

The Insolvency Act 1986

Administrator's progress report

Name of Company
KCP II (GP) Limited

Company number
06140282

In the
High Court of Justice, Companies Court, London
[full name of court]

Court case number
8837 of 2008

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

We (a) Anthony Cliff Spicer and Henry Anthony Shinnars of Smith & Williamson Limited
25 Moorgate, London EC2R 6AY

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

from

to

(b) Insert dates

(b) 9 October 2008

(b) 8 April 2009

Signed: _____

Joint Administrator(s)

Dated: 6 May 2009

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

Smith & Williamson Limited

25 Moorgate, London EC2R 6AY

Tel 020 7131 4309

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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Smith & Williamson

KCP II (GP) Limited
(in Administration)

Joint Administrators' first progress report

6 May 2009

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1. Introduction

Further to our appointment as joint administrators of KCP II (GP) Limited ("GP"), we present a report pursuant to Rule 2.47 of the Insolvency Rules 1986.

We attach as Appendix A, the required statutory information in respect of GP.

This report relates to the six month period of the administration from 9 October 2008 to 8 April 2009 and should be read in conjunction with the joint administrators' proposals dated 2 December 2008.

2. Progress since our last report

For the period from 9 October 2008 to 8 April 2009 the joint administrators have not made any recoveries in respect of GP.

As you will be aware from our proposals, realisations for GP are dependent on funds being recovered under the administration of Kaupthing Capital Partners II Master L.P. Inc (In Administration) ("Master").

The principal assets of Master are the investments held in various public and private equities which had a value of circa £117,700,000 at 30 September 2008. This value was extracted from Master's management accounts which are unaudited and we have not verified their accuracy. To date, none of the investments have been sold.

We still consider that, at this stage, it would be prejudicial to creditors' interests to disclose any further information in respect of the private equity investments of Master as this may affect their value.

3. Outstanding Matters

3.1. Recovery from Masters's Assets

GP is owed £6,124,667 by Master in respect of unpaid management fees for the management of the fund. The joint administrators of Master still anticipate that a dividend will be paid to unsecured creditors which include GP, but the timing and quantum of any distribution remains uncertain.

Until all issues in respect of the assets of Master have been resolved, no funds will be available for GP.

3.2. Future Funding

Negotiations with Kaupthing Singer & Friedlander (Luxembourg) regarding the future funding of the administrations of Master and GP are continuing.

3.3. Taxation Matters

Taxation matters in relation to GP remain incomplete and will not be finalised until the source and quantum of future realisations is known. If a post appointment tax liability arises, this will be paid as an expense of the administration.

4. Prescribed Part and Net Property

As stated within our proposals, the net property of GP is the amount of its property available for the satisfaction of the claims of the holders of debentures secured by, or holders of, any floating charge created by the company.

As no floating charge has been granted there will be no prescribed part.

5. Outcome for Creditors

5.1. Unsecured Creditors

On present information, the joint administrators continue to anticipate that a dividend will be payable to unsecured creditors. However, we are currently unable to estimate the quantum or timing of this.

6. Joint Administrators' Fees

Prior to our appointment, Smith & Williamson Limited employees spent a total of three hours at a cost of £1,095 considering whether it was reasonably likely that the purpose of the administration would be achieved and to enable completion of the relevant forms. In accordance with Rule 2.67 (1) (c), these costs may be paid as an expense of the administration. A fee in the sum of £1,095 plus VAT will be raised and paid from asset realisations in due course.

The joint administrators' fees are charged on a time cost basis, as detailed in the joint administrators' proposals and subsequently approved by creditors at the meeting held on 17 December 2008.

In accordance with Statement of Insolvency Practice 9 ("SIP 9"), we attach as Appendix B a breakdown of our time costs for the period from 9 October 2008 to 8 April 2009, in respect of the administration.

For the period ending 8 April 2009, the joint administrators and their staff have spent 39 hours in attending to matters arising in the administration of GP, at an average charge out rate of approximately £196.63 per hour, which totals £7,668.75.

Appendices C and D summarise the current Smith & Williamson Limited charge out rates.

7. Joint Administrators' Disbursements

Since 1 January 2003, disbursements incurred by insolvency practitioners are reported to creditors in two categories. Category one disbursements are those directly attributable to the administration and relate to the reimbursement of expenditure properly incurred in the administration, as defined by SIP 9.

Category one disbursements of £2,375 have been accrued in the course of the administration. These disbursements principally relate to the statutory insolvency bond and advertising.

Category two disbursements relate to any expense recharged to the case by the joint administrators' firm.

No category two disbursements will be drawn during the course of the administration.

8. Ending of the Administration

The joint administrators expect GP to have sufficient assets to permit a distribution to its unsecured creditors.

Accordingly, when the administrators consider it appropriate, GP will move from Administration into Creditors Voluntary Liquidation.



Henry Shinnars & Anthony Spicer
Joint Administrators

Appendix A. Statutory Information
KCP II (GP) Limited (In Administration)

Relevant Court: High Court of Justice
Chancery Division
Companies Court
The Strand
London

Court Reference: 8837 of 2008

Former Name: KPC II (GP) Limited (from 26 April 2007)
Alnery No. 2670 Limited (until 5 April 2007)

Registered Office: 25 Moorgate
London
EC2R 6AY

Registered number: 06140282

Joint Administrators: Anthony Cliff Spicer & Henry Anthony Shinnars
Smith & Williamson Limited
25 Moorgate
London EC2R 6AY

All functions are to be exercised by the administrators jointly and severally

Date of Appointment: 9 October 2008

Appointor: The Directors

Company Directors:	<u>Shares Held</u>
Tim Cavanagh	Nil
David Sherratt	Nil
Helgi Bergs	Nil
Helgi Sigurdasson	Nil
Ben Barnett	Nil
Company Secretary:	
Helen Hay	Nil

Appendix B. Breakdown of Time Costs (SIP 9) to 8 April 2009
KCP II (GP) Limited (in Administration)

Breakdown of time spent by Smith & Williamson Limited employees for the period ended 8 April 2009

Classification of work function	Director	Associate director	Hours		Assistants & support staff	Total hours	Time cost	Average hourly rate
			Manager	Administrator				
Administration & planning	1.50	0.00	8.25	6.25	7.85	23.85	£4,592.50	£192.56
Investigations	0.00	0.00	2.40	0.00	0.00	2.40	£780.00	£325.00
Creditors	0.00	0.00	7.25	0.00	5.50	12.75	£2,296.25	£180.10
Totals	1.50	0.00	17.90	6.25	13.35	39.00	£7,668.75	£196.63
Pre-appointment	3.00	0.00	0.00	0.00	0.00	3.00	£1,095.00	£365.00

Appendix C. Schedule of Charge-out Rates: Restructuring & Recovery

Smith & Williamson Limited Restructuring & Recovery Services

Charge out rates listed by staff classification

	£
Director	500
Associate Director	400
Manager	300
Administrator/Senior Administrator	175
Support Staff	70

Appendix D. Schedule of Charge-out rates: Corporate Tax

Smith & Williamson Limited Corporate Tax

Charge out rates listed by staff classification

	£
Director	455-510
Associate Director	320 - 335
Senior Manager	275
Manager	225 - 230
Assistant Manager	200
Senior	120 -135
Tax Trainee	80 - 105