	11,978.00	285
Realisation of assets - fixed charge							
Asset identification and valuation	1.0		-		1.0	395.00	395
Recovery of assets	2.5				2.5	987.50	395
Realisation of assets - debtors							
Debt collection	8.3		3.8	6.3	18.4	4,395.50	239
Debtor litigation	1.5				1.5	510.00	340
Internal and external documentation	1.5	0.2			1.7	573.00	337
Realisation of assets - floating charge							
Asset identification and valuation		0.4	0.8		1.2	310.00	258
Recovery of assets	1.0				1.0	395.00	395
Dealing with third party assets	-		6.5	0.7	7.2	1,557.50	216
Asset accounting and administration			0.1		0.1	23.00	230
Creditors							
Creditor strategy		0.1			0.1	31.50	315
Reporting to creditors	20.3	0.7	7.9		28.9	9,773.00	338
Preferential creditors				1.5	1.5	172.50	115
Unsecured creditors	0.6	2.0	0.3	13.6	16.5	2,517.50	153
Employees		0.1	0.2	3.4	3.7	468.50	127
Totals	61.9	6.2	59.4	67.3	194.8	45,186.00	232

Cameron Industrial Services Limited - Time Analysis for Appendix F the period 9 December 2011 to 6 May 2012

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning	0.1		0.4	4.8	5.3	688.50	130
Strategy and control		0.3	1.7	1.2	3.2	618.50	193
Statutory duties	0.4	0.3	2.8	1.2	4.7	1,037.50	221
Case administration		0.8	8.5	16.5	25.8	3,775.50	146
Accounting and treasury							
Realisation of assets - fixed charge		0.1			0.1	31.50	315
Dealing with third party assets							
Realisation of assets - debtors							
Debt collection	5.0	11.5	0.9	4.9	22.3	6,089.00	273
Debtor litigation		3.0			3.0	945.00	315
Internal and external documentation	2.5	0.3			2.8	944.50	337
Realisation of assets - floating charge							
Dealing with third party assets		-	1.0	0.4	1.4	276.00	197
Creditors		0.1			0.1	31.50	315
Creditor strategy		3.2	7.8		19.7	5,791.50	294
Reporting to creditors	8.7				0.2	23.00	115
Preferential creditors		0.5	0.7	0.2	9.1	1,253.00	138
Unsecured creditors	0.1	-	1.6	0.9	2.5	471.50	189
Employees							
Totals	16.8	20.1	25.4	37.9	100.2	21,976.50	219

The Lord Group Limited - Cumulative Time Analysis for Appendix G the period 9 June 2011 to 6 May 2012

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning							
Planning			0.7		0.7	161.00	230
Strategy and control	1.7	6.2	9.9	4.4	22.2	5,314.00	239
Statutory duties		3.1	3.9	4.3	11.3	2,352.00	208
Case administration	0.4	2.7	5.2	5.8	14.1	2,851.50	202
Accounting and treasury	0.2	1.0	10.9	24.0	36.1	5,238.00	145
Travel and waiting time			0.3		0.3	69.00	230
Internal documentation		0.5	1.5	3.1	5.1	857.00	168
Investigations							
Director conduct reports	0.5	1.4	10.4	0.5	12.8	3,088.00	241
Other investigations			0.9	0.2	1.1	230.00	209
Internal documentation			0.6	0.1	0.7	145.50	208
Realisation of assets - debtors							
Debt collection	9.9	46.3	4.2	4.6	65.0	19,431.50	299
Debtor litigation		2.5	0.6		3.1	925.50	299
Internal and external documentation	2.5		9.6		12.1	3,058.00	253
Realisation of assets - floating charge							
Asset realisation strategy	0.6				0.6	204.00	340
Asset identification and valuation			0.3		0.3	69.00	230
Recovery of assets		0.3	0.2		0.5	140.50	281
Dealing with third party assets			8.3		8.3	1,909.00	230
Asset accounting and administration		0.1	0.8		0.9	215.50	239
Creditors							
Creditor claims		0.1	0.1		0.2	54.50	273
Internal documentation				0.1	0.1	11.50	115
Creditor strategy		0.1			0.1	31.50	315
Reporting to creditors	8.0	4.7	18.8	3.1	34.6	8,912.50	258
Secured creditors		8.6	2.7	0.6	11.9	3,399.00	286
Preferential creditors				0.7	0.7	80.50	115
Unsecured creditors	1.0	3.9	9.1	9.9	23.9	4,752.00	199
Employees	0.5	2.5	1.5	1.3	5.8	1,452.00	250
Totals	25.3	84.0	100.5	62.7	272.5	64,952.50	238

Kinetics Group Limited - Cumulative Time Analysis for Appendix H the period 9 June 2011 to 6 May 2012

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning							
Planning			6 6		6 6	1,518 00	230
Strategy and control	38 8	17 1	19 9	6 3	82 1	25,363 00	309
Statutory duties		2 9	6 3	10 6	19 8	3,573 50	180
Case administration	2 5	5 9	7 6	24 3	40 3	7,304 50	181
Accounting and treasury	5 7	1 4	18 9	51 2	77 2	11,890 50	154
Travel and waiting time		11 0	1 8	2 7	15 5	4,189 50	270
Internal documentation	0 2	0 6	4 5	11 4	16 7	2,538 00	152
Investigations							
Director conduct reports	4 5	1 5	18 9	0 5	25 4	6,654 50	262
Other investigations	21 9	3 2	19 0	1 8	45 9	13,029 50	284
Internal documentation			0 8	0 1	0 9	189 50	211
Realisation of assets - fixed charge							
Asset identification and valuation	1 0		2 0	0 2	3 2	878 00	274
Sale of assets	1 5	0 8			2 3	844 50	367
Recovery of assets	3 5				3 5	1,382 50	395
Dealing with third party assets			7 2		7 2	1,656 00	230
Asset accounting and administration			0 4		0 4	92 00	230
Realisation of assets - debtors							
Debt collection	28 0	58 8	58 0	7 2	152 0	41,796 00	275
Debtor litigation	1 5		0 6		2 1	648 00	309
Internal and external documentation	1 5	0 7	22 0		24 2	5,790 50	239
Realisation of assets - floating charge							
Asset realisation strategy	0 6				0 6	204 00	340
Asset identification and valuation		0 4	2 2	0 1	2 7	643 50	238
Sale of assets		0 5	1 2	0 1	1 8	445 00	247
Recovery of assets	1 0	0 8	2 7		4 5	1,253 00	278
Dealing with third party assets		4 9	38 7	0 8	44 4	10,463 50	236
Asset accounting and administration			1 4		1 4	322 00	230
Creditors							
Creditor claims		1 0	0 1		1 1	338 00	307
Internal documentation			0 3	0 7	1 0	149 50	150
Creditor strategy		0 4			0 4	126 00	315
Reporting to creditors	38 3	2 4	23 7	2 9	67 3	21,170 00	315
Creditor meetings			0 3	1 4	1 7	230 00	135
Secured creditors	0 5	8 0			8 5	2,717 50	320
Preferential creditors			0 5	1 8	2 3	317 00	138
Unsecured creditors	1 1	8 2	52 2	52 8	114 3	20,651 00	181
Employees	1 7	9 5	23 4	10 0	44 6	9,794 50	220
Totals	153 8	140 0	341 2	186 9	821 9	198,162 50	241

Cameron Industrial Services Limited - Cumulative Time Appendix I Analysis for the period 9 June 2011 to 6 May 2012

	Employee grade (hours)				Total hours	Total cost £	Average rate per hour £
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support			
Administration and planning							
Planning	-		0.6	-	0.6	138.00	230
Strategy and control	4.6	6.0	10.1	4.8	25.5	6,371.00	250
Statutory duties		3.4	5.9	5.6	14.9	3,060.00	205
Case administration	1.8	10.9	4.5	7.7	24.9	5,587.00	224
Accounting and treasury	0.1	1.3	11.6	25.5	38.5	5,604.00	146
Travel and waiting time		-	0.3	-	0.3	69.00	230
Internal documentation	-	0.5	1.3	4.4	6.2	962.50	155
Investigations							
Director conduct reports	0.5	1.3	9.6	0.5	11.9	2,872.50	241
Other investigations		-	0.9	0.2	1.1	230.00	209
Internal documentation		-	0.6		0.6	134.00	223
Realisation of assets - fixed charge							
Asset identification and valuation			0.1		0.1	23.00	230
Dealing with third party assets		0.1		-	0.1	31.50	315
Asset accounting and administration			0.3	-	0.3	69.00	230
Realisation of assets - debtors							
Debt collection	18.8	37.5	4.2	5.3	65.8	19,776.00	301
Debtor litigation		4.0	0.8	-	4.8	1,444.00	301
Internal and external documentation	3.4	0.3	12.0	-	15.7	4,010.50	255
Realisation of assets - floating charge							
Asset realisation strategy	1.3				1.3	442.00	340
Asset identification and valuation		-	1.5		1.5	345.00	230
Recovery of assets	0.3	0.5	0.8		1.6	443.50	277
Dealing with third party assets		0.1	15.4	1.4	16.9	3,729.50	221
Asset accounting and administration			1.3		1.3	296.00	228
Creditors							
Creditor claims	0.2	0.5			0.7	225.50	322
Internal documentation				0.3	0.3	34.50	115
Creditor strategy		0.1			0.1	31.50	315
Reporting to creditors	13.9	5.0	19.1	2.9	40.9	11,059.00	270
Creditor meetings	-			0.1	0.1	11.50	115
Secured creditors		7.6			7.6	2,394.00	315
Preferential creditors	-	-	-	0.2	0.2	23.00	115
Unsecured creditors	0.7	3.7	15.4	19.8	39.6	7,178.50	181
Employees	7.5	23.0	10.5	2.5	43.5	12,635.00	290
Totals	53.1	105.8	126.8	81.2	366.9	89,230.50	243

Additional information in relation to the Joint Administrators' remuneration pursuant to Statement of Insolvency Practice 9

Appendix J

1 Policy

Detailed below is Zolfo Cooper's policy in relation to.

- staff allocation and the use of sub-contractors,
- professional advisors, and
- disbursements

1.1 Staff allocation and the use of sub-contractors

The Joint Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of a partner, a senior associate, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Joint Administrators' charge-out rate schedule below provides details of all grades of staff and their experience level.

With regard to support staff, time spent by treasury in relation to specific tasks on an assignment is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The following services are being provided on this assignment by external sub-contractors

Service type	Service provider	Basis of fee arrangement	Cost to date Lord (£)	Cost to date KGL (£)	Cost to date CIS (£)
Employee claim processing	Insol Group Limited	Rate per employee	2,860	13,780	4,680
Debt collection	Naismiths Limited	Fixed fee	-	20,668	-
Debt collection	Drivers Group Plc	Set fee and percentage of realisations	-	-	6,000

1.2 Professional advisors

On this assignment the Joint Administrators have used the professional advisors listed below. The Joint Administrators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
DLA Piper UK LLP (legal advice)	Hourly rate and disbursements
Willis Limited (insurance)	Risk based premium
GVA Grimley (valuation and disposal advice)	Fixed fee

The Joint Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

1.3 Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Joint Administrators and their staff will also be chargeable.

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the resolution approved by creditors. The Category 2 disbursement that may be incurred is photocopying which is charged at the rate of ten pence per sheet for notifications and reports to creditors and other copying.

2 Charge-out rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 January 2011 is detailed below

Description	£
Partner/director	
Partner 1*	445
Partner 2*	395
Director	340
Senior associate	
Senior associate 1*	315
Senior associate 2*	265
Associate/analyst	
Associate	230
Analyst*	220
Junior analyst and support staff	
Junior analyst*	115
Senior treasury associate	155
Treasury associate	105
Treasury analyst	80
Support	75
*Key	
<i>Partner 1 - partners with three or more years experience at partner level</i>	
<i>Partner 2 - partners with less than three years experience at partner level</i>	
<i>Senior associate 1 - staff with two or more years experience at senior associate level</i>	
<i>Senior Associate 2 - staff with less than two years experience at senior associate level</i>	
<i>Analyst - staff with more than one years experience at analyst level</i>	
<i>Junior analyst - first year analysts</i>	