

To all known creditors

29 July 2009

Our ref: 2009.07.29/DYS/DC/VK

Dear Sir/Madam

Keydata Investment Services Limited (in Administration) (“the Company”)

This letter is addressed to all known parties who may be creditors of the Company and to whom notice of the appointment of Administrators was sent.

Enclosed with this letter is a document entitled “Keydata Investment Services Limited (in Administration), Joint Administrators’ Proposals for Achieving the Purpose of Administration”. This document provides an account of the steps that have been taken in the Administration to date, together with the Administrators’ proposals to be put to a meeting of creditors on 17 August 2009 at 11:00 hrs at Hotel Russell, 1-8 Russell Square, London WC1B SBE, and to give you formal notice of that meeting.

What steps should you be taking now?

All creditors will be bound by the Administrators’ proposals if they are approved at the creditors’ meeting by the requisite majority. It is therefore important that you read this document carefully. You may suggest modifications that you wish us to consider for incorporation into the proposals.

It is expected that a creditors’ committee will be formed and that many creditors may wish to be a member of it, although the relevant UK legislation provides that a maximum of five members only can be appointed. The Administrators would be grateful to receive nominations well in advance of the meeting and in any event by 5 pm (GMT) on 13 August 2009. Creditors should make such nominations for membership by completing the appropriate part of the enclosed proxy form (Form 8.2 and guidance note on how to complete your proxy enclosed). Please return your proxy form to the above address or by facsimile on +44 (0) 20 7212 6800.

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, if you have not already done so, on the enclosed statement of claim form as soon as possible. In order to vote (either in person or by proxy) we request that written details of your claim be received by us, at the above address, by no later than 12.00 noon (GMT) on 14 August 2009.

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.

If you are a former employee of the Company

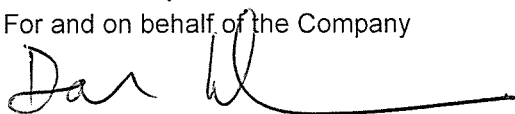
If you are a former employee of the Company you may have submitted your claim using the yellow Form RP1; if you have there is **no need** to resubmit your claim using the enclosed statement of claim.

Further assistance

If you require any further assistance please do not hesitate to contact Victoria Keefe on 0207 212 6744

Yours faithfully

For and on behalf of the Company



Dan Schwarzmann
Joint Administrator

Dan Schwarzmann and Mark Batten of PricewaterhouseCoopers LLP were appointed joint administrators of Keydata Investment Services Limited on Monday 8 June 2009, to manage its affairs, business and property as agents without personal liability. Dan Schwarzmann and Mark Batten are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

Enclosures:

- Joint Administrators' proposals for achieving the purpose of the Administration
- Form 2.20B (notification of initial creditors' meeting)
- Form 8.2 (proxy form)
- Form 8.2(a) (information on how to complete your proxy)
- Statement of Claim form

29 July 2009

For the attention of investors in products detailed in Appendix A

Dear Lifemark Investor

Keydata Investment Services Limited (in administration) (“Keydata”)

As you are aware, various irregularities have come to light over the stock exchange listing of Lifemark S.A. bonds backing certain Keydata products and Lifemark products (as identified in our press release of 30 June 2009 on our website: www.pwc.co.uk/KIS). This has cast doubt over the eligibility of these products to be held in an ISA.

HM Revenue & Customs (“HMRC”) have informed the Joint Administrators that investors who receive payments on these products on or after 22 July 2009 should now assume that ISA protection no longer applies to these payments. Accordingly, such investors should declare these payments on their personal tax returns. Investors should also be aware that details of these payments will be reported to HMRC in due course.

Investors who are in any doubt about their personal tax position in relation to these products should consult a professional financial adviser.

Yours sincerely
For and on behalf of the Company



Dan Schwarzmann
Joint Administrator

Dan Schwarzmann and Mark Batten of PricewaterhouseCoopers LLP were appointed Joint Administrators of Keydata Investment Services Limited on Monday 8 June 2009, to manage its affairs, business and property as agents without personal liability. Dan Schwarzmann and Mark Batten are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

Appendix A

KEYDATA DEFINED INCOME PLAN (ISSUES 1 - 8)	LIFEMARK SECURE INCOME BOND 3 SEK – ANNUAL INCOME
KEYDATA SECURE INCOME BOND 4	LIFEMARK SECURE INCOME BOND 3 SEK – QUARTERLY INCOME
THE INCOME PLAN (ISSUES 1 - 12 & 14)	LIFEMARK SECURE INCOME BOND 4 EURO – ANNUAL INCOME
KEYDATA SECURE INCOME PLAN (ISSUES 1 – 12 & 14)	LIFEMARK SECURE INCOME BOND 4 SEK – ANNUAL INCOME
KEYDATA DEFINED INCOME PLAN (SPECIAL EDITIONS)	LIFEMARK SECURE INCOME BOND 5 EUR – ANNUAL INCOME
KEYDATA DEFINED INCOME PLAN 5 Year SPECIAL EDITION ISSUES 2 – 8	LIFEMARK SECURE INCOME BOND 5 EUR – QUARTERLY INCOME
LIFEMARK SECURE INCOME BOND 1 EURO – QUARTERLY INCOME	LIFEMARK SECURE INCOME BOND 5 SEK – ANNUAL INCOME
LIFEMARK SECURE INCOME BOND 2 SEK – ANNUAL INCOME	LIFEMARK SECURE INCOME BOND 5 SEK – QUARTERLY INCOME
LIFEMARK SECURE INCOME BOND 2 SEK – QUARTERLY INCOME	LIFEMARK SECURE INCOME BOND 7 EURO – QUARTERLY INCOME
LIFEMARK SECURE INCOME BOND 3 EURO – QUARTERLY INCOME	LIFEMARK SECURE INCOME BOND 8 SEK – QUARTERLY INCOME

KEYDATA INVESTMENT SERVICES LIMITED (In Administration)

**Joint Administrators' Proposals for Achieving the Purpose of
Administration**

27 July 2009

Contents

Section	Page
Section 1: Purpose of this document	2
Section 2: The circumstances giving rise to the Administrators' appointment	3
Section 3: Actions of the Administrators on and following their appointment	4-5
Section 4: Objective of the Administration and dividend prospects	6
Section 5: Proposals for achieving the purpose of the Administration	7-8
Section 6: Statement of Affairs	9
Section 7: Statutory information	10
Section 8: Receipts and Payments Account to 28 July 2009	11
Section 9: Administrators' time costs to 20 July 2009	12
Appendix A: Copy of the Statement of Affairs	
Appendix B: Questions and answers regarding the initial meeting of creditors and the creditors' committee	
Appendix C: A creditors' guide to Administrators' fees (in accordance with Statement of Insolvency Practice No. 9)	

Section 1: Purpose of this document

Introduction

I wrote to creditors on 11 June 2009 to explain that Keydata Investment Services Limited ("the Company" or "Keydata") had entered into Administration and that Mark Batten and I had been appointed as Joint Administrators ("the Administrators") on 8 June 2009.

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 the Administration have been agreed by the Company's creditors and implemented, following which the Administration will end.

The purpose of the Administration is to achieve one of the following objectives:

- (a) 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 feasible to rescue the Company as a going concern.

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

Creditors' meeting

An initial creditors' meeting will be held on Monday 17 August 2009 at 11:00 am at Hotel Russell, 1-8 Russell Square, Bloomsbury, London WC1B SBE to consider these proposals and decide whether a creditors' committee should be formed and, if no committee is formed, to fix the Administrators' remuneration. Formal notice of the meeting, on 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. Due to the complexity of this case, it would be helpful if a creditors' committee is formed. If you are willing to assist please put your name forward as a candidate for membership by completing the appropriate section of the 'Proxy Form'.

Furthermore, it would be helpful if any creditor wishing to be considered for election to the creditors' committee notifies us of their interest prior to the creditors' meeting.

As a creditor you can attend the creditors' meeting either in person or by submitting a 'Proxy Form'. Please let us have details of your claim on the enclosed 'Statement of Claim' form as soon as possible if you have not already provided this to our office. In order to vote (either in person or by proxy) we must receive written details of your claim by no later than 12.00 noon on Friday 14 August 2009. 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.

Those investors, who hold investment products where income payments or redemptions are not currently being made, and are not envisaged to be made, are considered contingent creditors of the Company for the purpose of this meeting. Accordingly, they will have an opportunity to vote on the Administrators' proposals as previously detailed. This includes investors who hold the following investment products:

- Keydata Secure Income Bond – Growth (Issue 1)
- Keydata Secure Income Bond – Income (Issue 1)
- Keydata Secure Income Bond 2 – Growth
- Keydata Secure Income Bond 2 – Income
- Keydata Secure Income Bond 2 – Quarterly Income (USD)
- Keydata Secure Income Bond 3 – Growth
- Keydata Secure Income Bond 3 – Income

Further queries

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 Victoria Keefe on 020 7212 6744.



Dan Schwarzmann

Joint Administrator of Keydata Investment Services Limited

Section 2: The circumstances giving rise to the Administrators' appointment

Background information on the Company

The Company was incorporated on 12 February 1999 under the name of Fedsure Investment Products Services Plc, as a public limited company. On 17 May 2001 a special resolution was passed to change the Company's registered name from Fedsure Investment Products Services Plc to Keydata Investment Services Plc and, on 12 June 2001, the Company re-registered as a private limited company.

The Company's main activities were the marketing of structured investment products through intermediaries, and the administration of both its own Keydata branded products and structured investment products marketed by third parties. The Company had three offices: a sales office based in London, an accounts office in Glasgow and an office in Reading which completed administrative functions.

It is authorised and regulated by the Financial Services Authority ("FSA").

In addition to more traditional structured investment products, which are typically backed by blue chip financial institutions, in 2005 the Company decided to promote bonds which were backed by a portfolio of "Key Man"/senior life insurance policies which insured the lives of senior citizens in the USA. The basic structure of these products was such that the investors' funds purchased a corporate bond issued by a Luxembourg special purpose vehicle, which in turn would invest in a portfolio of life insurance policies and cash. The first of these types of products were called Secure Income Bonds and issues 1, 2 and 3 of the Secure Income Bonds were issued between late 2005 and early 2006.

On behalf of investors in the Secure Income Bonds issues 1, 2 and 3, the Company then purchased corporate bonds issued by a company called SLS Capital S.A. ("SLS"). Subsequent products marketed as Secure Income Bond (Issue 4), Secure Income Plan (Issues 1 to 12 and 14) and the Defined Income Plan (Issues 1 to 8 plus special editions) were similar in structure but the corporate bonds were issued by a company called Lifemark S.A. ("Lifemark"). All of these products, whether invested in corporate bonds by SLS or Lifemark, were promoted as being eligible for investors using the tax efficient ISA wrapper structure and this complied with the requirements

for a product to be an ISA as set out in the Individual Savings Accounts Regulations 1998 SI 1998/1879 (the "ISA Regulations"). However, the Company had failed to ensure that the investments were properly structured to fulfil ISA eligibility criteria required by HM Revenue & Customs ("HMRC") as set out in the ISA Regulations. In consequence, we believe that none of these investments which were sold to investors within ISA wrappers met the relevant criteria set out in the ISA Regulations. This issue was identified by the FSA as part of an ongoing Enforcement Investigation. The full extent of the problem became clear when it became apparent that it was going to prove difficult, if not practically impossible, to rectify the defects in the ISA eligibility of the underlying products. Accordingly, the scale of the potential tax liability, which could be levied by HMRC on the Company by virtue of the defects, could be substantial.

At the end of May 2009 some £450m had been invested in SLS and Lifemark products. A further £200m was invested in other Keydata branded structured investment products and some £2.2bn was administered for third party clients.

The Company also designed and promoted an Income Property Bond product which was backed by a commercial portfolio of residential apartment complexes in the USA. The basic structure of these products was such that the investors' funds purchased a corporate bond issued by Hometrak S.A. ("Hometrak"), a Luxembourg special purpose vehicle, which in turn would invest the funds with Miles Properties, a US property ownership and management company. Miles Properties issued promissory notes to Hometrak and invested in a portfolio of US properties.

The Company's main source of income was commissions earned on the investments it administered. At the operating level it had been profitable.

Events immediately preceding the Administrators' appointment

Initially the FSA considered an application to appoint liquidators but the Company consented to the appointment of the Administrators and Mark Batten and I were duly appointed by the Court on 8 June 2009.

Section 3: Actions of the Administrators' on and following their appointment

Actions of the Administrators' on their appointment

The most immediate concern was the security of client monies. Some £170m was held in client accounts by the Company and we embarked on an urgent review together with our solicitors, Freshfields Bruckhaus Deringer LLP ("Freshfields"), which concluded, on the basis of the information available and investigations undertaken, that such investor monies were ring-fenced in separate designated client accounts.

The largest creditor appeared to be HMRC. Indeed, other unsecured creditors appeared relatively modest. We therefore determined that the best result for stakeholders would be a sale of the Company as a whole, avoiding claims arising from termination of contracts and preserving goodwill. If a compromise arrangement could be entered into with HMRC then we determined that a sale of the shares of the Company might be possible.

In the course of our investigations into the Company we identified that a substantial debt of some £4m had become due from SLS. Upon further enquiry it appeared that this debt had arisen because income payable by SLS to investors in the Secure Income Bonds issues 1, 2 and 3 had in fact not been paid since late 2008 and had instead, been funded from the Company's own corporate funds. This put us on notice of a potential issue with the underlying funds held by SLS. Over the weekend of 27/28 June 2009 we became aware of information which suggested that the underlying assets of SLS had been liquidated and may have been misappropriated. This made the sale of the Company's shares unviable.

Throughout the Administration we have been in contact with the FSA who have been of great assistance in endeavouring to preserve value for the benefit of creditors.

Trading following the Administrators' appointment

In order to maintain the goodwill of the business, trading continued after our appointment and under our supervision. It was not possible to market or sell new own branded products although it was possible to process new products for third parties and in the period 8 June 2009 to 20 July 2009

some £150m of new investments were transacted. In addition, continued processing of income payments, early redemptions and surrenders were undertaken. This gave rise to a number of significant tax issues which need to be overcome before certain of these payments can be made.

Because of the inability to sell new products the London sales team was retained purely to act as an interface with the Independent Financial Advisor ("IFA") community and answer the IFAs' queries. We were unable to retain the services of the sales team beyond the first two weeks of the Administration as the majority resigned around the time that it became clear that a sale of the shares would no longer be possible. The London office was eventually closed entirely around the middle of July.

A small number of staff were made redundant, including the directors, in order to manage costs but the entire Reading operation has remained unaffected, as it was necessary for the continued administration of the products.

Commission income continued to be received either on new investments being placed or on a 'trail' basis depending upon the contract with the underlying investment provider. The Company's accounting policy had been to match such commission income to the associated expenses over the life of the investments concerned. Purely on a cash basis the Administrators received approximately £1.3m in revenue in the period from 8 June 2009 to 28 July 2009. Against this expenses of £0.6m were incurred.

Of the £1.3m revenue received in this period, £1.2m relates to pre-Administration debtors. In addition, during this period £0.8m additional revenue was earned and is expected to be received in August.

Sale process

After our appointment we sought to explore immediate sale options for the Company. An orderly but accelerated sale process was required because any protracted process was likely to reduce sale proceeds and lead to an erosion of value. More than 50 interested parties contacted us to express their interest in acquiring either the Company or parts of its business.

We also undertook an exercise to identify other potential acquirers who might find an acquisition of the Company attractive. This resulted in us contacting 28 further parties. During this process we actively sought open consultation with the directors of the Company to ascertain their views on potential buyers.

The Administrators compiled an information pack for distribution to interested parties, setting out details of the Company including its operations, personnel, IT systems, infrastructure and statutory financial information. A virtual data room was also opened to selected bidders.

Indicative offers were received from seven bidders by close of business on 11 June 2009. From these bidders, five potential acquirers were selected for face-to-face meetings and conference calls.

From 15 June 2009 onwards, the Administrators worked to provide responses to outstanding questions and additional documents were uploaded to the data room.

Final offer stage

Revised non-binding offers were received from remaining bidders on 16 June 2009. During the course of 16 June 2009 and 17 June 2009 we assessed each proposal and sought clarification from all bidders.

On 18 June 2009, a non binding offer involving the acquisition of the Company's shares was received from a bidder which would have represented much better value for the creditors of the Company than the other proposals already received. Therefore, it was decided to progress quickly with this proposal and we instructed Freshfields to draft a share sale and purchase agreement and related documentation for this preferred bidder.

The deal was eventually was put on hold until further clarity could be gained as to the safe custody of the client monies invested in SLS.

On 22 June 2009 a further non-binding offer for the Company's shares was received from the

same bidder, this time in collaboration with Stewart Ford, a director of the Company. However, this proposal was not pursued after it was discovered that the underlying assets in SLS had been misappropriated.

With a share sale of the Company no longer feasible, we turned our attention to the potential sale of other assets within the Company. The following assets were identified for disposal:

- (a) The third party administration platform and employees based in Reading.
- (b) The Company's book of own structured products.
- (c) The Company's book of funds invested in Lifemark.

We also considered offers from bidders for any other individual assets, or combination thereof, that they might be interested in acquiring.

All interested parties were given until lunchtime on 15 July 2009 to submit non-binding offers. However, as a result of the issues that were encountered during the previous accelerated share sale process, few offers were received and these came from smaller, specialist parties.

Consideration of other options to date by the Joint Administrators

At present no assets have been sold. Alternative scenarios will need to be considered including an orderly run down of the business by the Administrators.

Section 4: Objective of the Administration and dividend prospects

Objective of the Administration

The Administrators' objective is to continue to trade the Company as a going concern to facilitate a better result for creditors as a whole than if the Company were to be wound up, without first being in Administration. Based on present information objective (b) (see page 2) is likely to be achieved, failing which, the Company's property is to be realised in order to make a distribution to one or more secured or preferential creditors and objective (c) (see page 2) will be achieved.

Dividend prospects

The Royal Bank of Scotland plc holds a fixed and floating charge over the assets of Company, dated 3 October 2003, which was satisfied by the Company prior to it entering into Administration.

Accordingly, any surplus funds, after the costs of the Administration have been discharged in full, will be distributed firstly to preferential creditors and subsequently to unsecured non-preferential creditors in proportion to their claims. Based on current projections, which are subject to substantial revision, it is likely that preferential creditors will be paid in full and unsecured non-preferential creditors may receive a nominal dividend.

Ending the Administration

We currently envisage that once the objective of the Administration is achieved the Company will be placed into creditors' voluntary liquidation to enable a distribution to unsecured creditors to be made. Upon completion of the liquidation, and three months after notice of such is received by the Registrar of Companies, the Company will be dissolved.

Section 5: 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 trading revenues and asset realisations so as 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.
- (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, protect and preserve the assets of the Company, to maximise their realisations or for any other purpose incidental to these proposals.
- (iii) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator or supervisor of a company voluntary arrangement / scheme of arrangement. The costs of establishing creditors' claims is to be met as a cost of the Administration, as part of the Administrators' remuneration.
- (iv) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion make an application to Court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch.B1 IA86.
- (v) 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.
- (vi) The Administrators will consult with the creditors' committee concerning the necessary steps to extend the Administration beyond the statutory duration of one year if an extension is considered advantageous. The Administrators shall either apply to the Court

or seek consent from the appropriate classes of creditors for an extension.

- (vii) 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) It is the intention of Administrators to place the Company into creditors' voluntary liquidation, once all asset realisations are achieved. In these circumstances, it is proposed that Dan Schwarzmann and Mark Batten 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 2.117(3) of the Insolvency Rules 1986 ("IR86"), creditors may nominate alternative liquidators, provided that the nomination is made after the receipt of these proposals and before they are approved.

- (b) If it transpires that there are insufficient funds with which to make a distribution to unsecured non-preferential creditors, the Administrators will file notice under Paragraph 84(1) Sch.B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved three months later.
- (c) 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 resolved by the creditors' committee, or, if there is no creditors' committee, 14 days after they cease to be Joint Administrators of the Company or in any case at a time determined by the Court.

- (viii) It is proposed that the Administrators' fees be fixed under Rule 2.106 of the IR86 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 the Statement of Insolvency Practice No.9) be charged in accordance with the Administrators' firm's policy as set out in Appendix C.

- (viii) It will be for the creditors' committee to fix the basis and level of the Administrators' fees and Category 2 disbursements. However, if no committee is appointed, it will be for the general body of creditors to determine these instead.

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

- (a) The approval of the Administrators' proposals for achieving the purpose of Administration.
- (b) The formation of a creditors' committee.
- (c) If a creditors' committee is not formed – the basis and level of the Administrators' fees and Category 2 disbursements.

Section 6: Statement of Affairs

A Statement of Affairs of the Company was delivered to the Administrators on 19 June 2009. The statement was signed by Mr Craig McNeill, a director of the Company and statements of concurrence have been requested from the other directors. However, to date they have not been received by the Administrators.

The Administrators make the following comments on the Statement of Affairs:

- (a) The Administrators have not carried out an audit on the information.
- (b) 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.
- (c) Due to the complexity of the case and the Administrators' ongoing investigations, it is inappropriate for the Administrators to comment on the potential realisable values attributed by the directors to the Company's assets.
- (d) The investment products traded and administered on behalf of financial institutions and private investors have been excluded from the Statement of Affairs as, although the funds are controlled by the Company, they are deemed to be protected client funds. Under the Financial Services Authority Client Money Rules, investors' monies should be held in segregated accounts and do not form part of the insolvent estate. The monies are, therefore, not available for distribution to the Company's preferential or unsecured non-preferential creditors.

The Statement of Affairs is provided at Appendix A and includes details of the names, addresses and debts of creditors. Please be aware that the Statement of Affairs is the directors' representation of the financial position of the Company and claims received by the Administrators' since their appointment have not been added to this schedule.

Section 7: Statutory and other Information

Court details for the Administration:	High Court of Justice, Chancery Division, Companies Court - Court case 14997 of 2009
Full name:	Keydata Investment Services Limited
Trading name:	Keydata Investment Services Limited
Registered number:	3714989
Registered address:	12 Plumtree Court, London EC4A 4HT
Company directors:	Mr Stewart Ford, Mr Craig McNeill and Mr Mark Owen
Company secretary:	Mr Craig McNeill
Shareholdings held by the directors and secretary:	Less than 1%
Date of the Administration appointment:	8 June 2009
Administrators' names and addresses:	Dan Schwarzmann and Mark Batten of PricewaterhouseCoopers LLP, 12 Plumtree Court, London EC4A 4HT
Appointer's name and address:	The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS
Objective being pursued by the Administrators:	Objective (b), being that a better result for the Company's creditors as a whole will be achieved than would be likely if the Company were wound up, without first being in Administration.
Division of the Administrators' responsibilities:	During the period for which the Administration is in force any act required or authorised under any enactment to be done by either or both of the Joint Administrators may be done by any one or more of the persons for the time holding that office.
Proposed end of the Administration:	Creditors' voluntary liquidation, failing which the Company will be dissolved
Estimated dividend for unsecured creditors:	It is anticipated that unsecured creditors may receive a nominal dividend.
Estimated values of the prescribed part and the Company's net property:	There is no qualifying floating charge holder, so there will be no prescribed part
Whether and why the Administrators intend to apply to Court under Section 176A(5) IA86:	Not applicable as there is no prescribed part
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000) (the "Regulation"):	The Regulation does not apply to this Administration because the Company is an investment undertaking for the purposes of Article 1(2) of the Regulation.

Section 8: Receipts and Payments Account to 28 July 2009

	£
Receipts	
Balance transferred from pre-appointment accounts	3,127,092.25
Book debts	1,161,568.58
Trading income	132,282.63
Bank interest	2,962.00
	<u>4,423,905.46</u>
Payments	
Net wages	424,597.55
PAYE and NIC	89,806.04
Employee Expenses	11,168.42
Consultancy fees	5,390.64
Trading costs	49,568.73
Rent	22,231.05
Cleaning and site clearance costs	120.00
Statutory advertising	461.74
Bank charges	3,860.00
Agents' fees	33,813.15
Storage costs	591.00
VAT	6,946.75
	<u>648,555.07</u>

Section 9: Administrators' time costs to 20 July 2009

	Partner		Director		Assistant Director		Senior Manager		Manager		Senior Associate		Associate		Support Staff		TOTAL		
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	
Accounting and treasury																			
Creditor enquiries			1	320			19	8,153	3	1,044	66	15,822	36	6,849			124	31,868	
Employee related matters							95	40,391	886	161,941	718	154,537	830	127,448			2,130	484,637	
Leasehold property							10	4,185	8	3,120	16	4,345	10	1,955			44	13,605	
Insurance							7	2,945	1	78	1	372	1	40			2	412	
Investigations	20	8,276	59	28,450	1	230	59	25,220	1	78	7	1,930	3	520			18	5,473	
Liaison with stakeholders							1	270	4	1,560	17	2,840	24	2,702			180	67,718	
Other assets							1	128			165	45,623	1	57			166	45,893	
Pensions							1	455			2	746	5	817			8	2,491	
Reporting	7	4,690	205	118,128			53	22,690			4	1,034	1	76			6	1,272	
Retention of title											4	1,034	1	76			266	145,584	
Sale of business	135	104,830	141	87,626	142	74,288			77	29,222	4	1,034	2	285			909	415,856	
Secretarial											9	2,257	2	408			114	12,704	
Statutory and other compliance							1	170			61	14,556	10	1,990			72	16,716	
Strategy and planning	177	118,870	91	51,990			30	12,785	1	41	34	10,445	5	984			338	195,115	
Tax and VAT	17	16,660	136	118,334			4	2,887	5	2,688	21	4,667	2	391			183	145,236	
Team management			21	11,856			1	595	35	9,087	2	391	1	150			60	22,078	
Trading supervision - customers							46	14,333	17	4,386	70	14,405	5	982			133	33,124	
Trading supervision - others			286	164,920			167	55,548	2	557	461	137,903	5	982			921	359,910	
Trading supervision - suppliers							46	14,812			4	1,286	5	973			55	17,071	
	356	253,326	940	581,624	143	74,518	541	205,567	639	213,724	2,070	532,764	941	146,236	103	10,039	5,733	2,017,798	

Keydata Investment Services Limited (in Administration)
Joint Administrators' proposals for achieving the purpose of Administration

Appendix A: Statement of Affairs

A – Summary of Assets

Assets

	Book Value	Estimated to Realise
	£	£
Assets subject to fixed charge:	NIL	NIL
Assets subject to floating charge:	NIL	NIL
Uncharged assets:		
Fixed Assets*	673,039.00	673,039.00
Trade debtors - invoiced	1,571,802.00	1,571,802.00
Trade debtors - accrued sales**	1,710,581.00	NIL
Inter co debtor - Keydata UK Limited***	6,562,567.00	NIL
Other debtors - SLS Capital****	4,001,939.00	NIL
Other debtors - Prepayments/other*****	438,353.00	438,353.00
Cash at bank	2,564,916.00	2,564,916.00
Estimated total assets available for preferential creditors	17,524,097.00	4,919,773.00

Notes:

- * Assumes business sold as going concern therefore no write down.
- ** Assumes worst case that all my investor cash is returned to investors. This may be incorrect, but is not within my control.
- *** Assumes nil recovery from Keydata UK Limited.
- **** Assumes worst case that nil recovery from SLS recovery from SLS Capital.
- ***** Prepaid expenses treated as nil NRV, other debtors based on actual cash received.

A1 – Summary of Liabilities

to realise	Estimated £
Estimated total assets available for preferential creditors (carried from page A)	£ 4,919,773.00
Liabilities	
Preferential creditors:- PAYE/NIC and VAT	£ 171,607.00
Estimated deficiency/surplus as regards preferential creditors	£ 4,748,166.00
Estimated prescribed part of net property where applicable (to carry forward)	
Estimated total assets available for floating charge holders	£ 4,748,166.00
Debts secured by floating charges	
Estimated deficiency/surplus of assets after floating charges	£ 4,748,166.00
Estimated prescribed part of net property where applicable (brought down)	
Total assets available to unsecured creditors	£ 4,748,166.00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Trade Creditors	1,082,555.00
HP Creditors	925.00
Accruals*	30,842.00
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£ 3,633,844.00
Shortfall to floating charge holders (brought down)	
Estimated deficiency/surplus as regards creditors	£ 3,633,844.00
Issued and called up capital	
Estimated total deficiency/surplus as regards members	£ 3,633,844.00

Notes:

* Accruals excludes any provision for contingent tax liability given uncertainty re amounts and excludes £10k audit fee accrual.

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
Keydata UK Limited	Suite 404, 151 West George Street, Glasgow, G2 2JJ	5,987,500.00	5,987,500.00	Deferred Ord of £1
		50,000.00	12,500.00	Ord 25p
TOTALS		6,037,500.00	6,000,000.00	

Date: 19/06/2009
Time: 10:27:18

Keydata Investment Services Ltd
Aged Creditors Analysis (Summary)

Page: 1

Report Date: 31/05/2009
Include future transactions: No
Exclude Later Payments: Yes

Supplier From:
Supplier To: / / / / / / / /

** NOTE: All report values are shown in Base Currency, unless otherwise indicated **

A/C	Name	Credit Limit	Turnover	Balance	Future	Current	Period 1	Period 2	Period 3	Older
ADM001	ADM Computing	£ 0.00	0.00	206.75	0.00	0.00	0.00	0.00	0.00	206.75
AMS001	AMS	£ 0.00	4,638.28	1,344.76	0.00	414.06	488.34	442.34	0.00	0.02
ANG001	Angel Services	£ 0.00	664.60	195.40	0.00	0.00	95.50	99.90	0.00	0.00
ARM001	Armana	£ 0.00	7,649.40	0.20	0.00	0.00	0.00	-8,796.61	0.00	8,796.81
ASS001	Asset TV Ltd	£ 0.00	7,000.00	8,050.00	0.00	0.00	0.00	2,300.00	5,750.00	0.00
ATH001	Ruth Atherton	£ 0.00	2,822.02	-195.00	0.00	-195.00	0.00	0.00	0.00	0.00
AUT001	Automated Payment Transfer Ltd	£ 0.00	180.66	46.77	0.00	0.00	0.00	46.77	0.00	0.00
BAR003	Baronworth Investments Ltd	£ 0.00	24,750.00	7,000.00	0.00	7,000.00	0.00	0.00	0.00	0.00
BOS001	Boswells Group	£ 0.00	140.80	161.92	0.00	96.60	65.32	0.00	0.00	0.00
BT001	BT Convergent Solutions Ltd	£ 0.00	2,255.79	2,594.16	0.00	0.00	0.00	0.00	2,594.16	0.00
BUC001	Bucks & Berks	£ 0.00	67,362.57	25,303.59	0.00	6,822.20	12,044.39	6,437.00	0.00	0.00
CAL001	CallCredit plc	£ 0.00	20,790.00	7,969.50	0.00	2,656.50	2,656.50	2,656.50	0.00	0.00
CAR006	Mark Carey	£ 0.00	136.50	39.00	0.00	39.00	0.00	0.00	0.00	0.00
CEN003	Centrix Limited	£ 0.00	56,657.96	19,763.48	0.00	2,509.38	17,254.10	0.00	0.00	0.00
CHA002	Chartermarque Ltd	£ 0.00	1,237.50	1,423.13	0.00	0.00	0.00	1,423.13	0.00	0.00
CHE002	Chester Boyd	£ 0.00	1,420.35	1,115.90	0.00	0.00	0.00	1,115.90	0.00	0.00
CHI001	Chill Out Event Management	£ 0.00	4,570.00	2,231.00	0.00	2,231.00	0.00	0.00	0.00	0.00
CHU001	Chubb Fire Ltd	£ 0.00	331.00	380.65	0.00	380.65	0.00	0.00	0.00	0.00
CIT004	Citywire Financial Publishers	£ 0.00	5,500.00	6,325.00	0.00	0.00	6,325.00	0.00	0.00	0.00
CIT005	City Sprint	£ 0.00	2,295.39	730.83	0.00	0.00	80.44	650.39	0.00	0.00
CIT007	City of London	£ 0.00	28,756.00	28,756.00	0.00	0.00	28,756.00	0.00	0.00	0.00
CIT008	City of London club	£ 0.00	0.00	1,060.72	0.00	0.00	0.00	0.00	0.00	1,060.72
COR001	Corporate Facilities	£ 0.00	3,345.34	3,378.20	0.00	0.00	0.00	0.00	0.00	3,378.20
COU001	Craig Couldrick	£ 0.00	2,949.55	-398.60	0.00	-398.60	0.00	0.00	0.00	0.00
CRE001	Creative Print Group	£ 0.00	245,932.17	78,912.58	0.00	52,702.94	26,209.64	0.00	0.00	0.00
DAR001	Nigel Darby	£ 0.00	41,901.65	4,124.65	0.00	4,124.65	0.00	0.00	0.00	0.00
DEL001	Dell Computer	£ 0.00	12,904.72	10,922.78	0.00	10,922.78	0.00	-1,447.85	1,447.85	0.00
DOC001	DocStor Limited	£ 0.00	74,304.00	85,449.59	0.00	0.00	0.00	1,116.65	0.00	84,332.94
DRA001	Drain Man Plumbing	£ 0.00	691.00	691.00	0.00	0.00	691.00	0.00	0.00	0.00
EAS001	East Sussex National Golf Resort	£ 0.00	316.09	363.50	0.00	0.00	363.50	0.00	0.00	0.00
EDF001	EDF Energy	£ 0.00	0.00	192.84	0.00	0.00	0.00	0.00	0.00	192.84
ELI001	Elite Executive Services Ltd	£ 0.00	31,255.90	9,263.48	0.00	9,263.48	0.00	0.00	0.00	0.00
ELL002	Ellack Cleaning Contractors Ltd	£ 0.00	4,177.01	4,803.58	0.00	1,363.11	1,416.75	2,023.72	0.00	0.00
ENV001	Envex	£ 0.00	1,275.00	1,466.25	0.00	0.00	1,466.25	0.00	0.00	0.00
EXP001	Experian Ltd	£ 0.00	10,232.14	8,033.73	0.00	8,025.28	8.45	0.00	0.00	0.00
EXP002	Exponential-e Limited	£ 0.00	19,991.00	7,586.55	0.00	0.00	7,529.06	57.49	0.00	0.00
FIN005	Financial Express Limited	£ 0.00	4,999.92	479.16	0.00	0.00	479.16	0.00	0.00	0.00
FIN006	Findax	£ 0.00	4,000.00	2,000.00	0.00	2,000.00	0.00	0.00	0.00	0.00
FRA001	Fraser's Travel	£ 0.00	12,724.29	7,738.59	0.00	1,061.60	300.50	0.00	913.99	5,462.50
FST001	FST Technologies Limited	£ 0.00	101,389.79	32,747.49	0.00	0.00	11,849.97	20,897.52	0.00	0.00
FTB001	FT Business	£ 0.00	26,425.00	7,015.00	0.00	1,207.50	4,082.50	517.50	1,207.50	0.00
GEN001	Genesis Communications	£ 0.00	0.00	3,919.36	0.00	0.00	0.00	0.00	0.00	3,919.36
GRA001	Grainger Consulting	£ 0.00	47,928.74	34,091.18	0.00	17,119.85	12,189.62	4,781.71	0.00	0.00
GVA001	GVA Grimley	£ 0.00	2,454.73	2,822.94	0.00	2,822.94	0.00	0.00	0.00	0.00
HAV001	Havelock Hunter Securities	£ 0.00	91,025.45	14,561.64	0.00	14,561.64	0.00	0.00	0.00	0.00
HEA001	Headstart Recruitment	£ 0.00	10,650.00	2,415.00	0.00	0.00	2,415.00	0.00	0.00	0.00
IKO001	Ikon Office Solutions	£ 0.00	3,998.33	2,030.45	0.00	1,685.14	330.18	-86.22	86.22	15.13
ILX001	ILX Group	£ 0.00	1,550.00	1,782.50	0.00	0.00	1,782.50	0.00	0.00	0.00
INC002	Incise Media	£ 0.00	11,596.00	862.50	0.00	0.00	862.50	0.00	0.00	0.00
INF001	Infotec UK Ltd	£ 0.00	5,214.40	1,029.99	0.00	0.00	724.96	0.00	0.00	305.03
INQ001	Inquire Management	£ 0.00	0.00	12,079.00	0.00	0.00	0.00	0.00	0.00	12,079.00
INS001	Institute of Financial Planning	£ 0.00	150.00	150.00	0.00	0.00	0.00	0.00	0.00	150.00
IRW001	Irwin Mitchell	£ 0.00	703,658.65	148,039.98	0.00	0.00	148,039.98	0.00	0.00	0.00
ITC001	IT Corporation Ltd	£ 0.00	9,410.26	5,187.01	0.00	2,131.07	884.02	2,074.30	97.62	0.00
KEI001	Keith Prowse	£ 0.00	3,555.00	1,635.30	0.00	0.00	1,635.30	0.00	0.00	0.00
LEA001	Earning Tree international	£ 0.00	0.00	3,760.00	0.00	0.00	0.00	0.00	0.00	3,760.00
LON002	London Stock Exchange	£ 0.00	610.00	701.50	0.00	0.00	701.50	0.00	0.00	0.00
LON006	London Recycling Limited	£ 0.00	265.50	72.46	0.00	0.00	0.00	72.46	0.00	0.00
MAC001	MacRoberts	£ 0.00	10.00	11.50	0.00	11.50	0.00	0.00	0.00	0.00
MAJ001	Stuart Major	£ 0.00	580.10	51.00	0.00	0.00	51.00	0.00	0.00	0.00
MAK001	Maklee Design	£ 0.00	0.00	12,337.50	0.00	0.00	0.00	0.00	0.00	12,337.50
MAR001	Marsh UK Ltd	£ 0.00	64,630.00	64,630.00	0.00	64,630.00	0.00	0.00	0.00	0.00
MAR004	Marks and Spencer	£ 0.00	10,844.33	3,437.50	0.00	3,437.50	0.00	0.00	0.00	0.00
MAI002	Matthew Algie	£ 0.00	1,663.04	52.37	0.00	0.00	52.37	0.00	0.00	0.00
MAX001	Maxwell Winward LLP	£ 0.00	640.50	120.18	0.00	0.00	0.00	0.00	120.18	0.00

Date: 19/06/2009

Time: 10:27:18

Keydata Investment Services Ltd
Aged Creditors Analysis (Summary)

Page: 2

<u>A/C</u>	<u>Name</u>	<u>Credit Limit</u>	<u>Turnover</u>	<u>Balance</u>	<u>Future</u>	<u>Current</u>	<u>Period 1</u>	<u>Period 2</u>	<u>Period 3</u>	<u>Older</u>
MON002	Moneyfacts Group Plc	£ 0.00	4,750.00	1,150.00	0.00	1,150.00	0.00	0.00	0.00	0.00
MSM001	MSM International Ltd	£ 0.00	17,975.00	12,448.75	0.00	0.00	2,875.00	0.00	9,573.75	0.00
NEO001	Neopost Ltd	£ 0.00	1,046.22	811.09	0.00	-962.30	1,773.39	0.00	0.00	0.00
NUS001	Nu-Swift International Ltd	£ 0.00	481.89	0.01	0.00	-241.78	0.00	241.79	-382.71	382.71
ONE001	One World Water	£ 0.00	507.20	215.27	0.00	0.00	92.41	52.80	70.06	0.00
OWE001	Mark Owen	£ 0.00	3,807.90	7,357.65	0.00	0.00	0.00	0.00	0.00	7,357.65
PER003	Peregrine Communications Ltd	£ 0.00	42,824.44	23,580.03	0.00	0.00	4,626.80	5,417.23	13,536.00	0.00
PHO001	Phoenix Group Services	£ 0.00	133.46	153.48	0.00	0.00	153.48	0.00	0.00	0.00
PHS001	PHS Group	£ 0.00	2,171.83	188.43	0.00	188.43	0.00	0.00	0.00	0.00
PIE001	Pierre's	£ 0.00	138.10	138.10	0.00	138.10	0.00	0.00	0.00	0.00
POI001	Point to Point	£ 0.00	104.45	120.12	0.00	120.12	0.00	0.00	0.00	0.00
POI002	Point to Point Couriers	£ 0.00	1,224.25	333.16	0.00	0.00	333.16	0.00	0.00	0.00
QUA003	Quality Office Uk Ltd	£ 0.00	9,644.87	4,037.62	0.00	606.92	1,050.11	966.44	1,414.16	-0.01
RAF001	Ana Rafinesque	£ 0.00	199.10	67.50	0.00	67.50	0.00	0.00	0.00	0.00
REA001	Reading Borough Council	£ 0.00	28,593.00	22,241.50	0.00	0.00	0.00	22,241.50	0.00	0.00
RED001	Redstor Limited	£ 0.00	35,293.00	40,586.95	0.00	0.00	0.00	45,186.95	-4,600.00	0.00
REE002	Reed Personnel Services Plc	£ 0.00	59,963.25	19,527.13	0.00	2,645.69	9,313.83	7,567.61	0.00	0.00
REG002	Regus	£ 0.00	27,296.03	3,476.97	0.00	3,476.97	0.00	0.00	0.00	0.00
RIG001	Right Now Technologies	£ 0.00	6,250.00	7,187.50	0.00	0.00	0.00	7,187.50	0.00	0.00
ROY001	Royal Mail	£ 0.00	220,218.81	37,897.24	0.00	37,916.46	-19.22	0.00	0.00	0.00
SAF001	Safetyshop	£ 0.00	198.03	227.73	0.00	0.00	99.46	128.27	0.00	0.00
SAG001	Sage (UK) Ltd	£ 0.00	131.50	69.00	0.00	44.85	24.15	0.00	0.00	0.00
SCA001	Scarlet Courier	£ 0.00	443.26	38.89	0.00	0.00	56.12	0.00	-17.25	0.02
SEC004	Secure Systems UK Ltd	£ 0.00	2,159.00	1,749.15	0.00	0.00	1,749.15	0.00	0.00	0.00
SEV001	Seven Sixty Express	£ 0.00	428.55	258.65	0.00	80.97	113.28	64.40	0.00	0.00
SHE001	Deryse Sheppard	£ 0.00	818.00	-171.25	0.00	-171.25	0.00	0.00	0.00	0.00
SHR002	Shred-It	£ 0.00	1,541.17	267.00	0.00	198.00	69.00	0.00	0.00	0.00
SKY001	Skyline Printing Company Ltd	£ 0.00	69,653.50	44,607.35	0.00	363.40	12,777.65	6,193.90	22,908.00	2,364.40
SOU003	Sound Marketing	£ 0.00	3,300.90	231.00	0.00	138.00	93.00	0.00	0.00	0.00
SUN001	Sungard Availability Services Ltd	£ 0.00	36,414.76	15,080.05	0.00	0.00	335.93	294.11	14,309.12	140.89
SYM001	Symantec	£ 0.00	33,197.00	38,176.55	0.00	0.00	0.00	15,278.90	8,227.10	14,670.55
TAL001	Talisman	£ 0.00	1,340.00	1,541.00	0.00	0.00	1,541.00	0.00	0.00	0.00
TAN001	Tandem Partners	£ 0.00	1,450,631.86	76,000.00	0.00	76,000.00	0.00	0.00	0.00	0.00
TE001	Testing Circle	£ 0.00	1,340.00	1,541.00	0.00	0.00	1,541.00	0.00	0.00	0.00
TEN001	Tenon	£ 0.00	15,352.00	1,150.00	0.00	0.00	0.00	1,150.00	0.00	0.00
THE001	Thermal Transfer	£ 0.00	10,981.44	8,933.95	0.00	1,807.11	7,126.84	0.00	0.00	0.00
TIB001	Zane Tibble	£ 0.00	2,954.55	-398.60	0.00	-398.60	0.00	0.00	0.00	0.00
TRE001	Tres Bien Catering	£ 0.00	60.00	60.00	0.00	0.00	0.00	0.00	60.00	0.00
UNI001	Unigate Dairies	£ 0.00	2,378.72	126.26	0.00	126.26	0.00	0.00	0.00	0.00
UPS001	UPS Systems plc	£ 0.00	2,706.50	2,903.75	0.00	2,903.75	0.00	0.00	0.00	0.00
VOD001	Vodafone	£ 0.00	17,630.78	2,006.62	0.00	0.00	2,006.62	0.00	0.00	0.00
VOD002	Vodafone Specialist	£ 0.00	0.00	120.41	0.00	0.00	0.00	0.00	0.00	120.41
WEL002	Wells Tobias	£ 0.00	4,962.76	7,891.94	0.00	0.00	2,415.00	0.00	0.00	5,476.94
WIT003	Witan Jardine	£ 0.00	13,125.00	2,012.50	0.00	0.00	0.00	2,012.50	0.00	0.00
XOS001	XOS Ltd	£ 0.00	396.52	400.34	0.00	0.00	0.00	400.34	0.00	0.00
YES001	Yes-It	£ 0.00	127,591.50	565.35	0.00	0.00	565.35	0.00	0.00	0.00
Totals:			<u>3,571,786.74</u>	<u>1,082,554.63</u>	<u>0.00</u>	<u>343,981.68</u>	<u>342,727.38</u>	<u>150,835.84</u>	<u>77,453.75</u>	<u>167,555.98</u>

End of Report

Appendix B: Questions and answers regarding the initial meeting of creditors and the creditors' committee

(Reference to "Rules" are to the Insolvency Rules 1986)

Who will be at the meeting?

One or more of the Administrators will chair the meeting and answer creditors' questions (Rule 2.36). 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 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.

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 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.

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 decision on your claim provided you do so within 14 days of the Administrator reporting the result of the meeting to the Court, the Registrar of Companies and the creditors (Rule 2.39(5)). If the Court does reverse the chairman'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.

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 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 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, to deduct it from his claim (Rule 2.41).

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?

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)).

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).

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 rejected for the purpose of his entitlement to vote (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 representative under Section 375 of the Companies Act 1985 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 signed by or on behalf of the committee-member (Rule 2.55(2)).

No member may be represented by a body corporate, or by a person who is an undischarged bankrupt, a disqualified director or a person who is subject to a bankruptcy restrictions order, bankruptcy restrictions undertaking or interim bankruptcy restrictions order or is subject to a composition or arrangement with his creditors (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 C: A Creditors' 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 1 April 2007).

Introduction

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 and explains the basis on which fees are fixed.

The nature of Administration

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.

The creditors' committee

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 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.

Fixing the Administrator's fees

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 either:

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

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is fixed as a percentage fix the percentage to be applied. 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.

If there is no creditors' committee, or the committee does not make the requisite determination, the Administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as

the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the Court on application by the Administrator.

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:

- 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.

A resolution of creditors may be obtained by correspondence.

What information should be provided by the Administrator?

When seeking fee approval

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.

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.

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
- Realisation of assets
- Trading
- 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.

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.

After fee 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 creditors the Administrator should specify the amount of remuneration he has drawn in accordance with the resolution. 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 5.1.3. Where the fee is charged on a percentage basis the Administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, 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.

What if a creditor is dissatisfied?

If a creditor believes that the Administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the Court for an order that it be reduced. 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. Unless the Court orders otherwise, the costs must be paid by the applicant and not as an expense of the Administration.

What if the Administrator is dissatisfied?

If the Administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the Court for it to be increased. 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.

Other matters relating to fees

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.

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.

Provision of information – additional requirements

In any case where the Administrator is appointed on or after 1 April 2005 he 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 2 years from vacation of office.
(SIP 9 VERSION 5 – APRIL 2007)

Notice of a meeting of creditors

Name of Company Keydata Investment Services Limited	Company Number 03714989
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 14997 of 2009

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

Notice is hereby given by (a) Mr Dan Schwarzmann and Mr Mark Batten of PricewaterhouseCoopers LLP, 12 Plumtree Court, London EC4A 4HT

(b) Insert full name and address of registered office of the company

that a meeting of the creditors of (b) Keydata Investment Services Limited

(c) Insert details of place of meeting

is to be held at (c) Russell Hotel, 1-8 Russell Square, London WC1B SBE

on (d) 17 August 2009 at 11:00 hrs.


(d) Insert date and time of meeting

The meeting is: an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ("the Schedule")

I invite you to attend the above meeting.

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented.

In order to be entitled to vote under Rule 2.38 at the meeting you must give to me, not later than 12.00 hours on the business day before the day fixed for the meeting, details in writing of your claim.

Signed 
Joint Administrator(s)

Dated 29.07.2009

A copy of the proposals is attached

Keydata Investment Services in Administration – Statement of Claim

Creditor's name and address.	
Total amount of your claim, including any VAT at the date the administration commenced.	£
Please provide details of any documents that substantiate your claim including where applicable, details of any reservation of title in respect of goods to which the debt relates. If relevant, please attach a statement of account.	
What goods or services did you provide?	
Is all or part of your claim preferential as defined in the Insolvency Act 1986? (see footnote) If so, please provide details where indicated, otherwise leave this section blank.	Category Amount (s) claimed as preferential £
If you have security for your debt, please provide details of the type and value of the security, the date it was given, and provide details of how you have valued your security. If no security held, leave this section blank.	
We have a duty as administrators to consider the conduct of the directors prior to our appointment. Are there any particular matters relating to the purchase of goods and services from yourselves, or any other matters that you feel should be reviewed? If so, please provide brief details on this form, or on a separate sheet if there is insufficient room.	
Signature of creditor or person authorised to act on behalf of the creditor.	Date
Name in block capitals.	
Position with or relation to the creditor (e.g. director, company secretary, solicitor).	

D355E

Categories of preferential creditors are defined in section 386 of the Insolvency Act 1986 (amended by the provisions of section 251 of the Enterprise Act 2002) as contributions to occupational pension schemes; remuneration and accrued holiday pay of employees; amounts due in respect of monies advanced to pay remuneration and accrued holiday pay; amounts ordered to be paid under the Reserve Forces (Safeguard of Employment) Act 1985 and levies on coal and steel production

**Rule 8.1 Insolvency Act 1986
Proxy (Administration)**

Notes to help completion of the form

Keydata Investment Services Limited – in Administration

Please give full name and address for communication

Name of creditor.....

Address

Please insert name of person (who must be 18 or over) or the "chairman of the meeting". If you wish to provide for alternative proxy-holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

Name of proxy-holder

1.....

2.....

3.....

Please delete words in brackets if the proxy-holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy-holder at the meeting of creditors to be held on 17 August 2009 at 11:00 hrs at Russell Hotel, 1-8 Russell Square, London WC1B SBE, or at any adjournment of that meeting. The proxy-holder is to propose or vote as instructed below and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion.

Voting instructions for resolutions

Please tick the appropriate boxes

	In Favour	Against
1. That the administrators' proposals dated 29 July 2009 be accepted.		
2. That a creditors' committee be formed if there are sufficient creditors willing to act.		
3. For the appointment of.....representing as a member of the creditors' committee		
In the event that a creditors' committee is not appointed;		
4. That the administrators' fees be fixed 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 the administrators be authorised to draw such fees from time to time.		
5. That the administrators be authorised to draw disbursements for services provided by their own firm (Category 2 disbursements) as follows: Photocopying - charged for circulars to creditors and other bulk copying only at 3p per sheet; mileage - at a maximum of 62p per mile (up to 2,000 cc) or 81p per mile (over 2,000cc) from time to time. These rates may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. All other disbursements to be charged at cost.		
6. That the administrators be discharged from liability pursuant to Paragraph 98(1) of Schedule B1 to the Insolvency Act 1986 in respect of any action of theirs as administrators 14 days after they cease to be joint administrators of the company.		

This form must be signed

Signature Date

Name in CAPITAL LETTERS

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other authority for signature:

.....

HOW TO COMPLETE YOUR PROXY**Important Information**

Creditors wishing to vote at the meeting must complete and lodge the proxy with PricewaterhouseCoopers LLP, 12 Plumtree Court, London, EC4A 4HT the Administrators, unless they are individuals attending the meeting personally or are companies authorising a representative under Section 434B of the Companies Act 2006.

All creditors who wish to vote at the meeting, whether in person, by proxy, or in some other way, must provide details of their claim against the company to PricewaterhouseCoopers LLP by 12 noon on the business day preceding the meeting.

You will find additional notes on the proxy form itself.

Name of Creditor

Insert the name of the person, company or other body owed money.

Address

Insert the creditor's full address (including postcode).

Name of Proxy Holder

If you, or another authorised representative of your company, are attending the meeting then please put your/his/her name in here.

If someone else is attending on your behalf (for example your solicitor), then please state his or her name here. If you wish you may list more than one proxy holder, in case your first choice is unable to attend.

If you are not attending the meeting or sending a representative you may still vote by appointing the chairman as your proxy holder. To do so insert the words "**chairman of the meeting**" in the space for the proxy holder's name. The chairman will be one of the administrators or an employee of the Administrators duly authorised to act as chairman.

Voting Instructions for Resolutions

You do not need to give any voting instructions if you are happy for your proxy holder to exercise his or her own discretion on the use of your vote.

Complete section 1 to instruct your proxy holder how to vote on the acceptance or rejection of the administrators' proposals. Complete section 2 to instruct your proxy holder how to vote on whether a creditors' committee should be formed.

Only complete section 3 if you wish to vote for a specific creditor to be appointed to the creditors' committee. Otherwise, leave this section blank.

Complete sections 4 to 6 to instruct your proxy holder how to vote in respect of the administrators' remuneration, Category 2 disbursements and discharge from liability in the event that a creditors' committee is not formed.

There may be other resolutions proposed at the meeting (e.g. to modify the proposals or appoint other creditors to the committee). If you are content for your proxy holder to vote on any such resolution as he or she thinks fit, you need take no further action. If you do not wish your proxy holder to vote on any such resolutions you should delete the words in square brackets in the middle of the form. Please note that if you delete these words without completing section 1 or 2, your proxy holder will not be able to vote at all.

Signature

The proxy must be signed by a duly authorised representative of the creditor, usually a director in the case of a company, and his or her relationship to the creditor should be stated.