



**MEQ Realisations Limited – in Administration
(Formerly Mint Equities Limited)**

Joint Administrators' proposals for achieving the purpose of administration

11 October 2010

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1. Purpose of this document

I wrote to all creditors on 24 August 2010 to explain that MEQ Realisations Limited (formerly Mint Equities Limited) (the 'Company') had entered into Administration and that PN Spratt and I had been appointed as Joint Administrators (the 'Administrators') on 19 August 2010.

We were appointed as Administrators to manage the affairs, business and property of the Company. We will act until such time as our proposals for achieving the purpose of administration have been agreed by creditors and implemented, following which the Administration will be ended.

The purpose of administration is to achieve one of the following objectives: -

- (a) Primarily, rescuing the Company as a going concern, or failing that
- (b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or finally
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors.

For the reasons detailed in this document, objective (b) is being pursued as it was not reasonably practical to rescue the Company as a going concern.


This document and its appendices form the Administrators' statement of proposals for achieving the purpose of administration as required by Paragraph 49 Schedule B1 of the Insolvency Act 1986 ("Sch.B1 IA86").

An initial creditors' meeting will be held on Wednesday 27 October 2010 at the Charing Cross Hotel – The Guoman Hotel, Charing Cross, The Strand, London, WC2N 5HX to consider these proposals and decide whether a creditors' committee should be formed and if no committee is formed, to fix the Administrators' remuneration and approve the pre-administration costs which were unpaid at the time of the appointment. Formal notice of the meeting, Form 2.20B, is enclosed. Please note that you will be bound by our proposals if they are approved at the creditors' meeting by the requisite majority of creditors. It is therefore important that you read this document carefully. You may put forward any modifications that you wish to see incorporated into the proposals and make your views known on whether they should be accepted. It would be helpful if a creditors' committee is formed. If you are able to assist, please put your name forward as a candidate for membership by completing the appropriate part of the proxy form.

As a creditor you can attend the creditors' meeting either in person or by submitting a proxy. Please let me have details of your claim on the enclosed form as soon as possible. In order to vote (either in person or by proxy) I must receive written details of your claim no later than 12.00 on Tuesday 26 October 2010. Please note that you are not obliged to attend the meeting or submit a proxy if you do not wish to vote and you will not prejudice your claim and entitlement to a dividend, should there be one, if you do not attend or vote.

1. Purpose of this document

If you have any concerns or questions regarding the background to this case or what is being proposed, please do not hesitate to contact my colleague, Katherine Joice on 020 7804 7254 or by email katherine.a.joice@uk.pwc.com.

Signed.....

DC Chubb
Joint Administrator of the Company

DC Chubb and PN Spratt have been appointed as Joint Administrators of MEQ Realisations Limited (formerly Mint Equities Limited) to manage its affairs, business and property as its agents and act without personal liability. DC Chubb and PN Spratt are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

2. The Administrators' statement of proposals

a. Brief history and summary of the Administrators' actions to date

Background

The Company was incorporated in 2004 and operated as an agency brokerage for a range of financial and non-financial traded products. The main office was based in London with branch offices also operating in Paris, Switzerland and Dubai.

The Company is a wholly owned subsidiary of a non-trading company, Mint Partners Limited ('MPL'). MPL was placed into Administration on 19 August 2010.

HSBC Bank Plc ('HSBC') held a fixed and floating charge debenture over the assets of the Company and MPL.

The circumstances giving rise to the Administrators' appointment

The Company had fallen behind in its repayments of PAYE and National insurance and entered into a Time to Pay arrangement with HMRC for repayment of this debt. This arrangement was adhered to until August 2009.

In 2009, the Company also discovered that its settlement process, which had been transferred to a new provider in 2007 had failed to account for stamp duty on any trades. At the time of discovery, the outstanding liability to HM Revenue and Customs ('HMRC') was circa £3m. The Company subsequently sent a proposal to HMRC for the settlement of this amount, which was not accepted.

Following discussions between the Company's advisors and HMRC, HMRC wrote to the Company on 30 July 2010 and advised that they would commence winding up proceedings if full payment for the PAYE liabilities was not made within 7 days.

An offer to purchase the Company's shares had been made by BGC Brokers LLP ('BCP'), with due diligence expected to take four weeks before the transaction could be completed. BGC subsequently withdrew their offer on 12 August 2010 due to the risk of the winding up petition being filed prior to the completion of their due diligence.

On 13 August 2010 BGC submitted an offer for specific business and assets of the Company and MPL which could only be effected through a pre-packaged administration transaction. The directors considered that if a winding up petition was presented, the business would disintegrate very quickly. In the absence of the share offer from BGC and given the threat of the winding up petition from HMRC, the board concluded on 16 August 2010 that the offer from BGC for the specific business and assets was in the interests of the creditors as a whole.

2. The Administrators' statement of proposals

Consequently, PN Spratt and I were appointed Joint Administrators of the Company on 19 August 2010 following an emergency out of hours hearing before the vacation judge, Mr Justice Peter Smith to dismiss a winding up petition that had been lodged by a creditor earlier that day. We were also appointed Joint Administrators of MPL by an out of court appointment earlier that same day.

Sale of part of the business and certain assets of the Company

Immediately following the Administrator's appointment the Company's UK, Dubai and Switzerland operations were sold to BGC for £2,500,000. Details of the sale were provided to creditors in the initial circular to creditors on 24 August 2010 pursuant to the requirements of Statement of Insolvency Practice No.16 ('SIP 16').

The sale secured the continued employment of all associated employees (including management associated with those operations), who transferred under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ('TUPE').

It should be noted that the French branch operations and the employees were specifically excluded from the sale, which subsequently resulted in the Administrators closing the Paris office and terminating the employees. The Administrators appointed local PwC staff to assist with this process, and are intending to petition the court to allow secondary proceedings to be commenced and a local Administrator to be appointed.

The Administrators are currently seeking to realise the remaining assets that were specifically excluded from the sale. These include

- Book debts aged over 120 days in accordance with sale and purchase agreement; and
- The intercompany balance from the US entities - Mint Securities LLC and Mint Holdings Inc

Objective of the Administration

The Administrators concluded that it was not reasonably practicable to rescue the Company as a going concern. As such, the objective of the Administration is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).

The sale of the business and assets (excluding the operations in France) has resulted in a better outcome for unsecured creditors than would have been possible had the Company been placed into Liquidation.

2. The Administrators' statement of proposals

Dividend prospects

Secured Creditors – HSBC held a fixed and floating charge debenture created on 16 May 2005. At the date of the Administrators' appointment the HSBC's liability amounted to £438,569.66 (inclusive of charges). Following completion of the sale to BGC, the balance was paid in full by the Administrators from the sale proceeds. As the charge related to both MPL and the Company, the distribution was apportioned in accordance with the sales proceeds for both entities. The balance paid by the Company was £390,822.79.

Preferential Creditors – The only preferential creditors are expected to be the employees based in the French branch, as all other employees were transferred under TUPE regulations to the purchaser. The liability for holiday pay and wage arrears (pursuant to the Employments Right Act 1996 and Insolvency Act 1986) for the employees based in France is expected to be paid in full.

Unsecured Creditors – In their Statement of Affairs, the directors estimated the balance due to unsecured creditors to be £12,017,558 comprising both trade creditors and Crown debt. It is currently anticipated that there will be a distribution to ordinary unsecured creditors however the quantum and timing of the distribution remains uncertain at this stage. The estimated dividend of 12p in the £ mentioned in the initial circular may have to be reduced as the statements of affairs has disclosed additional creditors, of which we were not previously aware and further costs were incurred in relation to the French branch.

Prescribed Part - The Prescribed Part (Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs, to be set aside for unsecured creditors. This equates to:

- 50% of net property up to £10,000
- 20% of net property in excess of £10,000
- Subject to a maximum amount of £600,000

The Administrators consider that there will be sufficient sums available after the asset realisations for a distribution to the unsecured creditors under the Prescribed Part. However as the Company's assets are still being realised and further unsecured creditor claims are expected to be received, it is not yet possible to estimate the quantum of the dividend to be paid in respect to the Prescribed Part.

Ending the Administration

The Administrators currently envisage that once the objective of the Administration has been achieved, the Administrators will either place the Company into creditors' voluntary liquidation in accordance with Paragraph 83 Sch.B1 IA86 or if it is more cost effective, apply to court for permission to make a distribution to unsecured creditors in the Administration.

MEQ Realisations Limited (in Administration) – Joint Administrators' proposals for achieving the purpose of administration

2. The Administrators' statement of proposals

b. Proposals for achieving the purpose of the Administration

The Administrators make the following proposals for achieving the purpose of administration.

- i) The Administrators will continue to manage and finance the Company's business, affairs and property from asset realisations in such manner as they consider expedient with a view to achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).
- ii) The Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Act 1985 or IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals.
- iii) The Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator and that the costs of so doing be met as a cost of the Administration as part of the Administrators' remuneration.
- iv) A creditors' committee will be established if sufficient creditors are willing to act on it. The Administrators propose to seek the election of a creditors' committee and to consult with it from time to time. Where the Administrators consider it appropriate, they will seek sanction from the committee to a proposed action rather than convening a meeting of all creditors.
- v) The Administrators may use any or a combination of "exit route" strategies in order to bring the Administration to an end, but in this particular instance the Administrators are likely to wish to pursue the following options as being the most cost effective and practical in the present circumstances: -
 - (a) Once asset disposals are complete, the Administrators will place the Company into creditors' voluntary liquidation. In these circumstances, it is proposed that DC Chubb and PN Spratt be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either or both of them. In accordance with Paragraph 83(7) Sch.B1 IA86 and Rule 2.117A(2)(b) IR86, creditors may nominate alternative liquidators, provided that the nomination is made before the proposals are approved; or
 - (b) In the event that it is more cost effective to do so, the Administrators will apply to the court to allow the Administrators to distribute surplus funds, if any, to unsecured non-preferential creditors. If such permission is given, the Administration will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Sch.B1 IA86, following registration of which the Company will be dissolved three months later. If permission is not granted, the Administrators will place the Company into creditors' voluntary liquidation or otherwise act in accordance with any order of the court
- vi) The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch.B1 IA86 in respect of any action of theirs as Administrators at a time determined by the court.

2. The Administrators' statement of proposals

- vii) It is proposed that the unpaid pre-Administration costs detailed at Appendix A are approved for payment as expenses of the Administration. If the meeting of creditors elects a creditors' committee it will be for the creditors' committee to approve payment of the unpaid pre-Administration costs as expenses of the Administration.
- viii) It is proposed that the Administrators' remuneration be fixed under Rule 2.106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No.9) be charged in accordance with the Administrators' firm's policy as set out in Appendix B. It will be for the creditors' committee to fix the basis and level of the Administrators' remuneration and Category 2 disbursements but if no committee is appointed, it will be for the general body of creditors to determine these instead. In any event, the basis of the Administrators' remuneration and Category 2 disbursements are to be fixed no later than 18 months after the date of the Administrators' appointment.

Creditors will be asked to vote upon the following matters at the initial meeting of creditors:

- The approval of the Administrators' proposals for achieving the purpose of administration
- The formation of a creditors' committee
- If a creditors' committee is not formed – the approval for payment of the unpaid pre-Administration costs
- If a creditors' committee is not formed – the basis and level of the Administrators' remuneration and Category 2 disbursements

2. The Administrators' statement of proposals

c. Statement of affairs

Richard Barnett, a director of the Company delivered a signed statement of affairs ('SOA') of the Company to the Administrators on Friday 8 October 2010. A copy is attached as Appendix C. As required by statute it includes details of the names, addresses and debts of the creditors.

The Administrators make the following comments on the statement of affairs: -

- In accordance with the standard format of the statement of affairs, no provision has been made for the costs of realising the Company's assets or the costs of the Administration.
- The Administrators have not carried out anything in the nature of an audit on the information.
- The Director has stated that the realisable value for the leasehold improvements, computer equipment, and other assets equates to the book value, which the Administrators consider to be an unrealistic expectation. Such right, title and interest that the Company held in these assets were sold to BGC.
- On the day of the Administrators' appointment, HSBC set-off the cash balance held by the Company against the amounts owed to the bank by MPL, which the bank was fully entitled to do. Consequently the cash shown is not realisable in the Administration.
- Debtors – the book debts were sold to BGC as part of the sale and purchase agreement. Given that a significant percentage of the debts were greater than 90 days overdue, we consider that the recovery estimate is optimistic. Although, the potential recovery is greater than if the Company had gone into Liquidation and the business had been closed. The Administrators retain the right to recover 70% of the debtors that are aged over 120 days.
- Counter party debtors - relates to trades that were unsettled at the time of appointment. The majority of the balances were sold to BGC, however the Administrators retain the right to certain amounts in accordance with the sale and purchase agreement.
- Intercompany debtors – relates to the balance owed by MPL. As MPL is also in Administration the estimated realisable value remains uncertain at this stage.
- The preferential creditors figure relates to the potential claims by the employees based in France. This amount is only an estimate as the actual amount due is still being determined.

2. The Administrators' statement of proposals

d. Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division, Companies Court, 6789 of 2010
Full name:	MEQ Realisations Limited
Trading name:	Mint Equities Limited
Registered number:	05071454
Registered address:	Ropemaker Place, 25 Ropemaker Street, London, EC2Y 9LY
Company directors:	Richard Barnett, Mark Perkins, Timothy Clark, Timothy Bullman, Anthony Bullman and Jamie Royston
Company secretary:	Not listed
Shareholdings held by the directors and secretary:	None
Date of the Administration appointment:	19 August 2010
Administrators' names and addresses:	DC Chubb and PN Spratt of PricewaterhouseCoopers LLP, Plumtree Court, London, EC4A 4HT
Appointor's / applicant's name and address:	The High Court of Justice on the application of the Directors.
Objective being pursued by the Administrators:	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration)
Division of the Administrators' responsibilities:	Any act required or authorised to be done by the Administrators may be done all or any one of the Administrators for the time being holding office
Proposed end of the Administration:	Creditors Voluntary Liquidation or Dissolution
Estimated dividend for unsecured creditors:	Uncertain
Estimated values of the prescribed part and the company's net property:	Uncertain
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	No
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings.
Any other information which the Administrators think necessary to enable creditors to decide whether or not to vote for adoption of the proposals:	None

3. Receipts and payments account

Receipts and Payments Account to 24 September 2010

Receipts	Notes	£
Sale proceeds		2,500,000
Third party funds	1	1,227,752
Interest received		632
		<u>3,728,384</u>
Payments		
Petitioning creditor costs		4,062
		<u>4,062</u>
Distributions		
Distribution to secured creditor		390,823
		<u>390,823</u>
Balance held by the Administrations		<u>3,333,499</u>

Notes

1. *Third party funds are held in four different currencies accounts. The balance has been stated in GBP as at 24 September 2010*

Appendix A Pre - Administration Costs

The following costs were incurred prior to the appointment of Administrators but with a view to the Company entering Administration. It is proposed that the unpaid costs will be paid as an expense of the Administration.

	Unpaid amount (£)	Paid amount (£)	Payment made by (if applicable)
Fees charge by the Administrators firm, PricewaterhouseCoopers LLP - based upon time costs incurred at the Administrators' normal scale rates	119,488.76	44,500.00	The Company prior to the Administrators appointment
Expense incurred by the Administrators - legal fees, Nabarro LLP (London)	127,953.28	Nil	
Expense incurred by the Administrators - legal fees, Wenger Plattner (Switzerland)	CHF 2,282 (£1,475.54)	Nil	
Expense incurred by the Administrators - legal fees, CBR & Associés (France)	€2,700 (£2,297.99)	Nil	
Expense incurred by the Administrators - legal fees, August & Debouzy (France)	€2,800 (£2,383.10)	Nil	
Expense incurred by the Administrators - legal fees, Hadeff and Partners (Dubai)	AED 15,700 (£2,724.83)	Nil	
Expense incurred by the Administrators - legal fees, Ashurst LLP (London)	5,000.00	15,000.00	The Company prior to the Administrators appointment
Fees charged by other persons qualified to act as an insolvency practitioner	n/a	n/a	
Expenses charges by other persons qualified to act as an insolvency practitioner	n/a	n/a	
Total	£261,323.50	£59,500.00	

Between 14 August 2010 and 19 August 2010 PricewaterhouseCoopers LLP ('PwC') incurred pre-administration costs in respect of their own time costs of £163,989 (plus VAT) and legal fees and expenses of £141,835 (plus VAT). The only amounts paid prior to the Administrators' appointment were £44,500 (plus VAT) to PwC and £15,000 (plus VAT) to Ashurst LLP ('Ashurst'), the balance remains unpaid. Disbursements incurred by PwC of £406 and Narbarro of £879 also remain unpaid. The amounts attributable to the foreign entities are stated in GBP as at 24 September 2010.

It was clear from PwC's first meeting with management that the Company's precarious financial position was such that a sale of its business and assets through an Administration was the only viable insolvency option available to protect the core operations and preserve value for creditors.

Appendix A Pre - Administration Costs

Given the complexity of the Company involving operations in different jurisdictions, the strategy for the Administration required extensive planning prior to the Administrators' appointment.

In addition to the planning for the Administrators' appointment, further pre-administration legal costs were incurred in dealing with a winding up petition which was filed against the Company prior to the filing of the Administration appointment documents on 19 August 2010. This required Nabarro LLP ('Nabarro') and Ashurst to prepare further documentation and attend an emergency out of hours court hearing before the vacation judge, Mr Justice Peter Smith. The winding up petition was subsequently dismissed, allowing the appointment of the Administrators to occur. The court ordered that the costs of the petition be paid as an expense of the Administration.

For clarification purposes, Ashurst were initially engaged by the Company to provide advice to management on the options available to the Company and assist with the appointment of an Administrator. PwC subsequently engaged Ashurst to continue to assist with the directors meetings to appoint Administrators and file the appointment documents. The unpaid costs of £5,000 directly relate to the work undertaken under the instruction of the PwC to place the Company into Administration

The work undertaken during this period was essential to achieving the purpose of the Administration as it facilitated the continuation of the Company's business as a going concern and has resulted in greater realisations being achieved than would have been likely under any alternative insolvency procedure.

Details of the work undertaken during the period 14 August 2010 to 19 August 2010 for which the time and expenses were incurred are as follows:

1. PwC

- Meetings with the directors and solicitors to discuss financial position and administration process
- Obtaining and assessing key documents to understand the stakeholder and secured creditor position
- Analysis of the company's position, administration options and identification of key issues
- Preparation of outcome statement
- Preparing sale purchase agreement with Nabarro
- Discussions with BGC in relation to the sale of the business and assets
- Preparation of the SIP 16 analysis
- Internal discussions and meetings regarding planning and strategies
- Discussions and planning for branch offices and employee related issues
- Discussions with PwC colleagues in France in relation to options for French branch
- Analysis of tax position in relation to the sale
- Liaising with the secured creditor HSBC, regarding their respective interest and security
- Liaising with HM Revenue & Customs
- Liaising with the petitioning creditor and their solicitor in relation to the proposed appointment

MEQ Realisations Limited (in Administration) – Joint Administrators' proposals for achieving the purpose of administration

Appendix A Pre - Administration Costs

- Liaising with Nabarro and Ashurst in relation to the completion and filing of appointment documents, in addition to documents for emergency court hearing
2. **Nabarro LLP (engaged pursuant to an engagement letter dated 16 August 2010 between (1) Nabarro LLP and (2) the Administrators)**
 - Meetings with the Administrators and the Company's directors to consider the administration process
 - Legal review of key contractual and other documents to understand the stakeholder and secured creditor position
 - Assisting the Administrators with their analysis of administration options and identification of key legal issues
 - Assisting the Administrators with the legal aspects of preparation of their outcome statement and comparison
 - Assisting the Administrators with negotiation of heads of terms with proposed purchaser, BGC
 - Drafting and negotiation of business sale and purchase agreement and all ancillary documentation
 - Associated advice on proposed business sale and process, including specialist advice on employee, regulatory, and property aspects
 - Procuring and incorporating necessary advice from local counsel in France, Dubai and Switzerland for purpose of structuring and drafting terms of sale favourable to the Company, and dealing with immediate post-appointment issues
 - Preparing correspondence with the Financial Services Authority to obtain its consent to the proposed administration
 - Liaising with the Company's qualifying floating charge-holder, HSBC Bank plc, for its consent to the proposed appointment and release of security over assets to be sold
 - Review of proposed administration appointment documents and attendance at court for initial filing
 - Preparation of documentation and attendance at court on emergency application for dismissal of winding-up petition and appointment of the Administrators
 - Preparation for completion of sale and purchase agreement and ancillary documentation, including solicitors' undertakings
 3. **Wenger Plattner (engaged through Nabarro LLP)**
 - Urgent advice and liaison with Nabarro on Swiss law aspects of proposed administration and business and asset sale, in particular on treatment of employees, regulatory permissions and premises
 4. **August & Debouzy (engaged through Nabarro LLP)**
 - Urgent advice and liaison with Nabarro on French law aspects of proposed administration and business and asset sale, in particular on treatment of employees, regulatory permissions and premises
 5. **CBR & Associates (engaged through Nabarro LLP)**
 - Urgent advice and liaison with Nabarro and proposed administrators on French law aspects of proposed administration and business and asset sale, in particular on treatment of employees, regulatory permissions and premises

Appendix A Pre - Administration Costs

6. Hadeff & Partners (engaged through Nabarro LLP)

- Urgent advice and liaison with Nabarro on Dubai law aspects of proposed administration and business and asset sale, in particular on treatment of employees, regulatory permissions and premises

7. Ashurst LLP (engaged by the Administrators)

- Preparation of appointment documents for administrators, including witness statements
- Attending directors meeting in respect of appointing administrators
- Filing appointment documents at court
- Preparation of documents for emergency court hearing for the administrators appointment
- Attendance at court hearing for the administrators appointment
- Notifying petitioning creditor of court hearing and intention to appoint administrators
- Discussions with Nabarro and PwC in respect of proposed pre-packaged sale
- Advising administrations of appointments

The time costs, legal fees and disbursements incurred by PwC during the period 14 August 2010 to 19 August 2010 totalling £262,608.50 (plus VAT) currently remain unpaid.

The Administrators confirm that the payment of unpaid pre-Administration costs as an expense of the Administration are subject to approval in the same manner as the Administrators' remuneration and certain disbursements and are not part of the Administrators' proposals subject to approval under Paragraph 53 Sch. B1 IA86.

Appendix B The Administrators' charging and disbursements recovery policy

Overview of the Administrators' strategy and objectives

DC Chubb and PN Spratt were appointed Administrators of the Company on 19 August 2010 with the objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).

Summary of legal and other professional firms

The Administrators have instructed the following professionals / subcontractors: -

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal advice	Nabarro LLP, London	Industry knowledge and performance on previous knowledge of the Company from pre-appointment work	Time cost
Legal advice	Wenger Plattner, Switzerland	Specialised Industry knowledge in Switzerland	Time cost
Legal advice	CBR & Associés, France	Specialised Industry knowledge in France	Time cost
Legal advice	August & Debouzy, France	Specialised Industry knowledge in France	Time cost
Legal advice	Hadef and Partners, Dubai	Specialised Industry knowledge in Dubai	Time cost
Legal advice	Ashurst LLP, London	Industry knowledge and performance on previous knowledge of the Company from pre-appointment work	Time cost
Property agents and others	Edwards Symmons	Industry knowledge and performance on previous engagements.	Fixed quote cost

All legal advisors and agents are required to submit time costs analyses and narrative in support of invoices rendered.

Appendix B The Administrators' charging and disbursements recovery policy

Office holder's charging and disbursement policy

The time charged to the Administration is by reference to the time properly given by the Administrators and their staff in attending to matters arising.

It is the Administrators' policy to delegate tasks in the Administration to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the Administrators themselves.

Set out below are the relevant [maximum] charge-out rates per hour worked for the grades of the Administrators' staff actually or likely to be involved on this assignment. Time is charged by reference to actual work carried out on the assignment. There has been no allocation of any general costs or overhead costs.

Grade	Rate per hour £
Partner	695
Director	610
Senior Manager	470
Manager	395
Senior associate – qualified / consultant	330
Senior associate – unqualified	245
Associate	210
Support staff	105

Specialist departments within the Administrators' firm such as Tax, VAT, Property and Pensions may charge a small number of hours if and when the Administrators require their expert advice. Such specialists' rates do vary but the figures below provide an indication of the maximum rate per hour.

Grade	Maximum rate per hour £
Partner	980
Director	890
Senior Manager	830
Manager	605
Senior associate – qualified / consultant	370
Senior associate – unqualified	265
Associate	215
Support staff	105

Appendix B The Administrators' charging and disbursements recovery policy

In common with all professional firms, the scale rates used by the Administrators from PricewaterhouseCoopers LLP may periodically rise (for example to cover annual inflationary cost increases) over the period of the Administration. Any material amendments to these rates will be advised to the creditors and / or the creditors' committee in the next statutory report.

The Administrators' firm's expenses policy allows for all properly incurred expenses to be recharged to the case. Disbursements are charged to the assignment as follows: -

Disbursements for services provided by the Administrators' own firm(s) (Category 2 disbursements)

Photocopying	At 4 pence per sheet copied, only charged for circulars to creditors and other bulk copying.
Mileage	At a maximum of 63 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc)

Narrative of work carried out for the period 19 August 2010 to 24 September 2010

The key areas of work have been:

1. Accounting and Treasury

- Processing receipts and payments.
- Correspondence with HSBC to establish new accounts and maintain of pre-appointment accounts.
- Correspondence with HSBC in relation to receipt of book debts into pre-appointment currency accounts.
- Liaising with BGC in relation to transfer of debtor receipts as per the sale agreement

2. Strategy and Planning

- Preparation of strategy
- Initial meetings with Directors and HSBC
- Discussions with HSBC following appointment
- Discussions and meetings with company management/directors following appointment
- Ongoing review of the status of tasks
- Briefing and co-ordinating efforts between the engagement team members

3. Statutory and other compliance

- Statutory notices and letters

Appendix B

The Administrators' charging and disbursements recovery policy

- Liaison with the directors regarding submission of the statement of affairs.
- Meeting with former directors regarding appointment, queries of liabilities and certain transactions.
- Preparation and submission of the Joint Administrators' proposals.
- Arranging the statutory bonds for the Administrators.
- Arranging the appropriate insurance cover for the remaining assets and French branch.
- Preparation of the disclosure of the pre-pack sale as required by SIP 16.
- Internal compliance and completion of best practice procedures.

4. Realisation of other assets

- Securing the safety of assets excluded from the sale to BGC.
- Pursuing the recovery of all remaining assets excluded from the sale.
- Monitoring the recovery of debtor collections, including discussions with BGC regarding transfer of proceeds as per the sale agreement.
- Instructing solicitors to advise the Administrators on various matters relating to the sale

5. Sale of Business

- Finalising the sale of the business and assets to BGC and dealing with all matters relating to that sale
- Arranging novation of contracts with BGC and lawyers
- Liaising with BGC on trading issues following completion of the sale
- Preparation of correspondence to customers to advise them of sale and continuing operations with BGC

6. Creditors/liabilities

- Dealing with general creditor enquiries over the telephone, in writing and in person.
- Preparation and issuing of circulars to creditors, notifying them of the administration and inviting claims.
- Recording claims received.
- Assessment of retention of title claims, including liaising with third parties and BGC.
- Assessment of preferential claims against the Company.
- Liaising with creditors and BGC in relation to continuing agreements
- Telephone communication with various legal parties.
- Liaising with parties in respect to leased/financed assets

7. Employees/pensions

- Statutory notification to the DTI of the Administrators' appointment.
- Collation of employee and payroll information
- Review and submission of employee claim forms RP1.

Appendix B The Administrators' charging and disbursements recovery policy

- Preparation of TUPE letters to employees.
- Communication with employees regarding the administration and sale to BGC.
- Collation of pension scheme information and notification to pensions' regulator and others.
- Review of employee contracts.
- Liaising with the Company and advising on shutting down payroll and preparation of tax returns.
- Dealing with termination of Dubai employees to facilitate transfer to BGC as per the sale agreement, including seeking legal advice on the transfer process, liaising with BGC and ensuring compliance with employment laws in both jurisdictions.
- Liaising with BGC in relation to Switzerland employees.
- Dealing with life insurance claim by Joel Stratecelli
- Briefing and co-ordinating efforts between the engagement teams for the Administrators and their lawyers in London and Paris.
- Liaising with PwC Paris in relation to the closure of the Paris office.
- Liaising with legal advisors in relation to the closure of the branch and the employee issues.
- Preparation of deed of agencies for representatives to deal with the employees, assets and filing of documents for the appointment of a local administrator.

8. Tax/VAT

- Notification of appointment to HM Revenue & Customs.
- Review of the Company's pre-appointment tax position.
- Review of the Company's VAT status.
- Assessment of tax and VAT implications of the sale of business/assets.

Charge-out rate summary for the period 19 August 2010 to 24 September 2010

Appendix B

The Administrators' charging and disbursements recovery policy

Classification of work	Hours						Total Hours	Total Cost	Average Hourly Rate (£/h)
	Partner	Senior Manager	Manager	Senior Associate	Associate	Support Staff			
Accounting & treasury	-	-	-	2.80	2.60	-	5.40	1,453.00	269
Strategy, planning & team management	4.70	8.90	-	43.10	1.50	0.10	58.30	21,997.80	377
Statutory & compliance	-	0.90	4.70	35.60	1.40	-	42.60	14,321.50	336
Realisation of other assets	-	4.40	2.50	6.00	5.80	-	18.70	5,989.25	320
Sale of Business	4.40	36.50	3.70	-	20.20	-	64.80	25,916.50	400
Creditors/Liabilities	-	4.80	-	74.80	0.80	-	80.40	27,108.00	337
Employees & Pensions	-	0.20	6.20	69.30	-	-	75.70	22,474.50	297
Tax & VAT	-	-	-	7.20	-	1.00	8.20	2,425.05	296
Total Hours (h)	9.10	55.70	17.10	238.80	32.30	1.10	354.10	121,685.60	336
Total Cost (£)	6,324.50	26,225.50	6,754.50	75,778.54	6,503.00	99.56	121,685.60		
Average Hourly Rate (£/h)	695	471	395	317	201	91	344		

In addition to the above costs, the Administrators have incurred €34,280 (£29,876.40 stated at 24 September 2010) for costs attributable to PwC Paris for dealing with the branch and employee issues. A breakdown for this time is shown in the below table. The Administrators will be seeking approval for this amount with the above fees.

The key work performed includes:

- Strategy conference calls and updates between the PwC teams in London and Paris
- Liaising with solicitors in relation to the closure of the Paris office and the termination of the staff.
- Preparation of correspondence to employees to advise them of the appointment and the non-adoption of their contracts.

Appendix B The Administrators' charging and disbursements recovery policy

- Representatives for the Administrators attended the Paris office to meet with employees, advise them of appointment and the closure of the branch office.
- Commencing the consultation process with all branch employees as required under French law in order to make them redundant.
- Responding to emails and letters from employees, their employee representative and solicitors in relation to the closure of the Paris office.
- Liaising with BGC in relation to the closure of the French branch, the employees and company information.

Time cost for PwC Paris to deal with the Paris Branch issues.	Partner	Senior Associate	Total
Total Hours (h)	44.50	8.00	52.50
Total Cost (€)	32,040	2,240.00	34,280.00
Average Hourly Rate (€/h)	720	280	

Appendix C

Copy of the statement of affairs

Rule 2.29

Form 2.14B

Statement of affairs

Name of company Mint Equities Limited	Company number 05071454
In the High Court of Justice of England and Wales, Chancery Division, Companies Court	Court case number 6789 of 2010

(a) Insert name and address of registered office of the company

Statement as to the affairs of (a) Mint Equities Limited, Ropemaker Place, 25 Ropemaker Street, London, EC2Y 9LY

(b) Insert date

on the (b) 19 August 2010, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 19 August 2010 the date that the company entered administration.

Full name Lichman Joseph Abneroff

Signed [Signature]

Dated 8/10/2010

A – Summary of Assets

Assets

Assets subject to fixed and floating charge:

Leasehold improvements, computer equipment and other assets
Cash
Trade Debtors
Counter party Debtors
Intercompany
Prepayments
Other Debtors

	Book Value £	Estimated to Realise £
Leasehold improvements, computer equipment and other assets	3,541,064	3,541,064
Cash	3,863,917	Not known
Trade Debtors	3,951,693	3,951,693
Counter party Debtors	1,353,195	1,353,195
Intercompany	848,447	0
Prepayments	628,803	0
Other Debtors	4,053,144	714,743
Estimated total assets available for preferential creditors	18,240,263	9,560,695

Uncharged assets:

Signature [Signature] Date 8/10/2010

Appendix C

Copy of the statement of affairs

A1 – Summary of Liabilities

	Estimated to realise	
	£	£
Estimated total assets available for preferential creditors (carried from page A)	18,240,263	9,560,695
Liabilities	59,600	59,600
Preferential creditors (estimated)		
Estimated (deficiency)/surplus as regards preferential creditors	-	
Estimated prescribed part of net property where applicable (to carry forward)	-	
Estimated total assets available for floating charge holders	-	
Debts secured by floating charges	-	
Estimated (deficiency)/surplus of assets after floating charges	-	
Estimated prescribed part of net property where applicable (brought down)	-	
Total assets available to unsecured creditors	18,180,663	9,501,095
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	12,017,558	12,017,558
Estimated (deficiency)/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	6,163,105	(2,516,463)
Shortfall to floating charge holders (brought down)	-	-
Estimated (deficiency)/surplus as regards creditors	6,163,105	(2,516,463)
Issued and called up capital (I)	100,600	100,600
Estimated total (deficiency)/surplus as regards members	6,062,505	(2,617,063)

Signature  Date 8/10/2010

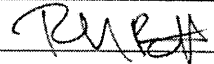
Appendix C

Copy of the statement of affairs

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession.

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
	See attached schedules				

Signature  Date 8/10/2010

Appendix C

Copy of the statement of affairs

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
Mint Partners Limited	Ropemaker Place, 25 Ropemaker Street, London, EC2Y 9LY	600	600	Ordinary
Mint Partners Limited	Ropemaker Place, 25 Ropemaker Street, London, EC2Y 9LY	100,000	100,000	Ordinary B
TOTALS		100,600	100,600	

Signature 

Date 8/10/2010

14-September-2010

Aged Creditors as at Period N8

		Balance N8	Unallocated Credits	Creditor	Address 1	Address 2	Address 3	Post Code	Country
4CAS-0001	4Cast Ltd	2,350.00		4Cast Ltd	52 Grovesnor Gardens	London		SW1W 0AU	
7CIT-0001	7City Learning	2,813.93		7City Learning	4 Chiswell St	London		EC1Y 4UP	
ACCE-0001	Access Uk Ltd	3,348.17	220.90	Access Uk Ltd	Aston Court, Marlborough Park	Hapenden	Hertfordshire	AL5 1NL	
ACTI-0001	Active 24 Ltd	364.25		Active 24 Ltd					
ADDI-0001	Addison Lee	2,681.79		Addison Lee	35-37 William Road, London	London		NW1 3ER	
ALTA-0001	Al Tamimi & Co Advocates & Legal Consult	776.79		Al Tamimi & Co Advocates & Legal Consult	DIFC 6th Flr, Building 4 East	PO BOX 9275		Dubai UAE	
AMBE-0001	Amber Creative	866.91		Amber Creative	The Old Barn, Pury Hill Business Park	Near Alderton, Towcester	Northamptonshire	NN12 7LS	
ARCH-0001	Archon Solicitors LLP	587.50		Archon Solicitors LLP	Martins House, 5 Martin Lane	London		EC4R 0DP	
ARKA-0001	Arkadin (UK) Ltd	190.77		Arkadin (UK) Ltd	3rd Floor, Hammersmith Grove	London		W6 7PE	
ARNO-0001	Arnold & Porter	2,545.68		Arnold & Porter	Tower 42, 25 Old Broad Street	London		EC2 1HQ	
ASHU-0001	Ashurst	127,605.99	131,339.50	Ashurst	Broadwalk House, 5 Appold Street	London		EC2A 2HA	
ASTB-0001	Astbury Marsden	24,851.18		Astbury Marsden	Augustine House, 6a Austin Friars	London		EC2N 2HA	
ASTR-0001	A Stream.net	2,232.50		A Stream.net	Floor 12 - 3 Cromwell Tower, Barbican	London		EC2Y 8DD	
ATEC-0001	A- Tech Support Ltd	21,575.72		A- Tech Support Ltd	Unit 9	Treasaway Technical Centre	Tredaway Hill, Loudwater	HP10 9RS	
ATRI-0001	Atrium Network	8,349.31		Atrium Network	116 Commercial Street	London		E1 6NF	
BAIL-0001	Bailod SA	12,791.27		Bailod SA	1936 Verbier				Switzerland
BARN-0001	Richard Barnett	-23,400.00	23,400.00	Richard Barnett	Employee				
BARR-0001	Barry Bros Security	317.25		Barry Bros Security	121-123 Praed Street	London		W2 1RL	
BASE-0001	Base Interiors	318,481.38		Base Interiors	15 Berkley Mews	London		W1H 7AX	
BDOS-0001	BDO Stoy Hayward LLP	141,250.35	45,875.00	BDO Stoy Hayward LLP	Emerald House	East Street	Epsom, Surrey	KT17 1HS	
BENO-0001	David Benoist	-304.07	458.97	David Benoist	Employee				
BLOO-0001	Bloomberg	511,398.49		Bloomberg	39-45 Finsbury Square	London		EX2A 1PQ	
BLUE-0001	Blue Square Telecom Ltd	17,323.03		Blue Square Telecom Ltd	76/77 Watling Street	London		EC4M 9BJ	
BOND-0001	Bond Radar Limited	1,374.67		Bond Radar Limited	6 Ludgate Square	London		EC4M 7AS	

BRIE-0001	Briefing.com	1,639.40		Briefing.com	401 N. Michigan Avenue	Suite 2910		Chicago IL, 60611	United States of America
BRIT-0002	British Telecommunications	2,292.35	12.73	British Telecommunications	BT Payment Services	Colindale House, The Hyde	London	NW9 6LB	
BRIT-0003	British Chauffeurs Guild Ltd	596.00		British Chauffeurs Guild Ltd	13 Stonecot Hill	Sutton	Surrey	SM3 9HB	
BROA-0001	Broadgate Estate Limited	6,566.63		Broadgate Estate Limited	Exchange House	12 Exchange House	London	EC2A 2BQ	
BROC-0001	Brockett Hall Captains Charity	750.00		Brockett Hall Captains Charity					
BROK-0001	Broker Solutions	20,000.00		Broker Solutions	Communications House	26 York St	London	E1U 6PZ	
BROK-0002	BrokerHub	12,000.00		BrokerHub	118 Piccadilly	London		W1J 7NW	
BULL-0003	Anthony W Bullman	18,000.00		Anthony W Bullman	CP 14, 1936	Verbier	Suisse		
BUND-0001	Bundesanstalt Fur Finanzdienstleistungs	572.04		Bundesanstalt Fur Finanzdienstleistungs	Graurheidorfer Str.	108, 53117 Bonn			Germany
BUPA-0002	Bupa Travel Services	1,463.00		Bupa Travel Services	Staines			TW18 4XF	
BURG-0001	Burgess Salmon	1,322.50		Burgess Salmon	Narrow Quay House, Narrow Quay		Bristol	BS1 4AH	
CAPT-0001	Captive Minds Communication Group	452.38		Captive Minds Communication Group	Studio 23, 56 Brushfield St	London Fruit Exchange.	London	E1 6HB	
CASP-0001	Caspian Publishing Ltd	995.00		Caspian Publishing Ltd	198 Kings Road		London	SW3 5XP	
CAST-0001	Simone Castaldi	-6,000.00	6,000.00	Simone Castaldi	Employee				
CCLC-0001	CCL Compliance	9,992.47		CCL Compliance	Level 2, Gate Village 7	Dubai International Finance Centre	PO Box 506733	Duabi	
CENT-0001	Central Business Machines Ltd	462.65		Central Business Machines Ltd	OMM House, Abbey Trading Point	Canning Road, Stratford	London	E15 3N	

CITY-0001	City Of London	29,345.00		City Of London	Chamber of London	PO box 270, Guildhall	London	EC2P 2EJ
CITY-0003	Citynetworks	34,675.43		Citynetworks	Salisbury House	London Wall	London	EC2M 5UP
CITY-0004	Cityswift Couriers	629.18		Cityswift Couriers	Petersham House	57a Hatton Garden	London	EC1N 8JG
CITY-0005	City A.M. Ltd	10,281.24		City A.M. Ltd	7th Floor, Centurion House	24 Monument St		EC3R 8AJ
CLAR-0001	Claritas Solutions	64,897.60		Claritas Solutions	West Wing, Bowcliffe Hall	Bramham	Wetherby, West Yorkshire	LS23 6LP
CLEA-0001	Clearly Financial Markets Ltd	690.00		Clearly Financial Markets Ltd	35 New Broad Street House		London	EC2M 1NH
CLICK-0001	Click Digital	2,825.88		Click Digital	69 Leonard St	London		EC2A 4QS
CODE-0001	codexbilingua	141.00		codexbilingua	Atlantic House	351 Oxford St	London	W1C 2JF
COMP-0002	Companies House	8.00		Companies House	Crown way	Cardiff		C14 3UZ
CONS-0002	Conservative Party	1,000.00		Conservative Party	30 Millbank		London	SW1P 4DP
CONT-0002	Consulting Solutions Group	45,237.50		Consulting Solutions Group	3 Henley Business Park	Doddington Road	Lincon	LN6 3QR
COOL-0001	Cool Clear Water	901.59		Cool Clear Water	Upper Brynaman	Ammanford	South Wales	SA18 1DG
COOP-0001	Paul Cooper	10,000.00		Paul Cooper	3 Winifred Close	Arkley		EN5 3LR
COPY-0001	Copy Write	2,852.30		Copy Write	758 Finchley Road	London		NW11 7TH
CORE-0001	Core Enterprise Management Ltd	10,575.00		Core Enterprise Management Ltd	19 Northampton Square	London		EC1V 0AJ
CORR-0001	Correlate Search	44,062.50		Correlate Search	33 Cornhill	London		EC3V 3ND
COUR-0001	Frederic Cournot	833.96		Frederic Cournot	Employee			
CRIM-0001	Crimson Tide	2,154.89		Crimson Tide	Taven Cellars	39/41 The Pantiles	Tunbridge Wells, Kent	TN2 5TE
DAIR-0001	Dairy Crest	562.20		Dairy Crest	55 Sleaford Street	London		SW8 5AB
DASB-0001	DAS Business Furniture Ltd	72,142.75		DAS Business Furniture Ltd	Unit 3, Saffron Business Centre	Elizabeth Close	Saffron Walden, Essex	CB10 2NL
DATA-0001	Databarracks	646.25		Databarracks	Arxcis House, Number 6	9 Park Hill	London	SW4 9NS
DEHN-0001	Dehns	117.50		Dehns	St Bride's House	10 Salisbury Square	London	EC4Y 8JD
DELA-0001	Delaware North Companies	117.68		Delaware North Companies	PO BOX 1966	London		SW1P 9EQ
DELO-0001	Deloitte & Touche	851.16	0.01	Deloitte & Touche	BOX 415	831 26 Ostersund	Sweden	
DEMO-0001	Demon	2,993.01		Demon	Waterside Park	Longshot Lane	Bracknell, Berkshire	RG12 1XL
DEUT-0002	Deutsche Borse	624.31		Deutsche Borse	60485 Frankfurt am Main	Germany		
DHLE-0001	DHL Express	1,072.15		DHL Express	Orbital Park	178-188 Great South West Road	Hounslow, Middlesex	TW4 6JS
DIFC-0001	DIFC Investments LLC	3,733.61	0.01	DIFC Investments LLC	Level 14, The Gate	PO Box 74777		Duabi, UAE

DIRE-0001	Direct Hygiene Limited	446.50		Direct Hygiene Limited	Windgate House	Windgate, Tarleton	Lancashire	PR4 6JF	
DIVA-0001	Divaski	1,300.98		Divaski	14 Peterborough Mews	London		SW6 3BL	
DOWJ-0001	Dow Jones International Limited	2,566.20		Dow Jones International Limited	Commodity Quay	East Smithfield	London	E1W 1AZ	
DUIG-0001	Antoine Duigou	-335.01	335.01	Antoine Duigou	Employee				
EAGL-0001	Eagle Printers	621.58		Eagle Printers	2 Molyneux Court	Radford Way	Billericay, Essex	CM12 0BT	
ELYS-0001	Elysian Systems	9,326.57		Elysian Systems	9 Curtain Road	London		EC2A 3LT	
ENTR-0001	Entremettier Ltd	737.62	1.38	Entremettier Ltd	B24-B27 New Covent Garden	Fruit & Vegetable Market, Nine Elms	London	SW8 5HH	
ESOL-0001	eSolve Partners LLP	28,200.00		eSolve Partners LLP	Blackwell House	Guildhall Yard	London	EC2V 5AE	
ETRA-0001	Etrali UK Ltd	71,981.05		Etrali UK Ltd	Tabernacle Court	16-28 Tabernacle St	London	EC2A 4DD	
EURO-0001	Euroclear	1,461.00	60.00	Euroclear	33 Cannon Street	London		EC4M 5SB	
EXEL-0001	Excel I.T. Limited	2,311.44		Excel I.T. Limited	Trafalgar House	712 London Road	Grays, Essex	RM20 3JT	
FAIR-0001	Fairway Window Cleaning Company	35.00		Fairway Window Cleaning Company					
FEDE-0001	Federal Express Europe Inc	-39.11	72.74	Federal Express Europe Inc	Suterhland House	Matlock Road	Foleshill, Coventry	CV1 4JQ	
FFAS-0001	FFastFill Ltd	35,391.00		FFastFill Ltd	Summit House	70 Wilson Street	London	EC2A 2DB	
FIAT-0001	FIA Tech	1,274.04		FIA Tech					
FIDE-0001	Fidessa Royal Blue Financial PLC	196,887.79	60,414.21	Fidessa Royal Blue Financial PLC	Dukes Court	Dukes Street	Woking, Surrey	GU21 5BH	
FINA-0001	Financial Services Authority	1,169.13		Financial Services Authority	25 The North Colonnade	Canary Wharf	London	E14 5HS	
FLEM-0001	FF&P Advisory Ltd	86,782.16		FF&P Advisory Ltd	Ely House	37 Dover Street	London	W1S 4NJ	
FLOW-0001	Flow-Right	115.15		Flow-Right	15 Eastor	Welwyn Garden City	Hertfordshire	AL7 1PN	
FURN-0001	The Furniture Practice	182,019.98		The Furniture Practice	Parchment House	13 Northburgh Street	London	EC1V 0JP	
FUTE-0001	Futures Techs	587.50		Futures Techs	Suite 22C, Thamesgate House	Victoria Avenue	Southend on Sea, Essex	SS2 6BU	
GRAN-0001	Grant Thornton	12,267.00		Grant Thornton	300 Pavilion Drive	Northampton Busines Park	Northampton	NN4 7YE	United States of America
HALL-0001	Andrew Hall	-100.00	100.00	Employee					
HALL-0002	Halliday Marx	12,220.00		Halliday Marx	5th Floor	133 Houndsditch	London	EC3A 7BX	
HENR-0001	Henri Azzopardi	16,608.51		Henri Azzopardi	26 Rue Voita	Puteaux, 92800		Paris	France
HEYW-0001	Heywood & Partners Surveyors Ltd	1,065.49		Heywood & Partners Surveyors Ltd	Creata House	9 Stratford Place	London	W1C 1AZ	
HODG-0001	D J Hodges	678.25		D J Hodges	87 Trafalgar Street	Gillingham		ME7 4RW	

HOMB-0001	Homburger AG	23,835.20		Homburger AG	Weinbergstrasse 56 58	CH-8006	Zurich	Switzerland
ICEF-0001	ICE Futures	556.59		ICE Futures	5th Floor, Milton Gate	60 Chiswell Street	London	EC1Y 4SA
IGML-0001	Informa Global Markets (Europe) Limited	1,039.88		Informa Global Markets (Europe) Limited	6th Floor	18 King William Street	London	EC4N 7BP
INTE-0001	Interdealer I.T	46,750.30		Interdealer I.T	14 Wall Street	Suite 4D	New York	NY 10005 United States of America
INTO-0001	In Touch Capital Markets	5,402.40	172.50	In Touch Capital Markets	58 High Street	Wimbeldon	London	SW19 5EE
IONI-0001	Ionic Information Ltd	1,084.10		Ionic Information Ltd	140 Goswell Road	London		EC1V 7DY
IPCN-0001	IPC Network Services Ltd	17,703.62	108.65	IPC Network Services Ltd	Tower House	67-73 Worship Street	London	EC2A 2DZ
JDCP-0001	JDC Promotions	7,102.88		JDC Promotions	Orchard Lawn	Battledown Approach	Cheltenham	GL52 6QZ
JDMP-0001	JDM Promotions	1,811.25		JDM Promotions				
JTEV-0001	JT Events	8,015.00		JT Events	PO Box 6314	Billericay	Essex	CM12 9EE
JUST-0002	Justus Ltd.	17,465.48		Justus Ltd.	Top Floor, 14 Athol Street		Douglas, Isle of Man	IM1 1JA
KALL-0001	kall kwik South Bank	1,689.92		kall kwik South Bank	44 Southwark Street	South Bank	London	SE1 1UN
KELW-0001	Kelway (UK) Ltd	4,698.49		Kelway (UK) Ltd	Building 1000	Dockside Road	London	E16 2QU
LANC-0001	Lancaster Office Cleaning Co Ltd	484.12		Lancaster Office Cleaning Co Ltd	Ravenscourt	Westerham Road	Keston, Kent	BR2 6HE
LIFE-0001	Lifescan	980.00		Lifescan	12 Montacute Road	Tunbridge Wells	Kent	TN2 5QR
LIFF-0001	Liffe Administration & Management	24,150.00		Liffe Administration & Management				
LIME-0001	Limelight Access Ltd	713.00		Limelight Access Ltd	2-8 Honduras Street	London		EC1Y 0TH
LINE-0001	Linedata Services Inc	2,366.37		Linedata Services Inc	260 Franklin Street	Suite 1300	Boston	MA 02110 United States of America
LOND-0001	London Stock Exchange	632.83		London Stock Exchange	Credit Control, 3rd Floor	10 Paternoster Square	London	EC4M 7LS
LUNA-0001	Lunalogic	20,299.40		Lunalogic	9 avenue de l'Opera	75001 Paris		France
LUXU-0001	The Luxury Events Company	10,575.00		The Luxury Events Company	40-42 Kings Road	Chelsea	London	SW3 4UD
MARK-0001	MarkitSERV Limited	6,580.00		MarkitSERV Limited	Level 5	2 More London Riverside	London	SE1 2AP
MARK-0002	Market News Services (Int) Inc.	1,410.00		Market News Services (Int) Inc.	One Canada Square	42nd Floor, Canary Wharf	London	E14 5DR
MFAS-0001	MFAS Limited	420.00		MFAS Limited	Suite 47	115 George Lane	London	E18 1AB
MILE-0001	Simon Miles	257.00		Simon Miles	Contractor - FX Desk			
MISS-0001	Mission Impossible Events Limited	10,510.00		Mission Impossible Events Limited	37 Marylebone Lane		London	W1U 2NW
MOLS-0001	Molster Estates Limited	2,886.50		Molster Estates Limited	St Andrews House	1 Dreadnought Street	Greenwich	SE10 0PU
NASD-0001	NASDAQ OMX	59.40		NASDAQ OMX	SE-105 78 Stockholm	Sweden		

NCCS-0001	NCC Services Limited	2,420.51		NCC Services Limited	Manchester Technology Centre	Oxford Road	Manchester	M1 7EF	
NCP0-0001	NCP	2,395.10		NCP	PO Box 6149	Wolverhampton		WV1 9RT	
NEOP-0001	Neopost	70.50		Neopost	Neopost House	South Street, Romford,	Essex	RM1 2AR	
NEWC-0001	New Century Media Ltd	23,980.38		New Century Media Ltd	Watergate House	13/15 York Buildings	London	WC2N 6JU	
NSPCC-0001	NSPCC	5,150.00		NSPCC	National Processing Unit	Wellington House	Queen Street	East Reach Taunton	
NYSE-0001	NYSE Market Inc	6,324.44		NYSE Market Inc	Box #4006	Post Office Box 8500		PA 19178- 40006	United States of America
OASI-0001	Oasis Products	100.69		Oasis Products	11 Vector Park	Forest Road	Feltham	TW13 7EJ	
OMGE-0001	Omgeo	2,016.48		Omgeo	Aldgate House	33 Aldgate High Street	London	EC3N 1DL	
OMMB-0001	OMM Business Solutions Ltd	7,199.31		OMM Business Solutions Ltd	OMM House, Abbey Trading Point	Canning Road	London	E15 3NW	
PAFF-0001	Richard Paffard Consultancy	4,994.77		Richard Paffard Consultancy	Todenham House	Todenham	Moreton in Marsh	Gloucestershire	
PAUL-0001	Paul mandel Recruitment Sarl	44,237.17		Paul mandel Recruitment Sarl	5 rue du Nant	1207	Geneve		
PAUM-0001	Paul Moulin SA	908.76		Paul Moulin SA					
PEPI-0001	Pepita Combles	2,061.62		Pepita Combles	Le Hameau, 1936 Verbier				Switzerland
PINN-0001	Pinnock Services	2,820.00		Pinnock Services	Giles Farm Oast	The Pinnock, Pluckley	Ashford, Kent	TN27 0SY	
PMLC-0001	PML Consultants Limited	40,250.00		PML Consultants Limited	161 Bells Hill	Barnet	Hertfordshire	EN5 2SY	
PORT-0001	PortWare	5,959.33		PortWare	233 Broadway	24th Floor, New York		NY10279	
POWE-0001	Power & Data Logistics Ltd	314.90		Power & Data Logistics Ltd	Suite 97, The London Fruit Exchange	Brushfield Street	London	E1 6EX	
PREM-0001	Premium Events	1,262.77		Premium Events	1 Rue de Choiseul			75002 Paris	France
PRET-0001	Pretty (UK) Limited	765.89		Pretty (UK) Limited	11 Clink Street Studios	London		SE1 9DG	
PRICE-0001	Pricewaterhouse Coopers	-58,750.00	58,750.00						
RACE-0001	Carl Racey	441.00		Carl Racey	Employee				
RBGC-0001	RBGC Events Ltd	500.00		RBGC Events Ltd	The Clubhouse	Court Road, Eltham	London	SE9 5AF	
REAL-0001	Realtime Analysis & News Ltd	998.75		Realtime Analysis & News Ltd	4th Floor	25 Cophthall Avenue	London	EC2R 7BP	
REDT-0001	Redtower Limited	10,575.00		Redtower Limited	Governor's House	Montrose, Angus	Scotland	DD10 8JN	
RENO-0001	Renovatio	1,170.61		Renovatio	110 Holst Avenue	Witham, Essex		CM8 1SX	
REUT-0001	Reuters Ltd	21,075.49		Reuters Ltd	The Reuters Building South Colonnade	Canary Wharf	London	E14 5EP	
REUT-0002	Reuters -Paris	4,972.48		Reuters -Paris	6/8 Boulevard Haussmann			75457 Paris Cedex 09	France

RICH-0001	Richard Paffard Consultancy	16,787.09		Richard Paffard Consultancy	Todenham House, Todenham	Moreton in Marsh	Gloucestershire	GL56 9PA	
SACO-0001	Sacor SA	1,249.06		Sacor SA	16 Place De La Madeleine			75008 Paris	France
SAGE-0001	Sage (UK) Limited	5,995.54		Sage (UK) Limited	3rd Floor, Capella Court	Brighton Road	Purley, Surrey	CR8 2PG	
SEBE-0001	SEB Enskilda	24,684.74		SEB Enskilda	2 Cannon Street	London		EC4M 6XX	
SEBM-0001	SEB Merchant Banking	10,568.70		SEB Merchant Banking	2 Cannon Street	London		EC4M 6XX	
SECU-0001	Securities & Investment Institute	168.30		Securities & Investment Institute	8 Eastcheap		London	EC3M 1AE	
SECU-0002	Securities House Compliance Office Group	581.63		Securities House Compliance Office Group	3 Dovedale Studios	465 Battersea Park Road	London	SW11 4LR	
SEFI-0001	Sefico	7,111.94		Sefico	65 Avenue Kleber			75116, Paris	France
SMAR-0001	Smarts Broker Compliance Pty Ltd	30,000.00		Smarts Broker Compliance Pty Ltd	Level 4/55 Harrington Street			Sydney, NSW 2001	Australia
SNSS-0001	SNS Securities	1,160.38		SNS Securities	Nieuwezijds Voorburgwal 162-170	Postbus, 235		1000 AE Amsterdam	
SOFI-0001	Sofim SA	6,100.34		Sofim SA	Le Hameau, CP 177	1936 Verbier			
SQUA-0001	Square Mile Consulting Ltd	64,625.00		Square Mile Consulting Ltd	3rd Floor, London Fruit and Wool Exchange	Brushfield Street	London	E1 6EP	
SQUI-0001	Squirrel Storage	173.25		Squirrel Storage	Accounts Department	Regent Street	Leeds	LS2 7QA	
STAC-0001	Stackhouse Poland Ltd	13,008.51		Stackhouse Poland Ltd	New House	Bedford Road	Guildford, Surrey	GU1 4SJ	
STAN-0001	Standard & Poors	2,225.00		Standard & Poors	20 Canada Square	Canary Wharf	London	E14 5LH	
STAR-0001	Starlight Design	243.96		Starlight Design	Unit 12 Gateway Trading Estate	Hythe Road	London	NW10 6RJ	
STIC-0001	Stickers That Stick.co.uk	43.00		Stickers That Stick.co.uk	Forenignsgatan 75	SE-212 14 Malmo	Sweden		
STOC-0001	The Stock Exchange A.B.C	1,700.00		The Stock Exchange A.B.C					
STRE-0001	StreetAccount	-720.96	720.96	StreetAccount	PO Box 13453	Jackson		WY 83002	United States of America
TAJS-0001	Taj Solicitors	2,665.52		Taj Solicitors	181 Avenue Charles de Gaulle	92524 Neuilly-sur-Seine Cedex			France
TANA-0001	Tana Water (UK) Ltd	1,280.75		Tana Water (UK) Ltd	Tana House	Henley Bus Pk	Normandy, Surrey	GU3 2DX	
THUS-0001	Thus PLC	12,750.38	4,052.58	Thus PLC	Waterside House	Longshot Lane	Bracknell, Berkshire	RG12 1XL	
TJMI-0001	TJM Institutional Services	2,400.10		TJM Institutional Services	318 W Adams, Suite 900	Chicago	Il 60606		USA
TOCQ-0001	Tocqueville	38,112.23		Tocqueville	8 uw Lamennais	75008 Paris			France
TONE-0001	Toner Graphics Ltd	733.41		Toner Graphics Ltd	Haybarn Studio	Hullbridge Road	Rayleigh, Essex	SS6 9QG	
TORO-0001	Toronto Stock Exchange	6,342.98		Toronto Stock Exchange					
TOUS-0001	Tous Sols SA - Bagnes	6,660.56		Tous Sols SA - Bagnes	Sofim SA	Pierre dorsaz	La Hameau	1936 Verbier	
TRAD-0001	Tradeweb	8,968.73		Tradeweb	99 Gresham Street		London	EC2V 7NG	

TRAD-0002	Trading Screens Inc	74,279.58		Trading Screens Inc	30 Irving Place	Floor 4, New York		NY 10003	United States of America
TRAN-0001	Trans European Technology	42,559.60		Trans European Technology	Leser House	132 - 140 Goswell Road	London	EC1V 7DY	
TSXI-0001	TSX Inc.	7,185.35		TSX Inc.	The Exchange Tower. P.O. Box 421	130 King Street West	Toronto, Ontario	M5X 1J2	Canada
TTCC-0001	TTC Communications Ltd	112,586.14		TTC Communications Ltd	Linton House 164-180	Union Street	London	SE1 0LH	
ULLI-0001	Ullink.net	8,367.01		Ullink.net	23, 25 rue de Provence			75009 Paris	France
UNIV-0001	Universal Office Equipment (UK) Ltd	6,378.20	39.15	Universal Office Equipment (UK) Ltd	120 High Road		London	N2 9ED	
VALU-0001	Value Line Institutional Sales & Service	1,009.44		Value Line Institutional Sales & Service	220 East 42nd Street	6th Floor	New York	NY 10017	USA
VANT-0001	Vantage Capital Markets LLP	1,713.02		Vantage Capital Markets LLP	First Floor, Equitable House	47 King William Street	London	EC4R 9AF	
VECT-0001	Vectalis SARL	1,957.88		Vectalis SARL	s.a.r.l 19 rue Reaumur			75003 Paris	France
VERB-0001	The Verbier Touch Massage Therapy	1,353.87		The Verbier Touch Massage Therapy	Brigitta Fairhall	Ch. De Ciambin 49, CP 230	CH-1936 Verbier		Switzerland
VERO-0001	Vero Screening Ltd	1,065.73		Vero Screening Ltd	Goldstone Business Centre	2 Goldstone Street	Hove	BN3 3RJ	
VODA-0001	Vodafone	216.64		Vodafone					
WHIT-0001	Ray White	1,012.00		Ray White	Employee				
WOLF-0001	Wolfhaus	3,525.10		Wolfhaus	The Old Bakehouse, 3 Bakehouse Road		Horley	RH6 8HQ	
XTRA-0001	Xtrakter LTd	49,798.80	1,979.77	Xtrakter LTd	7 Limeharbour		GB-London	E14 9NQ	
YEST-0001	Yes Telecom	6,843.77		Yes Telecom	PO Box 490		Manchester	M14 0EY	
TOTALS		3,200,175.74	340,067.94						

Reconciliation To Consolidated Trial Balance

Balance Per Creditors Listing above	3,200,175.74
Other Sundry Currency Differences	-17,402.47
Total	3,182,773.27

Other creditors

Inland Revenue Corporation Tax	551,262.60
Inland Revenue PAYE	3,432,235.27
URSSAF de Paris	44,693.08
HMRC Stamp Taxes	3,064,250.82
CSA Payable - H	352,895.42
Fortis Expense Accrual	36,105.00
Goldman Sachs Expense Accrual	35,551.20
SEB Expense Accrual	7,000.00
Rebate payable	474,149.60
Sundry creditors	200,000.00
Self Employed Trader Balance - Bradley M - H	279.40
Self Employed Trader Balance - Chandler K - H	-126,302.89
Self Employed Trader Balance - Clohessy R - H	5,909.09
Self Employed Trader Balance - Croft N - H	124,659.13
Self Employed Trader Balance - Fullaway J - H	140,576.48
Self Employed Trader Balance - Hall D - H	-3,842.07
Self Employed Trader Balance - J McCarthy - H	7,345.53
Self Employed Trader Balance - Moutrie A - H	13,673.03

Inland Revenue	CT OPS Merthyr Tydfil 1 Chapel Wharf Area	Government Buildings, Castle	Merthyr Tydfil	CF47 8AA	
Inland Revenue	URSSAF de Paris	Trinity Bridge House	2 Deamans Place	M3 5BS	France
HMRC Stamp Taxes	Birmingham Stamp office, 9th Floor	City Centre House, 30 Union S	Birmingham Stamp	B2 4AR	
Neptune Investment Management Ltd	1 Hammersmith Grove		London	W6 0NB	
Sofaer Global Research (UK) Ltd	9 Upper Belgrave Street		London	SW1X 8DB	
Petercam Banque Privee (Suisse) SA	Centre Swissair	POBox 1119	1211 Geneve 5 Exchange		Switzerland
Investor Services (Gibraltar) Limited	Suite 215b Neptune House	Marina Bay			Gibraltar
Millgate Capital, Inc	500 Fifth Avenue, 52nd Floor	New York, NY 10110		EC4Y 0BS	USA
Bradley M	23 Crouch Hall Gardens	Redbourn	Hertfordshire	AL3 7EL	
Chandler K	48 Firmin Avenue	Boughton Monchelsea	Kent	ME17 4SP	
Clohessy R	40 Queensgate Terrace		London	SW7 5PH	
Croft N	Greenways, Hall Road		Essex	SS4 1UE	
Fullaway J	55 Victoria Avenue	Rochford	Essex	SS6 9DB	
Hall D	23 The Fairway	Rayleigh		HA 6 3DZ	
J McCarthy	69 Vogans Mill Wharf	Mill Street	London	SE1 2BZ	
Moutrie A	130 Moffats Lane	Brookmans Park	Hertfordshire	AL9 7RW	

Self Employed Trader Balance - Pears D - H	10,680.14
Self Employed Trader Balance - Smith C - H	66,022.51
Self Employed Trader Balance - Stone R - H	28,847.60
Self Employed Trader Balance - Townsend J - H	5,095.60
Self Employed Trader Balance - Walsh G - H	-97,893.48
Self Employed Trader Balance - Vohmann P - H	294,755.39
Self Employed Trader Balance - Matt and Neil - H	89,016.97
Self Employed Trader Balance - Matt and Neil - H	108,565.53

Total unsecured non-preferential claims 12,017,558.16

Pears D	46 The Green	Twickenham	Middlesex	TW2 5AB	
Smith C	235 Noak Hill Road	Billericay	Essex	CM12 9UN	
Stone R	Little Hurst	Shoreham Road	Oxford, Kent	TN14 5RL	
Townsend J	Partida Franques, Poligono 4	Parcela 11, 12, 13 y 17, 03759	Benidoleig, Alicante		Spain
Walsh G	176 Leasons Hill	Chislehurst	Kent	BR7 6QL	
Vohmann P	162 Downham Rd		London	N1 3HL	
Matt	22 Clarendon Way	Chislehurst	Kent	BR7 6RF	
Neil	147 Hadlow Rd	Tonbridge	Kent	TN9 1QE	

Appendix D Common questions and answers (references to ‘Rules’ are to the Insolvency Rules 1986)

I The initial meeting of creditors and the creditors’ committee

Who will be at the meeting?

One of the Administrators or a person nominated by them in writing will chair the meeting and answer creditors’ questions (Rule 2.36(1)). There is no obligation on the directors of the Company to attend unless they are required to do so by the Administrators (Rule 2.34(2)).

What will happen at the meeting?

It will be assumed that creditors will already have received and read the Administrators’ proposals. The meeting will give creditors an opportunity to put questions to the Administrators. The meeting will then consider and vote upon any modifications that individual creditors might put forward, following which a vote will be taken upon the whole proposals as modified.

Various other resolutions might be considered, in particular those dealing with the basis of the Administrators’ remuneration, unpaid pre-appointment costs and the appointment and composition of any creditors’ committee.

Am I obliged to attend the creditors’ meeting?

You are not obliged to attend the creditors’ meeting. The law recognises that creditors are not always able to attend in person and allows you to ask a representative to attend as proxy and vote on your behalf. You will not prejudice your claim and entitlement to dividend if you do not attend or appoint a proxy.

How do I ensure that my vote counts at the meeting?

In order to vote, a creditor must have submitted written details of his claim and the chairman must have admitted that claim for voting purposes following the guidelines below. These details need to be submitted to the Administrators no later than 12.00 noon on the business day before the meeting (Rule 2.38(1)). You might also need to lodge a proxy.

The chairman can admit a claim for voting purposes even though it was submitted late if he is satisfied this was due to reasons beyond the creditor’s control (Rule 2.38(2)).

Do I need to lodge a proxy form?

If you yourself are the creditor (and not a corporate body such as a limited company), you may vote by simply attending the meeting, provided you have lodged a claim as explained above.

Appendix D Common questions and answers (references to ‘Rules’ are to the Insolvency Rules 1986)

If you do not want to attend the meeting, you may nominate someone else, or the chairman of the meeting, to vote for you. They can vote either on your instructions or at their discretion. Do, however, remember that the chairman will be one of the Administrators or their staff and you might wish to consider specifying clearly how he should vote.

You must do this by completing the enclosed proxy form or a substantially similar form. The form needs to be authenticated (e.g. signed) by the creditor or by someone authorised by him and the nature of the person's authority to sign should be stated (Rule 8.2). If a company is the creditor, a director should normally sign. The proxy form must then be submitted at or before the meeting.

Where the chairman holds a proxy which includes a requirement to vote for a particular resolution and no other person proposes that resolution, the chairman must propose it unless the chairman considers that there is good reason for not doing so, and, if the chairman does not propose it, the chairman must as soon as reasonably practicable after the meeting notify the principal of the reason why not (Rule 2.36(3)).

Please remember that if the debt is owed to a limited company or other corporation and you wish to attend and vote at the meeting, you should complete and return the proxy form even if you are a director of the company. (Alternatively you can produce at the meeting a resolution of the directors authorising you to represent that company.) (Rule 8.7).

Who decides whether my claim ranks for voting purposes?

The chairman has the power to accept or reject the whole or any part of your claim (Rule 2.39(1)). If he is in doubt whether your claim should be admitted, he should mark it as objected to and allow you to vote. If however, the objection is sustained, then your vote will be declared invalid (Rule 2.39(3)). If your vote was critical to the outcome of the meeting, this could change the resolutions that were passed and/or result in a further meeting (Rule 2.39(4)).

What happens if I disagree with the chairman's decision?

You are entitled to appeal to the court for an order reversing the chairman's / Administrator's decision on your claim provided you do so within 21 days of the meeting (Rule 2.39(5)). If the court does reverse the chairman's / Administrator's decision it can order that another meeting be held or make such other order as it thinks just (Rule 2.39(4)).

Creditors also have the right to appeal to the court if they believe that the administration unfairly harms their interests (Paragraph 74(1) Sch.B1 IA86).

We recommend that you seek legal advice about the merits of taking these steps in any particular circumstances.

Appendix D

Common questions and answers (references to 'Rules' are to the Insolvency Rules 1986)

How do I calculate my claim for voting purposes?

Votes are calculated according to the amount of a creditor's claim as at the date on which the Company entered administration, less any payments that have been made to him after that date in respect of his claim and any adjustments by way of set-off in accordance with Rule 2.85 as if that Rule were applied on the date that the votes were counted (Rule 2.38(4)).

What majorities are needed to approve resolutions?

A resolution to approve the proposals or any modification to them is passed at the creditors' meeting if supported by a majority in excess of 50% in value of the creditors voting on the resolution (Rule 2.43(1)).

Any resolution is invalid if those voting against it include more than 50% in value of the creditors to whom notice of the meeting was sent and who are not, to the best of the chairman's / Administrator's belief, connected with the Company (Rule 2.43(2)).

What happens if I cannot yet quantify my claim with certainty?

A creditor cannot vote in respect of a debt for an unliquidated amount or any debt whose value is not ascertained, unless the chairman / Administrator agrees to put on the debt an estimated minimum value for voting purposes (Rule 2.38(5)).

What happens if my debt is wholly or partly secured?

A secured creditor whose debt is wholly or partly secured is entitled to vote only in respect of the balance (if any) of his debt after deducting the value of his security as estimated by him. However, if the Administrators have made a statement under Paragraph 52(1)(b) Sch.B1 IA86 and an initial creditors' meeting has been requisitioned by creditors under Paragraph 52(2) Sch.B1 IA86, a secured creditor is entitled to vote in respect of the full value of this debt without any deduction for the value of his security (Rule 2.40).

What happens if I hold a negotiable instrument?

A creditor shall not vote in respect of a debt on or secured by a current bill of exchange or promissory note unless he is willing: -

- a) to treat the liability to him on the bill or note of every person who is liable on it antecedently to the Company and against whom a bankruptcy order has not been made (or in the case of a company, which has not gone into liquidation) as security in his hands; and
- b) to estimate the value of the security and, for the purpose of his entitlement to vote (but not for dividend), to deduct it from his claim (Rule 2.41).

Appendix D

Common questions and answers (references to 'Rules' are to the Insolvency Rules 1986)

What happens if I am a creditor under a hire-purchase, conditional sale agreement or leasing agreement?

An owner of goods under a hire-purchase or chattel leasing agreement, or a seller of goods under a conditional sale agreement is entitled to vote in respect of the amount of the debt due and payable to him by the Company on the date the Company entered Administration. In calculating the amount of any debt for this purpose, no account shall be taken of any amount attributable to the exercise of any right under the relevant agreement, so far as the right has become exercisable solely by virtue of: -

- the making of an administration application
- a notice of intention to appoint an administrator or any matter arising as a consequence, or
- of the Company entering administration (Rule 2.42).

Am I bound by the Administrators' proposals if they are approved at the meeting?

The Administrators' proposals, when approved by the creditors' meeting, will dictate how the Company's affairs will be conducted in future and how creditors' claims will be addressed.

Once approved the proposals are binding on all creditors, including those not present or represented at the meeting. For this reason, it is important that creditors properly consider the proposals and decide whether and how they wish to vote.

What are the functions of the creditors' committee?

In addition to any functions conferred on the creditors' committee by any provision of the Insolvency Act 1986, the creditors' committee shall assist the Administrator in discharging his functions, and act in relation to him in such manner as may be agreed from time to time (Rule 2.52(1)).

In particular, it has the duty to agree the basis of the Administrator's remuneration (Rule 2.106(3) and approve the payment of unpaid pre-administration costs (Rule 2.67A)).

How is the creditors' committee formed?

The creditors' committee is established at a creditors' meeting. It is not obligatory but the creditors decide whether they wish to have one (Paragraph 57(1) Sch.B1 IA86).

Appendix D Common questions and answers (references to 'Rules' are to the Insolvency Rules 1986)

The committee must consist of at least three and not more than five creditors of the company elected at the meeting (Rule 2.50(1)).

Any creditor of the company is eligible to be a member of the committee, so long as his claim has not been wholly disallowed for voting purposes or wholly rejected for the purposes of distribution or dividend and the claim is not fully secured (Rule 2.50(2)). A body corporate may be a member of the committee, but it can only act as such through a properly appointed representative (Rule 2.50(3)).

No person may act as a member of the committee unless and until he has agreed to do so (Rule 2.51(2)). Unless the relevant proxy or authorisation contains a statement to the contrary, such agreement may be given by the creditor's proxy-holder or, in the case of a corporation, by its duly appointed representative present at the meeting establishing the committee (Rule 2.51(2)).

A person acting as a committee member's representative must hold a letter of authority entitling him so to act (either generally or specially) and authenticated by or on behalf of the committee-member (Rule 2.55(2)).

No member may be represented by:

- another member of the committee
- a person who is at the same time representing another committee member
- a body corporate
- an undischarged bankrupt
- a disqualified director, or
- a person who is subject to a bankruptcy restrictions order (including an interim order), a bankruptcy restrictions undertaking, a debt relief restrictions order (including an interim order) or a debt relief restrictions undertaking (Rule 2.55(4)).

No person shall on the same committee act at one and the same time as representative of more than one committee-member (Rule 2.55(5)).

The creditors' committee does not come into being, and accordingly cannot act, until the Administrator has issued a certificate of its due constitution (Rule 2.51(1)).

Appendix D Common questions and answers (references to 'Rules' are to the Insolvency Rules 1986)

II A creditor's guide to administrators' fees (in accordance with Statement of Insolvency Practice No.9)

The following information about the Administrators' fees is from Statement of Insolvency Practice No.9 ("SIP 9") produced by the Association of Business Recovery Professionals, Appendix C: A Creditors' Guide to Administrators' Fees (England and Wales) (Revised with effect from 6 April 2010).

1 Introduction

1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.

2 The nature of administration

2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration, or, if the administrator thinks neither of these objectives is reasonably practicable
- realising property in order to make a distribution to secured or preferential creditors.

3 The creditors' committee

3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he

Appendix D Common questions and answers (references to 'Rules' are to the Insolvency Rules 1986)

needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

4 Fixing the administrator's remuneration

4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed:

- as a percentage of the value of the property which the administrator has to deal with,
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration, or
- as a set amount.

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the administrator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the administrator.

It is for the creditors' committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied, and where it is a set amount, to determine that amount. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

4.2 If there is no creditors' committee, or the committee does not make the requisite determination (and provided the circumstances described in paragraph 4.3 do not apply), the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as apply in the case of the committee. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator, but the administrator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets. In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of

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Common questions and answers (references to 'Rules' are to the Insolvency Rules 1986)

- each secured creditor of the company; or
- if the administrator has made or intends to make a distribution to preferential creditors –
 - each secured creditor of the company; and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval,

having regard to the same matters as the committee would.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4.4 A resolution of creditors may be obtained by correspondence.

5. Review of remuneration

5.1 Where there has been a material and substantial change in circumstances since the basis of the administrator's remuneration was fixed, the administrator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

6. Approval of pre-administration costs

6.1 Sometimes the administrator may need to seek approval for the payment of costs in connection with preparatory work incurred before the company went into administration but which remain unpaid. Such costs may relate to work done either by the administrator or by another insolvency practitioner. Details of such costs must be included in the administrator's proposals.

6.2 Where there is a creditors' committee, it is for the committee to determine whether, and to what extent, such costs should be approved for payment. If there is no committee or the committee does not make the necessary determination, or if it does but the administrator, or other insolvency practitioner who has incurred pre-administration costs, considers the amount agreed to be insufficient, approval may be given by a meeting of creditors. Where the circumstances described in paragraph 4.3 apply, the determination may be made by the same creditors as approve the administrator's remuneration.

6.3 The administrator must convene a meeting of the committee or the creditors for the purposes of approving the payment of pre-administration costs if requested to do so by another insolvency practitioner who has incurred such costs. If there is no determination under

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these provisions, or if there is but the administrator or other insolvency practitioner considers the amount agreed to be insufficient, the administrator may apply to the court for a determination.

7 What information should be provided by the administrator?

7.1 When seeking remuneration approval

7.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought;
- the stage during the administration of the case at which it is being sought; and
- the size and complexity of the case.

7.1.2 Where, at any creditors’ or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

7.1.3 Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- Administration and planning
- Investigations

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- Realisation of assets
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy.
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees.

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

7.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff.

7.2 After remuneration approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to

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creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution (see further paragraph 8.1 below). Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 7.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 7.1.4 above regarding work which has been sub-contracted out.

7.3 Disbursements and other expenses

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements, but there is provision for the creditors to challenge them, as described below. Professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

8 Progress reports and requests for further information

8.1 The administrator is required to send a progress report to creditors at 6-monthly intervals. The report must include:

- details of the basis fixed for the remuneration of the administrator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it);
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report);
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report;
- a statement of the expenses incurred by the administrator during the period of the report, irrespective of whether payment was actually made during that period;
- the date of approval of any pre-administration costs and the amount approved;
- a statement of the creditors' rights to request further information, as explained in paragraph 8.2, and their right to challenge the administrator's remuneration and expenses.

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8.2 Within 21 days of receipt of a progress report a creditor may request the administrator to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

8.3 The administrator must provide the requested information within 14 days, unless he considers that:

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the administration or might be expected to lead to violence against any person, or
- the administrator is subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information.

Any creditor may apply to the court within 21 days of the administrator’s refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.

9. Provision of information – additional requirements

The administrator must provide certain information about time spent on a case, free of charge, upon request by any creditor, director or shareholder of the company. The information which must be provided is –

- the total number of hours spent on the case by the administrator or staff assigned to the case;
- for each grade of staff, the average hourly rate at which they are charged out;
- the number of hours spent by each grade of staff in the relevant period.

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the administrator’s appointment, or where he has vacated office, the date that he vacated office.

The information must be provided within 28 days of receipt of the request by the administrator, and requests must be made within two years from vacation of office.

10 What if a creditor is dissatisfied?

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10.1 If a creditor believes that the administrator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the administrator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court.

10.2 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the administrator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 8.1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing.

10.3 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not as an expense of the administration.

11 What if the administrator is dissatisfied?

11.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

12 Other matters relating to remuneration

12.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.

12.2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

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12.3 If a new administrator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new administrator until a further determination, resolution or court order is made.

12.4 Where the basis of the remuneration is a set amount, and the administrator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing administrator. The application must be made to the same body as approved the remuneration. Where the outgoing administrator and the incoming administrator are from the same firm, they will usually agree the apportionment between them.

13. Effective date

This guide applies where a company enters administration on or after 6 April 2010, except where:

- the application for an administration order was made before that date, or
- where the administration was preceded by a liquidation which commenced before that date