

PERRINIANA LIMITED (In Administration) ("the Company")
Registered Office: Enterprise House, 21 Buckle Street, London, E1 8NN
Company number: 05511380

**JOINT ADMINISTRATORS' FINAL PROGRESS REPORT PURSUANT TO
RULES 2.47 AND 2.117 OF THE INSOLVENCY RULES 1986**

Melvyn Julian Carter and Robin Hamilton Davis, both of Carter Backer Winter LLP, Enterprise House, 21 Buckle Street, London, E1 8NN, were appointed Joint Administrators of the Company by its Directors on 8 May 2009. The Joint Administrators are authorised to act jointly and severally in exercising any and all functions exercisable by an Administrator appointed under the provisions of Schedule B1 of the Insolvency Act 1986 ("the Act").

This is our first and final progress report, and I confirm the objective of the Administration is as defined in paragraph 3(1)(b) of schedule B1 of the Act, that is, to achieve a better result for the Company's creditors as a whole than would have been likely if the Company were wound up (without first being in Administration).

I confirm it is now appropriate, in accordance with the agreed Proposals, to move the Company to Creditor's Voluntary Liquidation and in so doing bring the Administration to an end. The Administration will be deemed to have ended when the attached notice is filed at Companies House. At the same time, the Joint Liquidators' appointment will be effected.

There have been no extensions to the initial period of the Administration.

An abstract of our Receipts and Payments account to 14 October 2009 is attached at Appendix 1 for your attention. Please be advised that the balance of funds will be transferred to the Joint Liquidators on their appointment. The assets not recovered during the Administration will be transferred to the Joint Liquidators.

Asset realisations

As per the sworn directors' statement of affairs, the estimated realisable value of assets amounted to £361,381.00. This asset comprised of inter-company debtors.

Following our appointment, we become aware that the company would be entitled to a tax refund if the returns were made. Therefore we instructed the Company's former accountants, Weston Kay to deal with the company's tax affairs and to pursue a Corporation Tax refund. We successfully realised funds of £132,611 for the benefit of the administration estate.

The Company's remaining assets comprises of a debt due from Sanary Investments ("Sanary") (which is a company based in Luxembourg) and Loan Notes due from Carpathian plc.

Sanary

Two of Sanary's principal subsidiaries own 5 million shares in Carpathian Plc. At present there are ongoing discussions with Sanary and Dawnay Day Structured Investments Limited "DDSI" regarding the realisation of these shares. A debt is due from Sanary to DDSI and DDSI has been placed into administration. Please note that I am one of the appointed administrators. Until the administration of DDSI has been finalised I am unable to proceed with the realisations of these shares at this stage.

I am currently making the necessary enquiries as to whether Sanary Investments can make a repayment to Perriniana. However, based on the recent information available it appears that there are limited funds to enable such a payment

Loan notes-Carpathian Plc

In addition there are Loan Notes outstanding from the previous disposal by the Company of shares it held in a property owning subsidiary. Realisation of these Loan Notes is conditional upon the conclusion of litigation proceedings between the former owner of this property and the contractor who built the property. This litigation has been ongoing for some ten years but it is estimated that this will be settled in early 2010. The amount recoverable under the Loan Notes may be affected by any awards/settlements that might result from the litigation. The Joint Administrators have instructed Stephenson Harwood to advise in connection with this matter.

Creditors

The Directors' Statement of Affairs listed unsecured liabilities totalling £1,715,199, and claims amounting to £1,147,895 have been received. These will be transferred to the Liquidation to allow the Joint Liquidators to examine and admit creditors' claims.

Administrators' Remuneration

At a meeting of creditors held on 10 July 2009, the creditors resolved that the Joint Administrators' remuneration shall be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration at Carter Backer Winter's LLP standard rates for this type of work, as amended from time to time, and to allow said remuneration to be drawn as and when funds are available.

To date, Joint Administrator's fees of £26,240.65 have been incurred and paid. Any unsettled Administration costs will be a prior claim on the Liquidation assets and will be discharged accordingly.

Additionally, creditors agreed that the Administrators be authorised to draw their firm's pre-appointment time costs. Pre-appointment time costs of £2,697.50 have been drawn.

It was agreed with Weston Kay that their outstanding fees of £2,645, would be paid upon receipt of the corporation tax refund. I confirm that this invoice was settled together with their further time costs of £13,090.58.

The Company is not registered for VAT and therefore VAT is irrecoverable.

Exit from Administration

The approved Proposals determined that the Company would exit Administration by moving to Creditors' Voluntary Liquidation. Melvyn Carter and I will be the Joint Liquidators in accordance with the agreed Administration Proposals.

Notice of the appointment of the Joint Liquidators will be circulated in due course.

Dated: 15 October 2009



R H DAVIS
JOINT ADMINISTRATOR

**Perriniana Limited
(In Administration)**

ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 08/05/2009 To 14/10/2009 £	From 08/05/2009 To 14/10/2009 £
RECEIPTS			
Inter-Company Debtors	361,381.00	0.00	0.00
Corporation Tax Refund		132,611.76	132,611.76
Bank Interest Gross		5.44	5.44
VAT Receivable		8,187.35	8,187.35
		<u>140,804.55</u>	<u>140,804.55</u>
PAYMENTS			
Pre-appointment fees (as agreed)		2,697.50	2,697.50
Office Holders Fees		26,240.65	26,240.65
Office Holders Expenses		1,436.24	1,436.24
Office Holders Expenses (Non Vatable)		48.00	48.00
Legal Fees (1)		8,763.00	8,763.00
Legal-Expenses		54.30	54.30
Irrecoverable VAT		8,187.35	8,187.35
Professional Fees		15,390.58	15,390.58
Bank Charges		20.00	20.00
VAT Receivable		8,187.35	8,187.35
		<u>71,024.97</u>	<u>71,024.97</u>
BALANCE - 14 October 2009			<u><u>69,779.58</u></u>

Perriniana Limited-In Administration

Time and Charge Out Summary

For the Period 8 May 2009 to 14 October 2009

Hours

	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total Hours	Total Costs	Average Hourly Rate
Pre-Appointment	2.50	0.00	4.60	0.00	7.10	£2,697.50	£379.93
	2.50	0.00	4.60	0.00	7.10	£2,697.50	£379.93
Administration and Planning	2.00	6.65	28.30	9.50	46.45	£13,366.83	£287.77
Cashiering	0.00	0.00	0.00	2.83	2.83	£0.00	£0.00
Compliance	1.00	0.00	1.05	0.00	2.05	£802.50	£391.46
Creditors	0.25	0.00	0.85	0.20	1.30	£426.25	£327.88
Investigations (Non disqualification)	2.50	0.00	0.00	0.00	2.50	£1,087.50	£435.00
Others (Specify)	0.50	0.00	0.00	0.00	0.50	£217.50	£435.00
Realisation of Assets	30.50	0.00	0.45	0.20	31.15	£12,770.00	£409.95
Report Preparation & Review	0.00	0.00	2.00	0.00	2.00	£700.00	£350.00
Review	0.00	0.00	2.69	0.00	2.69	£940.08	£349.47
	36.75	6.65	35.34	12.73	91.47	£30,310.66	£331.37
Total	39.25	6.65	39.94	12.73	98.57	£33,008.16	£334.87
Cost Per Employee Category	£16,398.75	£1,813.50	£13,840.83	£40.00			

Disbursements	£
Advertising	430.64
Court Fees	30.00
Bond	1,000.00
Search Fees	3.00
Swearing Fees	15.00
Travel/Fares	5.60
	1,484.24