

The Insolvency Act 1986

Administrator's progress report

Name of Company

Carpe Diem Group Holdings Limited

Company number

06508330

In the
Royal Court of Justice

(full name of court)

Court case number
5090 of 2012(a) Insert full
name(s) and
address(es) of
administrator(s)

I (a)
Neil Chesterton
The MacDonald Partnership Plc
4th Floor,
100 Fenchurch Street
London EC3M 5JD

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

From


To

(b) Insert date

(b) 3 July 2012

(b) 2 January 2013

Signed


 Administrator

Dated

24.1.13

Contact Details:

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

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

Neil Chesterton
The MacDonald Partnership Plc
4th Floor,
100 Fenchurch Street
London EC3M 5JD

DX Number

020 3 298 0830
DX Exchange

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

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COMPANIES HOUSE



CARPE DIEM GROUP HOLDINGS LIMITED

**ADMINISTRATOR'S PROGRESS REPORT TO CREDITORS
PURSUANT TO RULE 2.47 OF THE INSOLVENCY RULES**

24 JANUARY 2013

STATUTORY INFORMATION

Company Name	Carpe Diem Group Holdings Limited ("Carpe Diem")
Previous Company Name	N/A
Registered Office	c/o The MacDonald Partnership Plc, 4 th Floor, 100 Fenchurch Street, London, EC3M 5JD
Former Registered Office	Prospect House, 11-13 Lonsdale Gardens, Tunbridge Wells, Kent
Registered Number	06508330
Date of Incorporation	19 February 2008
Trading Address	48-54 Moorgate, London, EC2R 6EJ
Principal Trading Activity	Holding company
Administrator's Name	Neil Chesterton of The MacDonald Partnership Plc ("TMP")
Administrator's Address	The MacDonald Partnership Plc, 4 th Floor, 100 Fenchurch Street, London, EC3M 5JD
Administrator's Date of Appointment	3 July 2012
Court name and reference	Royal Courts of Justice (Court reference number 5090 of 2012)
Appointment made by	Neil Chesterton was appointed as Administrator by the directors of Carpe Diem Group Holdings Limited pursuant to Paragraph 22 of Schedule B1 to the Insolvency Act 1986



1. INTRODUCTION AND BACKGROUND

- 1 1 The following report is the Administrator's six month progress report for the period 3 July 2012 to 2 January 2013 to creditors in accordance with Rule 2.47 Insolvency Rules 1986. The purpose of this report is to provide creditors with details of the progress of the Administration to 2 January 2013, in addition to details of realisation of assets.
- 1 2 Neil Chesterton of The MacDonald Partnership Plc, 4th Floor, 100 Fenchurch Street, London, EC3M 5JD was appointed to act as Administrator by the director of Carpe Diem Group Holdings Limited pursuant to Paragraph 22 of Schedule B1 to the Insolvency Act 1986.
- 1 3 Neil Chesterton is licensed in the UK by the Institute of Chartered Accountants in England and Wales.
- 1 4 There has been no change in office holder since the date of Administration.

2. ADMINISTRATOR'S PROPOSALS

- 2 1 Attached at Appendix 2 is a summary of the Administrator's proposals.
- 2 2 The proposals were deemed approved on 14 August 2012.
- 2 3 There have been no major amendments to, or deviations from, the proposals during the course of the Administration.
- 2 4 The objective of the administration was to realise property in order to make a distribution to secured or preferential creditors.
- 2 5 This objective was achieved as the sale of the business and assets was structured so that the consideration of £2.2m was set-off against the secured amounts owing to Areeney Ventures Limited ("Areeney") and Yerrick Holdings Limited ("Yerrick") of approximately £2.6m.
- 2 6 At the time of my appointment as Administrator (and presentation of my proposals) it was believed that it would not be possible to pay a dividend to unsecured creditors as there was unlikely to be sufficient funds. The position remains the same, consequently, it is likely that the company will be dissolved or moved into compulsory liquidation pending further realisations.

3. PROGRESS OF THE ADMINISTRATION

- 3 1 Attached at Appendix 1 is the Administrator's receipts and payments account for the period from 3 July 2012 to 2 January 2013. All figures shown in the Receipts and Payments account are stated net of VAT.

3 2 Sale of the Business

As previously reported to creditors, the business and assets of the Company were sold on 12 July 2012. The shares of Carpe Diem in the two operating subsidiaries, being the principal assets of the Company, were sold to Cooch 1113 Limited (a Company registered in the Isle of Man) for £2,200,000. Cooch 1113 Limited is a Company owned by the secured lenders to Carpe Diem, Areeney and Yerrick.



The transaction was structured so that the consideration of £2.2m was set-off against the secured amounts owing to Areeney and Yerrick of approximately £2.6m and that the intercompany debts were discharged in full. There are no options or buy-back arrangements or similar conditions attached to the sale. This offer was accepted as it significantly exceeded the other offers received.

A further £32,400 was to be paid in order to cover the costs of the Administration. This has been received in full.

3.3 Other Assets Goodwill & IPR and Investments

The Company had two operating subsidiaries called Payment Card Technologies (UK) Ltd (05037484) and Payment Card Technologies (Retail) Ltd (06691616). The Goodwill, Intellectual Property and Investments were valued by Charterfields in the region of £1m to £1.5m. As detailed above, the shares in these companies were sold to Cooch 1113 Limited. The transaction was structured so that the consideration of £2.2m was set-off against the secured amounts owing to Areeney and Yerrick of approximately £2.6m.

3.4 Intercompany / Connected Debtors

The Company's records show that there is a connected/intercompany debt of £3,309,524. As part of the above transaction, a Settlement Deed was signed in respect of the connected intercompany debtors. Hence there will be no recoveries in this regard.

3.5 Book Debts

The book value of the book debts is £400,000, however, the realisable value is uncertain as it is a legal matter and the debtor concerned resides outside of the United Kingdom. I have recently received further information pertaining to this debt. Once the information has been reviewed, I will consider the options available including the possibility of legal action, if appropriate.

3.6 VAT

The statement of affairs shows that there is a VAT refund of £2,559 due to the Company. However, as the Company was part of a group VAT registration, the refund will be off set against the group's liability.

3.7 Cash at Bank

A letter has been issued to the bank requesting the account be closed and any balance on the account to be forwarded to the Administrator. The statement of affairs estimated that the balance on the account was £54.00. The sum of £5.92 has been received in this regard.

3.8 Prepayments

The statement of affairs shows prepayments of £670. This is in respect of insurance and on line services. No recovery is anticipated in this matter.

3.9 Directors Loan

The Company's records indicate that there is an overdrawn director's loan account of £76,985. I contacted the director in this regard, however, to date no recoveries have been made. I am currently considering what options are available and if appropriate may employ an agent to collect this debt on my behalf.



4. ASSETS STILL TO BE REALISED

4 1 The following matters remain outstanding and will be dealt with in the Administration

- 4.1 1 Realisation of the book debt
- 4 1 2 Recovery of the overdrawn director's loan account

5. LIABILITIES

5 1 Secured Liabilities

Areeney Ventures Limited ("Areeney")

Areeney held security in the form of two fixed and floating debentures over the Company's assets. One was created on 19 August 2010 and registered on 23 August 2010, and the other, a joint charge with Yerrick Holdings Limited, was created on 8 June 2011 and registered on 18 June 2011.

At the date of the Administration the Company owed Areeney £2,078,342. Areeney has been paid in full from the sale of assets of the Company on 12 July 2012.

Yerrick Holdings Limited ("Yerrick")

Yerrick held security in the form of two fixed and floating debentures over the Company's assets. One was created on 20 December 2010 and registered on 24 December 2010, and the other, a joint charge with Areeney Ventures Limited, was created on 8 June 2011 and registered on 18 June 2011.

At the date of the Administration the Company owed Yerrick £543,665. In conjunction with the sale of the business and assets, a Deed of Settlement in respect of the funds owed to Yerrick was agreed. This resulted in the balance of the Yerrick debt being written off.

5 2 Prescribed Part

As the secured creditors have been paid in full in accordance with the Deed of Settlement there will be no requirement to set aside a prescribed part on this occasion.

5 3 Preferential Creditors

The only categories of claims which have preferential status are those of employees in respect of wages and accrued holiday pay. It was anticipated that there could be 3 potential preferential claims from unpaid wages amounting to £2,400. Present indications are that there will be insufficient funds to pay the preferential creditors.

5 4 Crown Creditors

The statement of affairs did not include any amounts owed to HM Revenue & Customs. However, a claim of £8,042.49 has been received from HM Revenue & Customs. Present indications are that there will be insufficient funds to pay the unsecured creditors unless further realisations are made.



5.5 Unsecured Creditors

The company has approximately 16 unsecured creditors with estimated claims of £1,040,475. Dividends to unsecured creditors are wholly dependent on further realisations being made. I have not sought to allocate claims as this will be undertaken by a liquidator if so appointed.

It is unlikely that there will be sufficient funds to pay a dividend to the unsecured creditors unless further realisations are made. The funds realised will be utilised to defray the fees and expenses of the Administration.

6. INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

- 6.1 I have undertaken an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved.
- 6.2 My investigations did not identify any possible further realisations other than those that I am aware of. In addition, I concluded that no further investigations were required. If, however, any creditor is aware of any particular matters which they consider requires investigation, they should please send full details to this office at the address given at the front of this report.
- 6.3 Within six months of my appointment as Administrator, I am required to submit a confidential report to the Secretary of State. This report is to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of the company. I confirm that my report has been submitted.

7. PRE-ADMINISTRATION COSTS

- 7.1 As previously advised, I was instructed to assist the director in placing the company into administration on 6 June 2012. It was agreed that I should be paid my pre-appointment fees and expenses.
- 7.2 A payment of £10,000 (excluding VAT) was paid to the Administrator by one of the Company's subsidiary companies. This payment was made in respect of the fees and expenses that would be incurred in assisting the directors to place the Company into Administration.
- 7.3 This was agreed and laid out in my letter of engagement dated 6 June 2012 and signed by Frank Lambe. The engagement letter stipulated that the Administrator's fees would be charged on a time cost basis and that the fees are not limited to those already received.
- 7.4 At the time of summoning the meeting of creditors to consider my proposals, I provided creditors with a breakdown of my pre-appointment time charges amounting to £10,344 (excluding VAT). This was deducted from the funds received.

8. ADMINISTRATOR'S REMUNERATION

- 8.1 On 16 August 2012, the secured creditors resolved that the Administrator be authorised to draw his fees on a time cost basis.



- 8 2 The Administrator's time costs for the period 3 July 2012 to 2 January 2013 amount to £26,696, which represents 84 7 hours at an average charge out rate of £315 Further information in respect of these time charges is given below
- 8 3 I have drawn 13,954 plus VAT in respect of time charges from those funds held These charges are reflected in the attached Receipts and Payments account
- 8 4 A schedule of my time costs incurred to 2 January 2013 is attached From this creditors will see that there is considerable work in progress due in respect of my fees
- 8 5 A description of the routine work undertaken in the administration to date is as follows

Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on IPS case management software
- Review and storage
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors

Cashiering

- Maintaining and managing the Administrator's cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information on IPS case management software

Investigations

- Review and storage of books and records
- Prepare a return pursuant to the Company Directors Disqualification Act
- Conduct investigations into suspicious transactions
- Review books and records to identify any transactions or actions an Administrator may take against a third party in order to recover funds for the benefit of creditors

Realisation of Assets

- Recovering the information required to pursue the book debts
- Pursuing the director for funds outstanding under the director's loan account

Attached at Appendix 3 is a schedule of my time charges in this matter laid out as recommended by the Statement of Insolvency Practice 9



A copy of 'A Creditors Guide to Administrators' Fees' published by the Association of Business Recovery Professionals and 'A Statement of Insolvency Practice 9 (Revised)' together with an explanatory note which shows my firm's fee policy are available at the link <http://tmp.co.uk/downloads/creditors-guide/>

Please note that there are different versions for cases that commenced before or after 6 April 2010 and after November 2011. In this case you should refer to the November 2011 version. A hard copy of both the Creditors Guide and my firm's fee policy can be obtained on request from the address below

9. ADMINISTRATOR'S EXPENSES

9.1 My expenses for the period 3 July 2012 to 2 January 2013 amount to £543.85, of which £483.60 has been paid and £60.25 remains outstanding. I have detailed below the expenses paid and those that remain outstanding.

9.2 Category 1 disbursements (payments to independent third parties that do not require creditors' consent are as follows)

Type of expense	Charged By	Amount incurred/accrued to date	Amount still to be paid
Bordereau	Insolvency Risk Service	120.00	-
Statutory advertising	Courts Advertising	76.50	-
Postage & company searches	Companies House and Royal Mail	49.20	13.80
Court Fee	Court Services	75.00	-

9.3 Category 2 payments to outside parties in which the Administrator or The MacDonald Partnership Plc have an interest

Type of category 2 expense	Amount incurred/accrued to date	Amount still to be paid
Printing and stationery incurred by TMP	223.15	46.45

9.4 The following agents and professional advisors have been utilised in this matter

Professional Advisor	Nature of Work	Fee Arrangement	Fees Paid
Farrer & Co Solicitors	Legal	Time costs	10,833.33
Charterfields	Agent	Set fee & percentage of sales	3000.00
Sayers Butterworth	Tax advice	Agreed fee	450.00

The agents were employed as they are skilled in their respective areas and I believed they would carry out the functions requested of them efficiently and cost effectively.

10. EXTENSIONS TO THE ADMINISTRATION

10.1 The appointment of the Administrator ordinarily ceases to have effect at the end of the period of one year from the date of appointment.



10 2 In certain circumstances it may be necessary to extend the Administrator's term of office. In the circumstances of this case, this may be done for a specified period not exceeding six months with the consent of each secured creditor of the Company.

10 3 The appropriate body of creditors will be contacted in due course should an extension be required.

11. FURTHER INFORMATION

11 1 An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

11 2 An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

12. NEXT REPORT

The Administrator is required to provide a progress report within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised.

13. SUMMARY

It is likely the administration will remain open for the next few months to facilitate the realisation of the remaining assets.

Should you have any queries regarding this matter, please do not hesitate to contact Lisa Jenkins on 020 3298 0830.

Neil Chesterton
(Administrator)

The affairs, business and property of the Company are being managed by the Administrator, who acts as agent of the Company without personal liability.



Appendix 1

Receipts and Payments Account

Carpe Diem Group Holdings Limited
(In Administration)

ADMINISTRATOR'S RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 03/07/2012 To 02/01/2013 £	From 03/07/2012 To 02/01/2013 £
RECEIPTS			
Investments	2,200,000 00	32,400 00	32,400 00
Cash at Bank	54 00	5 92	5 92
Bank Interest Gross		7 80	7 80
		<u>32,413 72</u>	<u>32,413 72</u>
PAYMENTS			
Administrators Fees & Expenses	(32,400 00)	0 00	0 00
Areeney Ventures	(2,078,342 00)	0 00	0 00
Yerrick Holdings	(543,655 00)	0 00	0 00
Bordereau		120 00	120 00
Office Holders Fees		13,954 00	13,954 00
Agents/Valuers Fees (1)		3,450 00	3,450 00
Legal Fees (1)		10,908 33	10,908 33
Stationery & Postage		212 10	212 10
Statutory Advertising		76 50	76 50
Employees Wage Arrears	(2,400 00)	0 00	0 00
Trade & Expense Creditors	(38,806 52)	0 00	0 00
Employees	(97,293 99)	0 00	0 00
Directors	(210,511 00)	0 00	0 00
Inland Revenue	(1 00)	0 00	0 00
Accruals	(103,666 00)	0 00	0 00
Customs & Excise	(1 00)	0 00	0 00
IDT Corporation	(398,500 00)	0 00	0 00
Mr & Mrs Warburton	(193,670 00)	0 00	0 00
Ordinary Shareholders	(1,793,728 00)	0 00	0 00
		<u>28,720 93</u>	<u>28,720 93</u>
Net Receipts/(Payments)		<u>3,692 79</u>	<u>3,692 79</u>

MADE UP AS FOLLOWS

VAT Receivable	2,075 72	2,075 72
Bank Current + Interest	1,617 07	1,617 07
	<u>3,692 79</u>	<u>3,692 79</u>



Neil Chesterton
Administrator



Appendix 2

Summary of the Administrator's proposals



CARPE DIEM GROUP HOLDINGS LIMITED (In Administration)

Summary of Administrator's formal proposals

- 1 That the Administrator continues to manage the affairs of the Company in such a manner as they consider expedient with a view to achieving the statutory purposes of the Administration
- 2 In the event that there are no monies remaining to be distributed to creditors and as soon as all matters relating to the Administration have been completed, the Administrator files a notice with the Registrar of Companies that the Company should be dissolved
- 3 The Administrator investigates and, if appropriate, pursues any claims that he or the Company may have against any directors or former directors, other third parties, officers or former officers, advisers or former advisers of the Company
- 4 The Company may be placed into compulsory liquidation in circumstances where assets are still to be realised or investigations concluded yet there will be no return to unsecured creditors. In these circumstances it is further proposed that Neil Chesterton be appointed Liquidator of the Company
- 5 The Administrator shall do all such other things and generally exercise all of his powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration
- 6 That pursuant to paragraph 98 of schedule B1 of the Insolvency Act 1986 that upon the ending of the administration the Administrator be discharged from liability of any action of his as Administrator
- 7 Ordinarily the Administrator would seek approval of the Proposals at a meeting of the creditors of the Company. However, in this case, as there is little likelihood of a dividend being available for unsecured creditors, the Administrator is dispensing with the requirement to hold such a meeting as allowed by Paragraph 52(1)(b) of Schedule B1 to the Act
- 8 Creditors whose debts amount to at least 10% of the total debts of the Company may request a meeting. Any requests for an initial creditors' meeting must be made in writing to this office using Form 2.21B (available on request) by 14 August 2012. Security for costs of holding the meeting must also be provided
- 9 If no meeting is requested, the Proposals will be deemed to have been approved
- 10 Once approved, the affairs of the Company will be managed in accordance with the Proposals and financed out of the asset realisations



Appendix 3

Schedule of time charges (in accordance with Statement of Insolvency Practice No. 9)

Carpe Diem Group Holdings Ltd (In Administration)

Administrator:

Neil Chesterton

Analysis of Fees

Up to

02/01/13

Classification of work function	Hours					Time Cost £	Average hourly rate £
	Partner	Director	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Advice, administration and planning	7.0		8.9	7.6	23.5	£6,816	£291
Investigations	1.0		2.2	5.0	8.2	£1,630	£199
Realisation of assets	16.5		7.3		23.8	£10,318	£434
Trading					0.0		£0
Creditors	4.8		18.1	6.4	29.2	£7,932	£272
Case specific matters					0.0		£0
Total hours	29.3	0.0	36.5	19.0	84.7		
Hourly charge out rate	£475	£0	£284	£110			
Total fees to date (£)	£13,894	£0	£10,718	£2,085	£26,696	£26,696	£315
Total fees drawn to date (£)						£13,954	
Total fees undrawn to date (£)						£12,742	

Carpe Diem Group Holdings (In Administration)

Analysis of Disbursements

Up to

02/01/13

Category 1 Disbursements		
Amounts comprising external supplies of incidental services specifically identifiable to a case	Billed £	Unbilled £
Bordereau	120 00	
Statutory Advertising	76 50	
Postage & Company Searches	35 40	13 80
Court Fees	75 00	
Total	306 90	13 80

Category 2 Disbursements		
Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest	Billed £	Unbilled £
Printing and stationery	176 70	46 45
Total	176 70	46 45

THE MACDONALD PARTNERSHIP PLC**CHARGE OUT RATES**

Effective date

The charge out rates are effective from 1st October 2010

Charge out rates

Title	Grade	Rate
		£ph
Partners	1 1	575
	1 2	475
	1 3	375
Managers	2 1	350
	2 2	275
	2 3	225
Administrators	3 1	110
	3 2	95
	3 3	80
Support Staff	4 1	55
	4 2	50
	4 3	45

NOTE

Time is recorded in six minute increments

THE MACDONALD PARTNERSHIP PLC FEES, DISBURSEMENTS AND EXPENSES POLICY

INTRODUCTION

The MacDonald Partnership Plc is a specialist firm of licensed Insolvency Practitioners

As a result, we have very specific and specialist billing structures. This schedule sets out our terms and conditions of billing to clarify the position

GENERAL PHILOSOPHY

It is important to stress that the general philosophy of the firm's billing structure is as follows

- 1 To provide
 - (i) The highest possible quality in terms of
 - (a) technical excellence
 - (b) delivery of service
 - (ii) The highest possible level of integrity and professionalism
 - (iii) A personal service
- 2 To provide value for money and to reflect the need for a reasonable profit and return in providing our services

Given this, it is important to set a basic and reasonable pricing and billing structure to maximise the combined interests of our clients, third parties (such as banks and creditors) and the firm

VARIATION FROM OUR BILLING STRUCTURE

The billing structure has been created to reflect the economic substance of providing the quality of service that we give

To charge lower or different fees would be unprofitable for the firm. We will therefore only allow variations from our billing structure in extreme circumstances. Any such variation must be approved by either one of the managing or finance directors

DEFINITIONS

FEES

Fees are the time charges that reflect the time spent on a case by a partner, director or staff member of the firm. Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment

With regard to support staff, we advise that time spent by cashiers and other support staff in relation to specific

tasks on an assignment is charged. All activity on cases is charged and recorded in six minute increments

In corporate recovery and insolvency cases fees can be charged on a time cost basis, a set fee basis, on a percentage of the assets realised and distributed or a mixture of the above. The fees charged are based on the Scale Rates charges (which are detailed below)

A schedule of Charge Out Rates applies to each grade of staff and is available for inspection at any time

PROFESSIONAL ADVISORS

We use professional advisors on some of our assignments. The basis of our fee arrangements with advisors, which is subject to review on a regular basis, is generally on an hourly rate basis plus disbursements. Fixed fee arrangements will be disclosed where applicable. Our choice of professional advisors is based on our perception of their experience and ability to perform the type of work required, the complexity and nature of the assignment and the basis of our fee arrangement with them

DISBURSEMENTS & EXPENSES

For the purposes of compliance with Statement of Insolvency Practice 9 (SIP 9) and R3's best practice guidelines, disbursements and expenses are split into two categories

Category 1 Disbursements

Generally comprise those external supplies of incidental services specifically identifiable to a specific job or case (including agents, insurances, as well as other outsourced services such as room hire, statutory advertising, court fees, couriers, postage, printing, travel and document storage)

Category 2 Disbursements

Generally comprise costs, which whilst being in the nature of expenses or disbursements, include elements of shared or allocated costs. Such disbursements are listed below

1	Binders	£1 15	Per item
2	Car	£0 50	Per mile
3	Copies (black)	£0 15	Per page
4	Dividers	£1 00	Per item
5	Envelopes	£0 10 - £0 15	Per item
6	Files	£6 00	Per item
7	Labels	£0 25	Per sheet
8	Letters	£2 20	Per letter
9	Printouts	£0 20	Per page

AGREEMENT OF FEES, DISBURSEMENTS AND EXPENSES

CORPORATE RECOVERY AND INSOLVENCY

For corporate recovery and insolvency work, the following fee structure applies. For this specialist type of work, fees can either be charged on a time basis or on a scaled percentage charge of assets realised and distributed. Unless otherwise stated, all corporate recovery and insolvency work is done on a time basis.

1. Pre-appointment work

Pre-appointment work includes (for example)

- (1) Nominees fees in individual and company voluntary arrangements
- (2) Assistance and preparation in holding a section 98 meeting
- (3) Assistance in placing a company into administration
- (4) Investigation work prior to a formal insolvency procedure, or general advisory work

Pre-appointment work will be charged on the following basis

- (1) Fees will be agreed with the firm's client in advance
- (2) A standard engagement letter will be produced and it will refer to the fees, disbursements and expenses policy, as a source of reference
- (3) In cases where (due to urgency or unusual circumstances) no engagement letter has been drawn up, all fees will be charged according to this schedule

2. Post appointment work

Post appointment work includes all work done as required by the Insolvency Act 1986 (as amended) and by the Insolvency Rules 1986 (as amended)

All post appointment fees and disbursements must be approved by

- (1) a general meeting of creditors, or
- (2) a meeting of a creditor or liquidation committee, or
- (3) both of the above, or
- (4) where there is a disagreement on the level of fees, by the procedure available in the Insolvency Rules 1986 (as amended)
- (5) in the case of an administrative receivership, by the debenture holder

3. Scale charges

Where fees are taken on a realisation basis (other than a time charge basis) the scale charges are charged on the basis of the Scale Charges laid out in schedule 6 of the Insolvency Rules 1986, which is detailed as follows

The realisations scale

(i)	On the first £5,000 or fraction thereof	20%
(ii)	On the next £5,000 or fraction thereof	15%
(iii)	On the next £90,000 or fraction thereof	10%
(iv)	On all further sums realised	5%

The distribution scale

(i)	Of the first £5,000 or fraction thereof	10%
(ii)	On the next £5,000 or fraction thereof	7½%
(iii)	On the next £90,000 or fraction thereof	5%
(iv)	On all further sums realised	2½%

4. Realisation and distribution for secured creditors

The realisation and distribution fees for any secured creditor (other than an appointing debenture holder) are based on the Official Receivers scale charges as detailed above

MAINTENANCE OF RECORDS

The MacDonald Partnership Plc maintains complete records on both time recording, disbursements and expenses to ensure accuracy of charges

DATA PROTECTION

Confidentiality of information is an important concern for The MacDonald Partnership Plc. We are registered and comply with the data protection laws of the United Kingdom. Information about clients and creditors are held on databases. If you wish to know what information we hold about you please write to The Data Protection Officer, The MacDonald Partnership Plc, 4th Floor, 100 Fenchurch Street, London, EC3M 5JD to request details

MONEY LAUNDERING

The MacDonald Partnership Plc is required, by law, to assist the authorities in eradicating the laundering of proceeds of illegal activity. We may therefore ask certain questions in respect of the source of funds or other monies provided, as well as the identification of clients. We may also be required, in certain circumstances, to report to the relevant authorities on any suspicious activity. We are not required to inform any party of any report made about them.