

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

Ellie Louise Trading Limited

Company number

07095091

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

(full name of court)

Court case number

504 of 2012

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

We

Graham Wild  
Zolfo Cooper  
Toronto Square  
Toronto Street  
Leeds  
LS1 2HJSimon Wilson  
Zolfo Cooper  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1ABAnne O'Keefe  
Zolfo Cooper  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

Joint Administrators of the above company attach a progress report for the period

From

To

(b) Insert date

2 October 2012

1 March 2013

Signed

Joint Administrators

Dated

26 March 2013

**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

Kate Wrigley  
Zolfo Cooper  
The Zenith Building  
26 Spring Gardens  
Manchester  
M2 1AB

DX Number

+44 (0) 161 838 4500  
DX Exchange



QIQ

\*Q2504ECV\*

27/03/2013

COMPANIES HOUSE

#22

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

Joint Administrators'  
Progress Report  
for the period  
2 October 2012 to  
1 March 2013

Ellie Louise Trading Limited  
In Administration

7 March 2013

## Contents

1	Statutory information ... ..	1
2	Progress of the Administration .....	1
3	Assets still to be realised.... .	3
4	Pre-administration costs.....	3
5	Joint Administrators' remuneration .. .	3
6	Estimated outcome for creditors... .	5
7	Ending the Administration.....	5
8	Creditors' rights.....	6
9	Next report.....	7

## Appendices

Receipts and Payments Account for the period 2 October 2012 to 1 March 2013 and a Cumulative Account for the period 2 April 2012 to 1 March 2013 .....	Appendix A
Trading Receipts and Payments Account for the period 2 October 2012 to 1 March 2013 and a Cumulative Account for the period 2 April 2012 to 1 March 2013.....	Appendix B
Time Analysis for the period 2 October 2012 to 1 March 2013.....	Appendix C
Cumulative Time Analysis for the period 2 April 2012 to 1 March 2013.....	Appendix D
Time Analysis for the Unsecured Creditors' Fund for the period 2 October 2012 to 1 March 2013... ..	Appendix E
Cumulative Time Analysis for the Unsecured Creditors' Fund for the period 2 April 2012 to 1 March 2013 . . . . .	Appendix F
Additional information in relation to the Joint Administrators' remuneration pursuant to Statement of Insolvency Practice 9 ... ..	Appendix G

Zolfo Cooper  
The Zenith Building  
26 Spring Gardens  
Manchester M2 1AB

t: +44 (0) 161 838 4500 f: +44 (0) 161 838 4501

© Zolfo Cooper 2013 All rights reserved

[www.zolfocooper.com](http://www.zolfocooper.com)

## 1 Statutory information

- 1.1 Graham Wild was appointed Joint Administrator of Ellie Louise Trading Limited (the Company) together with Simon Wilson and Anne O'Keefe on 2 April 2012 in the High Court of Justice, Chancery Division, Companies Court. The application for the appointment of Administrators was made by Lloyds TSB Bank Plc (the Bank), 25 Gresham Street, London, EC2V 7HN.
- 1.2 The Administration is being handled by Zolfo Cooper's Manchester office, situated at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.
- 1.3 The Administration is registered in the High Court of Justice, Chancery Division, Companies Court under reference number 504 of 2012.
- 1.4 The Company traded under the name Ellie Louise Trading Limited from a head office and 98 stores, the addresses of which were provided in the Joint Administrators' Report and Statement of Proposals dated 14 May 2012 (the Proposals)
- 1.5 The registered office of the Company has been changed to c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB and its registered number is 07095091.
- 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.

## 2 Progress of the Administration

- 2.1 This report should be read in conjunction with the previous Joint Administrators' Progress Report dated 26 October 2012 (Progress Report).
- 2.2 Attached at Appendices A and B are the Joint Administrators' Receipts and Payments Account and Trading Receipts and Payments Account for the period 2 October 2012 to 1 March 2013 together with a Cumulative Trading and Receipts and Payments Account for the period 2 April 2012 to 1 March 2013.
- 2.3 The analysis of receipts and payments for the period excludes the following costs which have been incurred but not yet paid. These costs will be paid in accordance with the suppliers' terms.

Category	Supplier	Amount not yet paid £
Utilities	Various	1,057
Rates	Various	2,533
Agent fees	Fox Lloyd Jones Limited	6,728
Legal fees	Various	40,978
<b>Total</b>		<b>51,296</b>

### Sale of business

- 2.4 As previously advised, a sale of the Company's business and assets completed on 18 April 2012 to Liric Limited (Liric) following the Joint Administrators' pursuit of a going concern sale.

- 2.5 Full details of the sale are available in the Proposals which can be obtained from [www.zcinfoportal.com](http://www.zcinfoportal.com). Alternatively please contact Kate Wrigley on 0161 838 4562 or via email on [kwrigley@zolfocooper.eu](mailto:kwrigley@zolfocooper.eu) or by post at Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester M2 1AB.

### Property

- 2.6 The seven leases outstanding as detailed within the last Progress Report have either been assigned, vacated or surrendered. There remain 44 where the Joint Administrators have offered surrender to the landlords; however, to date this has not been accepted. In the event surrender is not accepted during the Administration, these leases will be disclaimed by the subsequently appointed Joint Liquidators.
- 2.7 Prior to the appointment of the Joint Administrators, a former landlord obtained a court order to seize approximately £25,000 in the Company's bank account in respect of lease dispute. The Joint Administrators have rejected the landlord's claim for the sum and, to avoid significant legal costs, are attempting to reach a commercial settlement. If a settlement cannot be reached, the Joint Administrators will submit an application to the court to release the funds to the Administration.

### Stock

- 2.8 The cost value of the stock on appointment was approximately £2.2 million which the director advised had an estimated to realise value of £404,250. Stock with an estimated to realise value of £154,674 was utilised during the Joint Administrators' trading period. Attached at Appendix B is a Trading Receipts and Payments Account which details that a profit of £352,258 has been achieved through the use of the stock.
- 2.9 Stock was included within the sale to Liric and consideration of £404,250 was received. The sale contract detailed that if certain conditions were met an additional sum would be payable. The Joint Administrators can confirm that £90,000 has been received in this regard.
- 2.10 A small amount of residual stock has recently been sold at auction, as this sale is outside of the period of this report, further detail will be provided in the next report.

### Retention of title

- 2.11 The stock was subject to a high proportion of retention of title (ROT) claims.
- 2.12 To date, a total of £129,255 has been paid in respect of agreed ROT claims. The majority of the ROT claims have now been finalised and paid with the exception of two claims which remain the subject of litigation. Given the ongoing litigation, further detail cannot be provided in respect of these claims at this stage.

### Book debts

- 2.13 The Company's debtor ledger totalled approximately £310,906 on appointment and comprised of nine debtors which the director advised had an estimated to realise value of £16,986.
- 2.14 Due to the circumstances of the debtors, the age of the debts and the limited information available within the Company's books and records, six of these debts totalling approximately £132,000 have been written off.
- 2.15 One debtor has repaid its debt of £2,400 in full. The two remaining debtors owe balances of £25,267 and £151,239, respectively.

- 2.16 A settlement balance of £11,000 was agreed with the first debtor, together with a repayment plan. An Instalment of £1,500 was received before payments ceased. The Joint Administrators have instructed their solicitors to issue a statutory demand and a further update will be provided in the next report
- 2.17 The Joint Administrators attempted to communicate with the second debtor although no response was received. A statutory demand was issued which was subsequently returned as undeliverable. No further action will be taken as there is insufficient supporting documentation held in the Company books and records.

### 3 Assets still to be realised

- 3.1 The assets remaining to be realised are the deposit of approximately £25,000 held by the court and the collection of the remaining book debt in the sum of £9,500.

### 4 Pre-administration costs

- 4.1 On 2 July 2012, the secured and preferential creditors approved that all outstanding pre-appointment costs be paid as an expense of the Administration.
- 4.2 The pre-appointment fees charged and expenses paid to date are as follows:

Charged by	Brief description of services provided	Outstanding amount £	Amount paid £
Zolfo Cooper LLP	Strategic planning in respect of the Administration	22,281	22,281
Gateley LLP	Legal advice in respect of the proposed Administration	8,400	8,400

- 4.3 The amount due to Zolfo Cooper have been paid outside of the period covered by this report.

### 5 Joint Administrators' remuneration

- 5.1 Approval of the Joint Administrators' remuneration has been sought in accordance with rule 2.106 of the Insolvency Rules 1986 as amended. On 28 May 2012, the secured and preferential creditors approved that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly spent by the Joint Administrators and their staff on matters arising in the Administration
- 5.2 The Joint Administrators' time costs for the period 2 October 2012 to 1 March 2013 are £57,601 This represents 303 hours at an average rate of £190 per hour. Attached at Appendix C is a Time Analysis for the period which provides details of the costs incurred by activity and by staff grade
- 5.3 Principal areas of activity during the period are discussed in further detail below.
- **Administration and planning** - time has been incurred implementing and monitoring the case strategy, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
  - **Realisation of assets - floating charge** - time recorded within this category includes reviewing documentation regarding ROT matters, communicating instructions to the

solicitor, conference calls and revisions to the litigation strategy. In addition, time has been incurred reviewing leases and corresponding with landlords.

- **Realisation of assets - debtors** - time has been charged to communicating and negotiating with debtors regarding outstanding balances and dealing with disputes.
- **Trading** - liaising with suppliers and councils, managing employee issues and dealing with licence matters. Treasury time relating to trading receipts and payments is also recorded here.
- **Creditors** - time has been incurred preparing statutory reports. Time has also been spent dealing with employee issues and reporting to the secured creditor.

- 5.4 Attached at Appendix D is a Cumulative Time Analysis for the period 2 April 2012 to 1 March 2013 which provides details of the costs incurred by activity and by staff grade since the Joint Administrators' appointment
- 5.5 The Joint Administrators' time costs for the period 2 April 2012 to 1 March 2013 are £411,628. This represents 1,854 hours at an average rate of £222 per hour. A Cumulative Time Analysis for the period 2 April 2012 to 1 March 2013 is attached at Appendix D.
- 5.6 A copy of 'A Creditors' Guide to Administrators' Fees' can be downloaded from Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>) - click on **Creditors' Guide to Fees** in the menu on the left side of the screen. If you would prefer this to be sent to you in hard copy please contact Kate Wrigley on 0161 838 4562 or via email on [kwrigley@zolfocooper.eu](mailto:kwrigley@zolfocooper.eu) or by post at Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester M2 1AB.
- 5.7 To date, fees totalling £100,000 plus disbursements totalling £12,251 have been drawn on account. The Bank approved that a further £223,000 plus disbursements be drawn which has been paid, however, this is outside of the period covered by this report.
- 5.8 The Joint Administrators can confirm that the following category 2 disbursements have been taken.
- Photocopying - charged at the rate of ten pence per sheet for notifications and reports to creditors and other copying
  - Printing - charged at the rate of ten pence per sheet for black and white printing and 15 pence per sheet for colour.
  - Business mileage for staff travel - charged at the rate of 45 pence per mile.
- 5.9 Information in relation to the Joint Administrators' policy on staffing, the use of sub-contractors, payment of disbursements and details of current charge-out rates by staff grade is provided at Appendix G.

### Unsecured Creditors' Fund

- 5.10 The Unsecured Creditors' Fund is more commonly known as the 'prescribed part'. Please see paragraph 6.4 for further detail
- 5.11 The Joint Administrators' time costs for the period 2 October 2012 to 1 March 2013 are £3,136. This represents 19 hours at an average rate of £168 per hour. Attached at Appendix E is a Time Analysis for the Unsecured Creditors' Fund which provides details of the activity costs incurred by staff grade in relation to the Unsecured Creditors Fund.
- 5.12 Principal areas of activity during the period are discussed in further detail below.

- **Creditors** - recording and reviewing the claims of unsecured creditors and dealing with unsecured creditors' queries.

5.13 The Joint Administrators' time costs for the period 2 April 2012 to 1 March 2013 are £24,961. This represents 138 hours at an average rate of £180 per hour. A Cumulative Time Analysis for the Unsecured Creditors' Fund is attached at Appendix F.

## **6 Estimated outcome for creditors**

### **Secured creditor - Lloyds TSB Bank Plc**

- 6.1 The Company granted a fixed and floating charge to the Bank on 7 April 2010. At the date of appointment the Bank was owed £1.27 million (excluding interest and charges) under its security. A distribution of £250,000 has been paid to the Bank on account of its floating charge debt. The quantum and timing of any future distributions are dependent on the resolution of the outstanding ROT claims. The Bank will suffer a shortfall against its lending.
- 6.2 The Company also granted fixed and floating charges to 2nd Thoughts Limited - in Administration (2nd) on 7 January 2010. The charge related to the sale of 2nd's business and assets to the Company, the consideration for which was partially deferred but subsequently settled in full. The Joint Administrators of 2nd ceased to act and it was dissolved on 5 October 2011.

### **Preferential creditors**

- 6.3 Based on current information, preferential creditors are expected to be approximately £3,655 and will be paid in full following the finalisation of the claims with the Redundancy Payments Office.

### **Unsecured Creditors' Fund**

- 6.4 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), commonly known as the 'prescribed part'.
- 6.5 As the Company granted a floating charge to the Bank after 15 September 2003, the Joint Administrators are required to create an Unsecured Creditors' Fund. Based on present information, the Joint Administrators estimate the value of the Company's net floating charge property to be £317,000. Arising from this, the value of the Unsecured Creditors' Fund is estimated to be £66,000. However, the level of the net property available is subject to the agreement of the remaining ROT claims.

### **Unsecured creditors**

- 6.6 The director's Statement of Affairs (SOA) shows unsecured creditors to be £6.7 million.
- 6.7 The Joint Administrators anticipate that a dividend may be available for unsecured creditors by virtue of the Unsecured Creditors' Fund should it remain at £66,000. Based on the SOA value of claims, this is likely to be less than one pence in the pound after costs of the distribution.



- 6.8 The dividend is subject to the agreement of all claims which are expected to increase as the SOA does not account for any potential claims from the Company's landlords
- 6.9 In the event that the cost of making the distribution to unsecured creditors would be disproportionate to the benefit to creditors, the Joint Administrators will apply to court to make an order under s176A(5) to remove their requirement to set aside the Unsecured Creditors' Fund.

## **7 Ending the Administration**

### **Creditors' voluntary liquidation (CVL)**

- 7.1 If the Joint Administrators think a dividend will be paid to the unsecured creditors, they will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into a CVL. The Joint Administrators will also become the Joint Liquidators of the CVL.

### **Dissolution of the Company**

- 7.2 If the Joint Administrators think that the Company has no property which might permit a distribution to its unsecured creditors, they will file a notice together with their final progress report at court and with the Registrar of Companies for the dissolution of the Company. The Joint Administrators will send copies of these documents to the Company and its creditors. The appointment will end following the registration of the notice by the Registrar of Companies.

### **Extension of the Administration**

- 7.3 The Administration is due to end automatically on 1 April 2013, however, it will not be possible to conclude all outstanding matters in the Administration prior to this date. Therefore, the Joint Administrators are seeking the approval of the Bank and preferential creditors, for an extension to the Administration 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 this 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 report, make an application to court on the grounds that the basis fixed for the Joint Administrators' remuneration is inappropriate, or that the remuneration charged or the expenses incurred by the Joint Administrators as set out in this report are excessive.

## 9 Next report

- 9.1 This report has been prepared for the secured creditor and preferential creditors in support of the application to extend the Administration by six months. In the event that the request to extend the Administration is approved, this report will be circulated to all creditors within one month of the approved extension.

For and on behalf of  
Ellie Louise Trading Limited



Graham Wild  
Joint Administrator

Encs

Receipts and Payments Account for the period  
2 October 2012 to 1 March 2013 and a Cumulative  
Account for the period 2 April 2012 to  
1 March 2013

Appendix A

Statement of Affairs	Period	Cumulative
£	£	£
<b>Fixed charge assets</b>		
Receipts		
Intellectual property	-	1
Goodwill	-	1
Business name	-	1
Business rights	-	1
	-	4
<b>Balance of fixed charge assets</b>	-	4
<b>Floating charge assets</b>		
Receipts		
Plant	-	49,994
50,000 Fixtures and fittings	-	-
404,250 Stock	90,000	494,250
27,000 Motor vehicles	-	35,225
299,000 Pre-appointment sales	-	237,125
Licence monies - Liric	(26,246)	697,838
16,986 Book debts	1,500	3,900
Prepayments	-	25,768
Legal fees - Liric	26,246	30,413
336,843 Cash at bank	-	111,084
Sundry refunds	1,850	2,753
Bank interest	620	1,080
Contracts/books and records	-	2
Trading surplus	(21,935)	325,258
Store cash floats	-	5,700
	72,035	2,020,390

Receipts and Payments Account for the period  
2 October 2012 to 1 March 2013 and a Cumulative  
Account for the period 2 April 2012 to  
1 March 2013 (cont'd)

Appendix A

	Period £	Cumulative £
Payments	-	12,836
Security	-	14,400
Consultants' fees	-	9,488
Agent's fees	9,488	12,241
Valuer's fees	341	2,185
Payroll agent's fees	380	150,575
Legal fees and disbursements	92,044	100,000
Joint Administrators' fees	-	663,089
Licence monies - Liric	36,131	8,319
Pre-appointment legal fees and disbursements	-	654
Bank charges	144	
Category 1 disbursements		
Bordereau	-	320
Statutory advertising	-	3,554
Travel and subsistence	-	3,289
Storage costs	-	25
Stationery and postage	576	3,014
Mail re-direction	-	180
Telephone	-	41
Category 2 disbursements:		
Mileage		1,129
Photocopying	14	699
	(139,118)	(986,038)
Distributions		
Floating chargeholder	-	250,000
	-	(250,000)
Balance of floating charge assets	(67,083)	784,352
Total balance		784,356
Represented by		
Interest bearing accounts		780,295
VAT receivable		4,061
		784,356

Trading Receipts and Payments Account for the  
period 2 October 2012 to 1 March 2013 and a  
Cumulative Account for the period 2 April 2012 to  
1 March 2013

Appendix B

	Period £	Cumulative £
Post appointment sales		
Sales	-	793,222
	-	793,222
Other direct costs		
Wages and salaries	-	176,107
PAYE and National Insurance	-	33,966
Employee expenses	-	354
Other deductions	-	1,905
	-	(212,332)
Trading expenditure		
Merchant charges	2	9,441
Bank charges	-	2,667
Hire of equipment	-	211
Sundry expenses	-	10,190
Insurance	8,881	8,909
Rent	-	2,200
Hypothec	-	9,000
Vehicle hire	-	1,592
Retention of title costs	4,839	129,255
IT	-	2,490
Ransom payments	-	8,706
Transport costs	-	2,737
Rates	3,155	48,782
Utilities	5,058	19,452
	(21,935)	(255,632)
Balance	(21,935)	325,258

# Time Analysis for the period 2 October 2012 to 1 March 2013

## Appendix C

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Planning				3.2	3.2	368.00	115
Strategy and control	2.0	6.5	8.5	3.3	20.3	5,172.00	255
Statutory duties		0.2	0.3	0.8	1.3	232.00	178
Case administration		2.2	9.9	14.6	26.7	4,649.00	174
Accounting and treasury	0.8	2.4	2.5	23.6	29.3	3,888.00	133
Internal documentation			0.1	19.2	19.3	2,230.00	116
Investigations							
Other investigations				0.2	0.2	23.00	115
Internal documentation				2.0	2.0	230.00	115
Realisation of assets - debtors							
Debt collection	1.5		3.0		4.5	1,282.50	285
Debtor litigation			5.6		5.6	1,288.00	230
Realisation of assets - floating charge							
Asset realisation strategy				0.9	0.9	103.50	115
Asset identification and valuation			0.5	2.1	2.6	356.50	137
Sale of assets	0.5			0.4	0.9	243.50	271
Recovery of assets			1.2	0.7	1.9	356.50	188
Dealing with third party assets	9.3	15.3	0.6	1.5	26.9	8,882.50	330
Asset accounting and administration				0.4	0.4	46.00	115
Trading							
Trading strategy		1.0		-	1.0	315.00	315
Trading activities	2.0	0.8	12.0	49.8	64.6	9,524.00	147
Accounting and administration	1.6	4.2	0.9	20.6	27.3	4,277.00	157
Creditors							
Internal documentation				0.7	0.7	80.50	115
Reporting to creditors	6.5	4.7	23.3	17.6	52.1	11,431.00	219
Secured creditors			11.4		11.4	2,622.00	230
<b>Totals</b>	<b>24.4</b>	<b>37.3</b>	<b>79.8</b>	<b>161.6</b>	<b>303.1</b>	<b>57,600.50</b>	<b>190</b>

# Cumulative Time Analysis for the period 2 April 2012 to 1 March 2013

## Appendix D

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Planning	3.5	1.5	1.5	3.7	10.2	2,488.00	244
Strategy and control	14.8	21.3	53.1	13.8	103.0	26,306.50	255
Statutory duties	0.4	0.2	2.9	4.6	8.1	1,391.00	172
Case administration	1.9	5.9	12.2	28.2	48.2	8,740.00	181
Accounting and treasury	1.7	4.4	8.4	83.4	97.9	11,499.50	117
Travel and waiting time		7.5		8.1	15.6	3,294.00	211
Internal documentation	0.7	3.0	7.2	47.9	58.8	8,346.50	142
Investigations							
Director conduct reports		1.0	4.0	5.9	10.9	1,913.50	176
Other investigations			0.2	0.2	0.4	69.00	173
Internal documentation				2.0	2.0	230.00	115
Realisation of assets - debtors							
Debt collection	1.5		9.6	1.2	12.3	2,938.50	239
Debtor litigation			5.6		5.6	1,288.00	230
Internal and external documentation			0.5		0.5	115.00	230
Realisation of assets - floating charge							
Asset realisation strategy	0.4		-	0.9	1.3	281.50	217
Asset identification and valuation		1.5	4.6	2.6	8.7	1,829.50	210
Sale of assets	26.7	178.0	6.3	2.6	213.6	48,364.50	320
Recovery of assets	1.0		2.7	23.2	26.9	3,684.00	137
Dealing with third party assets	28.5	175.2	15.6	91.9	311.2	80,585.50	259
Asset accounting and administration		1.0	0.5	0.5	2.0	487.50	244
Trading							
Trading strategy	10.5	43.5	18.6	7.8	80.4	23,025.00	286
Trading activities	12.0	75.7	175.7	235.0	498.4	96,066.50	193
Accounting and administration	9.1	31.2	22.3	123.7	186.3	31,993.00	172
Creditors							
Internal documentation				0.7	0.7	80.50	115
Reporting to creditors	14.0	14.6	58.3	24.5	111.4	26,128.00	235
Secured creditors		17.8	20.9		38.7	10,414.00	269
Preferential creditors				0.6	0.6	69.00	115
<b>Totals</b>	<b>126.7</b>	<b>583.3</b>	<b>430.7</b>	<b>713.0</b>	<b>1,853.7</b>	<b>411,628.00</b>	<b>222</b>

Time Analysis for the Unsecured Creditors' Fund  
for the period 2 October 2012 to 1 March 2013

Appendix E

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Creditors							
Unsecured creditors	0 2	1 6	5 9	6 1	13 8	2,560 50	186
Employees			0 1	4 8	4 9	575 00	117
<b>Totals</b>	<b>0 2</b>	<b>1 6</b>	<b>6 0</b>	<b>10 9</b>	<b>18 7</b>	<b>3,135 50</b>	<b>168</b>



Cumulative Time Analysis for the Unsecured  
Creditors' Fund for the period 2 April 2012 to  
1 March 2013

Appendix F

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Creditors							
Creditor claims	1.1	2.8	0.7	1.2	5.8	1,620.50	279
Creditor strategy	0.5		0.6		1.1	335.50	305
Unsecured creditors	1.8	3.2	26.4	45.8	77.2	12,919.00	167
Employees	0.6	1.3	30.2	22.1	54.2	10,086.00	186
<b>Totals</b>	<b>4.0</b>	<b>7.3</b>	<b>57.9</b>	<b>69.1</b>	<b>138.3</b>	<b>24,961.00</b>	<b>180</b>

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

## Appendix G

### 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	Disbursement type	Cost to date
Employee claim processing	Payco ERA Limited	Time costs	2,185

#### 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
Addleshaw Goddard LLP (legal advice)	Hourly rate and disbursements
Burness LLP (legal advice)	Fixed fee
Willis Limited (insurance)	Risk based premium
Fox Lloyd Jones Limited (stock advisors)	Hourly rate and disbursements
Step Solutions (stock advisors)	Fixed fee and disbursements
The Couper Partnership Ltd (rates advisors)	Fixed fee
CAPA (property advisors)	Fixed fee and percentage of cost savings made

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. Category 2 disbursements that may be incurred are as follows:

- Photocopying - charged at the rate of ten pence per sheet for notifications and reports to creditors and other copying.
- Printing - charged at the rate of ten pence per sheet for black and white printing and 15 pence per sheet for colour.
- Business mileage for staff travel - charged at the rate of 45 pence per mile.

## 2 Charge-out rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 January 2011 is detailed below. Time is charged by partners and case staff in units of six minutes.

Description	£
<b>Partner/director</b>	
Partner 1*	445
Partner 2*	395
Director	340
<b>Senior associate</b>	
Senior associate 1*	315
Senior associate 2*	265
<b>Associate/analyst:</b>	
Associate	230
Analyst*	220
<b>Junior analyst and support staff</b>	
Junior analyst*	115
Senior treasury associate	155
Treasury associate	105
Treasury analyst	80
Support	75

**\*Key**

*Partner 1 - partners with three or more years' experience at partner level*

*Partner 2 - partners with fewer than three years' experience at partner level*

*Senior associate 1 - staff with two or more years' experience at senior associate level*

*Senior associate 2 - staff with fewer than two years' experience at senior associate level*

*Analyst - staff with more than one year's experience at analyst level*

*Junior analyst - staff with fewer than one year's experience at analyst*