

The Insolvency Act 1986

Administrator's progress report

Name of Company

Paintfirst Limited

Company number

04131242

In the
High Court, Bristol District Registry, Chancery
Division

Court case number

1081 of 2012

We

Simon Wilson
Zolfo Cooper
The Zenith Building
26 Spring Gardens
Manchester
M2 1ABFraser Gray
Zolfo Cooper
Cornerstone
107 West Regent Street
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Zolfo Cooper
The Zenith Building
26 Spring Gardens
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administrators of the above company attach a progress report for the period

From

11 April 2013

To

10 October 2013

Signed



Joint Administrator

Dated

28 . 10 . 13

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

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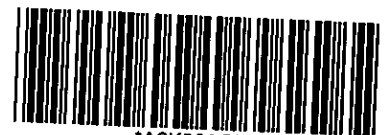
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COMPANIES HOUSE

Joint Administrators' Progress Report for the period 11 April 2013 to 10 October 2013

Fancourt Limited, Paintfirst Limited and
Kennington Investments Limited
(together the Companies)

All in Administration

24 October 2013

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1 Statutory information

- 1 1 Anne O'Keefe was appointed Joint Administrator of Fancourt Limited (Fancourt), Paintfirst Limited (Paintfirst) and Kennington Investments Limited (Kennington) (together the Companies) together with Fraser Gray and Simon Wilson on 11 October 2012 by Nationwide Building Society, Nationwide House, Pipers Way, Swindon, SN38 1NW (Nationwide)
- 1 2 The Administrations have been extended to 10 April 2014 with the approval of Nationwide as the Companies' secured creditor
- 1 3 The Administrations are being handled by Zolfo Cooper's Manchester office, situated at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
- 1 4 The Administrations are registered in the High Court, Bristol District Registry, Chancery Division under the reference numbers of 1083 of 2012 for Fancourt, 1081 of 2012 for Paintfirst and 1082 of 2012 for Kennington
- 1 5 The trading address for all of the Companies was 147 Stamford Hill, London, N16 5LG and the businesses traded under their registered names
- 1 6 The registered offices for each of the Companies has been changed to c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB and the registered numbers are 05386135 for Fancourt, 04131242 for Paintfirst and 06335363 for Kennington
- 1 7 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 Administrations

- 2 1 This report should be read in conjunction with both the Joint Administrators' Statement of Proposals dated 23 November 2012 (the Proposals) and the Progress Report dated 3 May 2013 (the Progress Report)
- 2 2 Attached at Appendix A are the Joint Administrators' Receipts and Payments Accounts for the Companies for the period 11 April 2013 to 10 October 2013 and Cumulative Accounts for the period 11 October 2012 to 10 October 2013. The Receipts and Payments Accounts are prepared on a cash basis
- 2 3 Nationwide has authorised the use of the rental income received into Kennington to meet the costs and expenses of the Administrations. These monies are shown as 'contribution to costs' in the Receipts and Payments Accounts of Paintfirst and Fancourt
- 2 4 The analysis of receipts and payments for the period excludes the following costs which have been incurred but not yet paid. All costs will be paid within the period agreed with each supplier

Fancourt

Cost category	Supplier	Amount not yet paid £
Legal fees	Burgess Salmon LLP	6,530
Total		6,530

Paintfirst

Cost category	Supplier	Amount not yet paid £
Insurance	Willis Limited	46,619
Legal fees	Burgess Salmon LLP	21,030
Agent's fees	Waypoint Asset Management Limited	10,000
Agent's fees	Eddisons LLP	13,900
Security	Remotexone Limited	2,686
Utilities	Various	2,965
Maintenance	SovereignFM Limited	3,639
Total		100,839

Kennington

Cost category	Supplier	Amount not yet paid £
Insurance	Willis Limited	16,435
Legal fees	Burgess Salmon LLP	7,146
Agent's fees	Waypoint Asset Management Limited	5,000
Total		28,581

2 5 As detailed in the Proposals, the third objective of Administration is being pursued for all of the Companies, namely to realise property in order to make a distribution to one or more secured or preferential creditors

2 6 Detailed below is an update on the progress of the Administrations

Fancourt

2 7 Fancourt's assets comprise of two inter-company loans to Paintfirst and Kennington, its shareholding in Paintfirst, a book debt of £100 and cash at bank of £2

2 8 As detailed in the Progress Report, none of the above assets are realisable and ordinarily the Joint Administrators would take steps to bring the Administration to a close

2 9 The Joint Administrators have received advice from their solicitors that, should Fancourt be dissolved, the cross guarantees provided by Paintfirst and Kennington in respect of its liability to Nationwide could become unenforceable. As such, this Administration will only close once final distributions have been paid to Nationwide in the other Administrations

2 10 In relation to the above, Nationwide has agreed to meet the costs of keeping the Administration open

Paintfirst

2 11 As detailed in the Progress Report, Paintfirst owns both the head lease and sub-underlease for a vacant ten story property located in the centre of Croydon (**Green Park House**)

2 12 The lease structure is unusual complex and Paintfirst both collects rent from, and pays it to, the freeholder Rent in the sum of £31,704 has been received in the period, bringing

total realisations to £127,052. The Joint Administrators received legal advice that the rent is not an asset of the Administration and is payable directly to Nationwide. As detailed in paragraph 2.3, Nationwide has authorised that these monies can be used to pay the costs of the Administration.

- 2.13 The Joint Administrators continue to market the property for let and it has been viewed by one interested party. An offer was not submitted due to the current condition of Green Park House.
- 2.14 Prior to the Administration, the former directors had commenced a dilapidations claim against the former tenant. The Joint Administrators have continued to pursue this claim and since the previous report, both the Joint Administrators and the tenant have made settlement offers which have been rejected. The Joint Administrators are continuing to negotiate with the tenant and expect a settlement will be reached shortly.
- 2.15 The nature of the discussions and likely settlement received to refurbish the property are commercially sensitive and therefore further detail cannot be provided at this time. A full update will be provided once negotiations are finalised.
- 2.16 The Joint Administrators have provided the managing agent of Green Park House with a cash float to meet approved holding costs. This float is monitored regularly by the agent and the Joint Administrators and is reconciled on a regular basis.

Kennington

- 2.17 Kennington owns a head lease and sub-underlease for Edinburgh House which is a large office block located in London. The property is currently tenanted and the sub-lease has eight years remaining.
- 2.18 Since appointment, the Joint Administrators have collected £1.5 million in rent from the tenant. The Joint Administrators received legal advice that the rent is not an asset of the Administration and is payable directly to Nationwide. As detailed in paragraph 2.3, Nationwide has authorised that these monies can be used to pay the costs of the Administration.
- 2.19 The Joint Administrators' agent advised that the value of the leases could be increased either by purchasing the long lease or obtaining sanction from its owner to extend the term. Based on this advice the Joint Administrators approached the owner who rejected both options, however, has expressed an interest in purchasing the leases.
- 2.20 In view of the above, the Joint Administrators are currently in the early stages of negotiating with the owner of the long lease. As the nature of the discussions is commercially sensitive, a full update will be provided following conclusion of the negotiations.

3 Assets still to be realised

- 3.1 The leases of Paintfirst and Kennington and the dilapidations claim are still to be realised.

4 Joint Administrators' remuneration

- 4 1 Nationwide approved on 26 April 2013 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 Administrations
- 4 2 The Joint Administrators' time costs for the period 11 April 2013 to 10 October 2013 for Fancourt are £8,445. This represents 40 hours at an average rate of £214 per hour.
- 4 3 The Joint Administrators' time costs for the period 11 April 2013 to 10 October 2013 for Paintfirst are £15,948. This represents 80 hours at an average rate of £199 per hour.
- 4 4 The Joint Administrators' time costs for the period 11 April 2013 to 10 October 2013 for Kennington are £11,071. This represents 57 hours at an average rate of £196 per hour.
- 4 5 Attached at Appendix B and C are Time Analyses for the Companies which provide details of the costs incurred by activity and by staff grade. Approval of the Joint Administrators' remuneration has been sought in accordance with rule 2.106 of the Insolvency Rules 1986 as amended.
- 4 6 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 strategies, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
 - **Realisation of assets - fixed charge** - time has been incurred implementing the realisation strategies, negotiating with the owner of the long lease of Edinburgh House, managing the marketing process and the dilapidations claim on Green Park House. Time has also been incurred complying with security and insurance requirements at the properties.
 - **Creditors** - time has been incurred preparing statutory reports and reporting to the secured creditor.
- 4 7 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 Hannah Smallwood on 0161 838 4553 or by email at hsmallwood@zolfocooper.eu or by post at the registered office.
- 4 8 To date, fees totalling £34,750 have been drawn across the Administrations. In addition, category 1 disbursements totalling £768 have been drawn.
- 4 9 The Joint Administrators can confirm that the following category 2 disbursements totalling £422 have been drawn
- 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.
- 4 10 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 D.

5 Estimated outcome for creditors

Secured creditors - Nationwide Building Society

- 5 1 Details of the Companies' charges have been provided in the Progress Report. Fancourt granted a debenture to Nationwide including floating charges over all of its assets on 8 July 2005.
- 5 2 At the date of appointment Nationwide was owed approximately £30 million (excluding interest and charges) from the Companies. A distribution of £661,148 has been paid in the period bringing total distributions to £991,862.
- 5 3 Nationwide is expected to suffer a significant shortfall.

Preferential creditors

- 5 4 The Companies did not employ staff and therefore there will be no preferential claims received in any of the Administrations.

Unsecured Creditors' Fund

- 5 5 Pursuant to section 176A of the Insolvency Act 1986, where there is a floating charge which post-dates 15 September 2003, the Joint Administrators are required to create a fund from the Companies' net properties available for the benefit of the unsecured creditors (Unsecured Creditors' Fund), which is commonly known as the 'prescribed part'.
- 5 6 As the Companies granted floating charges to Nationwide after 15 September 2003, the Joint Administrators are required to create an Unsecured Creditors' Fund in each company. The Joint Administrators estimate that the value of the Companies' net floating charge property will be nil and therefore Unsecured Creditors' Funds cannot be created.

6 Ending the Administrations

Dissolution of the Companies

- 6 1 The Joint Administrators think that the Companies have no property which might permit a distribution to their unsecured creditors. As such, they will file notices together with their final progress reports at court and with the Registrar of Companies for the dissolution of the company concerned when all matters have been finalised. The Joint Administrators will send copies of these documents to the Companies and their creditors. The appointments will end following the registration of the notice by the Registrar of Companies.
- 6 2 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.

7 Creditors' rights

- 7 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

- 7.2 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

8 Next report

- 8.1 The Joint Administrators are required to provide a progress report within one month of the end of the next six months of the Administrations, or earlier if the Administrations have been finalised

For and on behalf of
The Companies



Anne O'Keefe
Joint Administrator

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**Receipts and Payments Accounts for the period
11 April 2013 to 10 October 2013**

Appendix A

Fancourt

	Period £	Cumulative £
Fixed charge assets		
Receipts		
Contribution to costs	5,010	5,723
Bank interest	-	1
	<u>5,010</u>	<u>5,724</u>
Payments		
Joint Administrators' fees	3,750	3,750
Legal fees	-	595
Category 1 disbursements		
Specific penalty bond	30	30
Statutory advertising	77	77
Re-direction of mail	120	120
Telephone charges	1	1
Company search	6	6
Category 2 disbursements		
Printing and photocopying	204	204
Irrecoverable VAT	822	941
	<u>(5,010)</u>	<u>(5,724)</u>
Balance	<u>-</u>	<u>-</u>

**Receipts and Payments Accounts for the period
11 April 2013 to 10 October 2013 (cont'd)**

Appendix A

Paintfirst

Statement of Affairs £		Period £	Cumulative £
	Fixed charge assets		
	Receipts		
5,000,000	Sub-lease of Green Park House	-	-
	Contribution to costs	196,828	526,828
	Rent collected on behalf of Nationwide	31,704	127,052
	Bank interest	101	269
		<u>228,633</u>	<u>654,149</u>
	Payments		
	Joint Administrators' fees	15,500	15,500
	Legal fees	-	602
	Agents/valuers fees	18,658	31,848
	Maintenance costs	14,125	25,971
	Property management fees	16,030	11,149
	Sundry expenses	8,554	11,747
	Utilities	25,222	68,949
	Rent	159,263	265,834
	Security costs	13,133	52,858
	Dilapidations claim reports	-	12,507
	Agent float	66,044	67,708
	Bank charges	-	20
	Category 1 disbursements		
	Travel and subsistence	312	312
	Telephone	5	5
	Landline	4	4
	Bordereau	30	30
	Category 2 disbursements		
	Photocopying and printing	84	84
		<u>(336,964)</u>	<u>(565,128)</u>
	Balance due to Nationwide	<u>(108,331)</u>	<u>89,021</u>

Notes Rents are collected on behalf of Nationwide and are not an asset of the Administration

The agent float represents a cash float provided to the managing agents to meet property holding costs. This float will be reallocated in due course to reflect the nature of the actual costs incurred.

**Receipts and Payments Accounts for the period
 11 April 2013 to 10 October 2013 (cont'd)**

Appendix A

Paintfirst

Statement of Affairs	Period	Cumulative
£	£	£
Floating charge assets		
Receipts		
Cash at Bank	-	30,970
Bank interest	35	171
	<u>35</u>	<u>31,141</u>
Payments		
Bank charges	-	15
Category 1 disbursements		
Statutory advertising	-	76
	<u>-</u>	<u>(91)</u>
Balance of floating charge assets	<u>35</u>	<u>31,050</u>
Total balance	<u>(108,296)</u>	<u>120,071</u>
Represented by		
Interest bearing accounts		115,852
VAT receivable		4,219
		<u>120,071</u>

**Receipts and Payments Accounts for the period
11 April 2013 to 10 October 2013 (cont'd)**

Appendix A

Kennington

	Period £	Cumulative £
Fixed charge assets		
Receipts		
Rent collected on behalf of Nationwide	750,000	1,500,000
Bank interest	328	761
	<u>750,328</u>	<u>1,500,761</u>
Payments		
Joint Administrators fees	15,500	15,500
Legal fees	-	567
Agents/valuer's fees	9,239	14,239
Rent	60,000	120,000
Bank charges	-	10
Category 1 disbursements		
Bordereau	30	30
Statutory advertising	-	76
Telephone	1	1
Category 2 disbursements		
Photocopying and printing	134	134
	<u>(84,904)</u>	<u>(150,557)</u>
Distributions		
Nationwide	661,148	991,862
	<u>(661,148)</u>	<u>(991,862)</u>
Balance due to Nationwide	<u>4,276</u>	<u>358,342</u>
Represented by		
Interest bearing account		434,576
VAT payable		(76,234)
		<u>358,342</u>

Note Rents are collected on behalf of Nationwide and are not an asset of the Administration

Time Analyses for the period 11 April 2013 to 10 October 2013

Appendix B

Fancourt

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control		0.3	0.4		0.7	188.00	269
Statutory duties		0.2	0.2	1.1	1.5	249.50	166
Case administration	0.3	0.3	0.7	3.7	5.0	856.00	171
Accounting and treasury		1.0	0.4	4.4	5.8	931.00	161
Internal documentation				0.2	0.2	25.00	125
Realisation of assets - fixed charge							
Asset identification and valuation			0.9	0.7	1.6	285.50	178
Asset accounting and administration				0.1	0.1	17.00	170
Creditors							
Reporting to creditors	0.2	2.4	5.8	2.0	10.4	2,499.00	240
Secured creditors	1.6	0.2	12.2		14.0	3,330.00	238
Unsecured creditors		0.2			0.2	64.00	320
Totals	2.1	4.6	20.6	12.2	39.5	8,445.00	214

Time Analyses for the period 11 April 2013 to 10 October 2013 (cont'd)

Appendix B

Paintfirst

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control	0.3	0.3	0.2		0.8	277.50	347
Statutory duties		0.2	0.3	2.8	3.3	486.00	147
Case administration	0.3	0.3	0.5	3.1	4.2	737.00	175
Accounting and treasury	0.3	1.4	3.5	17.9	23.1	3,216.50	139
Internal documentation				0.2	0.2	25.00	125
Realisation of assets - fixed charge							
Asset realisation strategy		4.0			4.0	1,280.00	320
Asset identification and valuation			32.7	1.8	34.5	7,419.00	215
Asset accounting and administration		0.5			0.5	160.00	320
Realisation of assets - floating charge							
Asset identification and valuation				0.8	0.8	100.00	125
Asset accounting and administration				0.2	0.2	22.00	110
Creditors							
Reporting to creditors	0.3	1.1	4.5	0.1	6.0	1,578.00	263
Secured creditors	0.5	1.0	0.3	-	1.8	572.00	318
Unsecured creditors				0.6	0.6	75.00	125
Totals	1.7	8.8	42.0	27.5	80.0	15,948.00	199

**Time Analyses for the period 11 April 2013
to 10 October 2013 (cont'd)**

Appendix B

Kennington

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control	0.3	0.3	0.2		0.8	277.50	347
Statutory duties		0.1	0.2	1.4	1.7	255.00	150
Case administration	0.3	0.4	0.5	2.9	4.1	744.00	181
Accounting and treasury	0.5	1.0	0.2	14.8	16.5	2,085.00	126
Internal documentation				0.2	0.2	25.00	125
Realisation of assets - fixed charge							
Asset realisation strategy		1.4			1.4	448.00	320
Asset identification and valuation			14.5	2.1	16.6	3,452.50	208
Asset accounting and administration				0.5	0.5	79.00	158
Realisation of assets - floating charge							
Asset identification and valuation				0.7	0.7	87.50	125
Creditors							
Reporting to creditors	0.2	2.4	7.7	1.7	12.0	2,917.50	243
Secured creditors	1.3	0.5	0.3		2.1	700.00	333
Totals	2.6	6.1	23.6	24.3	56.6	11,071.00	196

Cumulative Time Analyses for the period 11 October 2012 to 10 October 2013

Appendix C

Fancourt

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Planning				0 5	0 5	57 50	115
Strategy and control	0 3	0 6	0 4	0 5	1 8	470 00	261
Statutory duties	0 1	1 9	0 7	2 2	4 9	1,066 50	218
Case administration	0 6	0 5	2 0	18 0	21 1	3,011 00	143
Accounting and treasury	0 1	2 1	0 4	8 6	11 2	1,688 00	151
Internal documentation			0 2	2 6	2 8	345 00	123
Investigations							
Director conduct reports		0 5	1 1	2 3	3 9	675 00	173
Other investigations				0 2	0 2	23 00	115
Realisation of assets - fixed charge							
Asset identification and valuation			0 9	3 5	4 4	615 50	140
Asset accounting and administration				0 2	0 2	25 00	125
Creditors							
Creditor strategy		0 1			0 1	31 50	315
Reporting to creditors	0 9	8 1	10 0	2 7	21 7	5,636 50	260
Secured creditors	1 6	0 4	12 9		14 9	3,554 00	239
Unsecured creditors		0 2		0 3	0 5	98 50	197
Totals	3 6	14 4	28 6	41 6	88 2	17,297 00	196

Cumulative Time Analyses for the period 11 October 2012 to 10 October 2013 (cont'd)

Appendix C

Paintfirst

	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	3 5	402 50	115
Strategy and control	1 1	2 1	1 7	2 0	6 9	1,775 50	257
Statutory duties		1 6	3 1	4 4	9 1	1,758 00	193
Case administration	1 1	0 5	2 1	29 2	32 9	4,515 50	137
Accounting and treasury	0 4	2 7	3 7	33 3	40 1	5,147 50	128
Internal documentation	1 2		0 2	3 8	5 2	957 00	184
Investigations							
Director conduct reports		0 5	0 3	2 7	3 5	537 00	153
Other investigations				0 4	0 4	46 00	115
Realisation of assets - fixed charge							
Asset realisation strategy	0 4	23 2			23 6	7,506 00	318
Asset identification and valuation		1 0	33 2	49 1	83 3	13,336 50	160
Asset accounting and administration		1 5		0 3	1 8	506 50	281
Realisation of assets - floating charge							
Asset realisation strategy		0 5			0 5	157 50	315
Asset identification and valuation				1 0	1 0	124 00	124
Asset accounting and administration				0 5	0 5	46 00	92
Creditors							
Creditor strategy		0 1		0 1	0 2	43 00	215
Reporting to creditors	2 6	13 8	17 0	0 1	33 5	9,461 00	282
Secured creditors	1 3	1 3	1 0		3 6	1,131 00	314
Unsecured creditors		0 2		1 2	1 4	207 00	148
Totals	8 1	49 0	62 3	131 6	251 0	47,657 50	190

**Cumulative Time Analyses for the period
11 October 2012 to 10 October 2013 (cont'd)**

Appendix C

Kennington

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control	0.8	3.0	1.2	0.3	5.3	1,600.00	302
Statutory duties		3.3	16.1	4.7	24.1	5,301.50	220
Case administration	0.6	0.6	1.8	33.4	36.4	4,770.00	131
Accounting and treasury	0.5	2.7	0.2	25.7	29.1	3,592.00	123
Internal documentation			0.2	3.3	3.5	425.50	122
Investigations							
Director conduct reports		0.5	0.3	3.2	4.0	594.50	149
Other investigations				0.6	0.6	69.00	115
Realisation of assets – fixed charge							
Asset realisation strategy	0.4	5.9		3.0	9.3	2,388.50	257
Asset identification and valuation		1.5	15.1	18.2	34.8	5,932.50	170
Dealing with third party assets				0.2	0.2	23.00	115
Asset accounting and administration		0.3		0.7	1.0	204.50	205
Realisation of assets – floating charge							
Asset identification and valuation				0.7	0.7	87.50	125
Creditors							
Creditor strategy		0.1			0.1	31.50	315
Reporting to creditors	2.2	14.0	15.0	2.3	33.5	9,193.50	274
Secured creditors	2.3	0.8	1.0		4.1	1,358.50	331
Unsecured creditors		0.4			0.4	126.00	315
Totals	6.8	33.1	50.9	96.3	187.1	35,698.00	191

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

Appendix D

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 Joint Administrators have not utilised the services of any sub-contractors in this case.

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
Burgess Salmon LLP (legal advice)	Hourly rate and disbursements
Willis Limited (insurance)	Risk based premium
Local Shopping REIT plc (valuation, management and disposal advice)	Fixed annual fee
Edward Symmons Limited (valuation)	Fixed fee basis
Waypoint Asset Management Limited	Fixed fee basis
Eddisons LLP	Fixed fee basis

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 April 2013 is detailed below, together with those applicable prior to that date. Time is charged by partners and case staff in units of six minutes.

Rates from 1 April 2013		Rates pre 1 April 2013	
Description	£	Description	£
Partner 1*	445	Partner 1*	445
Partner 2*	415	Partner 2*	395
Director	360	Director	340
Associate director*	320	Senior associate 1*	315
Senior associate	280	Senior associate 2*	265
Associate	240	Associate	230
Analyst*	220	Analyst*	220
Junior analyst*	125	Junior analyst*	115
Senior treasury associate	170	Senior treasury associate	155
Treasury associate	110	Treasury associate	105
Treasury analyst	85	Treasury analyst	80

***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

Promotion from senior associate to associate director from 1 April 2013 is on the basis of performance and experience. Prior to that, the distinction from senior associate 2 to senior associate 1 was made for staff with two or more years' experience at senior associate level.

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

Junior analyst - first year analysts