

The Insolvency Act 1986

Notice of move from administration to dissolution

Name of Company Morse Overseas Holdings Limited	Company number 03712707
In the High Court of Justice, Chancery Division Companies Court	Court case number 605 of 2013

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

We Simon Granger, Chad Griffin and Simon Kirkhope of FTI Consulting LLP, 322 High Holborn, London, WC1V 7PB

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

having been appointed administrators of Morse Overseas Holdings Limited, 322 High Holborn, London, WC1V 7PB ("the Company")

(c) Insert date of appointment

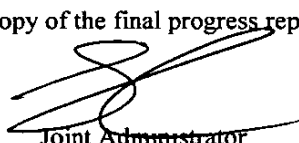
on 28 January 2013 by the directors of the Company

(d) Insert name of applicant / appointor

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

We attach a copy of the final progress report

Signed



Joint Administrator

Dated

7 January 2014

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.

Tom Jones	
FTI Consulting Limited, 322 Midtown, High Holborn	
London WC2A 7PB	Tel 020 3077 0511
DX Number	DX Exchange

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



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10/01/2014
COMPANIES HOUSE

#318

FRIDAY

Joint Administrators' Final Report for the periods 28 July 2013 to 7 January 2014 and 14 August 2013 to 7 January 2014 (dependent upon the date of appointment)

2E2 UK Limited (Company Number: 04090390) ("2e2 UK")
Morse Group Limited (Company Number: 02212268) ("MGL")
2e2 MS Limited (Company Number: 04543345) ("MS")
Diagonal Limited (Company Number: 02153353) ("Diagonal")
2E2 Managed Operations Limited (Company Number: 03202152) ("Managed Ops")
Morse Overseas Holdings Limited (Company Number: 03712707) ("MOH")
2e2 Property Limited (Company Number: 04161428) ("Property")
Diagonal Quest Limited (Company Number: 03852299) ("DQL")
Morse Limited (Company Number: 03108179) ("Morse")

(Collectively "the Companies" or "the Group")

8 January 2014

CONTENTS

- 1 Introduction and Statutory Matters**
- 2 Progress of the Administrations**
- 3 Other Matters**
- 4 Estimated Outcome to Creditors**
- 5 Administrators' Remuneration and Disbursements**
- 6 Extracts from Administrators' Proposals**
- 7 Exit Routes and Next Reports**

APPENDICES

Statutory Information	Appendix A
Trading Statement for 2e2 UK	Appendix B
Receipts and Payments Accounts for the Period 28 January 2013 to 7 January 2014 or 14 February 2013 to 7 January 2014 (dependent upon the date of appointment)	Appendix C
Analysis of Administrators' Time Costs in Accordance with Statement of Insolvency Practice 9 ("SIP9")	Appendix D
Time Costs and Disbursements Incurred and Billed by Entity	Appendix E
Additional Information in Relation to Administrators' Fees Pursuant to SIP9	Appendix F
Extracts from the Insolvency Act 1986 (as amended) ("the Act")	Appendix G
Statement of Claim Form	Appendix H

1 Introduction and Statutory Matters

- 1.1 Simon Granger, Chad Griffin and Simon Kirkhope ("the Administrators") of FTI Consulting LLP ("FTI") were appointed as Joint Administrators of 2e2 UK, MGL, DQL, MOH, Managed Ops and Property ("the Initial Entities") along with a number of other group companies on 28 January 2013
- 1.2 The Administrators were appointed over the Initial Entities by the directors of the Initial Entities in accordance with Paragraph 22, Schedule B1 of the Insolvency Act 1986, as amended ("the Act")
- 1.3 On 15 February 2013, the Administrators were appointed as Joint Administrators of MS, Diagonal and Morse. The Administrators were appointed by the holders of Qualifying Floating Charges in accordance with Paragraph 14 of Schedule B1 of the Act.
- 1.4 The court having conduct of the proceedings is High Court of Justice, Chancery Division, Companies Court ("the Court")
- 1.5 Simon Granger is licensed in the United Kingdom to act as an insolvency practitioner by the Association of Chartered Certified Accountants under section 390(2)(a) of the Act. Chad Griffin and Simon Kirkhope are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales under section 390(2)(a) of the Act.
- 1.6 Pursuant to Paragraph 100(2) of Schedule B1 to the Act the Administrators act jointly and severally so that all functions may be exercised by each and any of them.
- 1.7 This Report includes information required to be provided to creditors pursuant to Rules 2.47 and 2.110 of the Insolvency Rules 1986 (as amended) ("the Rules") in relation to the Companies and is a final report into the administrations. Statutory information pertaining to the Companies and as required by the Rules is set out in Appendix A.
- 1.8 Pursuant to Paragraph 83 of Schedule B1 to the Act, the administrators notified the Registrar of Companies of the intention to convert the administrations of 2e2 UK, MGL, Diagonal and MS ("the Liquidation Companies") to Creditors' Voluntary Liquidations ("CVLs"). This notice was registered by the Registrar of Companies on 7 January 2014, with the Companies therefore in liquidation from this date.
- 1.9 In accordance with the Administrators' Statement of Proposals, which were deemed to have been approved on 3 April 2013 ("the Proposals"), Simon Granger, Chad Griffin and Simon Kirkhope have been appointed as liquidators of the Liquidation Companies. In accordance with the Proposals, the liquidators act jointly and severally.
- 1.10 Pursuant to Paragraph 84 of Schedule B1 to the Act, the administrations of Managed Ops, MOH, Property, Morse and DQL ("the Dissolution Companies") will be concluded by each of the companies moving straight to dissolution, as there are no further assets to realise in any of these companies and no funds available to pay a dividend to preferential or unsecured creditors.
- 1.11 The Dissolution Companies, Liquidation Companies and a number of other companies formed the 2e2 Group ("the Group")
- 1.12 The centre of main interest of each of the Companies is the United Kingdom. Therefore, the EC Regulations on Insolvency Proceedings 2000 apply to the Administrations. The proceedings are main proceedings as defined by Article 3 of those regulations.
- 1.13 No creditors committee has been formed in any of the Administrations or subsequent Liquidations.
- 1.14 No extension of the period of the Administrations have been requested or given, although creditors should note that the Administrations of 2e2 Limited, 2e2 Investments Limited, 2e2 Holdings and 2e2 Group Limited were extended with the consent of the Secured Creditors of these companies, pursuant to Rule 2.112 of the Rules. The conduct of the administrations of

these entities are not covered in this report and will be included in a report to creditors of these entities subsequent to the anniversary of our appointment over these entities

2 Progress of the Administrations

2 1 Attached at Appendix C are the Receipts and Payments accounts for each of the Companies for the period 28 July 2013 to 7 January 2014 or 14 August 2013 to 7 January 2014 (dependent upon the date of appointment – see Appendix A for schedule of appointment dates) These accounts also include a summary of all receipts and payments during the full course of the administrations.

2 2 Full details of the proceedings during the administrations for the periods to 28 July 2013 and 14 August 2013 were provided in our report dated 23 August 2013. Any party requiring a further copy of this report should email 2e2administrators@fticonsulting.com

2 3 Details of material recoveries during the period since our last report and of further assets to be realised during the course of the subsequent liquidations of the Liquidation Companies can be found below

Trading

2 4 As previously reported, we continued to trade 2e2 UK's business for the period 28 January 2013 to 14 February 2013 (the "Trading Period") During the period covered by this report further income and expenditure relating to the Trading Period has occurred

2 5 Pursuant to Statement of Insolvency Practice 7 ("SIP 7") an updated analysis of receipts and payments in relation to the Trading Period can be found at Appendix B The trading statement is presented on a cash basis for income received and costs relating to the Trading Period. Further details required in accordance with SIP7 were disclosed in our previous report

2 6 During the current period there have been receipts of £144k which relate to services provided during the Trading Period We do not expect there to be any further significant income from invoices raised during the Trading Period

2 7 We have settled £83k of Trading Period liabilities since our last report We do not expect there to be any further significant costs to pay in respect of the Trading Period

Debtors

2 8 Our debt collectors, JP Associates, continue to collect certain book debts on behalf of the Companies whilst we continue negotiations directly with a small number of the debtors with large outstanding balances 2e2 UK accounts at the date of administration showed book debts receivable of £43m, of which, the directors estimated in their statement of affairs that £5m would be recoverable

2 9 Collections to date total £8.1m Given the significant number of invoices representing future billings for advanced periods that were issued by 2e2 UK we anticipate that further realisations will be de minimus, given that 2e2 UK is no longer able to complete these orders

2 10 We anticipate that on-going negotiations may result in additional recoveries of £0.3m to £0.5m.

2 11 In addition, MGL has a creditor claim in the administration of Lehman Brothers Limited ("LBL") It is currently uncertain whether any dividend will be paid to creditors of LBL and claims have not been adjudicated by LBL MGL is also the beneficiary of a bond that is due to be released in January 2013, which is likely to result in further realisations to the liquidation estate

Chattel Assets

2 12 Wyles Hardy & Co ("Wyles Hardy") and Sweeney Kincaid were engaged to assist with the realisation of the fixtures, fittings, office and IT equipment where such assets are not subject to lease Realisations from chattel assets outside of the sale of business transaction have totalled c £127k (including buyers premiums), of which £118k was received during the period.

- Stock**
- 2 13 Following a competitive sales process involving 14 parties, 2e2 UK's spares stock was sold for £90k during the period covered by our previous report. However, following a further assessment of the stock received by the purchaser, a counter-claim has reduced the sales proceeds by £16k during the period.
- 2 14 Realisations to date from 2e2 UK's stockholdings (excluding spares stock) have been significantly impacted by retention of title claims and other advanced payments. Wyles Hardy have sold all free of title stock for £55k.
- Other Assets**
- 2 15 2e2 MS was the lessee on a leasehold premises sold as part of the business sale to Daisy. This lease has now been assigned to Daisy resulting in the release to 2e2 MS of a rent deposit of £235k held by the landlord in respect of the lease.
- 2 16 We engaged Sedo, a domain names sales specialist to explore the sale of domain names held by MS that were not sold as part of the business and asset sales discussed above. The domain names were sold for £21k.
- 2 17 Various prepayments made by the Companies have been recovered during the course of the administrations, together with cash balances that were not subject to a cash sweep by the Secured Creditors. These total c. £65k.
- Suspense**
- 2 18 The 2e2 UK receipts and payments account shows £308k allocated to suspense. This relates to post-appointment receipts in to 2e2 UK's pre-appointment bank accounts. Work is ongoing to ascertain which invoices these receipts relate to and to allocate accordingly.
- Other Realisations in Liquidation**
- 2 19 There are not considered to be any other assets to be realised during the course of the subsequent liquidations of the Liquidation Companies other than as detailed above.
- 3 Other Matters**
- Employees**
- 3 1 At the date of our appointment the Group had c. 1,400 employees and we continue to receive a high volume of requests for information in respect of former employees of the Company.
- 3 2 We have also dealt with a high volume of employee queries in relation to aspects of the insolvency process and to the impact of the Administrations on the benefits that were formerly afforded to company staff, with assistance from employment claims specialists, Payco.
- 3 3 We have submitted a formal response employment tribunal claims raised by former members of staff against 2e2 UK. The tribunal is yet to reach judgement in these matters but is expected to return a verdict by the end of Q1 2014.
- Retention of Title**
- 3 4 We have received notification of retention of title ("ROT") claims from 38 parties. One claim is still in the process of being resolved.
- Property**
- 3 5 MS and Managed Ops were the lessees on the leases for the Reading and Gateshead data centres respectively. MS and Managed Op's interests in these property assets were sold to Daisy Data Centre Solutions Limited ("Daisy") as part of the transaction discussed in our previous report. We granted Daisy a license to occupy these premises whilst an assignment of the leases was sought. These leases have now been assigned.
- 3 6 Property was the lessee of three properties which were occupied by subtenants. The leases on these properties have been assigned to the occupying subtenants.

- 3 7 2e2 UK, Diagonal and MGL are the lessees of eight remaining onerous leases. All of the properties to which these leases relate were vacated prior to the period covered by this report. We have previously requested consent from the landlords to surrender these leases and they will be disclaimed during the subsequent liquidations of 2e2 UK, Diagonal and MGL.

Diagonal Trust

- 3 8 DQL was the Trustee for a Trust for which Diagonal was a participating company. As there were no longer any eligible beneficiaries of the Trust, following legal advice, we concluded that there was no alternative but to wind up the Trust. The assets of Trust, after meeting the costs of the winding up, were transferred to Great Ormond Street Hospital, as the Trust Deed stipulated that the assets be distributed to a registered charity on winding-up.

Unsecured Creditors

- 3 9 As Administrators, we have a statutory duty to advertise for creditor claims. Any creditor who believes they may have a claim should submit their claim to us as soon as possible, using the statement of claim form attached at Appendix H, unless they have already done so.

Tax and VAT Matters

- 3 10 Pre-appointment corporation tax returns have been submitted for all of the companies and post-appointment returns have been filed in respect of the Dissolution Companies. There will not be any recovery arising from these returns and HMRC have confirmed they have no objection to the dissolution of the Dissolution Companies.

- 3 11 Further returns will be filed in due course for the period of the Administrations for the Liquidation Companies.

- 3 12 All VAT returns required to date have been filed. Further VAT returns will be submitted during the course of the subsequent liquidations.

Statutory Investigations

- 3 13 We continue to investigate the affairs of the Liquidation Companies in conjunction with our legal advisors to assess whether any potential recovery actions can be undertaken. These investigations are subject to confidentiality, and disclosure cannot be made at this time as such action may be prejudicial to any potential future litigation. We do not consider that these investigations prevent the dissolution of the Dissolution Companies.

- 3 14 We have filed reports on the conduct of the Companies' directors in accordance with our statutory duties pursuant to the Company Directors Disqualification Act 1986. This forms part of our normal investigations into directors' conduct and does not imply any criticism of the directors in this particular case. The content of our reports are confidential and have been submitted to the Department for Business, Innovation and Skills.

- 3 15 Should any creditors have any further relevant information in relation to directors' conduct, they should provide details in writing to the Liquidators.

4 Estimated Outcome to Creditors

- 4 1 Creditors should be aware that it is often difficult to predict the likely dividend levels given that dividends are dependent on the level of realisations and the extent of claims received. Our comments are based on the realisations to date, and our expectations of further asset realisations into the Administration estates.

The general positions of each of the categories of creditor are shown below.

- **Secured Creditors** – £7.4m of cash on appointment was set-off by the Secured Creditors against amounts due. Fixed charge distributions totalling £19.8m have been made across the Group (including from entities that are not the subject of this report).

Further Distributions will be paid in due course and will be dependent upon total net fixed and floating charge realisations.

There is expected to be a significant shortfall to secured creditors as total secured debt at the date of our appointment was c.£257.2m.

- **Preferential creditors** – Under the Act the only classes of preferential creditor are employees in respect of certain claims in relation to arrears of wages, holiday and pensions contributions, as has previously been communicated to employees. In the event that there is a surplus of floating charge realisations after Administration expenses and costs have been met, a dividend will be paid to preferential creditors

The only entity covered by this report in which we anticipate preferential claims is 2e2 UK. We currently anticipate that there will be sufficient net floating charge realisations to permit a full dividend to preferential creditors of 2e2 UK. We are not yet in a position to declare a preferential dividend pending finalisation of total preferential claims. We are yet to receive a final preferential claim against 2e2 UK from the RPO as it is dependent on the outcome of the Employment Tribunal claims discussed earlier in this report.

- **Prescribed Part** – Under Section 176A of the Act where after 15 September 2003 the Company has granted a creditor a floating charge, a proportion of the net property of the company achieved from Floating Charge asset realisations must be made available for the unsecured creditors

The Prescribed Part applies where there are net floating charge realisations (i.e. after costs of realisation) available to unsecured creditors, and is calculated as follows

- 50% of net property up to £10k
- Plus 20% of net property in excess of £10k
- Subject to a maximum of £600k

It is estimated that a Prescribed Part dividend is likely to be available in each of 2e2 UK, 2e2 MS, MGL and Diagonal. In the event that there is a Prescribed Part dividend this will be distributed equally to all agreed unsecured creditors of the relevant company, with the dividend dependent upon the level of claims received. Given the level of unsecured creditor claims, any dividend rate from the Prescribed Part is expected to be de-minimus.

The requirement to make the Prescribed Part distribution to unsecured creditors is disapplied if, *inter alia*, either

- the company's net property is less than the prescribed minimum and the administrator or liquidator thinks that the cost of making a distribution to unsecured creditors would be disproportionate to the benefits (s176A(3)(b)), or
- the administrator or liquidator applies to the court for an order on such grounds and the court so orders (s176A(5))

The administrators will consider the level of any potential dividend in due course and assess whether the cost of making a distribution is disproportionate to the benefits. Further information shall be provided to creditors in relation to this if we ultimately form the view that these provisions apply to any of the Companies.

- **Unsecured Creditors** – Based on the information available we estimate that there will be no funds available to distribute to unsecured creditors of any of the Companies other than that distributed under the Prescribed Part, should one be payable.

5 Administrators' Remuneration and Disbursements

Billed to Date

- 5.1 During the period 28 January 2013 or 14 February 2013 (dependent upon the date of appointment) to 7 January 2014, Administrators' remuneration totalling £3,196,845, category 1 disbursements totalling £33,422 and category 2 disbursements totalling £7,300 have been billed and drawn across the Liquidation Entities. Administrators' remuneration totalling £260,136, category 1 disbursements totalling £2,478 and category 2 disbursements totalling £90 have been billed and drawn across the Dissolution Entities.

5 2 A split by entity of time costs and disbursements incurred during the current period and previous period is shown in Appendix E

5 3 All fees were drawn following approval from the secured creditors (and preferential creditors where applicable) of the relevant entity in accordance with Rule 2 106(5A) of the Rules. The table below shows the levels of fees drawn during the period by each entity (where applicable)

Entity	Time Costs Drawn (£)	Expenses Drawn (£)
2e2 UK	534,742	1,784
MGL	5,285	32
MS	18,735	0
Diagonal	13,606	0
MOH	10,450	0
Managed Ops	7,366	0
Property	5,995	0

5 4 Category 1 disbursements do not require approval by creditors, and generally comprise of external supplies of services which are specifically identifiable to the case and personnel expenses incurred in connection with the case. Category 2 disbursements do require approval from creditors and relate to services provided to the office holder by associated companies and costs which are apportioned overheads such as mileage and data storage. Further details in relation to this can be found at Appendix F which includes also includes additional information in relation to our policy on staffing, the use of sub contractors and details of our current charge out rates by staff grade.

5 5 We have attached at Appendix D a time analysis for this period in accordance with the provisions of SIP9, which provides details of the activity costs incurred by staff grade.

Unbilled Costs

5 6 Unbilled costs incurred across the Liquidation Companies for the period from 28 July 2013 to 7 January 2014 or 14 August 2013 to 7 January 2014 (dependent upon the date of appointment) total £62,245 in respect of time costs.

5 7 Subject to approval from the required parties, these fees may be drawn in the subsequent liquidations.

5 8 Time costs of £46,183 were written off in relation to time costs incurred in carrying out the administration of 2e2 UK.

5 9 Time costs £28,953 will be written off in respect of time costs incurred and not drawn in respect of the Dissolution Companies.

Creditors' Right to Request Information

5 10 Any secured creditor or unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with leave of the Court, may, in writing, request the Administrators to provide additional information regarding remuneration or expenses to that already supplied with this document. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2 47(1)(fa) and 2 48A of the Rules.

5 11 I enclose further information in relation to creditors' rights to information at Appendix G.

5 12 A copy of the 'Creditors' Guide to Administrators' Fees' is available at http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Nov2011.pdf

Creditors can alternatively request a copy from us and we will provide a paper copy by post.

- Creditors' Right to Challenge Remuneration and/or Expenses**
- 5 13 Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 2 109(4) of the Rules), challenging the amount or the basis of the remuneration which the Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred. Such applications must be made within eight weeks of receipt by the applicant(s) of the report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2 109 of the Rules.

6 Extracts from Administrators' Proposals

- 6 1 The Administrators' Proposals are set out below

Proposed Strategy, Actions and Activities

- 6.2 The Administrators will continue to manage the affairs of the Companies in order to achieve the purpose of the Administration.
- 6 3 To do all such other things and generally exercise all of their powers as contained in Schedule B1 of the Act, as the Administrators consider desirable or expedient to achieve the statutory purpose of the Administration
- 6 4 To investigate and as appropriate pursue any claims the Companies may have
- 6 5 The Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against each of the Companies unless they conclude, in their reasonable opinion, that a company will have no assets available for distribution
- 6 6 The Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit. In relation to potential distributions to unsecured creditors, that the Administrators, at their discretion, may make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) of Schedule B1 of the Act
- 6 7 That, in the event the creditors of each company so determine, a creditors committee be appointed in respect of each or any company comprising of not more than five and not less than three creditors of that company.

Proposed Exit Routes

- 6 8 In relation to all Companies, once all assets have been realised, and if there are no funds available to enable a distribution to the unsecured creditors and a liquidation process is not required, the Administrators shall file a notice pursuant to paragraph 84 of Schedule B1 to the Act together with their final progress report at Court and with the Registrar of Companies for the dissolution of the Companies.
- 6 9 Should dissolution not be deemed to be the most appropriate exit route, the Joint Administrators may exit the Companies' Administrations into Creditors' Voluntary Liquidation pursuant to paragraph 83 of Schedule B1 to the Act in order to make the distribution to unsecured creditors. It is proposed that the Administrators would be appointed as liquidators, with any liquidator being able to undertake acts required or authorised under any enactment individually. The creditors are entitled to nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of these proposals and before the proposals are approved.
- 6 10 In the event that there are no distributions to unsecured creditors, but the Administrators still believe liquidation to be the most appropriate route (for example if investigation work is required within a liquidation process or it is necessary to disclaim a lease), the Administrators will exit the Administrations by compulsory liquidations. The Administrators give notice that on such a petition the Joint Administrators will seek their appointment as liquidators pursuant to section 140 of the Act

- 6 11 The Administrators will be discharged from liability in accordance with Paragraph 98(1) of Schedule B1 of the Act immediately upon their appointment as Administrators ceasing to have effect

Administrators' Remuneration

- 6 12 That in respect of each company the creditors committee, if one is appointed, be asked to agree that the basis of the Administrators' remuneration be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the Administrations, calculated at the prevailing standard hourly charge out rates used by FTI at the time when the work is performed, plus VAT, and be asked to agree the Administrators' expenses
- 6 13 That if a creditors' committee is not appointed, the Secured Creditors (and preferential creditors where applicable) of each company shall be asked to fix the basis of the Administrators' remuneration in accordance with Rule 2.106(5A)(a) of the Rules, to be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the Administrations, calculated at the prevailing standard hourly charge out rates used by FTI at the time when the work is performed, plus VAT

7 Exit Route and Next Report

- 7 1 This report represents a final report into the administrations of the Dissolution Companies for the period to 7 January 2014 as they will now be dissolved
- 7 2 This report represents a final report into the administrations of the Liquidation Companies for the period to 7 January 2014 as they have now been converted to CVLs The next statutory report by the liquidators must be issued by 7 January 2015
- 7 3 Should you have any queries in the meantime, please contact us on 020 3077 0593 or email 2e2administrators@fticonsulting.com

For and on behalf of
the Companies



Simon Granger
Joint Administrator of the Dissolution Companies
Joint Liquidator of the Liquidation Companies.

The affairs, business and property of the Dissolution Companies are being managed by the Joint Administrators The Joint Administrators act as agents of the Dissolution Companies and without personal liability

Simon Granger is licensed in the United Kingdom to act as an insolvency practitioner by the Association of Chartered Certified Accountants and Chad Griffin and Simon Kirkhope are licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales, under section 390(2)(a) of the Insolvency Act 1986

Statutory Information – Liquidation Entities

Appendix A

Company	2E2 UK Limited	Morse Group Limited	2e2 MS Limited	Diagonal Limited
Court Details	High Court of Justice Chancery Division (Companies Court)	High Court of Justice Chancery Division (Companies Court)	High Court of Justice Chancery Division (Companies Court)	High Court of Justice Chancery Division (Companies Court)
Court Reference	612 of 2013	611 of 2013	1066 of 2013	1067 of 2013
Appointed By	The Directors of the company (forms signed by Terry Burt, The Mansion House, Benham Valence, Newbury RG20 8LU)	The Directors of the company (forms signed by Terry Burt, The Mansion House, Benham Valence, Newbury RG20 8LU)	Qualifying Floating Chargeholder (Forms signed by Robert John Bell on behalf of RBC Europe Limited, Thames Court, One Queenhithe, London, EC4U 4DE)	Qualifying Floating Chargeholder (Forms signed by Robert John Bell on behalf of RBC Europe Limited, Thames Court, One Queenhithe, London, EC4U 4DE)
Registered Number	04090390	02212268	04543345	02153353
Registered Office Address	c/o FTI Consulting LLP, Midtown, 322 High Holborn, London WC1V 7PB	c/o FTI Consulting LLP, Midtown, 322 High Holborn, London WC1V 7PB	c/o FTI Consulting LLP, Midtown, 322 High Holborn, London WC1V 7PB	c/o FTI Consulting LLP, Midtown, 322 High Holborn, London WC1V 7PB
Company Directors	Mr Terence William Burt Mr Mark Stevens McVeigh Mr Nicholas Paul Grossman Mr Simon Derek Burt	Mr Terence William Burt Mr Nicholas Paul Grossman Mr Simon Derek Burt	Mr Terence William Burt Mr Nicholas Paul Grossman Mr Simon Derek Burt	Mr Terence William Burt Mr Nicholas Paul Grossman Mr Simon Derek Burt
Company Secretary	Mr Nicholas Paul Grossman	Mr Nicholas Paul Grossman	Mr Nicholas Paul Grossman	Mr Nicholas Paul Grossman
Date of Administration Appointment	28 January 2013	28 January 2013	14 February 2013	14 February 2013
Shareholding held by Directors and Secretary	N/A	N/A	N/A	N/A

Statutory Information – Dissolution Entities

Appendix A

Company	Morse Limited	2e2 Property Limited	Diagonal Quest Limited	2E2 Managed Operations Limited	Morse Overseas Holdings Limited
Court Details	High Court of Justice Chancery Division (Companies Court)	High Court of Justice Chancery Division (Companies Court)	High Court of Justice Chancery Division (Companies Court)	High Court of Justice Chancery Division (Companies Court)	High Court of Justice Chancery Division (Companies Court)
Court Reference	1062 of 2013	610 of 2013	609 of 2013	607 of 2013	605 of 2013
Appointed By	Qualifying Floating Chargeholder (Forms signed by Robert John Bell on behalf of RBC Europe Limited, Thames Court, One Queenhithe, London, EC4U 4DE)	The Directors of the company (forms signed by Terry Burt, The Mansion House, Benham Valence, Newbury RG20 8LU)	The Directors of the company (forms signed by Terry Burt, The Mansion House, Benham Valence, Newbury RG20 8LU)	The Directors of the company (forms signed by Terry Burt, The Mansion House, Benham Valence, Newbury RG20 8LU)	The Directors of the company (forms signed by Terry Burt, The Mansion House, Benham Valence, Newbury RG20 8LU)
Registered Number	03108179	04161428	03852299	03202152	03712707
Registered Office Address	c/o FTI Consulting LLP, Midtown, 322 High Holborn, London WC1V 7PB	c/o FTI Consulting LLP, Midtown, 322 High Holborn, London WC1V 7PB	c/o FTI Consulting LLP, Midtown, 322 High Holborn, London WC1V 7PB	c/o FTI Consulting LLP, Midtown, 322 High Holborn, London WC1V 7PB	c/o FTI Consulting LLP, Midtown, 322 High Holborn, London WC1V 7PB
Company Directors	Mr Terence William Burt Mr Mark Stevens Mr Mark Stevens Mr Nicholas Paul Grossman	Mr Terence William Burt Mr Mark Stevens Mr Mark Stevens Mr Nicholas Paul Grossman	Mr Terence William Burt Mr Nicholas Paul Grossman Mr Simon Derek Burt	Mr Terence William Burt Mr Mark Stevens Mr Nicholas Paul Grossman	Mr Terence William Burt Mr Nicholas Paul Grossman Mr Simon Derek Burt
Company Secretary	Mr Nicholas Paul Grossman	Mr Nicholas Paul Grossman	Mr Nicholas Paul Grossman	Mr Nicholas Paul Grossman	Mr Nicholas Paul Grossman
Date of Initial Appointment	14 February 2013	28 January 2013	28 January 2013	28 January 2013	28 January 2013
Shareholding held by Directors and Secretary	N/A	N/A	N/A	N/A	N/A

Trading Statement for 2e2 UK

Appendix B

	28 January 2013 to 28 July 2013 £	28 July 2013 to 7 January 2014 £	Total for period to 7 January 2014 £
Receipts			
Flex Resource Funding	335,319	-	335,319
Data Centre Funding Contributions	794,667	4,667	799,333
Post Appointment Sales	972,166	139,089	1,111,255
Total	2,102,152	143,756	2,245,908
Payments			
Contractors	28,183	-	28,183
Cleaning	3,001	608	3,608
Staff Expenses	12,547	-	12,547
Insurance	104,455	40,222	144,677
Maintenance & Support Services	49,472	-	49,472
Leased Vehicles	20,906	2,090	22,996
PAYE/NIC Contributions - 2e2 Holdings ¹	34,045	-	34,045
PAYE/NIC Contributions ²	1,711,942	-	1,711,942
Employee and Payroll Service Providers	18,750	-	18,750
Electricity ⁴	99,998	(192)	99,805
Net Payroll ⁵	3,448,343	239	3,448,582
Pension Contributions ⁶	231,476	(3,108)	228,367
Employee Benefits	28,194	7,596	35,789
Telecommunications and Connectivity ⁴	17,543	(12)	17,531
HP/Leased Equipment	500	-	500
Security Services	13,038	-	13,038
Office Holders Fees ³	635,316	-	635,316
Office Holders Expenses ³	32,167	-	32,167
IT & Telecom Services	85,224	24,225	109,449
Logistics and Warehousing services	28,413	-	28,413
Water	86	951	1,037
Gas	2,583	70	2,653
Rent	6,142	-	6,142
Datasite Services	11,283	10,520	21,803
Rates	11,080	134	11,214
Other Payments			
Datasite Services (Arrears)	3,096	-	3,096
Payroll Deductions (Arrears)	5,989	-	5,989
Maintenance Services (Arrears)	50,496	-	50,496
Logistics & Warehousing (Arrears)	108,088	-	108,088
Employee Benefits (Arrears)	40,025	-	40,025
Total	6,842,378	83,343	6,925,721
Net Trading Surplus (/Deficit)	(4,740,226)	60,413	(4,679,813)

[1] A small number of staff employed by Holdings were retained to assist with the Administration of 2e2 UK. These costs were borne by 2e2 UK.

[2] c.£4.2m of payroll and PAYE/NIC costs relate to January payroll, the majority of which relates to arrears of wages for the period prior to our appointment for staff initially retained to assist with the Administration. These payments were required in order to continue to trade the business in order to complete the UK sale of business transactions.

[3] This relates to an allocation of Office Holders fees and expenses drawn in relation to trading activity. No fees were drawn in the period to since 28 July 2013 in relation to trading.

[4] Where refunds have been received from service providers in relation to the trading period, they have been shown as a reduction in

[5] Additional cost attributable to correction of account for long term sick funding in previous report. The other side of the adjustment is included in the non-trading statement. The reporting has been left unchanged to allow comparison with prior reports.

[6] Pension contributions returned by pension providers in relation to closed schemes.

Receipts and Payments Accounts for 2e2 UK for the Period 28 July 2013 to 7 January 2014

Appendix C

	Statement of Affairs Expected to Realise	28 January 2013 to 27 July 2013	28 July 2013 to 7 January 2014	Total for period to 7 January 2014
	£	£	£	£
Trading				
Net Trading Surplus / (Deficit)¹		(4 740 226)	60,413	(4 679 813)
Receipts				
Bank Interest Gross			47	47
Business Intellectual Property		136 450	-	136 450
Cash at Bank		986	6 309	7 296
Customer Databases and Customer Records		1	-	1
Employee Records		2	-	2
Furniture & Equipment	6 190 000	6 032 451	117,598	6 150 049
Goodwill		2	-	2
Insurance Claims		1	-	1
Intercompany Receipts		10 227	-	10 227
Investment in Subsidiaries	159 000	158 514	-	158 514
Long Term Sick Payroll Funding ⁵		3 400	3 070	6 470
Marketing Information		2	-	2
Motor Vehicles		2 000	-	2 000
Prepayment Recoveries		18 337	12 260	30 598
ROT Settlements		419 942	-	419 942
Sale of Spares Stock	90 000	90 000	38,894	128,894
Supply Contracts		1	-	1
Suspense ²		177 749	130 181	307 930
3rd Party Funding ³		5 000 000	-	5 000 000
3rd Party Funding (Disclosure) ⁴			15 795	15 795
Trade Debtors	5 000 000	5 732 468	2 398 843	8 131 311
Total	11 439 000	17 782 534	2 722 998	20 505 531
Payments				
Agents/Valuers Fees ⁷		287 989	185 496	473 484
Archiving & Records Management		2 927	600	3 527
Bank Charges		1 671	699	2 370
Interest Payment on Third Party Funding		1 576	-	1 576
Legal Fees & Disbursements		548 073	110 824	658 896
Mail Redirection Costs		695	195	890
Office Holders Expenses ⁶		3 716	1,784	5 500
Office Holders Fees ⁶		1 985 424	534 742	2 520 166
Pre-appointment Legal Fees		45 000	-	45 000
Printing & Mailing Services		8 687	4 592	13,279
Repayment of Third Party Funding ³		5 000 000	-	5 000 000
Site Clearance Costs			112 979	112 979
Specific Bond		1 000	-	1 000
Statutory Advertising		453	-	453
Sundry Expense		65	23 279	23 344
3rd Party Funded Disclosure Costs ⁴		-	13 637	13 637
Total		7 887 276	988,825	8 876 102
Net Receipts/(Payments)		5 155 032	1 794 585	6 949 617
Represented by				
Floating Charge Account		4 767 869	1 966 156	6 734 025
Fixed Charge Account		(87)	87	-
Vat Receivable		807 042	(644,867)	162 175
VAT Payable		(402 544)	423 519	20 975
VAT Control		(18 104)	49 691	31 587
Payment on Behalf of Subsidiaries		855	(1)	854
Total		5 155 032	1 794 585	6 949 617

[1] See separate trading statement for details.

[2] The balance in the suspense account is made up of post-appointment receipts into various pre-appointment bank accounts. A process to identify what these receipts relates to is on going.

[3] Third party funding was provided by one of the senior secured creditors in order allow the Group to continue to trade. This funding was repaid in full on 20 February 2013.

[4] A third party has requested the disclosure of certain information in relation and has agreed to fund costs in relation to this work.

[5] Funding was received from long term sick income protection providers. Funding was returned to providers where overpayment was made to allow direct employee payment.

[6] These figures exclude office holders fees and expenses incurred in relation to the trading period as these are separately reported in our trading statement.

[7] Agents fees relate to book debt collection (J P Associates) property valuations (Storeys Edwards Symmons Ltd) employee claims specialist advice (Payco) recovery of business rates (Cape) and sale of chattel assets (Wyles Hardy & Co Ltd and Sweeney Kincaid).

Receipts and Payments Accounts for the Period 28 July 2013 or 14 August 2013 to 7 January 2014
(Dependent upon the date of appointment)

Appendix C

	Morse Group Limited (In administration)			2a2 MS Limited (In administration)			Diagonal Limited (In administration)		
	Statement of Affairs Expected to Realise	28 January 2013 to 27 July 2013	28 July 2013 to 7 January 2014	Statement of Affairs Expected to Realise	14 February 2013 to 13 August 2013	14 August 2013 to 7 January 2014	Statement of Affairs Expected to Realise	14 February 2013 to 13 August 2013	14 August 2013 to 7 January 2014
	£	£	£	£	£	£	£	£	£
Receipts									
Cash at Bank			2,957						
Domain Names		1			20,993				
Goodwill			1						
Intellectual Property									
Investment in Subsidiaries								12,500	12,500
Leasehold Property					5,461			1	1
Marketing & Editorial									
Prepayment Recoveries			5,316		19,048				
Rent Deposit					234,857			122,349	122,349
Software									
Sundry Receipt									
Trade Debtors									
Trademarks									
Total		1	8,274		5,461	274,897		100	134,950
Payments									
Agents Fees									
Bank Charges									
Intangible Property Costs									
Irrecoverable VAT									
IT Services									
Legal Disbursements									
Legal Fees									
Net Retention Payments			32						
Office Holders Expenses			5,285		18,735	18,735.00		13,608	13,608
Office Holders Fees									
Records Management									
Rent									
Specific Bond									
Statutory Accounting									
Transaction Costs									
Total			5,317		202	18,799		13,775	6,792
Distributions									
Fixed Charge Distribution									
Net Receipts/(Payments)									
		1	2,956		5,260	256,099		121,175	(6,856)
Represented by									
Fixed Charge Account		1	2,956		5,332	254,987		145,444	(31,125)
Floating Charge Account									
VAT Payable					(13,231)	585		(26,990)	26,990
VAT Receivable					13,158	527		2,721	(2,721)
Total		1	2,956		5,260	256,099		121,175	(6,856)

Receipts and Payments Accounts for the Period 28 July 2013 or 14 August 2013 to 7 January 2014
(Dependent upon the date of appointment)

Appendix C

	Morse Limited (in administration)				Diagonal Quest Limited (in administration)				Morse Overseas Holdings Limited (in administration)			
	Statement of Affairs Expected to Realise	14 February 2013 to 13 August 2013	14 August 2013 to 7 January 2014	Total for period to 7 January 2014	Statement of Affairs Expected to Realise	28 January 2013 to 27 July 2013	28 July 2013 to 7 January 2014	Total for period to 7 January 2014	Statement of Affairs Expected to Realise	28 January 2013 to 27 July 2013	28 July 2013 to 7 January 2014	Total for period to 7 January 2014
	£	£	£	£	£	£	£	£	£	£	£	£
Receipts												
Cash at Bank												
Domain Names		100		100		1		1		1		1
Goodwill												
Intellectual Property												
Investment in Subsidiaries												
Leasehold Property												
Marketing & Collateral												
Prepayment Recoveries												
Rent Deposit												
Software												
Sundry Receipt			1	1								
Trade Debtors												
Trademarks												
Total		100	1	101		1		1	18 744 231	14 863 091		14 863 091
Payments												
Agents' Fees												
Bank Charges		5	5	11						17	11	28
Intangible Property Costs												
Irrecoverable VAT												
IT Services												
Legal Disbursements										40 085		40 085
Legal Fees										217 932	2 701	220 633
Net Retention Payments												
Office Holders' Expenses										50 188		50 188
Office Holders' Fees										2 568		2 568
Records Management										227 639	10 450	238 089
Rent												
Specific Bond		30		30						30		30
Statutory Advertising		60		60			1	1		108 120		108 120
Transaction Costs							1	1		646 558	13 183	659 720
Total		96	5	101								
Distributions												
Fried Charge Distribution												
										13 928 000	275 365	14 203 365
										13 928 000	275 365	14 203 365
Net Receipts/(Payments)		5	(5)			1	(1)			288 533	(288 528)	6
Represented by												
Fried Charge Account		25	(25)			1	(1)			190 819	(190 819)	
Flaming Charge Account												
VAT Payable		(20)	20									
VAT Receivable		5	(5)			1	(1)			97 615	(97 615)	
Total										288 533	(288 533)	

Receipts and Payments Accounts for the Period 28 July 2013 or 14 August 2013 to 7 January 2014
(Dependent upon the date of appointment)

Appendix C

	242 Property Limited (in administration)			242 Managed Operations Limited (in administration)		
	Statement of Affairs Expected to Realise	28 January 2013 to 27 July 2013	28 July 2013 to 7 January 2014	Statement of Affairs Expected to Realise	28 January 2013 to 27 July 2013	28 July 2013 to 7 January 2014
	£	£	£	£	£	£
Receipts						
Cash at Bank	8 108					
Domain Names						
Goodwill		1	1		1	1
Intellectual Property						
Investment in Subsidiaries						
Leasehold Property				800 000		800 000
Marketing & Collateral						
Prepayment Recoveries						
Rent Deposit						
Software						
Survey Receipt			150			
Trade Debtors	22 089	22 084	22 084			
Trademarks						
Total	30 197	22 085	22 235	800 001		800 001
Payments						
Agents Fees						
Bank Charges	5	5	11		5	16
Intangible Property Costs						
Irrecoverable VAT		1 199	1 199			
IT Services						
Legal Disbursements						
Legal Fees						
Net Retention Payments						
Office Holders Expenses						
Office Holders Fees		5 895	5 895		7 587	7 366
Records Management						
Rent	15 000		15 000			
Specific Bond	30		30		30	
Statutory Advertising						
Transaction Costs						
Total	15 035	7 200	22 235	7 632	7 382	15 014
Distributions						
Fried Charge Distribution						
				300 000	484 987	784 987
				300 000	484 987	784 987
Net Receipts/(Payments)	7 050	(7 050)		492 369	(492 369)	
Represented by						
Fried Charge Account						
Floating Charge Account	4 050	(4 050)		490 850	(490 850)	
VAT Payable						
VAT Receivable	3 000	(3 000)		1 519	(1 519)	
Total	7 050	(7 050)		492 369	(492 369)	

Analysis of Administrators' Time Costs in Accordance with SIP9

Appendix D

2e2 UK Limited - Analysis of Administrators' Time Costs in Accordance with SIP9 for the period 28 January 2013 to 7 January 2014

Task		Senior Managing Director	Managing Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning								
Strategy and planning	A1	44.5	74.4	69.3	13.5	201.7	73,279.5	363.3
Initial actions	A2	6.0	8.0		4.0	18.0	9,150.0	508.3
Appointment and related formalities	A3	1.5		10.0		11.5	3,655.0	317.8
Receipts and payments accounts	A4		1.3	4.0	366.5	371.8	66,602.0	179.1
Checklist and reviews	A5	11.1	8.3	83.3	11.9	112.6	43,990.0	390.7
Cashiering and reconciliations	A6	8.0	31.4	228.4	309.0	576.8	163,537.0	283.5
Bonding and IPS maintenance	A7		2.5	2.5	83.6	88.6	17,091.0	192.9
Subtotal		71.1	123.9	397.5	788.5	1,381.0	377,304.5	
Investigations								
Correspondence with directors	B1		1.3	3.7	3.3	8.3	2,157.5	259.9
Directors questionnaire/checklists	B2			1.7	0.3	2.0	622.0	311.0
Statement of affairs	B3		3.2	4.4	0.6	8.2	3,637.0	443.5
Reports of Directors' conduct	B4	18.6	11.7	31.0	10.0	69.3	26,957.5	389.0
Books and records	B5		1.7	15.5	43.5	60.7	12,924.0	212.9
Electronic records	B6	2.9	27.6	133.5	16.4	180.4	36,648.2	203.1
Other investigations	B7	98.0	307.5	129.7		535.1	235,073.0	439.3
Subtotal		117.5	353.0	319.5	74.1	864.0	316,019.2	
Realisation of assets								
Cash and investments	C1	1.0	4.0			5.0	2,835.0	567.0
Sale of business	C2	401.1	192.1	153.7		746.9	439,190.5	588.0
Post-completion obligations	C3	1.0	13.2	24.0		38.2	18,579.0	486.4
Book debts	C4	3.5	80.3	404.6	7.6	496.0	164,349.0	331.3
Stock and WIP	C5		42.6	5.4	0.6	48.6	28,661.0	548.6
Property plant and vehicles	C6	1.5	27.0	86.3	8.9	123.7	45,813.5	370.4
Other assets	C7	6.5	26.0	5.0		37.5	20,760.5	553.6
Health & Safety/Insurance	C8	2.0	7.3	15.2		24.5	11,506.5	469.7
Legal issues/litigation	C9	1.0	6.5			7.5	4,562.5	608.3
Subtotal		417.6	399.0	694.2	17.1	1,527.9	734,257.5	
Trading								
Initial control of operations	D1	20.0	65.0	77.5		162.5	78,517.5	483.2
Ongoing trading/monitoring	D2	33.5	546.3	358.7		938.5	453,452.5	483.2
Closure of trading	D3	2.0	60.1	124.4		186.5	82,917.0	444.6
Ongoing VAT & tax issues	D4		16.0	100.4	14.9	131.3	41,529.5	316.3
Subtotal		55.5	687.4	661.0	14.9	1,418.8	656,416.5	
Creditors (correspondence and claims)								
Unsecured creditors	E1	6.7	43.4	512.7	88.4	651.2	208,533.0	320.2
Secured creditors	E2	49.2	33.9	24.0	13.6	120.7	63,660.5	527.4
Pensions	E3		0.7	0.8		1.5	686.5	457.7
Employees	E4	34.5	161.6	643.6	28.1	867.8	316,583.5	364.8
ROT creditors	E5	9.0	235.9	224.3		469.2	197,464.0	420.9
Shareholders	E6			3.2	0.3	3.5	1,480.5	417.3
Lease creditors	E7		3.4	14.1		17.5	7,029.0	401.7
Subtotal		99.4	478.9	1,422.7	130.4	2,131.4	795,417.0	
Tax								
Initial reviews CT and VAT	F1	5.0	39.9			44.9	22,178.5	494.0
Pre-appointment CT	F2	9.2	35.2	42.5	8.3	95.2	37,040.0	389.1
Pre-appointment VAT	F3		10.7	11.3	-	22.0	8,732.5	396.9
Post-appointment CT	F4	0.8	19.6	78.1	44.6	143.1	35,693.0	248.4
Post-appointment VAT	F5		148.4	130.0	1.4	279.8	117,778.0	420.9
Tax advice on transactions	F6	11.6	44.3		1.9	57.8	33,387.0	577.6
Other post-appointment tax	F7	3.2	25.9	9.4	2.2	40.7	17,475.0	429.4
Subtotal		29.8	324.0	271.3	58.4	683.5	272,284.0	
Reporting								
Proposals	G2		9.2	9.9	2.3	21.4	9,704.5	453.5
Other statutory reports/meetings	G3	7.7	7.7	36.1	9.0	60.5	21,431.0	354.2
Secured creditor reports	G4	11.0	67.8	48.5		125.3	60,840.5	485.6
Subtotal		18.7	84.7	92.5	11.3	207.2	91,976.0	
Other								
Other	H1				0.6	0.6	108.0	180.0
Time Billable to Arrow	I1	1.6	6.9	30.7		39.2	10,884.5	277.7
Subtotal		1.6	6.9	30.7	0.6	38.8	10,992.5	
Total Time by Grade		811.2	2,457.8	3,889.4	1,095.3	8,253.6		
Total Cost by Grade		848,847.0	1,348,781.5	1,167,437.7	181,601.0	3,256,667.2		
Average by Grade		676.8	548.8	300.2	174.9	394.6		

	Time Costs	Category 1	Category 2	Total
Total Costs to Date	3,256,667.16	32,926.52	7,719.94	3,297,313.61
Amount Billed - 3rd Parties	(4,721.50)	0.00	0.00	(4,721.50)
Amount Billable - 3rd Parties	(5,871.00)	0.00	0.00	(5,871.00)
Fees Billed But Not Yet Paid Out of Estate	(2,229.62)	0.00	(2,810.00)	(5,039.62)
Fees Billed and Paid	(3,165,461.87)	(33,177.02)	(4,489.94)	(3,193,148.83)
Time Costs Written Down	(46,183.16)	0.00	0.00	(46,183.16)
WIP	42,180.00	(250.50)	420.00	42,349.50

Analysis of Administrators' Time Costs in Accordance with SIP9

Appendix D

Diagonal Limited - Analysis of Administrators' Time Costs in Accordance with SIP9 for the period 14 February 2013 to 7 January 2014

Task	Senior Managing Director	Managing Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning							
Appointment and related formalities	A3			2.5	2.5	437.5	175.0
Receipts and payments accounts	A4			3.9	3.9	692.5	177.6
Checklist and reviews	A5	0.2	1.4	2.0	3.6	1,019.0	283.1
Cashiering and reconciliations	A6		0.8	5.2	6.0	1,107.0	184.5
Bonding and IPS maintenance	A7		0.2	1.4	1.6	333.0	208.1
Subtotal	0.0	0.2	2.4	15.0	17.6	3,589.0	
Investigations							
Statement of affairs	B3			0.4	0.4	70.0	175.0
Reports of Directors' conduct	B4	0.4		2.6	3.0	696.0	232.0
Books and records	B5		0.1	0.3	0.4	72.0	180.0
Subtotal	0.0	0.4	0.1	3.3	3.8	838.0	
Realisation of assets							
Property, plant and vehicles	C6		0.2		0.2	88.0	440.0
Other assets	C7	21.6			21.6	11,556.0	535.0
Subtotal	0.0	21.6	0.2	0.0	21.8	11,644.0	
Trading							
Ongoing VAT & tax issues	D4	0.5			0.5	307.5	615.0
Subtotal	0.0	0.5	0.0	0.0	0.5	307.5	
Creditors (correspondence and claims)							
Secured creditors	E2		0.9	0.1	1.0	324.0	324.0
Shareholders	E6		1.5		1.5	660.0	440.0
Subtotal	0.0	0.0	2.4	0.1	2.5	984.0	
Tax							
Pre-appointment CT	F2	0.7	2.8	0.2	3.7	1,158.5	313.1
Post appointment CT	F4		0.9	0.5	1.4	306.0	218.6
Other post appointment tax	F7		0.5		0.5	90.0	180.0
Subtotal	0.0	0.7	4.2	0.7	5.6	1,554.5	
Reporting							
Proposals	G2	0.2	1.0		1.2	515.0	429.2
Other statutory reports/meetings	G3	0.4	5.6	3.2	9.2	3,263.0	354.7
Secured creditor reports	G4	0.3	2.1		2.4	938.5	391.0
Subtotal	0.0	0.9	8.7	3.2	12.8	4,716.5	
Other							
Other	H1			0.2	0.2	36.0	180.0
Subtotal	0.0	0.0	0.0	0.2	0.2	36.0	180.0
Total Time by Grade	0.0	24.3	16.0	22.5	64.8		
Total Cost by Grade	0.0	13,055.5	6,649.0	3,965.0	23,669.5		
Average by Grade	0.0	537.3	369.4	176.2	365.3		
	Time Costs	Category 1	Category 2	Total			
Total Costs to Date	23,669.5	0.0	0.0	23,669.5			
Amount Billed	(20,398.0)	0.0	0.0	(20,398.0)			
WIP	3,271.5	0.0	0.0	3,271.5			

Analysis of Administrators' Time Costs in Accordance with SIP9

Appendix D

Morse Group Limited - Analysis of Administrators' Time Costs in Accordance with SIP9 for the period 28 January 2013 to 7 January 2014

Task		Senior Managing Director	Managing Director /	Senior Consultant /		Associate	Total Time	Total Cost	Average Cost
Administration and Planning									
Strategy and planning	A1	0.5					0.5	347.5	695.0
Initial actions	A2				1.6		1.6	280.0	175.0
Appointment and related formalities	A3	0.5		1.0			1.5	732.5	488.3
Receipts and payments accounts	A4				3.6		3.6	640.5	177.9
Checklist and reviews	A5		0.2	1.9			2.1	1,281.5	284.8
Cashiering and reconciliations	A6				3.9		3.9	690.5	177.1
Bonding and IPS maintenance	A7			0.2		0.9	1.1	245.5	223.2
Subtotal		1.0	0.2	3.1	12.4		16.7	4,218.0	
Investigations									
Correspondence with directors	B1			0.7		1.1	1.8	318.5	176.9
Reports of Directors' conduct	B4		0.4			3.0	3.4	766.0	225.3
Books and records	B5			0.1		0.9	1.0	177.0	177.0
Subtotal		0.0	0.4	0.8	5.0		6.2	1,261.5	
Realisation of assets									
Sale of business	C2	2.0					2.0	1,390.0	695.0
Book debts	C4		5.8	4.0			9.8	4,391.0	448.1
Property plant and vehicles	C6			4.8			4.8	1,989.0	414.4
Other assets	C7			1.1			1.1	484.0	440.0
Subtotal		2.0	5.8	9.9	0.0		17.7	8,254.0	
Creditors (correspondence and claims)									
Unsecured creditors	E1			0.6			0.6	212.0	353.3
Secured creditors	E2			0.9		0.1	1.0	324.0	324.0
Subtotal		0.0	0.0	1.5	0.1		1.6	536.0	
Tax									
Pre-appointment CT	F2		5.5	3.7	0.2		9.4	3,698.5	399.5
Post appointment CT	F4		0.5	1.4		0.6	2.5	826.5	330.6
Other post appointment tax	F7	0.3	0.1				0.4	264.0	560.0
Subtotal		0.3	6.1	5.1	0.8		12.3	4,789.0	
Reporting									
Proposals	G2		0.2	2.0			2.2	900.0	409.1
Other statutory reports/meetings	G3		0.4	6.7		3.1	10.2	3,381.0	331.5
Secured creditor reports	G4		0.3	1.9			2.2	850.5	386.6
Subtotal		0.0	0.9	10.6	3.1		14.6	5,131.5	
Other									
Other	H1					0.4	0.4	71.5	178.8
Subtotal		0.0	0.0	0.0	0.4		0.4	71.5	178.8
Total Time by Grade									
		3.3	13.4	31.0		21.8		69.5	
Total Cost by Grade		2,302.5	7,529.0	10,588.0		3,842.0		24,261.5	
Average by Grade		697.7	561.9	341.5		176.2		349.1	
Time Costs									
		Category 1	Category 2		Total				
Total Costs to Date		24,261.5	32.0	0.0		24,293.5			
Amount Billed		0.0	0.0	0.0		0.0			
WIP		24,261.5	32.0	0.0		24,293.5			

Analysis of Administrators' Time Costs in Accordance with SIP9

Appendix D

2e2 MS Limited - Analysis of Administrators' Time Costs In Accordance with SIP9 for the period 14 February 2013 to 7 January 2014

Task	Senior Managing Director	Managing Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning							
Strategy and planning	A1			0.1	0.1	17.5	175.0
Appointment and related formalities	A3		2.7	2.9	5.6	1,558.0	278.2
Receipts and payments accounts	A4			8.3	8.3	1,478.5	178.1
Checklist and reviews	A5	0.2	1.4	2.8	4.4	1,159.5	263.5
Cashiering and reconciliations	A6		0.8	6.2	7.0	1,285.5	183.6
Bonding and IPS maintenance	A7		0.2	0.7	0.9	210.5	233.9
Subtotal		0.0	0.2	5.1	26.3	5,709.5	
Investigations							
Statement of affairs	B3			0.4	0.4	70.0	175.0
Reports of Directors' conduct	B4	0.4		2.6	3.0	698.0	232.0
Books and records	B5		0.1	0.3	0.4	72.0	180.0
Subtotal		0.0	0.4	0.1	3.3	838.0	
Realisation of assets							
Post-completion obligations	C3		0.4		0.4	176.0	440.0
Property, plant and vehicles	C6	0.8	0.5		1.3	696.0	535.4
Other assets	C7		7.8		7.8	3,329.5	426.9
Subtotal		0.0	0.8	0.0	9.5	4,201.5	
Trading							
Ongoing VAT & tax issues	D4			0.3	0.3	54.0	180.0
Subtotal		0.0	0.0	0.0	0.3	54.0	
Creditors (correspondence and claims)							
Secured creditors	E2	-	7.0	0.1	7.1	808.0	384.8
Subtotal		0.0	0.0	0.1	7.1	808.0	
Tax							
Pre-appointment CT	F2	0.1	2.9	0.2	3.2	757.5	236.7
Post-appointment CT	F4	0.5	2.8	0.1	3.4	1,011.5	297.5
Other post-appointment tax	F7		0.6		0.6	108.0	180.0
Subtotal		0.0	0.8	0.3	7.2	1,877.0	
Reporting							
SIP16	G1		5.8		5.8	2,233.0	385.0
Proposals	G2	0.4	2.0		2.4	1,019.0	424.8
Other statutory reports/meetings	G3	0.4	9.1	2.9	12.4	4,402.0	355.0
Secured creditor reports	G4	0.4	2.5		2.9	1,174.0	404.8
Subtotal		0.0	1.2	2.9	23.5	8,828.0	
Other							
Other	H1			0.6	0.6	107.5	179.2
Subtotal		0.0	0.0	0.6	0.6	107.5	179.2
Total Time by Grade	0.0	3.2	41.6	28.5	73.3		
Total Cost by Grade	0.0	1,878.0	15,510.5	5,038.0	22,423.5		
Average by Grade	0.0	588.9	372.8	176.8	305.9		
	Time Costs	Category 1	Category 2	Total			
Total Costs to Date	22,423.5	0.0	0.0	22,423.5			
Amount Billed	(18,735.0)	0.0	0.0	(18,735.0)			
WIP	3,688.5	0.0	0.0	3,688.5			

Analysis of Administrators' Time Costs in Accordance with SIP9

Appendix D

**2e2 Managed Operations Limited - Analysis of Administrators' Time Costs in Accordance with SIP9
for the period 28 January 2013 to 7 January 2014**

Task		Senior Managing Director	Managing Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning								
Strategy and planning	A1	0.5	2.0		0.1	2.6	1,515.0	582.7
Initial actions	A2				1.5	1.5	262.5	175.0
Appointment and related formalities	A3	0.5		1.0		1.5	732.5	488.3
Receipts and payments accounts	A4				5.3	5.3	933.5	176.1
Checklist and reviews	A5		0.2	1.9	2.6	4.7	1,317.0	280.2
Cashflow and reconciliations	A6			0.8	3.8	4.6	858.0	186.5
Bonding and IPS maintenance	A7			0.2	0.9	1.1	245.5	223.2
Subtotal		1.0	2.2	3.9	14.2	21.3	5,864.0	
Investigations								
Correspondence with directors	B1				0.9	0.9	157.5	175.0
Statement of affairs	B3			0.2	0.4	0.6	147.0	245.0
Reports of Directors conduct	B4		0.4		3.0	3.4	766.0	225.3
Books and records	B5			0.1	0.8	0.9	159.5	177.2
Subtotal		0.0	0.4	0.3	5.1	5.8	1,230.0	
Realisation of assets								
Property plant and vehicles	C6		2.3	1.9		4.2	2,204.5	524.9
Subtotal		0.0	2.3	1.9	0.0	4.2	2,204.5	
Trading								
Ongoing VAT & tax issues	D4				0.3	0.3	54.0	180.0
Subtotal		0.0	0.0	0.0	0.3	0.3	54.0	
Creditors (correspondence and claims)								
Secured creditors	E2			0.9	0.1	1.0	324.0	324.0
Subtotal		0.0	0.0	0.9	0.1	1.0	324.0	
Tax								
Pre-appointment CT	F2		0.1	1.6	0.2	1.9	523.5	275.5
Post appointment CT	F4		1.5	1.6	5.0	8.3	2,303.5	277.5
Post appointment VAT	F5				0.2	0.2	35.0	175.0
Subtotal		0.0	1.6	3.4	5.4	10.4	2,862.0	
Reporting								
Proposals	G2		0.4	2.1		2.5	1,063.0	425.2
Other statutory reports/meetings	G3		0.4	4.1	2.9	7.4	2,202.0	297.6
Secured creditor reports	G4		0.6	1.8		2.4	985.0	410.4
Subtotal		0.0	1.4	8.0	2.9	12.3	4,250.0	
Other								
Other	H1				0.3	0.3	53.5	178.3
Subtotal		0.0	0.0	0.0	0.3	0.3	53.5	
Total Time by Grade		1.0	7.9	18.4	28.3	55.6		
Total Cost by Grade		695.0	4,651.5	8,522.0	4,975.8	18,842.0		
Average by Grade		695.0	588.8	463.0	175.7	302.9		
		Time Costs	Category 1	Category 2	Total			
Total Costs to Date		18,842.0	0.0	0.0	18,842.0			
Amount Billed		(14,962.0)	0.0	0.0	(14,962.0)			
Written Off		(1,880.0)	0.0	0.0	(1,880.0)			

Analysis of Administrators' Time Costs in Accordance with SIP9

Appendix D

Morse Limited - Analysis of Administrators' Time Costs in Accordance with SIP9 for the period 14 February 2013 to 7 January 2014

Task	Senior Managing Director	Managing Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning							
Appointment and related formalities	A3		1.1	2.8	3.9	688.0	178.4
Receipts and payments accounts	A4	0.8		1.3	2.1	705.0	335.7
Checklist and reviews	A5	0.2	1.4	0.9	2.5	826.0	330.4
Cashiering and reconciliations	A6		0.8	4.1	4.9	914.5	186.6
Bonding and IPS maintenance	A7		0.2	0.8	1.0	228.0	228.0
Subtotal		0.0	1.0	9.9	14.4	3,361.5	
Investigations							
Statement of affairs	B3			0.4	0.4	70.0	175.0
Reports of Directors' conduct	B4	0.4		2.6	3.0	696.0	232.0
Books and records	B5		0.1	0.6	0.7	126.0	180.0
Subtotal		0.0	0.4	3.6	4.1	892.0	
Creditors (correspondence and claims)							
Secured creditors	E2		0.9	0.1	1.0	324.0	324.0
Subtotal		0.0	0.0	0.9	0.1	324.0	
Tax							
Initial reviews CT and VAT	F1	0.5			0.5	232.5	465.0
Pre-appointment CT	F2	1.9	5.3	0.2	7.4	2,274.5	307.4
Post appointment CT	F4	0.5	1.9	5.2	7.6	1,755.5	231.0
Other post appointment tax	F7		0.5		0.5	90.0	180.0
Subtotal		0.0	2.9	5.4	16.0	4,362.5	
Reporting							
Proposals	G2	0.2	2.0		2.2	900.0	409.1
Other statutory reports/meetings	G3	0.4	1.8	2.9	5.1	1,538.5	301.7
Secured creditor reports	G4	0.3	1.7		2.0	762.5	381.3
Subtotal		0.0	0.9	5.5	6.3	3,201.0	
Other							
Other	H1			0.2	0.2	36.0	180.0
Subtotal		0.0	0.0	0.0	0.2	36.0	180.0
Total Time by Grade	0.0	5.2	17.7	22.1	45.0		
Total Cost by Grade	0.0	2,816.0	5,364.0	3,887.0	12,167.0		
Average by Grade	0.0	560.8	303.1	175.9	270.4		
	Time Costs		Category 1	Category 2	Total		
Total Costs to Date	12,167.0	0.0	0.0	12,167.0			
Amount Billed	0.0	0.0	0.0	0.0			
Write Off	(12,167.0)	0.0	0.0	(12,167.0)			

Analysis of Administrators' Time Costs in Accordance with SIP9

Appendix D

Diagonal Quest Limited - Analysis of Administrators' Time Costs in Accordance with SIP9 for the period 28 January 2013 to 7 January 2014

Task		Senior Managing Director	Managing Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning								
Strategy and planning	A1	0.5				0.5	347.5	695.0
Initial actions	A2				1.5	1.5	262.5	175.0
Appointment and related formalities	A3	0.5		1.0		1.5	732.5	488.3
Receipts and payments accounts	A4				1.6	1.6	283.0	176.9
Checklist and reviews	A5		0.2	1.7	2.2	4.1	1,158.0	282.4
Cashiering and reconciliations	A6				3.6	3.6	635.5	176.5
Bonding and IFP maintenance	A7			0.2	0.9	1.1	245.5	223.2
Subtotal		1.0	0.2	2.9	6.8	13.9	3,664.5	
Investigations								
Correspondence with directors	B1				1.2	1.2	210.0	175.0
Statement of affairs	B3				0.4	0.4	70.0	175.0
Reports of Directors' conduct	B4		0.4		3.0	3.4	766.0	225.3
Books and records	B5			0.1	0.7	0.8	142.0	177.5
Subtotal		0.0	0.4	0.1	5.3	5.8	1,188.0	
Realisation of assets								
Cash and investments	C1		2.3			2.3	1,388.5	595.0
Other assets	C7		1.8			1.8	1,071.0	595.0
Subtotal		0.0	4.1	0.0	0.0	4.1	2,439.5	
Creditors (correspondence and claims)								
Secured creditors	E2			0.9	0.1	1.0	324.0	324.0
Subtotal		0.0	0.0	0.9	0.1	1.0	324.0	
Tax								
Pre-appointment CT	F2		0.1		0.2	0.3	81.5	271.7
Post appointment CT	F4		0.5	2.1	1.3	3.9	913.5	234.2
Subtotal		0.0	0.6	2.1	1.5	4.2	995.0	
Reporting								
Proposals	G2		0.2	2.0		2.2	900.0	409.1
Other statutory reports/meetings	G3		0.4	3.5	2.9	6.8	1,938.0	285.0
Secured creditor reports	G4		0.3	1.5		1.8	674.5	374.7
Subtotal		0.0	0.9	7.0	2.9	10.8	3,512.5	
Other								
Other	H1				0.3	0.3	53.5	178.3
Winding Up Re: Quest	H2		5.5	10.6		16.1	6,850.0	425.5
Subtotal		0.0	5.5	10.6	0.3	16.4	6,903.5	
Total Time by Grade		1.0	11.7	23.6	19.9	56.2		
Total Cost by Grade		695.0	6,932.5	7,900.5	3,499.0	19,027.0		
Average by Grade		695.0	592.5	334.8	175.8	338.6		
Time Costs								
Total Costs to Date		19,027.0	0.0	0.0		19,027.0		
Amount Billed To Third Party		(5,926.0)	0.0	0.0		(5,926.0)		
Written Off		(13,101.0)	0.0	0.0		(13,101.0)		

Analysis of Administrators' Time Costs in Accordance with SIP9

Appendix D

2c2 Property Limited - Analysis of Administrators' Time Costs in Accordance with SIP9 for the period 28 January 2013 to 7 January 2014

Task	Senior Managing Director	Managing Director /	Senior Consultant /	Associate	Total Time	Total Cost	Average Cost
Administration and Planning							
Strategy and planning	A1	0.5	1.5		2.0	1 210.0	605.0
Initial actions	A2			1.4	1.4	245.0	175.0
Appointment and related formalities	A3	0.5			1.5	732.5	488.3
Receipts and payments accounts	A4			2.5	2.5	437.5	175.0
Checklist and reviews	A5		1.6	2.3	5.8	1 914.0	330.0
Cashflow and reconciliations	A6			2.9	2.9	507.5	175.0
Bonding and IPS maintenance	A7		0.2	0.9	1.1	245.5	223.2
Subtotal		1.0	3.1	3.1	17.2	6 292.0	
Investigations							
Correspondence with directors	B1		-	1.1	1.1	192.5	175.0
Statement of affairs	B3		0.2	0.4	0.6	147.0	245.0
Reports of Directors' conduct	B4		0.4	3.0	3.4	766.0	225.3
Books and records	B5		0.3	0.6	0.9	159.0	176.7
Subtotal		0.0	0.4	0.5	5.1	1 264.5	
Realisation of assets							
Property plant and vehicles	C6		5.9	2.5	8.4	4 510.5	537.0
Subtotal		0.0	5.9	2.5	8.4	4 510.5	
Creditors (correspondence and claims)							
Secured creditors	E2		0.9		0.9	308.0	340.0
Subtotal		0.0	0.0	0.0	0.0	308.0	
Tax							
Pre-appointment CT	F2		2.2	6.1	8.6	2 683.5	312.0
Post appointment CT	F4		0.5	5.4	5.9	2 620.5	238.2
Post appointment VAT	F5		10.9	3.2	14.1	7 658.5	543.0
Other post appointment tax	F7			0.6	0.6	105.0	175.0
Subtotal		0.0	13.6	14.7	34.3	13 085.5	
Reporting							
Proposals	G2		0.2	2.1	2.3	944.0	410.4
Other statutory reports/meetings	G3		0.4	3.5	3.9	2 007.0	278.8
Secured creditor reports	G4		0.5	1.5	2.0	793.5	396.8
Subtotal		0.0	1.1	7.1	3.3	3 744.5	
Other							
Other	H1			1.2	1.2	210.0	175.0
Subtotal		0.0	0.0	0.0	1.2	210.0	175.0
Total Time by Grade		1.0	24.1	28.8	25.6	79.5	
Total Cost by Grade		695.0	14 010.5	9 204.0	4 483.5	28 393.0	
Average by Grade		695.0	581.3	319.6	175.1	357.1	
Summary							
	Time Costs	Category 1	Category 2	Total			
Total Costs to Date	28 393.0	0.0	0.0	28 393.0			
Amount Billed	(7 085.0)	0.0	0.0	(7 085.0)			
Written Off	(21,308.0)	0.0	0.0	(21,308.0)			

Analysis of Administrators' Time Costs in Accordance with SIP9

Appendix D

Morse Overseas Holdings Limited - Analysis of Administrators' Time Costs In Accordance with SIP9 for the period 28 January 2013 to 7 January 2014

Task		Senior Managing Director	Managing Director /	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning								
Strategy and planning	A1	1.0	2.1	2.0		5.1	2 514.5	493.0
Initial actions	A2				1.5	1.5	262.5	175.0
Appointment and related formalities	A3	0.5		1.0		1.5	732.5	488.3
Receipts and payments accounts	A4				8.7	8.7	1 526.5	175.7
Checklist and reviews	A5		1.1	1.7	2.6	5.4	1 647.5	305.1
Cashiering and reconciliations	A6			0.2	5.4	5.6	998.5	178.3
Bonding and IPS maintenance	A7			0.2	0.9	1.1	245.5	223.2
Subtotal		1.5	3.2	5.1	19.1	28.9	7 029.5	
Investigations								
Correspondence with directors	B1				0.9	0.9	157.5	175.0
Statement of affairs	B3			0.2		0.2	77.0	385.0
Reports of Directors' conduct	B4		0.4		3.0	3.4	766.0	225.3
Books and records	B5			0.2	0.6	0.8	142.5	178.1
Subtotal		0.0	0.4	0.4	4.5	5.3	1 143.0	
Realisation of assets								
Sale of business	C2	183.8	73.0	25.0		281.8	174 921.0	620.7
Subtotal		183.8	73.0	25.0	0.0	281.8	174 921.0	
Trading								
Ongoing trading / monitoring	D2		13.0			13.0	6 955.0	535.0
Closure of trading	D3				0.4	0.4	70.0	175.0
Ongoing VAT & tax issues	D4				0.3	0.3	54.0	180.0
Subtotal		0.0	13.0	0.0	0.7	13.7	7 079.0	
Creditors (correspondence and claims)								
Unsecured creditors	E1			8.0		8.0	2 280.0	285.0
Secured creditors	E2			0.9	0.1	1.0	324.0	324.0
Subtotal		0.0	0.0	8.9	0.1	9.0	2 604.0	
Tax								
Pre-appointment CT	F2	0.4	2.5	6.0	0.2	9.1	2 885.5	317.1
Post appointment CT	F4		2.3	8.1	6.3	16.7	4 116.0	246.5
Tax advice on transactions	F6	18.0	42.8			60.8	34 227.0	562.9
Subtotal		18.4	47.8	14.1	6.5	86.8	41 228.5	
Reporting								
Proposals	G2		0.6	2.1		2.7	1 182.0	437.8
Other statutory reports/meetings	G3		0.4	3.5	3.1	7.0	1 973.0	281.9
Secured creditor reports	G4		3.5	2.4		5.9	2 974.5	504.2
Subtotal		0.0	4.5	8.0	3.1	15.6	6 129.5	
Other								
Other	H1				0.3	0.3	53.5	178.3
Subtotal		0.0	0.0	0.0	0.3	0.3	53.5	178.3
Total Time by Grade		203.7	141.7	61.5	34.3	441.2		
Total Cost by Grade		142 123.5	74,398.5	18 544.0	6 025.0	241 086.0		
Average by Grade		897.7	529.0	301.8	178.7	546.4		
Time Costs								
		Category 1		Category 2		Total		
Total Costs to Date		241 086.0		2 478.0		243 564.0		
Amount Billed		(238 088.5)		(2 478.0)		(240 566.5)		
Written Off		(2 999.5)		0.0		(2 999.5)		

Time Costs and Disbursements Incurred and Billed by Entity

Appendix E

Liquidation Entities

	2012 LK		MS		Disposal		MOL		Total	
	28/07/2013 to 27/07/13	28/07/2013 to 27/07/2014	14/07/2013 to 13/07/13	14/07/2013 to 13/07/2014	14/07/2013 to 13/07/13	14/07/2013 to 13/07/2014	28/07/2013 to 27/07/13	28/07/2013 to 27/07/2014	To last report	Since last report
Time Costs Incurred in Period	2 897 353.9	3 023 376	13 527.5	7 961.5	15 572.5	23 609.5	10 222.5	14 039.0	2 898 074.4	332 435.1
Less: Down in Relation to Period	(2 897 353.9)	(2 897 353.9)	(13 527.5)	(7 961.5)	(15 572.5)	(23 609.5)	(10 222.5)	(14 039.0)	(2 898 074.4)	(332 435.1)
Time WIP	0.0	421 800.0	0.0	2 784.0	0.0	3 271.5	10 222.5	14 039.0	10 222.5	61 464.8
Balance to 31st Period Incurred in Period	0.0	10 592.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10 592.5
Balance to 31st Period in Relation to Period	0.0	(4 721.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(4 721.5)
Time WIP 31st Period	0.0	8 871.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8 871.0
Category 1 Expenses Incurred in Period	32 781.3	300.5	0.0	0.0	0.0	0.0	0.0	32.0	32 781.3	422.6
Less: Down in Relation to Period	(32 781.3)	(300.5)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(32.0)	(32 781.3)	(422.6)
Category 1 Expenses WIP Per Period	0.0	(280.5)	0.0	0.0	0.0	0.0	0.0	32.0	0.0	(280.5)
Category 2 Expenses Incurred in Period	5 465.1	2 254.8	0.0	0.0	0.0	0.0	0.0	0.0	5 465.1	2 254.8
Less: Down in Relation to Period	(5 465.1)	(1 834.8)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(5 465.1)	(1 834.8)
Category 2 Expenses WIP Per Period	0.0	420.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	420.0
Total Current WIP Per Period	0.0	8 240.5	0.0	0.0	0.0	0.0	0.0	32.0	0.0	8 272.5

Category 1 expenses of £250.00 which were paid during the period have since been re-allocated to a different code. This amount will consequently be deducted from future billings in respect of costs

Dissolution Entities

	Property		DOL		Managed Ops		MOH		Mortgage		Total	
	28/07/2013 to 27/07/13	28/07/2013 to 27/07/2014	28/07/2013 to 27/07/13	28/07/2013 to 27/07/2014	28/07/2013 to 27/07/13	28/07/2013 to 27/07/2014	28/07/2013 to 27/07/13	28/07/2013 to 27/07/2014	14/07/2013 to 13/07/13	14/07/2013 to 13/07/2014	To last report	Since last report
Time Costs Incurred in Period	17 131.5	11 201.5	6 454.0	5 723.0	9 730.5	15 442.0	230 001.0	11 087.0	5 078.0	7 089.0	43 392.0	310 687.0
Less: Down in Relation to Period	(17 131.5)	(11 201.5)	(6 454.0)	(5 723.0)	(9 730.5)	(15 442.0)	(230 001.0)	(11 087.0)	(5 078.0)	(7 089.0)	(43 392.0)	(310 687.0)
Time WIP	10 044.5	11 201.5	6 444.5	5 723.0	9 720.5	15 442.0	230 001.0	11 087.0	5 078.0	7 089.0	43 392.0	310 687.0
Balance to 31st Period Incurred in Period	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance to 31st Period in Relation to Period	0.0	(5 528.0)	0.0	(5 528.0)	0.0	(5 528.0)	0.0	0.0	0.0	0.0	(5 528.0)	(5 528.0)
Time WIP 31st Period	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Category 1 Expenses Incurred in Period	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Down in Relation to Period	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Category 1 Expenses WIP Per Period	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Category 2 Expenses Incurred in Period	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Down in Relation to Period	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Category 2 Expenses WIP Per Period	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Current WIP Per Period	10 044.5	11 201.5	6 444.5	5 723.0	9 720.5	15 442.0	230 001.0	11 087.0	5 078.0	7 089.0	43 392.0	310 687.0

Detailed below is FTI'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

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Senior Managing Director, Managing Director, Director, Senior Consultant and Consultant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several Senior Consultants/Consultants may be allocated to meet the demands of the case

With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, eg, report compilation and distribution, do we seek to charge and recover our time in this regard

1.2 Professional Advisors

On the cases covered by this report we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis

Name of Professional Advisor	Basis of Fee Arrangement	Fees Paid to Date (£)
Capa (recovery of business rates)	Percentage of realisations	13,430 94
Hogan Lovells LLP (legal advice)	Hourly rate and disbursements	896,157 63
JP Associates (debt recovery agents)	Percentage of realisations	384,293 12
Payco (employee claims advice)	Hourly rate and disbursements	14,534 98
Stephenson Harwood LLP (legal advice)	Hourly rate and disbursements	20,211 00
Storeys Edward Symmons Ltd	Fixed fee	1,500 00
Sweeney Kincaid (chattel agents and valuers)	Hourly rate and disbursements and percentage of realisations	4,788 50
Wyles Hardy (chattels agents and valuers)	Hourly rate and disbursements and percentage of realisations	167,433 11

Our choice was based on our view of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

1.3 Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred which relate to payments due to associated companies for the provision of services to the office holder

On this assignment we have incurred category 2 disbursements in the following classes. We have also indicated alongside, the basis of calculation of these costs

Type of Expense	Basis of Incurring cost
Postage and fulfilment by Williams Lea	Costs incurred based on numbers of letters printed
Mileage	40 pence per mile
IT equipment ordered internally	Cost price
Subsistence for meetings	Charge based on number of attendees per meeting
Data Management (14 Units)	£30 per unit per month

A summary of total category 2 expenses incurred and billed for these cases can be found below

Type of Expense	2e2 UK	MOH
Postage	2,460.90	0.00
Mileage	1,082.72	90.00
IT Equipment	508.32	0.00
Catering	38.00	0.00
Data Storage	3,630.00	0.00
Total incurred to date	7,719.94	90.00
Total billed	(7,299.94)	(90.00)
Amount outstanding	420.0	0.0

14 Charge-out Rates

A schedule of FTI's charge-out rates for this assignment is as follows

	(Per hour) £
Directors.	
Senior Managing Director	£695
Managing Director	£595
Tax Director	£615
Director	£535
Manager	
Senior Consultants	£440
Other Senior Professionals.	
Consultants	£385
Associates	£135 - £235

1.1 Rule 2 48A - Creditors' request for further information

- (1) If –
- (a) Within 21 days of receipt of a progress report under Rule 2 47 –
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question) or
 - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,
- makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2).
- (2) The administrator complies with this paragraph by either—
- (a) providing all of the information asked for, or
 - (b) so far as the administrator considers that—
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,
- giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—
- (c) the giving by the administrator of reasons for not providing all of the information asked for, or
 - (d) the expiry of the 14 days provided for in paragraph (1),
- and the court may make such order as it thinks just.
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just

1 2 Rule 2.109 - Creditors' claim that remuneration is or other expenses are excessive

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) An application may be made on the grounds that—
- (a) the remuneration charged by the administrator,
 - (b) the basis fixed for the administrator's remuneration under Rule 2 106,
 - (c) expenses incurred by the administrator,
- is or are in all the circumstances, excessive, or in the case of an application under sub-paragraph (b), inappropriate

- (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders—
- (a) an order reducing the amount of remuneration which the administrator was entitled to charge,
 - (b) an order fixing the basis of remuneration at a reduced rate or amount,
 - (c) an order changing the basis of remuneration,
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,
 - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,
- and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration

Statement of Claim Form

Appendix H

2E2 Group Limited
2E2 Holdings Limited
2E2 Investments Limited
2E2 Limited
2e2 MS Limited
2E2 UK Limited
Diagonal Limited
Morse Group Limited
2e2 Solutions Limited
2e2 Services Limited

(Please tick the box corresponding to the company you are making a claim in)

Date of Administration - 28 January 2013
(except Diagonal Ltd and 2e2 MS Ltd - 14 February 2013)

Name and address of creditor

Amount claimed in the Administration

(Including VAT)

£

Signature of creditor

--

Name of creditor

--

Telephone

--

E-mail

--

Date

	/		/	
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Please provide appropriate documentation in support of your claim

If you are registered for VAT the amount claimed should include VAT even if VAT bad debt relief has been claimed under the Value Added Tax Act 1994

Please return this form when you have completed it to Tom Jones at FTI Consulting LLP, Midtown, 322 High Holborn, London WC1V 7PB or email it to 2e2administrators@fticonsulting.com.

Creditors registered for VAT may be able to claim VAT bad debt relief in accordance with Section 36 Value Added Tax Act 1994. In broad terms relief is available when the debt is six months old and "written off" by the creditor entering it on his VAT refunds-for-bad-debts-account

Claims lodged in the Administration should be gross, including any VAT element. If/when dividends are paid, creditors who have claimed VAT bad debt relief must apportion the dividend between VAT and the net element of their claim and account to HM Customs and Excise for the VAT element through their VAT return

Insolvency Practitioners have no role in administering VAT bad debt relief under the Value Added Tax Act 1994. Creditors who are uncertain how to claim should contact their VAT office or take professional advice