In accordance with Rule 3.60 of the Insolvency (England & Wales) Rules 2016 & Paragraph 83(3) of Schedule B1 to the Insolvency Act 1986.

AM22

Notice of move from administration to creditors' voluntary liquidation

Companies House

FRIDAY

L838JSZ7
LD4 12/04/2019 #63
COMPANIES HOUSE

1 Company details

Company number	0 6 3 0 0 8 3 9
Company name in full	MF Global Finance Europe Limited

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

2 Court details

Court name	High Court of Justice
Court case number	9 5 8 5 2 0 1 1

3 Administrator's name

Full forename(s)	Michael Robert
Surname	Pink

4 Administrator's address

Building name/number	15 Canada Square
Street	Canary Wharf
Post town	London
County/Region	
Postcode	E 1 4 5 G L
Country	

AM22
Notice of move from administration to creditors' voluntary liquidation

5 Administrator's name ❶

Full forename(s)	Blair Carnegie
Surname	Nimmo

❶ **Other administrator**
Use this section to tell us about another administrator.

6 Administrator's address ❷

Building name/number	Arlington Business Park
Street	Theale
Post town	Reading
County/Region	Berkshire
Postcode	RG7 4SD
Country	

❷ **Other administrator**
Use this section to tell us about another administrator.

7 Appointor/applicant's name

Give the name of the person who made the appointment or the administration application.

Full forename(s)	Stephen John
Surname	Craig

8 Proposed liquidator's name

Full forename(s)	Michael Robert
Surname	Pink
Insolvency practitioner number	8004

9 Proposed liquidator's address

Building name/number	15 Canada Square
Street	Canary Wharf
Post town	London
County/Region	
Postcode	E14 5GL
Country	

AM22

Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name ❶

Full forename(s)	Blair Carnegie
Surname	Nimmo
Insolvency practitioner number	8 2 0 8

❶ **Other liquidator**
Use this section to tell us about another liquidator.

11 Proposed liquidator's address ❷

Building name/number	Arlington Business Park
Street	Theale
Post town	Reading
County/Region	Berkshire
Postcode	RG7 4SD
Country	

❷ **Other liquidator**
Use this section to tell us about another liquidator.

12 Period of progress report

From date	01 03 2018
To date	31 03 2019

13 Final progress report

☑ I have attached a copy of the final progress report.

14 Sign and date

Administrator's signature	Signature X X
Signature date	11 04 2019

AM22
Notice of move from administration to creditors' voluntary liquidation

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name: Tom Chuter
Company name: KPMG LLP
Address: 15 Canada Square
Canary Wharf
Post town: London
County/Region:
Postcode: E14 5GL
Country:
DX:
Telephone: Tel +44 (0) 20 7311 1000

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

KPMG

MF Global Finance Europe Limited (in administration)

Joint Administrators' final progress report for the period 1 March 2019 to 31 March 2019

11 April 2019

Notice: About this report

This Report has been prepared by Michael Robert Pink and Blair Carnegie Nimmo, the Administrators of the Company, solely to comply with their statutory duty under the Insolvency Rules (England and Wales) 2016 to provide creditors with an update on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or other companies in the same group.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors or other stakeholders. Any person that chooses to reply on this Report for any other purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its own risk.

To the fullest extent permitted by law, the Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Michael Robert Pink is authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. Blair Carnegie Nimmo is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland. The Administrators act as agents for the Company and contract without personal liability. The appointments of the Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.

Glossary of terms

Administrators	Blair Carnegie Nimmo and Michael Pink both of KPMG LLP
CAD	*Canadian dollars*
Canada Co	MF Global Canada Co.
Canada Ltd	4298632 Canada Ltd
Company	MF Global Finance Europe Limited
Directors	Stephen John Craig (resigned 5 March 2012), Jon Ferber (resigned 20 March 2012), Russell Haley (resigned 30 March 2012)
Group	MF Global Holdings Limited and its subsidiaries
MFGFEL	MF Global Finance Europe Limited
MFGHOL	MF Global Holdings Overseas Limited
MFGOL	MF Global Overseas Limited
MFGUK	MF Global UK Limited
Proposals	Statement of Administrators' Proposals under Paragraph 49 of Schedule B1 of the Act
Report	Fifteenth progress report prepared by the Administrators pursuant to Rule 18.2 of the Rules for the period 1 September 2018 2018 to 28 February 2019
USD	US dollars

Note: The references in this Report to Sections, Paragraphs or Rules are to the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Contents

Executive summary

Executive summary

Purpose and period of the Report

— This final Report provides creditors with an update of the progress of the Company's administration for the period from 1 March 2019 to 31 March 2019.

— This report includes an explanation of the exit route from the administration and the outcome to date for creditors.

Objective

— 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 to be wound up without first being in administration.

Progress since last Report

— The Administrators' have determined that due to the protracted nature of the issues preventing the realisation of the remaining assets and the costs that would likely be incurred in seeking a further Court extension to the administration, the best course of action is to move the Company into creditors voluntary liquidation.

— As no objections were received following issue of the notice of deemed consent, the Administrators proposed amendment to the Proposals have been approved so that Mike Pink and Blair Nimmo are the proposed Liquidators.

— In line with the Proposals the Administrators are preparing to move the Company into creditors voluntary liquidation. On registration of the requisite forms and this report by the Registrar of Companies the Company will exit Administration and move into a Creditors' Voluntary Liquidation.

Future strategy and actions

— As noted above following the registration of this report and the necessary forms: (1) the appointment of the Joint Administrators will cease to have effect and the Joint Administrators will be discharged of liability in respect of actions in their capacity as Joint Administrators; and (ii) the Company will move into Creditors' Voluntary Liquidation and Mike Pink and Blair Nimmo shall be appointed as Joint Liquidators.

— Within 14 days of the winding up of the Company, a notice of appointment of Liquidators will be filed confirming the appointment of Mike Pink and Blair Nimmo as Joint Liquidators

Mike Pink

Joint Administrator

KPMG

Purpose of the administrators' report

Purpose of the administrators' report

This Report has been prepared by the Administrators of the Company. It is the final formal update to creditors, with the previous progress report issued on 25 March 2019, covering the period from 1 September 2018 to 28 February 2019.

This Report provides creditors with a final update on the strategy of the administration and on the progress made to date. It follows from the information provided in our previous reports.

Background

— On 2 November 2011, the Administrators were appointed by the Company's Directors.

— On 22 July 2016 an order was made in the High Court removing Richard Dixon Fleming as Joint Administrator of the Company following his resignation from KPMG LLP.

— On 22 November 2017 an order was made in the High Court removing Richard Heis as Joint Administrator of the Company following his retirement from KPMG LLP and appointing Blair Nimmo as Joint Administrator. Richard Heis continues to provide services to KPMG on a consultancy basis and as necessary we are able to draw on his knowledge of this matter.

— This Report has been prepared by the Administrators of the Company pursuant to Rule 18.2 of the Rules. It is the final formal update to creditors, with the previous report issued on 25 March 2019, which covered the period from 1 September 2018 to 28 February 2019.

Creditors' Committee

— The Administrators regularly liaise with the creditors' committee and their advisers to review the progress of the administration and to consult on critical issues.

Exit from administration

— On registration of the requisite forms and this report with the Registrar of Companies the Company will enter into Creditors' Voluntary Liquidation

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Progress of the administration

Progress of the administration

The Administrators' previous reports set out the Company's background and the Administrators' strategy with respect to the realisation of the Company's assets. Due to the protracted nature of the remaining assets and the costs that would likely be incurred in seeking a further Court extension to the administration, the best course of action is to move the Company into creditors voluntary liquidation.

In order to enable the movement of the Company from administration to creditors' voluntary liquidation, on 22 March 2019 the Administrators sent a notice of deemed consent with regard to an amendment to the agreed Proposals. This amendment is required as there has been a change in Administrators since the Proposals were sent on 30 January 2012, we are required to revise our Proposals and name the current Joint Administrators, Mike Pink and Blair Nimmo, as the proposed Joint Liquidators.

As no objections were received to this notice the revised Proposals were agreed on 10 April 2019.

Remaining assets to be pursued in liquidation

The assets listed in the table below will remain outstanding and will be pursued by the Liquidators following the Company's movement to creditors voluntary liquidation.

Outstanding assets	Comments
Canada Co and Canada Ltd	— Interco receivable as per books and records due from Canada Ltd (its subsidiary Canada Co is in a process in Canada but is expected to have a surplus available) to MFGFEL totalling CAD 7.6m
Shareholding in MFGHOL	— Unlikely to be a recovery
Claims against MF Global Finance USA Inc. and MF Global Holdings USA Inc.	— Ongoing process
Claims against MFGUK	— Ongoing process
Subordinated loan to MFGUK	— Unlikely to be a recovery

Receipts, payments and expenses for the period

— Receipts and payments made in this period are set out in the attached receipts and payments account (see Appendix 3). The figures in this account are shown net of VAT.

— The schedule of expenses attached as Appendix 4 sets out the costs incurred, whether paid or unpaid, relating specifically to this reporting period. The figures in this statement are also shown net of VAT.

— If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report. Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including the unsecured creditor making the request) or with permission of the Court.

Progress of the administration (cont.)

- If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report. Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.
- The full text of the relevant rules can be provided on request by writing to the Joint Administrators at KPMG LLP, 15 Canada Square, London, E14 5GL.

Administrators' remuneration

- A copy of 'A Creditors' Guide to Administrators' Fees' from Statement of Insolvency Practice 9 ('SIP9') produced by the Association of Business Recovery Professionals is available at: https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees.If you are unable to access this guide and would like a copy please contact Tom Chuter on 0207 311 8667.
- Attached as Appendix 2 is a detailed analysis of time spent, and charge out rates, for each grade of staff for the various areas of work carried out from 1 March 2019 to 31 March 2019, as required by the Association of Business Recovery Professionals' Statement of Insolvency Practice No. 9.
- In the period from 1 March 2019 to 31 March 2019, the Administrators and their staff have incurred time costs of £18,461.50 representing 46 hours at an average hourly rate of £400. This includes work undertaken in respect to tax and VAT by KPMG LLP in-house specialists.
- It is for the creditors' committee to determine the basis on which the Administrators' remuneration is to be fixed. The approved modified Proposals confirmed that the Administrators would: (i) charge fees based on time properly spent at KPMG LLP charge out rates that reflect the complexity of the assignment; (ii) draw fees on account from the assets of the Company from time to time during the period of the administration; and (iii) draw disbursements properly incurred from time to time to include category two disbursements as defined in Statement of Insolvency Practice 9, provided always that the creditors' committee has consented to the quantum of the Administrators' fees and costs being drawn on each relevant occasion.
- The Administrators have not drawn any fees during the reporting period.
- The Administrators' total time costs for the seven years and five months to 31 March 2019 equates to £951,329 (which averages £10,689 a month, but has fluctuated significantly between months depending on activity levels). The Administrators have requested approval of a final fee of £42,469.26, which once approved will bring total fees taken with regard to the Company up to a total of £941,527.

Other costs

- The Administrators have requested approval of legal fees totalling £23,365 for the period from 1 September 2018 to 31 March 2019.

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Joint Administrators' Proposals and Outcome for creditors

Joint Administrators' Proposals and Outcome for creditors

Joint Administrators' Proposals

— A summary of the Joint Administrators' Proposals is provided at Appendix 5.

— The Administrators have achieved the aim of achieving a better result for the company's creditors as a whole than would be likely if the company were wound up. Having achieved a distribution equal to 12.75p in the £ for unsecured creditors, the Administrators will move the Company from administration into liquidation as anticipated in the Proposals.

Outcome for creditors

— On 5 June 2013, the Administrators obtained the permission of the Court to make dividends to its unsecured creditors with agreed claims.

— The Company has not granted any security over its assets to third parties, nor does the Company have any preferential creditors. Therefore, any net realisations, following deduction of the Administrators' expenses, will be available for unsecured creditors.

— During the Administration the administrators admitted claims totalling £225,199,511, against these distributions totalling £28,712,938, which represented a cumulative distribution rate of 12.75p in the £.

— As a number of assets remain to be realised by the Liquidators, it is anticipated that further distributions will be available to creditors from the liquidation of the Company, however the timing and quantum of any future distributions is unclear.

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Conclusion of the Administration

Other matters

Future strategy

— On registration of the requisite forms and this report by the Registrar of Companies the Company will enter into Creditors' Voluntary Liquidation.

— We will cease to act as Joint Administrators on commencement of the liquidation and will be discharged of liability in respect of any action of ours as Joint Administrators following the registration of this report by Companies House.

— In accordance with our Proposals, we will be appointed Joint Liquidators of the Company.

— The balance in hand shown in our receipts and payments account from 1 March 2019 to 31 March 2019 will be transferred into the liquidation bank account.

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Appendix 1

Statutory information

Appendix 1

Statutory information

Company name	— MF Global Finance Europe Limited
Company number	— 06300839
Date of incorporation	— 3 July 2007
Registered office	— 15 Canada Square, Canary Wharf, London, E14 5GL
Previous address	— 8 Salisbury Square, London, EC4Y 8BB (9 November 2011 to 7 April 2015)
Previous address	— 5 Churchill Place, Canary Wharf, E14 5HU (10 May 2011 to 8 November 2011)
Court	— High Court of Justice, Chancery Division, Companies Court
Court reference	— CR-2011-013899
EC Regulation on insolvency proceedings (1346/2000)	— The EC regulation applies and these proceedings are main proceedings as defined therein
Administrators	— Michael Robert Pink and Blair Carnegie Nimmo
Former Administrators	— Richard Fleming and Richard Heis
Date of appointment	— 2 November 2011
Appointer	— Directors
Para 100(2) statement	— In accordance with paragraph 100 (2) all functions or acts to be carried out by the Administrators are to be exercised by all or any one or more of the persons for the time being holding that office
Directors	— Stephen John Craig (resigned 5 March 2012), Jon Ferber (resigned 20 March 2012), Russell Haley (resigned 30 March 2012)
Secretary	— Vicki Kong (resigned 31 January 2012)
Details of share holdings	— The Company is wholly owned by MF Global Holdings Limited

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Appendix 2

Administrators' time and cost analysis, including schedule of charge out rates

Appendix 2

Administrators' time and cost analysis (1 March 2019 to 31 March 2019)

Administrators' time costs from 1 March 2019 to 31 March 2019

	Partner/Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration and planning							
Statutory and compliance							
Closure and related formalities	-	-	19.00	-	19.00	£7,505.00	£395.00
Tax							
Post appointment corporation tax	-	-	1.30	-	1.30	£513.50	£395.00
Creditors							
Creditors and claims							
Statutory reports	-	0.90	24.90	-	25.80	£10,443.00	£404.77
Sub-total in period	-	0.90	45.20	-	46.10	£18,461.50	£400.47
Brought forward from previous reports						**£932,866.76**	
Total since appointment						**£951,328.26**	

Note: (a) All staff who have worked on this assignment including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

Source: Administrators' records.

No disbursements have been incurred during the period.

Appendix 2

Administrators' time and cost analysis (1 March 2019 to 31 March 2019) (cont.)

Narrative of work carried out for the period 1 March 2019 to 31 March 2019

The key areas of work have been:

Statutory and compliance

— preparing statutory receipts and payments accounts;

— Preparing for the closure of the administration and the move to creditors voluntary liquidation.

— ensuring compliance with all statutory obligations within the relevant timescales.

Tax

— Reviewing the effect of the closure of the administration and the move to creditors voluntary liquidation.

Creditors and claims

— drafting our progress and final reports.

Appendix 2

Summary of charge out rates in operation during the course of the administration

Summary of charge out rates in operation during the course of the administration						
£/hour	**2 November 2011 to 30 September 2012**	**1 October 2012 to 30 September 2012**	**1 October 2013 to 30 September 2012**	**1 October 2014 to 30 September 2016**	**1 October 2016 to 31 December 2018**	**1 January 2019 to 31 March 2019**
Restructuring, tax and VAT						
Partner	653 – 725	765	765	795	835	875
Associate Partner/Director	572 – 635	670	670	705	740	775
Senior Manager	473 – 525	550	585	615	645	675
Manager	378 – 420	440	465	490	515	540
Senior Administrator/Assistant Manager/Consultant	275 – 305	320	340	355	375	395
Administrator	207 – 230	240	265	270	285	300
Support staff	108 – 120	125	130	135	142	150

Source: KPMG LLP records.

Joint Administrators' charging policy

— The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

— Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and 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 us.

— A copy of 'A Creditors' Guide to Joint Administrators Fees' from Statement of Insolvency Practice 9 ('SIP9) produced by the Association of Business Recovery Professionals is available at: https://www.r3.org.uk/what-we-do/publications/fees/administrators-fees.If you are unable to access this guide and would like a copy, please contact Tom Chuter on 0207 311 8667.

— The relevant hourly charge-out rates are set out above for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

— All staff who worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

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Appendix 3

Receipts and payments account

Appendix 3

Receipts and payments account

Administrators' abstract of receipt and payments	Sterling (GBP)		US Dollar (USD)		Euro (EUR)	
	Period total 1 March 2019 – 31 March 2019	Cumulative total to 31 March 2019	Period total 1 March 2019 – 31 March 2019	Cumulative total to 31 March 2019	Period total 1 March 2019 – 31 March 2019	Cumulative total to 31 March 2019
Asset realisations						
HP/Leasing	-	420,000	-	-	-	-
Cash at bank	-	139,271	-	1,023,893	-	37,856
Gross interest	-	28,214	2,348	12,508	-	-
Dividend income	-	24,725,510	-	1,415,348	-	-
Debtor Receipt	-	-	-	229,059	-	-
Statutory interest income	-	2,853,140	-	-	-	-
VAT Control	-	217,696				
Sale of debt	-	1,397,002	-	-	-	-
Total Receipts	**-**	**29,780,832**	**2,348**	**2,680,809**	**-**	**37,856**

Note: (a) All staff who have worked on this assignment including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

Source: Administrators' records.

Appendix 3

Receipts and payments account

Administrators' abstract of receipt and payments

	Sterling (GBP)		US Dollar (USD)		Euro (EUR)	
	Period total 1 March 2019 – 31 March 2019	Cumulative total to 31 March 2019	Period total 1 March 2019 – 31 March 2019	Cumulative total to 31 March 2019	Period total 1 March 2019 – 31 March 2019	Cumulative total to 31 March 2019
Cost of realisations						
Administrators' fees	-	(899,058)	-	-	-	-
Administrators' expenses	-	(2,523)	-	-	-	-
Legal fees	-	(602,102)	-	-	-	-
Legal disbursements	-	(23,198)	-	-	-	-
Irrecoverable VAT	-	(68,425)	-	-	-	-
Statutory advertising	-	(4,885)	-	-	-	-
Bank charges	-	(1,193)	-	(384)	-	(7)
Pension liability contribution	-	(362,500)	-	-	-	-
VAT receivable	-	(247,976)	-	-	-	-
Dividends paid	-	(28,712,938)	-	-	-	-
Total Payments	**-**	**(30,924,799)**	**-**	**(384)**	**-**	**(7)**
Net position	-	(1,143,967)	2,348	2,680,425	-	37,849
Inter account currency transfers	-	1,363,175	-	(2,105,417)	-	37,849
Total cash movement for the period	**-**	**219,208**	**2,348**	**575,008**	**-**	**-**

Note: (a) All staff who have worked on this assignment including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

(b) The USD balance was converted to sterling using the prevailing rate on 31 March 2019.

Source: Administrators' records.

Cash balances: Breakdown by foreign currencies

31 March 2019	GBP equiv. '000	Local currency '000
GBP	219,208	219,208
USD	431,882	575,008
Total cash in hand (b)	651,090	

Document Classification: KPMG Public

Appendix 4

Schedule of expenses

Schedule of expenses

Schedule of expenses – 1 March 2019 – 31 March 2019			
£	Paid	Accrued	Total for period
Cost of realisations			
Administrators' fees	-	42,469.26	42,469.26
Administrators' expenses	-	-	-
Irrecoverable VAT	-	-	-
Legal fees and disbursements	-	23,364.98	23,364.98
Bank charges	-	-	-
Total	**-**	**65,834.24**	**65,834.24**

Source: Administrators' records.

Notes

The figures included in the 'paid' column above relate to costs incurred and paid in this period. Accordingly these figures do not include payments made in the period that relate to accruals notified in our previous reports.

Administrators' remuneration

Creditors are reminded that the basis of the Administrators' remuneration has been agreed with the creditors' committee in accordance with Rule 2.106. However, to determine if the quantum is reasonable an analysis is included in Appendix 2.

Creditors are advised that any additional information regarding other expenses charged for the period is available from the Administrators upon request by any Secured Creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with Rule 2.48A. This request must be made within 21 days of receipt of the attached Report. In addition creditors are reminded that the quantum can be challenged by any Secured Creditor or any unsecured creditor(s) with at least 10% in value (including that creditor's claim) of the unsecured debt by making an application to Court in accordance with Rule 2.109 within eight weeks of receipt of the attached Report. The full text of these rules can be provided upon request.

— Category 1 disbursements: These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

— Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Any disbursements paid from the estate are disclosed within the attached summary of disbursements.

Category 2 disbursements charged by KPMG Restructuring include mileage, this is calculated as follows:
Mileage claims fall into three categories:

— Use of privately-owned vehicle or car cash alternative – 45p per mile.

— Use of company car – 60p per mile.

— Use of partner's car – 60p per mile.

Creditors' request for further information

Creditors are advised that any additional information regarding other expenses charged for the period is available from the Administrators upon request in writing by any Secured Creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt or with the permission of the Court. This request must be made within 21 days of receipt of the attached Report. In addition creditors are reminded that the quantum can be challenged by any Secured Creditor or any unsecured creditor(s) with at least 10% in value (including that creditor's claim) of the unsecured debt by making an application to Court within eight weeks of receipt of the attached Report. The full text of these rules can be provided upon request by writing to the Joint Administrators at KPMG LLP, 15 Canada Square, London, E14 5GL.

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Appendix 5

Summary of the Joint Administrators' Proposals

Summary of Joint Administrators' Proposals

The Insolvency Act sets out a hierarchy of the objectives of the administration:

a) Rescuing the Company as a going concern; or

b) Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up; or

c) Realising property in order to make a distribution to one or more secured or preferential creditors.

Purpose of the administration and Proposal for achieving this objective

— The Administrators concluded that a rescue of the Company as a going concern was not possible. The Company only operated to provide financing services and so could not trade as an ongoing concern without Group support.

— When compared to a winding-up, the administration allowed for a greater opportunity to maximise realisations. Accordingly, the Administrators consider objective (b) to be the purpose of the administration.

— This objective is likely to be achieved because the administration will facilitate the realisation of the Company's assets.

The Administrators proposed the following:

— To do all such things reasonably expedient and generally exercise all their powers as Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of the Company in accordance with the objective as set out above

— To investigate and, if appropriate, pursue any claims the Company may have.

— To seek an extension to the administration period if deemed necessary by the Administrators.

— To be permitted, if appropriate, to apply to the Court for the authority to make a distribution to unsecured creditors.

— In the event that the Administrators deem that liquidation is not appropriate because no dividend will become available to creditors, and there are no other outstanding matters that require to be dealt with in a liquidation, then the Administrators shall file the appropriate notices at Companies House and the Company will subsequently be dissolved.

— Alternatively if thought fit, the Administrators will move the Company from administration into liquidation. If Creditors' Voluntary Liquidation is deemed appropriate we will appoint Michael Pink and Blair Nimmo as Joint Liquidators of the Company without any further recourse to creditors. Creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of the Proposals and before the Proposals are approved. Any act required or authorised under any enactment to be done by the Joint Liquidators may be done by any of them.

Summary of Joint Administrators' Proposals

- That the Administrators be authorised to draw fees on account from the assets of the Company from time to time during the period of the administration based on time properly spent at KPMG LLP charge out rates that reflect the complexity of the assignment. Also, that the Administrators be authorised to draw disbursements from time to time to include category two disbursements.
- That the costs of KPMG LLP in respect of Corporate Finance, tax and other relevant advice from KPMG LLP in-house specialists (both in the UK and overseas) provided to the Administrators be based upon time costs and shall be paid out of the assets of the Company.
- To seek the election of a creditors' committee and to consult with such committee at regular intervals, including in regard to significant issues in the administration.
- The Administrators acknowledge that they will enter into a memorandum of understanding with the Chapter 11 Trustee of MF Global Holdings Limited in view of its direct or indirect interest as creditor of the Company and as ultimate parent company of the Company's group.
- To be discharged from liability in respect of any action of theirs as Administrators pursuant to paragraph 98(1) of Schedule B1 of the Insolvency Act 1986, immediately following the registration of the appropriate forms with Companies House.

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