

The Insolvency Act 1986

FUSION MEDIA LIMITED

LAST KNOWN TRADING ADDRESS: 12 BEEHIVE COURT, HATFIELD HEATH, BISHOP'S STORTFORD, HERTFORDSHIRE, CM22 7EU

NOTICE IS HEREBY GIVEN pursuant to section 98 of the Insolvency Act that a meeting of the creditors of the above-named Company will be held at SOVEREIGN HOUSE, 212-214 SHAFTESBURY AVENUE, LONDON, WC2H 8HQ on 03 SEPTEMBER 2009 at 11:30 AM for the purposes mentioned in sections 99, 100 and 101 of the said Act.

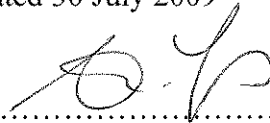
Resolutions to be taken at the meeting may include a resolution specifying the terms on which the Liquidator is to be remunerated and the meeting may receive information about, or be called upon to approve, the costs of preparing the Statement of Affairs and convening the meeting. A creditors' guide to liquidators' fees is enclosed.

NOTICE IS ALSO HEREBY GIVEN that Mr R F Simms of F A Simms & Partners Limited, Insol House, 39 Station Road, Lutterworth, Leicestershire LE17 4AP will, in the period prior to the meeting, provide such information about the Company's affairs, as creditors may require, free of charge.

NOTICE IS ALSO HEREBY GIVEN that for the purpose of voting, secured creditors are required, unless they surrender their security, to lodge before the meeting a statement giving particulars of their security, the date it was given and the value at which it is assessed, at the registered office of the Company, INSOL HOUSE, 39 STATION ROAD, LUTTERWORTH, LEICESTERSHIRE LE17 4AP.

Form of proxy is enclosed herewith and proxies must be lodged with the Company at its registered office not later than 12 noon on the 02 SEPTEMBER 2009.

Dated 30 July 2009



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MR A M MOSS - Director

Creditors are requested to send by post a statement of their claim to F A Simms & Partners Limited, Insol House, 39 Station Road, Lutterworth, Leicestershire LE17 4AP, in order that the Statement of Affairs being prepared by the Company may be as accurate as possible.

INSOLVENCY ACT 1986

Fusion Media Limited

Notes to help completion of the form

Please give full name and address for communication

Please insert name of person (who must be 18 or over) or the "chairman of the meeting" (see note below). 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 alternative as well.

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

Please complete para A if you wish to nominate or vote for a specific person as liquidator.

Any other resolutions which the proxy-holder is to propose or vote in favour of or against should be set out in numbered paragraphs in the space provided below para 1. If more room is required, please use the other side of this form.

This form must be signed

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

PROXY (Creditors' Voluntary Winding-up)

Name of Creditor _____

Address _____

Name of proxy-holder _____

1) _____

2) _____

3) _____

I appoint the above person to be my proxy-holder at the meeting of creditors to be held on 3 SEPTEMBER 2009, 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

- A. For the appointment of of as liquidator of the company. (In the event of a person named in paragraph 1 withdrawing or being eliminated from any vote for the appointment of a liquidator, the proxy-holder may vote or abstain in any further ballot at his/her discretion.)

Signature _____ Date _____

Name in CAPITAL LETTERS _____

Position with creditor or relationship to creditor

for signature _____

Please note that if you nominate the chairman of the meeting to be your proxy-holder, he will either be a director of the company or the current liquidator

Remember: there may be resolutions on the other side of this form

A CREDITORS' GUIDE TO LIQUIDATORS' FEES

ENGLAND AND WALES

1 Introduction

- 1.1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The creditors, who hope 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 Liquidator. The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the liquidator's fees. This guide is intended to help creditors be aware of their rights to approve and monitor fees and explains the basis on which fees are fixed.

2 Liquidation procedure

- 2.1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.
- 2.2 Voluntary liquidation is the more common of the two. An insolvent voluntary liquidation is called a creditors' voluntary liquidation (often abbreviated to 'CVL'). In this type of liquidation an insolvency practitioner acts as liquidator throughout and the creditors can vote on the appointment of the liquidator at the first meeting of creditors.
- 2.3 In a compulsory liquidation on the other hand, the function of liquidator is, in most cases, initially performed not by an insolvency practitioner but by an official called the official receiver. The official receiver is an officer of the court and a member of The Insolvency Service, an executive agency within the Department of Trade and Industry. In most compulsory liquidations, the official receiver becomes liquidator immediately on the making of the winding-up order. Where there are significant assets an insolvency practitioner will usually be appointed to act as liquidator in place of the official receiver, either at a meeting of creditors convened for the purpose or directly by the Secretary of State for Trade and Industry. Where an insolvency practitioner is not appointed the official receiver remains liquidator. Official receivers charge their fees on the basis of a statutory scale which is laid down by the Insolvency Regulations 1994.
- 2.4 Where a compulsory liquidation follows immediately on an administration the court may appoint the former administrator to act as liquidator. In such cases the official receiver does not become liquidator.

3 The liquidation committee

- 3.1 In a liquidation (whether voluntary or compulsory) the creditors have the right to appoint a committee called the liquidation committee, with a minimum of 3 and a maximum of 5 members, to monitor the conduct of the liquidation and approve the liquidator's fees. The committee is usually established at the creditors' meeting which appoints the liquidator, but in cases where a liquidation follows immediately on an administration any committee established for the purposes of the administration will continue in being as the liquidation committee.
- 3.2 The liquidator must call the first meeting of the committee within 3 months of its establishment (or his appointment if that is later), and subsequent meetings must be held either at specified dates agreed by the committee, or when requested by a member of the committee, or when the liquidator decides he needs to hold one. The liquidator is required to report to the committee at least every 6 months on the progress of the liquidation, unless the committee directs otherwise. This provides an opportunity for the committee to monitor and discuss the progress of the insolvency and the level of the liquidator's fees.

4 Fixing the liquidator's fees

4.1 The basis for fixing the liquidator's remuneration is set out in Rule 4.127 of the Insolvency Rules 1986. The Rule states that the remuneration shall be fixed either:

- as a percentage of the value of the assets which are realised or distributed or both, or
- by reference to the time properly given by the liquidator and his staff in attending to matters arising in the insolvency.

4.2 It is for the liquidation committee (if there is one) to determine on which of these bases the remuneration is to be fixed and, if it is to be fixed as a percentage, to fix the percentage to be applied. Rule 4.127 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 liquidator in connection with the insolvency;
- the effectiveness with which the liquidator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the assets which the liquidator has to deal with.

4.3 If there is no liquidation committee, or the committee does not make the requisite determination, the liquidator's remuneration may be fixed by a resolution of a meeting of creditors. The creditors take account of the same matters as the committee would. A resolution specifying the terms on which the liquidator is to be remunerated may be taken at the meeting which appoints the liquidator. If the remuneration is not fixed in any of these ways, it will be in accordance with the scale laid down for official receivers.

5 What information should be provided by the liquidator?

5.1 When seeking fee approval

5.1.1 When seeking agreement to his fees the liquidator 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.

5.1.2 Where, at any creditors' or committee meeting, the liquidator 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.

5.1.3 Where the liquidator seeks agreement to his fees during the course of the liquidation, he should always provide an up-to-date receipts and payments account. Where the proposed fee is based on time costs the liquidator 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 liquidator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the liquidator 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 liquidator 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 liquidator'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 liquidator wishes to make.
- The steps taken to establish the view 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 sub-contractors, 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.

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

5.2 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 liquidator should notify the creditors of the details of the resolution in his next report or circular to them. When subsequently reporting to creditors on the progress of the liquidation, or submitting his final report, he 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 liquidator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

5.3 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 liquidator 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 liquidator'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.

5.4 Realisation for secured creditors

Where the liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 8.1 below), he should disclose the amount of that remuneration to the committee (if there is one), to any meeting of creditors convened for the purpose of determining his fees, and in any reports he sends to creditors.

5.5 Reporting in compulsory liquidations

It should be borne in mind that in compulsory liquidations there is no statutory requirement for the liquidator to report to creditors until the conclusion of the assignment. In most such cases, therefore, creditors will receive no information during the course of the liquidation unless they specifically request it.

6 What if a creditor is dissatisfied?

6.1 Except in cases where there is a liquidation committee it is the creditors as a body who have authority to approve the liquidator's fees. To enable them to carry out this function they may require the liquidator to call a creditors' meeting. In order to do this at least ten per cent in value of the creditors must concur with the request, which must be made to the liquidator in writing.

6.2 If a creditor believes that the liquidator'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 liquidator 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 out of the assets of the insolvent company.

7 What if the liquidator is dissatisfied?

If the liquidator considers that the remuneration fixed by the 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 or in accordance with the official receiver's scale 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 committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the liquidator's notice of his application must be sent to such of the 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 out of the assets.

8 Other matters relating to fees

- 8.1 Where the liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with the scale laid down for the official receivers. Usually, however, the liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned.
- 8.2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, the committee or a meeting of creditors.
- 8.3 If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court.
- 8.4 There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors. Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company. Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration.

F A SIMMS & PARTNERS LIMITED

CREDITORS' GUIDE TO FEES

Charge-out rates (from 1st November 2006)

Grade	Charge-out rate (£ per hour)
Insolvency Practitioner	225
Senior Manager	150
Managers	60 - 120
Assistants & support staff	45 - 110

Time costs are calculated at 6 minute units

Agent costs

These are charged at cost based upon the charge(s) made by the Agent instructed. The term "Agent" includes

- Solicitors/legal fees
- Auctioneers/valuers
- Accountants
- Quantity Surveyors
- Estate agents
- Other specialist advisors

Storage costs

Charged at actual cost incurred for storage (and retrieval, when appropriate) of records.

Other disbursements (from 15th February 2005)

Category	Basis of charge
Indemnity Bond	At cost of mandatory cover required in accordance with the Insolvency Act 1986 for each appointment
Insurance of assets	At cost in relation to asset coverage requirement
Company searches	At cost incurred
Travel	Motor vehicle at 45p per mile All other forms at actual cost
Room hire	Initial meeting of creditors - £100 All other meetings of creditors - £50 Any other venue - at actual cost
Photocopying	15p per sheet of A4 30p per sheet of A3
Postage	At actual cost incurred
Facsimiles/Telephone	Charged at the following rate during connection: Local Calls – 5p per minute National Calls – 10p per minute International Calls – 30p per minute Landline to Mobile Calls (telephone only) 20p per minute
Other	At actual cost charged

Fusion Media Limited

Barclays Bank Plc
2 Terminus Street
HARLOW
Essex CM20 1XA
Ref : S/C 20-36-98 A/C 80099929

Fedex Uk Ltd
Parkhouse East Industrial Estate
NEWCASTLE-UNDER-LYME
Staffordshire ST5 7RB

GEM Distribution Limited
Shorten Brook Drive
Altham Business Park
Altham
ACCRINGTON
Lancashire BB5 5YP

H M Revenue & Customs
Room BP3202 Warkworth House
Benton Park View
Longbenton
NEWCASTLE UPON TYNE
NE98 1ZZ
Ref : 321/HZ84943

H M Revenue & Customs
N I Contributions Office
General Index
Benton Park View
LONGBENTON
Newcastle Upon Tyne NE98 1ZZ
Ref : 321/HZ84943

H M Revenue & Customs
The Legal Recovery Unit
3rd Floor NW
Queens Dock
LIVERPOOL
L74 4AA
Ref : 882 2846 93

H M Revenue & Customs
St Mungo's Road
CUMBERNAULD
Glasgow G70 5TR
Ref : 882 2846 93

H M Revenue & Customs
St Mungo's Road
CUMBERNAULD
Glasgow G70 5TR
Ref : 614 70947 03964

H M Revenue & Customs
Enforcement Office
Durrington Bridge House
Barrington Road
WORTHING
West Sussex BN12 4SE
Ref : 614 70947 03964

Tido (CES)
Ty Glas Road
Llanishen
CARDIFF