

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company LM Logistics Group Limited	Company number 07053810
In the High Court of Justice (full name of court)	Court case number 6426 of 2010

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

We
Kenneth William Touhey
Chantrey Vellacott DFK LLP
16/17 Boundary Road
Hove
East Sussex
BN3 4AN

David John Oprey
Chantrey Vellacott DFK LLP
16/17 Boundary Road
Hove
East Sussex
BN3 4AN

Lee Michael De'ath
Chantrey Vellacott DFK
Town Hall House
Balkerne Hill
Colchester, Essex
CO3 3AD

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

(b) Insert date

From

(b) 6 February 2011

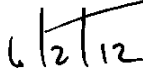
To

(b) 5 February 2012

Signed


Joint / Administrator(s)

Dated


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 is

David John Oprey
Chantrey Vellacott DFK LLP
16/17 Boundary Road
Hove
East Sussex
BN3 4AN

01273 421200

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



A21
A47
28/02/2012 #302
COMPANIES HOUSE

TUESDAY
WEDNESDAY

IN THE HIGH COURT OF JUSTICE

NO. 6426 OF 2010

**IN THE MATTER OF
L M LOGISTICS GROUP LIMITED
IN ADMINISTRATION
("THE COMPANY")**

**FINAL REPORT OF THE JOINT ADMINISTRATORS
PURSUANT TO
RULE 2.110 OF THE INSOLVENCY RULES 1986 (AS AMENDED)**

**Chantrey Veillacott DFK
First Floor
16/17 Boundary Road
Hove
East Sussex
BN3 4AN
Telephone Number: 01273 421200
Fax Number: 01273 417330
E Mail: VBlackwell@cvsdfk.com
Website: www.cvsdfk.com**

L M LOGISTICS GROUP LIMITED – IN ADMINISTRATION

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L M LOGISTICS GROUP LIMITED – IN ADMINISTRATION

FINAL PROGRESS REPORT OF THE JOINT ADMINISTRATORS

7 FEBRUARY 2012

INTRODUCTION

I, Ken Touhey, of Chantrey Vellacott DFK, First Floor, 16/17 Boundary Road, Hove, East Sussex, BN3 4AN, together with my partners, Lee De'ath and David Oprey were appointed Joint Administrator of the Company on 6 February 2012

In accordance with Rule 2.110 of The Insolvency Rules 1986 (as amended) I am pleased to present my final report on the progress of the Administration

Statutory information is attached as Appendix 1

RECEIPTS AND PAYMENTS ACCOUNT

An abstract of the Joint Administrators' Receipts and Payments and Trading account for the period concerned is attached at Appendix 2

PURPOSE OF THE ADMINISTRATION

I refer to my report dated 28 September 2010 in which I set out my formal proposals for achieving the purpose of the Administration, namely realising property in order to make a distribution to one or more secured or preferential creditors

These proposals were approved by creditors on 14 October 2010

ASSET REALISATIONS

Details of asset recoveries to date, which should be read in conjunction with the Estimated Outcome Statement ("EOS") at Appendix 3, are set out below

	Realised
	£
Book debts	2,125,562
Plant & Machinery	5,619
Sale of Business	10,000
Motor Vehicles	26,400
DVLA Tax Disc Refunds	1,634
Petty Cash	583
Bank Interest	129
Total	<u>2,170,017</u>

Book Debts

As you are aware, the Company operated an Invoice Discounting facility with Close Invoice Finance Limited (Close)

At the date of my appointment, the book debt ledger totalled £2,099,737 and together with further sales of £383,641 being made during my period of trading, the sales ledger amounted to £2,483,378

As at 5 August 2011 (the period covered by the last report), the recovery of the pre and post administration debtor ledgers could be summarised as follows

Collections as	Future Expected	Total Expected
As at 05/08/11	Realisations	Collections
£	£	£
2,138,381	42,749	2,181,130

The position as at 6 February 2012 can be summarised as follows

Collections as	Future Expected	Total Expected
As at 05/08/11	Realisations	Collections
£	£	£
2,171,638	-	2,171,638

We carried out the debt collection on Close's behalf and during the latter part of 2011, we instructed Squire Sanders & Dempsey (UK) LLP (SSD) to collect the remaining debtors on a commission basis

Sale of Business

As previously reported, the Company's warehousing and freight forwarding business was purchased by Denholm Forwarding Limited (Denholm) for £10,000

I can confirm the funds were received following the completion of the sale on 8 September 2010

In addition, Denholm assisted in the wind down of the Unit 5, Parker Avenue site in return for retaining any benefit of income deriving from managing this site from 9 September

Plant & Machinery and Office Equipment

The Company's plant & machinery and office equipment were sold to Denholm for the sum of £5,619 being a sum in line with an in situ valuation

Motor Vehicles

The Company held a number of leased vehicles which were returned in accordance with the leasing agreements. I have been advised by both State Securities and Close Asset Finance, that they suffered a shortfall upon the sale of the vehicles. Their claims have been lodged as unsecured claims in the Administration

The consideration received for all of the Company's unencumbered assets totalled £26,400. These funds were received before the period of this report.

No further realisations are anticipated from this source.

Other Asset Realisations

The EOS records that vehicle tax refunds realised £1,634, petty cash of £583 was recovered, and bank interest of £129 has been received, £43 of which was received during the period covered by this report.

TRADING

As stated above, the Joint Administrators traded the business between the date of appointment (6 August 2010) and the date of sale to Denholm (8 September 2010).

I can confirm that all trading expenses have been settled and as you will note, a balance in hand of £308,514 remains. This balance has been returned to Close in settlement of the loan.

OUTCOME FOR CREDITORS

Secured Creditors

As previously advised, Close's liability amounted to £2,470,018 which includes their Additional Service Fees and a loan of £1,210,000 to the Administrators in relation to trading expenses.

Unfortunately, Close will suffer a shortfall of their indebtedness of approximately £266,545.

The other secured creditor Merchant Corporate Recovery, who have a claim of £661,000, will not receive a distribution in the Administration.

Preferential Creditors

I can advise that preferential creditors' claims amount to £130,823 in relation to arrears of wages and holiday pay.

There are insufficient funds to enable a distribution to this class of creditor.

Prescribed Part

Pursuant to Section 176A of The Insolvency Act 1986 (as amended), a Prescribed Part of the Company's net assets should be set aside for the benefit of unsecured creditors. This reduces the funds that would otherwise be made available to any secured creditor under Floating Charges created after 15 September 2003.

On the basis there is no net property available under the Floating Charge, the provisions of Section 176A(3) do not apply.

Unsecured Creditors

The Company's records indicated that unsecured creditors were in the region of £1,193,339 as at the date of my appointment as Joint Administrator. I have received claims to date amounting to £1,059,743.

There will not be any surplus funds to enable a distribution to creditors.

COSTS OF REALISATION

The Joint Administrators have instructed professionals to assist in areas where their specialist knowledge has been required.

- Debt collection fees – a total of £6,522 has been paid to a number of the Company's finance team assisting with the book debt collection process.
- Legal Fees – SSD were instructed in relation to legal advice and debt collection. The total amount paid was £26,835.
- Other Costs – Insurance of £21,541, postal redirection of £78, Courier fees of £98 and storage costs of £53.

JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS**Authority for remuneration**

At a meeting of creditors held on 14 October 2010, the Joint Administrators' remuneration and 'Category 2' disbursements were approved. It was resolved that -

The Joint Administrators' fees be calculated by reference to their time costs and that they have sanction to draw their remuneration from the estate as and when funds permit. Their disbursements may also be drawn in accordance with Chantrey Vellacott DFK's standard chargeout rates and disbursements policies.

Summary of time costs and remuneration drawn

A tabulation of total time spent analysed by grade of staff is attached with this report at Appendix 4.

The Joint Administrators' total time costs up to 6 February 2012 are evaluated at £579,095 representing 2,361.40 hours, equating to an average hourly rate of £245.23. Disbursements totalling £13,088.33 (including Category 2 disbursements) have been incurred.

The work carried out is derived from the responsibilities placed upon us by the underlying legal and regulatory framework for work of this nature. It has been performed by the Joint Administrators, by the assignment managers and administrators. Their work has been supported by secretarial staff and the cashiers. All personnel were charged directly to the assignment for all of the time relating to the case.

Total fees of £576,000 plus VAT have been drawn

In accordance with the Statement of Insolvency Practice 9, an explanation of Chantrey Vellacott DFK's charging and disbursement recovery policies is enclosed at Appendix 5

A Creditors' Guide to Administrators' Fees, which provides information for creditors in relation to the remuneration of an Administrator, can be accessed at the website of the Association of Business Recovery Professionals at www.r3.org.uk Alternatively, a copy can be provided on written request to Chantrey Vellacott DFK

I believe this case generally to be of above average complexity. As previously reported, we were required to extend the Administration to enable more time to complete the book debt collection, which because of the nature of the business and the volume of debtors required ongoing assistance from the Company's finance team and former directors. More recently, SSD were engaged to assist in collecting the more complex cases. Furthermore, extensive negotiations were necessary with regard to the release of occupying the business premises at Parker Avenue, Felixstowe.

I would draw your attention to Rule 2.48A and Rule 2.109 of The Insolvency Rules 1986 (as amended), the text of which is reproduced at Appendix 6. These Rules set out the circumstances under which creditors may request further information in relation to the Joint Administrators' remuneration and expenses and their right to challenge the Joint Administrators' remuneration and expenses.

INVESTIGATIONS

I confirm that I have complied with my statutory duty in relation to the Directors' conduct report which has been submitted to the Department for Business, Innovation and Skills, in accordance with the Company Directors Disqualification Act 1986. The report is confidential and accordingly I cannot disclose its content to the creditors.

As previously requested, if creditors have any information they believe should be brought to the Joint Administrators' attention, please send such details in writing.

CONCLUSION

As previously reported, I sought an extension of the Administration for a further 6 months under the provisions of Paragraph 76 of Schedule B1 of The Insolvency Act 1986. The rationale for the extension of the Administration was to provide sufficient time to conclude the collection of the book debt ledger and agreement of the final expenses of trading, including receiving clearance from HMRC in respect of the Company's tax affairs.

The necessary consent in accordance with the requirements of The Insolvency Act 1986 was received and therefore the term of the Administration was extended to 6 February 2012.

In accordance with Paragraph 76, Schedule B1 of The Insolvency Act 1986, the Administration came to an automatic end on 6 February 2012, having been extended to this date. I have issued this final progress report to creditors and filed Form 2 30B with both the Court and the Registrar of Companies. A copy of this form is enclosed with this report.

Should you require any further information, in addition to that already given, please contact Vanessa Blackwell at this office, on 01273 421200.



KEN TOUHEY

Joint Administrator

Licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

APPENDIX 1

STATUTORY INFORMATION

AND

FORM 2.24B

AND

FORM 2.30B

**LM Logistics Group Limited
In Administration**

Statutory Information

Scheduled below are extracts concerning the Company obtained from the file at Companies House or from the Company -

i) Directors

The directors of the company are -

	Appointed	Resigned
Sherri Ellison	22/10/2009	20/11/2009
John Holmes	20/11/2009	11/03/2010
Anthony Barnes	23/11/2009	
Nicholas Lindsay	23/11/2009	
Philip Betts	23/11/2009	11/03/2010
Craig White	23/11/2009	04/03/2010
Philip Perkins	24/11/2009	11/03/2010

ii) Company Secretary

None listed

iii) Shareholder Information (as advised by the Director)

Issued Share Capital – 1000 ordinary shares at £1 per share

Merchant Corporate Recovery Plc	760
A G Barnes	145
N J Lindsay	55
G R Stanbridge	20
S P Rolfe	20

iv) Registered Office

The Registered Office of the Company is situated at -

16/17 Boundary Road, Hove, East Sussex BN3 4AN

Prior to the appointment of Administrators the Registered Office was -

7th Floor, Aldermay House, 10-15 Queen Street, London EC4N 1TX

v) Company Number

The Company's registered number is 07053810

vi) Date of Incorporation

The Company was incorporated on 22 October 2009

vii) Court Proceedings

High Court of Justice number 6426 of 2010

viii) Other

The proceedings constitute Main Proceedings as defined in Article 3 of the EC Regulations

ix) **Statement for the purpose of paragraph 100(2) of Schedule B1 to the Insolvency Act**

All functions, powers and duties of the Administrators may be exercised by either of them acting jointly and severally

x) **Joint Administrators**

Kenneth William Touhey and David John Oprey
Chantrey Vellacott DFK LLP
First Floor
16/17 Boundary Road
Hove
East Sussex

Lee Michael Death
Chantrey Vellacott DFK LLP
Town Hall House
Balkerne Hill
Colchester
Essex
CO3 3AD

Date of appointment 6 August 2010

Details of Appointer Close Invoice Finance Limited - Creditor

xi) **Summary of Outstanding Registered Charges and Debentures**

1) Description Debenture

Person(s) Entitled Merchant Corporate Recovery Plc Status Outstanding

Created 19/11/2009

Registered 25/11/2009

2) Description Debenture

Person(s) Entitled Close Invoice Finance Limited Status Outstanding

Created 16/03/2010

Registered 18/03/2010

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company
LM Logistics Group Limited

Company number
07053810

In the High Court of Justice (full name of court)

Court case number
6426 of 2010

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

We
Kenneth William Touhey
Chantrey Vellacott DFK LLP
16/17 Boundary Road
Hove
East Sussex
BN3 4AN

David John Oprey
Chantrey Vellacott DFK LLP
16/17 Boundary Road
Hove
East Sussex
BN3 4AN

Lee Michael De'ath
Chantrey Vellacott DFK
Town Hall House
Balkerne Hill
Colchester, Essex
CO3 3AD


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

(b) Insert date


From
(b) 6 February 2011

To
(b) 5 February 2012

Signed


 Joint / Administrator(s)

Dated


 6/2/12
Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to searchers of the public record

David John Oprey
Chantrey Vellacott DFK LLP
16/17 Boundary Road
Hove
East Sussex
BN3 4AN

01273 421200

Companies House

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

A21

 07/03/2012
 COMPANIES HOUSE

#133

2.30B

The Insolvency Act 1986

Notice of automatic end of administration

Name of Company

LM Logistics Group Limited

Company number

07053810

In the
High Court of Justice

(full name of court)

Court case number
6426 of 2010(a) Insert full
name(s) and
address(es) of
administrator(s)

I/We (a)

David Oprey
Chantrey Vellacott DFK
First Floor
16/17 Boundary Road
Hove
East Sussex
BN3 4ANLee De'ath
Chantrey Vellacott DFK
Town Hall House
Balkerne Hill
Colchester
Essex
CO3 3ADKen Touhey
Chantrey Vellacott DFK
First Floor
16/17 Boundary Road
Hove
East Sussex
BN3 4AN(b) Insert name and
address of the
registered office of
the companyhaving been appointed administrator(s) of (b) LM Logistics Group Limited
16/17 Boundary Road
HOVE East Sussex, BN3 4AN(c) Insert date of
appointment

on (c) 6 August, 2010

(d) Insert name of
appointor/applicant

by (d) Close Invoice Finance Limited

hereby give notice that our appointment ceased to have effect on 6 February 2012

we attach a copy of the final progress report

Signed

Joint / Administrator(s)

Dated

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

David Oprey
Chantrey Vellacott DFK
First Floor
16/17 Boundary Road
Hove
East Sussex
BN3 4AN

DX Number

01273 421200
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

Companies House receipt date barcode

APPENDIX 2

RECEIPTS AND PAYMENTS ACCOUNT

AND

TRADING ACCOUNT

**LM LOGISTICS GROUP LIMITED
IN ADMINISTRATION**

**RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 6 AUGUST 2010 TO 6 FEBRUARY 2012**

	6 August 2010 to 5 August 2011	6 August 2011 to 6 February 2012	Total
RECEIPTS	£	£	£
Cash advance from Close	400,000	-	400,000
Pre-Administration Book Debts	2,090,317	-	2,090,317
Book Debts paid to Chantrey Vellacott DFK	48,064	33,257	81,321
Motor Vehicles	26,400	-	26,400
Chattels assets sold on Sale of Business	10,000	-	10,000
Remaing Chattel Assets	5,619	-	5,619
Tax Disc refunds	1,634	-	1,634
Petty Cash	179	-	179
Interest	86	43	129
Current Cash Surplus from Trading (see Trading Account)	368,782	(60,268)	308,514
	<u>2,951,081</u>	<u>(26,968)</u>	<u>2,924,114</u>
PAYMENTS			
Administrators' Fees	450,000	126,000	576,000
Administrators' Disbursements	12,385	703	13,088
Legal Fees	18,127	7,520	25,647
Agents Fees	8,589	-	8,589
Insurance	21,541	-	21,541
Accountancy fees	750	-	750
Duress Payments relating to Book debt recoveries	17,350	-	17,350
Debt Collection fees	6,522	-	6,522
Specific Bond	1,056	-	1,056
Corporation Tax	-	36	36
Postal Redirection	78	-	78
Courier	98	-	98
Storage Costs	53	-	53
Statutory Advertising	357	-	357
VAT on post appointment sales	-	49,474	49,474
	<u>(536,906)</u>	<u>(183,734)</u>	<u>(720,641)</u>
DISTRIBUTIONS			
Close Invoice Finance Limited	(2,090,317)	(113,156)	(2,203,473)
Balances in Hand	<u>323,858</u>	<u>(323,858)</u>	<u>0</u>
Cash at Bank			-
VAT Refundable			-
			<u>0</u>

Notes

The book debts of the Company are subject to an Invoice Discounting Agreement with Close Invoice Finance Limited ("Close") Receipts are paid direct to Close and thus the above account records that that all money received has been utilised to reduce Close's indebtedness

**TRADING RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 6 AUGUST 2010 TO 6 FEBRUARY 2012**

	6 August 2010 to 5 August 2011 £	6 August 2011 to 6 February 2012 £	Total £
RECEIPTS			
Petty Cash Used for Trading	404	-	404
Funds advanced from Close Invoice Finance Limited	810,000	-	810,000
	<u>810,404</u>	<u>-</u>	<u>810,404</u>
PAYMENTS			
Net Wages and payments to self employees	123,457	-	123,457
PAYE & NIC	45,184	-	45,184
Pension Contributions	6,071	-	6,071
Security costs	13,706	-	13,706
Warehouse equipment rental	50,820	-	50,820
Fumigation	2,519	-	2,519
Vehicle Management	60,666	20,162	80,828
Rent	66,718	-	66,718
Rates	-	37,317	37,317
Gas and Oil	2,308	-	2,308
Freightforwarding costs (international freight/port handling costs)	14,041	-	14,041
Hauliers	34,926	3,000	37,926
Port fees	5,460	-	5,460
Insurance	1,040	-	1,040
Telephone	1,119	-	1,119
IT System costs	7,019	-	7,019
Postage & Couriers	3,707	-	3,707
Sundry Expenses	1,899	(211)	1,688
Bank charges	962	-	962
	<u>441,622</u>	<u>60,268</u>	<u>501,890</u>
Balance in Hand	368,782	(60,268)	308,514

APPENDIX 3

ESTIMATED OUTCOME STATEMENT

LM Logistics Group Limited - In Administration

ESTIMATED OUTCOME STATEMENT AS AT 6 FEBRUARY 2012

	Book Value £	Receipts & Payments to Date (net of VAT) £	Estimated Future Receipts & Payments (net of VAT) £	Estimated Total Receipts & Payments (net of VAT) £
ASSETS SPECIFICALLY PLEDGED				
Pre-Administration Book Debt Ledger	2 099,737	1 757 086	-	1 757 086
Post-Administration Book Debt Ledger	383 641	286 059	-	286 059
VAT element of post sales credit notes raised in respect of duplicate invoices	-	47,172	-	47,172
Book debts held by SSD	(106,443)	850	-	850
Book debts paid direct to CV	-	81 657	-	81 657
Cash advance from Close	-	1,210,000	-	1,210,000
	<u>2 376 935</u>	<u>3,382 824</u>	<u>-</u>	<u>3 382 824</u>
Costs of Administration				
Joint Administrators' Fees	-	(412,500)	-	(412 500)
Joint Administrators' Disbursements	-	(13 088)	-	(13 088)
Other Costs/Debt collection fees	-	(6 522)	-	(6 522)
Legal Fees	-	(26,835)	-	(26,835)
	<u>-</u>	<u>(458,945)</u>	<u>-</u>	<u>(458,945)</u>
Funds available for Close Invoice Finance Limited	-	2 923 879	-	2 923 879
Less Close Invoice Finance Limited	(1 231 404)	-	-	-
Additional fees	(28,614)	-	-	-
Further advances	(1,210,000)	-	-	-
	<u>(2 470 018)</u>	<u>(2 203 473)</u>	<u>(266 545)</u>	<u>(2 470 018)</u>
Surplus/(Deficiency) re Close Invoice Finance Limited c	<u>(2,285,903)</u>	<u>720,406</u>	<u>(266,545)</u>	<u>453,861</u>
Leased Motor Vehicles	980 716	-	-	-
Amounts due to Finance Companies	(911,585)	-	-	-
	<u>69,131</u>	<u>-</u>	<u>-</u>	<u>-</u>
ASSETS NOT SPECIFICALLY PLEDGED				
Unencumbered Plant & Machinery and Office Equipment	9 750	5 619	-	5 619
Sale of Business	-	10 000	-	10 000
Unencumbered Motor Vehicles	-	26 400	-	26 400
DVLA Tax discs refunds	-	1 634	-	1 634
Petty Cash	583	583	-	583
Bank Interest	-	129	-	129
	<u>-</u>	<u>44 365</u>	<u>-</u>	<u>44 365</u>
Floating Charge Funds Available for the costs of the Administration				
Costs of Administration				
Joint Administrators' Fees	-	(163 500)	-	(163 500)
Agents Fees	-	(8,589)	-	(8 589)
Trading Expenses	-	(501,891)	-	(501,891)
Accountancy Fees	-	(750)	-	(750)
Statutory Advertising	-	(357)	-	(357)
Insurance	-	(21,541)	-	(21 541)
Corporation tax	-	(36)	-	(36)
Duress Payment relating to book debt recoveries	-	(17 350)	-	(17 350)
VAT on post appointment sales	-	(49 474)	-	(49 474)
Specific Bond	-	(1,056)	-	(1 056)
Postal Redirection	-	(78)	-	(78)
Counter	-	(98)	-	(98)
Storage Costs	-	(53)	-	(53)
VAT Payable	-	-	-	-
	<u>-</u>	<u>(764 771)</u>	<u>-</u>	<u>(764 771)</u>
Estimated Deficiency	-	<u>(720 406)</u>	<u>-</u>	<u>(720 406)</u>
Surplus funds from Close b/down	-	720 406	(266 545)	453 861
Estimated Deficiency to Close	-	<u>0</u>	<u>(266 545)</u>	<u>(266 545)</u>
PREFERENTIAL CREDITORS				
Employee claims (wages holiday pension arrears)	-	-	-	<u>(125,858)</u>
Net property available for prescribed part	-	-	-	<u>(392 403)</u>
Estimated prescribed part for unsecured creditors	-	-	-	<u>N/A</u>
Surplus/(Deficiency) available to Floating charge creditors	-	-	-	<u>(392 403)</u>
Merchant Corporate Recovery Plc	-	-	-	<u>(661 000)</u>
Surplus/(Deficiency) available to Unsecured Creditors	-	-	-	<u>(1 053 403)</u>
Estimated prescribed part for unsecured creditors	-	-	-	<u>N/A</u>
Total Estimated funds available for unsecured creditors	-	-	-	<u>(1 053 403)</u>
UNSECURED CREDITORS				
Trade & Expense	-	(1,059 743)	-	-
HMRC-Vat Arrears	-	(102 094)	-	-
HMRC-PAYE	-	(515,860)	-	-
Employee Claims	-	(379,085)	-	-
	<u>-</u>	<u>(2,056,782)</u>	<u>-</u>	<u>(2,056,782)</u>
Surplus/(Deficiency) as regards creditors	-	-	-	<u>(3 110 184)</u>
Issued and Called up Share Capital	-	-	-	<u>(100)</u>
Surplus/(Deficiency) as regards Members	-	-	-	<u>(3,110,284)</u>

APPENDIX 4

SUMMARY OF JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

LM LOGISTICS GROUP LIMITED - ADM - LMLO28800
Time and Chargeout Summary for the period 06/08/2010 to 06/02/2012

Classification of work function	Hours				Total Hours	Time Cost £	Average hourly rate £
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff			
Administration & Planning							
(A)Appointment Documents	0 00	0 60	0 00	0 00	0 60	141 00	235 00
(A)Appointment Meetings	0 00	0 60	0 00	0 00	0 60	138 00	230 00
(A)Case Reviews	8 30	29 70	8 30	0 00	46 30	12,914 00	278 92
(A)Cashing	0 00	1 10	3 90	14 70	19 70	3,013 00	152 94
(A)General Administration	74 30	96 30	59 90	27 10	257 60	65,949 50	256 02
(A)General advice/meetings	9 00	0 40	0 00	0 00	9 40	3,254 00	346 17
(A)Money Laundering & ethics	1 00	0 00	0 40	0 00	1 40	408 00	291 43
(A)Pension Matters	0 00	0 00	7 70	0 00	7 70	1,116 50	145 00
(A)Statutory Filing, advertising &	0 50	4 10	2 20	0 00	6 80	1,390 00	204 41
BB02-General Advice	36 70	0 20	0 00	0 00	36 90	15,860 00	429 81
BD05-Statutory Advertising	0 00	0 50	0 00	0 00	0 50	115 00	230 00
BE04-Filing	0 00	2 00	1 90	0 00	3 90	835 00	214 10
BE05-Typing	0 00	0 00	0 00	7 30	7 30	730 00	100 00
BF03-Director/Debtor correspondence	0 30	3 40	0 00	10 60	14 30	1,989 00	139 09
BF09-Director/Debtor General	0 00	1 00	4 40	0 00	5 40	656 00	121 48
BT01-Bank Reconciliation	0 00	0 00	0 00	2 80	2 80	413 00	147 50
BT03-Bank Correspondence	0 00	0 00	0 00	0 80	0 80	120 00	150 00
BT05-R&Ps	0 00	0 00	0 00	2 30	2 30	345 00	150 00
BT07-Payments	0 80	0 20	1 50	34 10	36 60	5,435 00	148 50
BT08-Receipts	0 00	0 00	0 00	25 40	25 40	3,778 00	148 74
Total for Administration & Planning	130 90	140 10	90 20	125 10	486 30	118,600 00	243 88
Investigations							
(I)D Conduct reports/returns	0 50	7 40	0 50	0 00	8 40	1,949 50	232 08
(I)Investigations (not SIP2/CDDA)	0 00	0 40	0 00	0 00	0 40	120 00	300 00
D Conduct reports/returns	0 00	7 20	0 00	1 00	8 20	1,756 00	214 15
Total for Investigations	0 50	15 00	0 50	1 00	17 00	3,825 50	225 03
Realisation of Assets							
(R)3rd Party Assets/ROT	0 00	6 80	11 80	0 40	19 00	4,446 00	234 00
(R)Agents & Valuations	0 00	4 10	0 00	0 00	4 10	1,053 00	256 83
(R)Book Debts	1 20	121 80	11 60	0 20	134 80	31,626 00	234 61
(R)Cash at Bank	0 00	0 00	0 70	0 00	0 70	66 50	95 00
(R)Insurance	0 30	11 00	11 40	0 20	22 90	5,057 00	220 83
(R)Motor Vehicles	0 50	1 00	10 10	0 00	11 60	1,917 50	165 30
(R)Other Assets	0 00	2 60	0 40	0 00	3 00	735 00	245 00
(R)Property	7 00	0 70	0 00	0 00	7 70	2,651 00	344 29
(R)Sales of Business	28 00	20 30	1 10	0 00	49 40	15,312 50	309 97
BI13-F&F Freehold/Leasehold property	4 50	2 70	0 00	0 00	7 20	2,196 00	305 00
BI14-F&F Cash at Bank	0 00	0 10	0 00	0 00	0 10	23 00	230 00
BI16-F&F Motor Vehicles	0 50	3 20	6 10	0 00	9 80	2,017 50	205 87
BI19-F&F Debt Collection	3 00	57 60	3 50	0 20	64 30	16,550 50	257 40
BI20-Sales of Business (post)	13 70	0 60	0 10	0 00	14 40	5,099 00	354 10
Total for Realisation of Assets	58 70	232 50	56 80	1 00	349 00	88,750 50	254 30
Creditors							
(C)Claims & Proofs	0 00	1 20	5 50	0 00	6 70	1,026 50	153 21
(C)Correspondence	0 70	12 50	3 60	0 40	17 20	3,764 50	218 87
(C)Employees claims & dividends	0 00	0 90	9 60	0 00	10 50	1,554 00	148 00
(C)Factoring/ID Agreements	1 00	0 00	0 00	0 00	1 00	350 00	350 00
(C)HP/Leasing Agreements	0 00	1 00	0 00	0 00	1 00	230 00	230 00
(C)Meetings	3 20	5 30	0 30	0 00	8 80	2,406 50	273 47

(C)Pension Creditors	0 00	0 20	2 90	0 00	3 10	482 50	155 65
(C)Preferential claims & proofs	0 00	0 00	0 40	0 00	0 40	58 00	145 00
(C)Preferential Creditors	0 00	0 00	2 10	0 00	2 10	304 50	145 00
(C)Reports & Circulars	7 70	44 50	0 00	16 70	68 90	16,908 50	245 41
(C)Sec Claims & Proofs	0 00	0 20	0 00	0 00	0 20	46 00	230 00
(C)Sec Correspondence	2 80	10 10	0 90	0 00	13 80	3,496 50	253 37
(C)Sec Reports & Circulars	22 40	83 50	0 00	0 00	105 90	31,626 00	298 64
BP02-ERA Claims	0 50	20 80	0 50	0 00	21 80	5,596 00	256 70
BP03-Employee Non-Pref Claims	0 00	0 10	0 60	0 00	0 70	114 00	162.86
BP06-Employee Correspondence	0 30	7 70	3 10	0 20	11 30	2,371 50	209 87
BQ04-Unsecured Creditors Proxies	0 00	0 00	0 90	0 40	1 30	170 50	131 15
BQ05-Unsecured Working Papers	0 00	0 00	1 60	0 00	1 60	232 00	145 00
Total for Creditors	38 60	188 00	32 00	17.70	276 30	70,737 50	256.02
Trading							
(T)Accounting & Financial	7 80	103 40	5 90	0 60	117 70	28,406 50	241 35
(T)Employees (Trading)	8 50	28 10	12 10	1 90	50 60	13,010 00	257 11
(T)Management of operations	111 20	571 30	268 50	0 90	951 90	227,915 50	239 43
(T)Purchases	0 00	22 40	4 00	0 20	26 60	7,448 00	280 00
(T)Sales	0 00	1 70	0 00	0 00	1 70	527 00	310 00
Total for Trading	127 50	726 90	290.50	3.60	1,148 50	277,307 00	241 45
Case Specific Matters							
(CS)Legal Matters (non invest)	0 00	1 00	0 20	0 00	1 20	259 00	215 83
(CS)Other Special Issues	0 00	1 90	0 00	0 00	1 90	462 50	243 42
(CS)Post appointment tax returns	0 50	15 00	1 00	3 10	19 60	4,697 00	239 64
(CS)Pre Appointment Taxation	0 00	0 50	0 00	0 00	0 50	115 00	230 00
BH01-Legal Matters (non investigation)	2 00	0 10	0 00	0 00	2 10	731 00	348 10
BJ02-Pre Appt VAT	0 00	5 60	0 00	0 20	5 80	1,308 00	225 52
BJ03-Post Appt PAYE/NIC	0 50	1 10	3 40	0 00	5 00	1,001 00	200.20
BJ06-Other Tax Matters	0 00	0 10	0 80	0 00	0 90	147 00	163 33
BS03-Case Specific Matters	0 00	15 20	0 00	0 00	15 20	3,096 00	203 68
Total for Case Specific Matters	3 00	40 50	5 40	3.30	52 20	11,816 50	226 37
Shareholdings							
(S)Claims & Proofs	0 00	0 30	0 00	0 00	0 30	69 00	230 00
(S)Correspondence	0 00	0 70	0 00	0 40	1 10	201 00	182 73
(S)Reports and Circulars	0 50	9 60	0 00	0 00	10 10	2,777 00	274 95
Total for Shareholdings	0 50	10 60	0 00	0.40	11 50	3,047 00	264 96
Fixed Charge Matters							
(F)Book Debts	2 30	5 50	3 10	0 00	10 90	2,571 50	235 92
(F)Claims & Proofs	0 00	0 20	0 90	0 00	1 10	180 50	164 09
(F)Correspondance	0 00	0 20	2 40	0 80	3 40	489 00	143 82
(F)HP/Leasing Agreements	0 00	0 10	0 00	0 00	0 10	27 00	270.00
(F)Property	1 00	0 00	0 30	0 00	1 30	393 50	302 69
(F)Reports & Circulars	3 20	0 60	0 00	0 00	3 80	1,349 00	355 00
Total for Fixed Charge Matters	6 50	6 60	6 70	0.80	20 60	5,010 50	243 23
Total Hours	366 20	1,360 20	482.10	152 90	2,361 40	579,094 50	245 23
Total fees Claimed	136,918 00	349,480 00	73,589 00	19,107 50	579,094 50		

LM LOGISTICS GROUP LIMITED - ADM - LMLO28800

Category 2 Disbursements	
Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest	
Type and Purpose	£
Circulars, Printing and Photocopying	4489 47
Travel	3520.63
Accommodation	3214 31
Subsistence	1449 78
Storage Charges	19 04
Miscellaneous	395 1
Totals	13,088 33

APPENDIX 5

CHARGE OUT RATES AND DISBURSEMENT RECOVERY POLICIES

CHANTREY VELLACOTT DFK LLP

CHARGEOUT RATES AND DISBURSEMENT RECOVERY POLICIES

Chargeout Rates

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the firm's chargeout rates applicable to this appointment, exclusive of VAT, are as follows

	From 1 August 2011 £ per hour
Partners / Office Holders	350 - 450
Consultants	350 - 450
Directors	325 - 340
Senior Manager	300 - 315
Managers	280 - 295
Assistant Managers	260 - 275
Senior Executive	220 - 250
Executive	125 - 175
Analyst	100 - 105
Cashier	120 - 160
Secretaries and office admin support	80 - 110

Chargeout rates are normally reviewed annually on 1 July when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance. It is the firm's policy for the cashier's time spent on an assignment to be charged to the case. However, secretarial and office admin support time is charged only in respect of identifiable blocks of time devoted to the case where we consider it to be viable to do so. All time is recorded in 6 minute units.

Direct expenses ("Category 1 Disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost, with no uplift. These include but are not limited to such items as case advertising, storage, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 Disbursements")

It is our normal practice to also charge the following indirect disbursements ("Category 2 Disbursements as defined by SIP 9) to the case, where appropriate

Circulars to creditors

Plain/headed paper including photocopying	12p per sheet
Envelopes	12p each
Postage	Actual cost

Room Hire

For the convenience of creditors and to save the cost of booking an outside hotel room, meetings of creditors are occasionally held internally at our offices. Where meetings of creditors are held in one of our internal meeting rooms, a charge of £100 plus VAT is levied to cover the cost of booking the room.

Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at the H M Revenue & Customs approved rate, currently 40p per mile.

All of the above costs are subject to amendment by the firm at any time and if amended will be notified to creditors with the next circular sent to all creditors.

Company Searches & Electronic Verification of Identity

Included in expense and/or disbursements, Company Searches and electronic Verification of Identity include an element of shared costs. Such expenses are of an incidental nature but are generally incurred on each case. In line with the cost of the external provision of such services, a charge of £15 plus VAT is levied to cover the cost of these searches.

Chantrey Vellacott DFK LLP

Effective 1 July 2011

Chantrey Vellacott DFK is a limited liability partnership registered in England and Wales (NoOC313147) whose registered office is at Russell Square House, 10-12 Russell Square, London, WC1B 5LF. The term "partner" denotes a member of a limited liability partnership. A list of members of Chantrey Vellacott DFK LLP is available at our registered office.

APPENDIX 6

**RULE 2.48A AND 2.109
OF
THE INSOLVENCY RULES 1986 (AS AMENDED)**

2.48A and 2.109 of The Insolvency Rules 1986

2.48A Creditors' request for further information

2.48A(1) [Duty of Administrator] 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)

2.48A(2) [Compliance by administrator] 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

2.48A(3) [Application to court by creditor] 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—

- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just

2.48A(4) [Power of court to extend period] 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

2.109 Creditors' claim that remuneration is or other expenses are excessive

2.109(1) [Which creditors may apply to court] 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)

2.109(1A) [Grounds for application] 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

2.109(1B) [Time limit for application] 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")

2.109(2) [Power of court to dismiss etc] 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

2.109(3) [Notice to administrator] 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

2.109(4) [Court order if application well-founded] 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

2.109(5) [Costs of application] 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