

**Notice of move from administration
to creditors' voluntary liquidation**

Name of Company
Courts Plc

Company number
00272534

In the High Court of Justice

Court case number
7329 of 2004

We Christine Mary Laverty
KPMG LLP
8 Salisbury Square
London EC4Y 8BB
United Kingdom

Michael Vincent McLoughlin
KPMG LLP
8 Salisbury Square
London EC4Y 8BB
United Kingdom

having been appointed Joint Administrators of Courts Plc
8 Salisbury Square London EC4Y 8BB

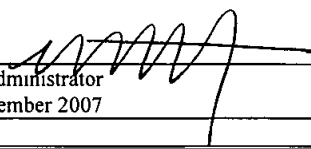
on 30 November 2004 by High Court of Justice

hereby give notice that
the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is proposed that
Christine Mary Laverty and Michael Vincent McLoughlin, KPMG LLP, 8 Salisbury Square, London EC4Y
8BB, United Kingdom,
will be the liquidators of the company (IP Nos 9121 6418)

We attach a copy of the final progress report

4 9

Signed


 Joint Administrator
 29 November 2007

Dated

Contact Details:

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

Chris Ball KPMG LLP 8 Salisbury Square London EC4Y 8BB United Kingdom
Tel 020 7311 5033 DX Exchange
DX Number DX 38050 Blackfriars

FRIDAY



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30/11/2007
COMPANIES HOUSE

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

DX 33050 Cardiff



Courts Plc (in administration)
("the Company" or "PLC")

**Report to creditors pursuant
to Rules 2.47 & 2.110 of the
Insolvency (Amendment)
Rules 2003**

29 November 2007

KPMG LLP

This report contains 15 pages
Appendices contain 12 pages



Courts Plc (in administration)
Report to creditors pursuant to Rules 2.47 & 2.110 of the Insolvency (Amendment) Rules
2003
KPMG LLP
29 November 2007

1 Introduction

Mick McLoughlin and Chris Lavery of KPMG LLP were appointed Joint Administrators to the Company on 30 November 2004 by the Court following an application by the directors of the Company. The syndicate of banks holding security consented to this process.

In accordance with Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 the functions of the Joint Administrators are being exercised by either or both of the Joint Administrators.

In accordance with Rule 2.47 and Rule 2.110 of the Insolvency (Amendment) Rules 2003, the Joint Administrators now set out their sixth and final progress report for the period from 31 May 2007 to 29 November 2007 for the purposes of reporting to Court and Companies House and updating creditors generally. We also enclose form 2.34B, providing formal notice of the move to creditors' voluntary liquidation, as an appendix.

We are pleased to be able to announce the sale of the Asian subsidiaries, which completed in June and July 2007. We also provide you with final administration receipts and payments accounts up to 2 November 2007 for both GBP and US\$ transactions, details of KPMG's professional fees and details of certain other matters arising in the case.

As this will be our final report in the administration of the Company, we will also briefly re-visit the steps taken to resolve the major issues during the course of the administration.



2 Statutory information

Joint Administrators	Michael Vincent McLoughlin and Christine Mary Laverty
Address and registered office of the Company	KPMG LLP 8 Salisbury Square London EC4Y 8BB
Administration Order	The Administration Order granted by the High Court in respect of the Company dated 30 November 2004 Court administration order number 7329 of 2004
Company	Courts Plc (company registered number 00272534)
Present Company Address	Not applicable
Appointor	The directors of the Company in accordance with Paragraph 12(1)(b) of Schedule B1 to the Insolvency Act 1986

The references in this report to sections, paragraphs or rules are to the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (Amendment) Rules 2003 respectively



3 Purpose of the Administration

In accordance with paragraph 3(1) Schedule B1 of the Insolvency Act 1986 the Joint Administrators have the following hierarchy of objectives. In order, these are

- 1) Rescuing the Company as a going concern, or,
- 2) 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,
- 3) Realising property in order to make a distribution to one or more secured or preferential creditors

During the progress of the Administration it became clear that the Company's financial position was such that purpose (1), rescuing the Company, could not be achieved

Accordingly, the Joint Administrators concentrated their efforts on achieving purpose (2)



4 Administration strategy

The initial strategy of the Joint Administrators of the Company was to protect and enhance the value of its overseas businesses in order to maximise the value of its principal assets, intercompany loans and investments. Important steps undertaken to protect and enhance the value of the overseas businesses in advance of their realisation and return of value included

- Ensuring that key stakeholders understood that the overseas businesses were unaffected by the administration of the Company and that they continued to trade as normal,
- Supporting the other group companies with local operational and financial issues,
- Maintaining the central PLC support functions provided by PLC to the overseas businesses,
- Working with local management to identify the best methodologies to transfer the shared services to the overseas businesses,
- Transitioning certain of these functions to the overseas entities to increase their stand alone value,
- Implementing operational initiatives to further improve performance in the overseas businesses, including improving reporting and control procedures,
- Mandating Corporate Finance Advisors globally to assist with the sales process,
- Conducting a substantial vendor due diligence exercise prior to speaking with interested parties



5 Progress of the Administration

5.1 Estimated Outcome

Following our review of the validity of the security given to the secured lenders we have constantly monitored the funds potentially available in excess of the value of this security to determine whether there will be a surplus for unsecured creditors (See section 5.6)

Following these reviews we do not believe that there will be any funds available to unsecured creditors out of floating charge realisations other than by way of the prescribed part. These funds will be capped at £600,000. Given that HM Customs and Excise have raised a claim of £55 million and the outstanding pension claim has been estimated at £14 million in the statement of affairs it may not be economically viable to pay a dividend to the majority of unsecured creditors.

5.2 Properties

At the date of the Joint Administrators' appointment the Company owned or held the leases on 88 stores (of which 6 were freehold high street stores), 2 freehold warehouses and certain other freehold, leasehold, warehouse and residential properties.

5.2.1 Leasehold properties

Total realisations from leasehold properties amounted to c. £5.3 million. This includes assignments to SB Capital Europe (UK) Limited under the option granted by the Joint Administrators for c. £2.2 million, and the surrender or assignment of further leases for a further total of c. £3.1 million. A number of leases were also surrendered to landlords for nil value as they were of no benefit to the estate.

5.2.2 Freehold properties

Total realisations (before costs) from the Company's freehold property portfolio were £8.2 million. This related primarily to the sale of six of the Company's high street freehold properties for a total of c. £4.4 million, and the sale of two warehouses for £3.3 million. The remainder was made up of various non-residential and residential, freehold interests.

5.2.3 Other property issues

Following changes made to the administration regime by the Enterprise Act 2002 and a subsequent High Court judgement concerning the treatment of non-domestic business rates and their status as an administration expense, we have provided for the Company's



exposure to unoccupied rates. Suitable monies will be transferred into the liquidation estate to cover the Company's potential rates liability,

The Company's property portfolio was fully secured by fixed charges to The Bank of Nova Scotia ("Scotia"). Accordingly, none of the above realisations were available to any other class of creditor. £11.3 million has been distributed to Scotia under their fixed charges, representing the above fixed charge realisations less costs.

5.3 Overseas subsidiaries

The Company was the ultimate parent company for subsidiaries in 20 overseas jurisdictions. The Joint Administrators sought to maximise realisations from the Company's overseas investments.

In April 2005, Corporate Finance Advisors were appointed on a global mandate to assist in the review of options available to realise the maximum value for creditors of the Company from the overseas businesses located in the Caribbean, South East Asia, the Pacific and Africa.

5.3.1 East

The disposal of Mauritius and Madagascar completed on 23 December 2005, realising US\$26.1 million for the benefit of PLC, Courts Overseas Limited ("COL") and Courts Group International Limited ("CGIL"), of which US\$5.2 million was used to fund the completion of the Papua New Guinea sale as detailed below. The remainder was remitted to the Company pursuant to the Memorandum of Understanding ("MoU") entered into on 12 April 2006 between COL, CGIL, the Joint Administrators and Scotia.

The disposals of the Fiji and Papua New Guinea businesses completed on 30 May 2006 and 12 July 2006 respectively. The completion of these transactions released letters of credit in the amount of \$33.5 million. In order to conclude the sale of the Papua New Guinea business, it was necessary to pay a reverse premium to its purchaser of £3.0 million.

Singapore/Thailand and Malaysia/Indonesia were purchased by the same bidder, and due to local regulatory considerations, completed on different dates in June and July 2007.

Singapore and Thailand completed on 7 June 2007, realising c. SG\$56.2 million (c. US\$31.7 million). A further US\$15.1 million was also realised for the sale of International Intellectual Property.

Malaysia and Indonesia completed on 17 July 2007, realising RM 144.1 million (US\$ 37.7 million).



5.3.2 **Caribbean**

The sale of the twelve Caribbean businesses completed on 20 December 2006, realising an initial US\$205 million for the vendors. A further US\$10.8 million was received as a result of the completion accounting process. Additionally, following the finalisation of the Independent Expert's determination of disputed amounts relating to the completion accounting process, a further US\$5.6 million was awarded to the Administrators.

5.3.3 **Morden**

As a result of the disposal of all of the overseas businesses, PLC was no longer required to provide operational and financial support. The head office function in Morden was therefore closed down in August 2007.

5.4 **Intercompany dividends**

Receivables arising from dividends announced and paid pre and post appointment totalling c. £3.8 million have been recovered directly on behalf of COL and CGIL. The remaining c. £11.7 million of dividends are realisations of the Company.

5.5 **Overseas funding**

During the course of the administration, funding was provided to certain overseas businesses or used to collateralise their local banks, enabling them to operate within their local facilities.

In our previous report we stated that c. £8.9 million of funding had been provided in this manner and that c. £5 million remained outstanding. Of the outstanding amounts, c. £4.2 million has been received from Courts Malaysia and c. £0.9m has been received from CWWP. The remainder represents monies applied to facilitate the disposal of the Madagascan and Mauritian entities and will not be recovered.

5.6 **Security**

Floating charges were valid up to the amount of new money provided to the Company after 4 August 2004. This was provisionally estimated to be £20.3 million.

As per our previous report, you will recall that any payment to unsecured creditors in excess of the prescribed part is contingent on net floating charge realisations exceeding this value.

Net floating charge realisations will not exceed this value therefore no payment will be made to unsecured creditors in excess of the prescribed part.



5.7 Operational Recharges

Central administrative functions undertaken in the UK on behalf of the overseas businesses (such as the provision of IT services) were key to the success of the disposal process of these overseas entities.

The costs were borne by the Company and recharged. We have recovered c. £10 million since the start of the administration in respect of these recharges.

5.8 Distributions

To date, the Administrators have made total distributions of £54 million and US\$188 million to Scotia as security trustee in respect of the subsidiary and property disposals referred to in sections 5.3 and 5.2 respectively, and including the repayment of the £29 million facility referred to in Section 5.9. Total distributions to date after this repayment are represented by the £120.7 million figure in the consolidated receipts and payments account. This figure also includes the distribution of the dividends received on behalf of COL/CGIL referred to in section 5.4.

The Singapore/Thailand realisations of SG\$56.2 million as referred to in Section 5.3.1 were distributed directly to the secured creditors under the fixed charge as this was deemed to be more economical. These amounts are not shown in the receipts and payments accounts.

A cash surplus of US\$11.6 million was paid up directly to the co-ordinating agent in partial satisfaction of the secured creditors' guarantee claim against CWWP. This is not reflected in the receipts and payments accounts.

Further amounts may also be recovered by the creditors, ie investors, by way of an equity stake in the combined business of the former Courts Caribbean entities and their purchaser, which formed out of the Caribbean sale.

We are also currently in discussions with the purchaser of the Courts Caribbean entities with regard to the timetable concerning their payment of the monies due from the Independent Expert process as referred to in Section 5.3.2.

5.9 Funding

The Joint Administrators fully paid back the £29 million facility which was provided by Scotia in order to fund the administration of the Company.

The Company on-lent on appointment £3 million from these monies to Courts (UK) Limited to fund its administration and £0.6 million under the terms of the Caribbean MoU in order to further fund its administration and future liquidation expenses.



5.10 VAT

The Joint Administrators agreed a settlement with HM Revenue & Customs ('HMRC') on 13 December 2005 in respect of certain group companies whereby in consideration for £1 million paid by the company, HMRC undertook not to enforce the debt owed to them in respect of COL and CGIL's pre-appointment VAT liabilities. This was beneficial to the disposal strategy of the overseas businesses.

5.11 Preferential creditors

The preferential creditors comprise the former employees of the Company claiming arrears of wages and holiday pay. We anticipate that these claims will be paid in full.



6 Other matters

6.1 Unresolved matter with Caribbean directors

The Joint Administrators are currently in discussions with four remaining Courts Caribbean directors with regard to incentive bonus payments. For legal reasons we cannot discuss this matter in further detail but will endeavour to provide an update in the Joint Liquidators' first report.

6.2 Courts (UK) Limited

As stated in our previous report, we obtained a six month extension of the administration to 30 November 2007 for Courts (UK) Limited with a view to finalising plans to petition for the compulsory liquidation of this company. We were able to accelerate the process and Courts (UK) Limited was put into compulsory liquidation on 23 August 2007. We continue to work with the independent pension trustee to determine whether the Courts Pension scheme is entitled to compensation under the Pension Protection Fund rules.



7 KPMG costs of the Administration

At the Committee meeting held on 11 April 2005 the Committee resolved that the remuneration of the Joint Administrators be fixed on the basis of time properly spent by them and their staff in attending to matters arising in the administration. The Committee also approved the Joint Administrators' remuneration for the period to 1 April 2005 and agreed that the administrators may draw their remuneration on a monthly basis thereafter ("the Fee Resolution")

Under the terms of the Fee Resolution we have drawn £16,651,874.77 plus VAT for time costs and expenses incurred in connection with the Company for the period from 30 November 2004 to 2 February 2007. Details of time spent and expenses for periods up to 2 February 2007 have been supplied in previous reports.

During the period from 3 February 2007 to 29 June 2007, the time properly spent by the administrators and their staff amounted to 4,289 hours at a total cost of £1,467,829.00 plus VAT. Enclosed as an appendix is a schedule which summarises the time spent by grade and activity during this period. It also details disbursements during the period of £19,452.10 plus VAT. As the administration comes to a close, we sought a resolution from the Creditors' Committee to approve our most recent fee note (to 29 June 2007) for £1,487,281.10 plus VAT and to ratify our previous fees and those to the end of the administration. This resolution was duly passed and our fees to 29 June 2007 were drawn on 20 November 2007.

During the period from 30 June 2007 to 2 November 2007 the time properly spent by the administrators and their staff amounted to 2,272 hours at a total cost of £702,788.50 plus VAT. Enclosed as an appendix is a schedule which summarises the time spent by grade and activity during this period. It also details disbursements during the period of £14,587.77 plus VAT. This fee will be drawn in the week prior to the end of the administration under the terms of the Fee Resolution. Further administration costs incurred from 3 November 2007 to 30 November 2007 will be paid out of funds passed to the liquidators on their appointment.

The schedules also show the total time costs and expenses incurred to date, together with details of the costs incurred by our overseas offices for support provided locally to the overseas businesses, along with those incurred by other KPMG LLP advisory teams used by the Joint Administrators. The costs of the overseas offices and other KPMG LLP teams are included in the attached GBP receipts and payments account.



8 Ending of the administration

8.1 Joint Administrators' Proposals

The Administrators proposed the following resolutions at the start of the administration

- To appoint a committee of creditors
- To continue to do all such things reasonably expedient and generally exercise all their powers as joint administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets
- To investigate and, if appropriate, pursue any claims the Company may have
- To seek an extension to the administration period if deemed necessary by the Administrators
- That the Administrators be permitted to pay any realisations to secured and preferential creditors and then take the appropriate steps to dissolve the Company, or,
- Alternatively in the event that there are sufficient funds to make a distribution to unsecured creditors (or for any other appropriate reason) the Administrators be permitted to move the Company from Administration to creditor's voluntary liquidation or enter into a company voluntary arrangement

In accordance with Rule 2-110 of the Insolvency (Amendment) Rules 2003, we advise that there has been no deviation from the proposals set out above



9 Joint Administrators' strategy – move from administration to liquidation

Further to our proposals stated above, we will be exiting the administration via creditors' voluntary liquidation of the Company under paragraph 83 of Schedule B1 with effect from the date of this report

The Joint Administrators' ability to move the Company into creditors' voluntary liquidation was approved as part of the proposals put at the meeting of creditors held on 1 March 2005

It is proposed that the Joint Administrators will be appointed as Joint Liquidators of the Company, acting jointly and severally, to finalise outstanding issues from the Administration. If any creditor wishes to appoint a different person or persons as Joint Liquidator, please contact Chris Ball on 020 7311 5033

9.1 Company assets

The administration is currently being funded by monies provided by the secured creditors. Pursuant to paragraphs 99 (3) and 99 (4) of Schedule B1, monies will be passed to the liquidators and set aside within the liquidation for the payment of outstanding administration liabilities including the Company's rates exposure, the Joint Administrators' final fee, and the costs of the liquidation.



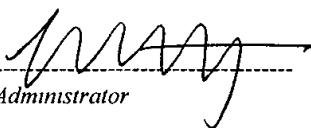
Courts Plc (in administration)
Report to creditors pursuant to Rules 2 47 & 2 110 of the Insolvency (Amendment) Rules
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KPMG LLP
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10 **Formal reporting**

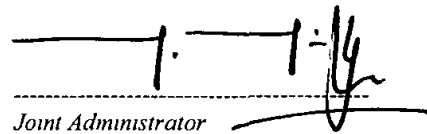
In accordance with Rules 2 47 and 2 110 of the Insolvency (Amendment) Rules 2003 this is the final progress report of the administration

The next formal report to creditors will be made by the Joint Liquidators on the anniversary of the commencement of liquidation proceedings

If you have any queries regarding anything contained within this report please contact Chris Ball on 020 7311 5033 or by email on chris.ball@kpmg.co.uk



Joint Administrator



Joint Administrator

The affairs, business and property of the company are being managed by the joint administrators

MV McLoughlin and CM Lavery are authorised to act as insolvency practitioners by the ICAEW and the IPA respectively



Courts Plc (in administration)
Report to creditors pursuant to Rules 2.47 & 2.110 of the Insolvency (Amendment) Rules
2003
KPMG LLP
29 November 2007

Appendix 1

Joint Administrators' Abstract of Receipts & Payments for the period since appointment

Courts Plc (in administration)
 Consolidated abstract of receipts and payments for the period 30 November 2004 to 02 November 2007
 Consolidated GBP and USD Account ^{Notes 1-9}

This final consolidated receipts and payments account has been shown in the following format for presentation purposes only. In order to achieve the consolidation we have used one foreign exchange rate for the entire period of the Administration (US\$1 96 £1). This will result in foreign exchange differences.

	Consolidated / GBP	Reference
Sale of overseas subsidiaries	154 277 569 35	Section 5.3 Note 2
Dividends received	15 446 796 57	Section 5.4
Operational recharges	9 821 529 40	Section 5.7
Freehold property	8 621 001 89	
Leasehold property	4 884 297 91	
Debtors	1 492 565 99	
Bank interest	1 740 228 30	
Rent receivable	1 015 896 59	
Repayment of Overseas Funding	4 191 558 00	Section 5.5 Note 3
Rates refunds in hand	804 654 10	
Other realisations	174 163 97	
Cash at bank	25 385 95	
Interest on Overseas Loan	430 137 92	
VAT Receivable	0 00	Note 3.4
Repayment of CWWP loan	<u>1 157 610 04</u>	Note 3.4
Total receipts	<u>204,083,395 98</u>	
Distribution to fixed charge creditor	120 693 519 38	Section 5.8
PNG reverse premium	2 623 502 22	
Stamp duty and completion taxes	422 443 05	
Administrators' fees	16 396 598 50	Section 7
Non property legal and professional fees	18 556 594 95	Note 5
Salaries pension contributions sub-contractor fees bonuses and expenses	12 630 861 55	Notes 6-7
Funding overseas subsidiaries	6 149 496 68	Section 5.5 Note 3
Interest facility and bank charges	4 480 488 92	
IT Licenses & maintenance	2 467 956 52	Note 7
Rent payable	1 160 540 71	Note 8
VAT funding	147 493 49	Note 12
Legal, valuation and marketing expenditure on the property portfolio	1 085 952 28	
Settlement with HMRC	1 000 000 00	
Insurance of assets	647 308 75	Note 6
Travel expenses	467 968 60	Note 6
Sundry expenses	500 287 70	Note 6
KPMG overseas fees	413 719 66	Section 7
Duress payments	315 316 29	
Utilities	294 426 90	
Administrators expenses	255 276 27	Section 7
D & O Run Off Insurance	93 660 05	Note 6
Rates collection fees	87 122 36	
Carriage postage and advertising	74 587 37	Note 6
Hire of equipment	63 135 68	
Other property costs	25 040 00	
Repairs and maintenance	5 005 62	
Funding of Courts (UK) Limited	3 600 000 00	Section 5.9 Note 10
Disposal fees	<u>2 386 00</u>	
Total payments	<u>194,660,687 49</u>	
Balance as at 2 November 2007	<u>9,422,708 49</u>	Section 9.1 Note 11

Notes

- (1) This final receipts and payments account has been prepared on a consolidated basis using the GBP and USD receipts and payments accounts as shown in previous reports and using an average period exchange rate (US\$1.96 £1). As a result there may be a foreign exchange effect within the above presentation of the receipts and payments figures over the period of the administration. A final reconciliation to actual GBP and USD denominated bank accounts will be undertaken in advance of funds being passed to the Joint Liquidators.
- (2) These receipts are a combination of Courts Plc, COL and CGIL GBP and USD realisations. Their application and distribution was agreed with the secured creditors.
- (3) As previously reported, this comprises amounts provided to Courts Malaysia (£4.2m) and Courts Worldwide Purchasing Limited (£0.9m) both of which were recovered in full. The Courts Worldwide Purchasing Limited balance was remitted in USD. In addition, £0.9m was applied to facilitate a balance sheet restructuring in order to achieve the Madagascar and Mauritius sales.
- (4) The CWWP loan has previously been shown under funding of overseas subsidiaries in the GBP receipts and payments account. It was however repaid in USD but is shown here in GBP for consolidation purposes.
- (5) Non-property legal and professional fees mainly comprise those fees charged by NM Rothschild and KPMG LLP in their capacities as corporate finance advisors, PricewaterhouseCoopers for vendor assistance work and Allen & Overy LLP as legal advisors to the Administrators. The appointment of these advisors was approved by the panel of secured creditors and, where appropriate, the Creditors' Committee. Each of these advisors operate to an agreed budget. In the case of the corporate finance advisors a significant proportion of the fees is directly linked to the results achieved.
- (6) Elements of these costs have been recovered from the operating subsidiaries through operational recharges.
- (7) Courts employed and retained Finance, IT and HR functions at its head office in Morden. Whilst these costs have been significant, they were actively monitored and headcount reduced when possible. An element of these costs were recharged to the operating subsidiaries.
- (8) Includes £0.5m of rent on the head office at Morden, as well as amounts paid in order to complete the assignment/surrenders of the Company's leasehold portfolio before the contributions shown in rent receivable in receipts.
- (9) The final administration receipts and payments account will be provided in the Joint Liquidators' first report.
- (10) The secured creditors made a £29 million facility available to fund administration expenses. £3 million of this facility was provided on appointment to fund the administration of Courts (UK) Limited, of which Plc was the ultimate parent. A further £0.6 million was made available to further fund the process of Courts (UK) Limited under the terms of the Caribbean MoU.
- (11) We have not provided further analysis of these amounts for commercial reasons as outlined within the body of the report. These funds will be passed to the liquidator after deductions as stated in Section 9.1 of the report.
- (12) The VAT position will not be concluded in the administration due to further administration expenses. This will be reconciled by the Joint Liquidators.



Courts Plc (in administration)
Report to creditors pursuant to Rules 2.47 & 2.110 of the Insolvency (Amendment) Rules
2003
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29 November 2007

Appendix 2

Time cost analysis

Courts Plc (in administration)

SIP 9 Compliant fees summary worksheet for the period to 29 June 2007

June costs of KPMG UK Offices

Consolidated time spent by grade

Charge out rates from 1 October 2006

Summary of time costs for the period ended 2 February 2007

Summary of time cost for the period from 3 February 2007 to 29 June 2007

Activity code	Partner	Director	Senior Manager	Manager	Senior Administrator	Administrator	Senior Support	Support	Senior Experience	Work	Total Hours	Total Cost	Average Rate
	570 00	500 00	410 00	325 00	230 00	180 00	180 00	95 00	30 00	30 00	48 792 9	£16,396,598 50	336 04
	5 800 3	5 082 9	9 157 7	11 116 0	10 497 0	4 115 5	1 419 9	1 586 6	17 0	17 0			
Strategy, statutory & compliance	288 0	25 0	36 2	4 7	19 2	14 3	0 0	58 3	0 0	0 0	445 7	205,558 00	461 20
Asset realisation	414 0	208 7	85 9	628 4	155 5	0 0	0 0	0 0	0 0	0 0	1 492 5	615,544 00	412 42
Trading	1 0	97 0	52 8	232 5	365 4	671 5	0 0	0 0	0 0	0 0	1 420 2	353,568 50	248 96
Employees	0 0	0 0	0 0	62 5	32 4	0 0	0 0	0 0	0 0	0 0	94 9	27,764 50	292 57
Creditors and claims	80 5	0 0	6 0	12 6	8 3	0 0	0 0	0 0	0 0	0 0	107 4	54 349 00	506 04
Committees	16 0	0 0	3 7	15 0	15 0	0 0	0 0	1 7	0 0	0 0	51 4	19 123 50	372 05
Cashiering	3 3	0 0	0 0	47 9	46 0	0 0	0 0	3 5	0 0	0 0	100 7	28,361 00	281 64
Tax	11 4	0 0	82 9	164 1	186 5	89 2	0 0	4 0	0 0	0 0	538 1	153 150 50	284 61
Investigations	0 0	0 0	0 0	0 0	2 0	0 5	0 0	0 0	0 0	0 0	2 5	550 00	220 00
Shareholders	0 0	0 0	0 0	12 5	2 0	0 0	0 0	0 0	0 0	0 0	14 5	4 522 50	311 90
General	0 0	0 0	3 9	5 6	5 0	2 0	0 0	4 3	0 0	0 0	20 8	5,337 50	256 61
	814 2	330 7	271 4	1,185 8	837 3	777 5	0 0	71 8	0 0	0 0	4 288 7	£1,467,829 00	342 25
Total hours/cost	6 614 5	5,413 6	9,429 1	12,301 8	11,334 3	4,893 0	1,419 9	1,658 4	17 0	17 0	53,081 6	£17,864,427 50	336 55

KPMG Corporate Finance

Fees for work undertaken on disposal of the shareholding in the overseas Subsidiaries in Asia (Project Palm)

Total costs for the period ended 2 February 2007

Total cost for the period from 3 February 2007 to 29 June 2007

Total cost

£2,726,536 72
 £282,842 81
£3,009,379 53

Note the above costs do not include accrued but unpaid fees as at 29 June 2007

KPMG Transaction Services

Fees for work undertaken on the Caribbean sale (Project Coconut)

Total costs for the period ended 2 February 2007

Total cost for the period from 3 February 2007 to 29 June 2007

Total cost

£211,985 00
 £0 00
£211,985 00

Time costs of KPMG Overseas Offices

KPMG Grand Cayman
Charge out rates (in U.S.\$)

Period ended 2 February 2007

	Senior Manager	Manager	Senior Administrator	Administrator	Total Hours	Total Cost	Average Rate
	\$625 00	\$300 00	\$260 00	\$235 00	1,320 90	\$582,330 00	\$440 86
	1,240 50	14 50	17 30	48 60			

Summary of time cost for the period from 31 January 2007 to 29 June 2007

Asset realisation

	13 30	80 00	121 25	71 05	295 60	\$80 534 25	\$281 98
Total hours/cost	1 253 80	94 50	138 55	119 65	1,606 50	\$662,864 25	\$412 61

KPMG Mauritius

Fees for tax review exercise re Courts (Madagascar) Sarl for the period ended 27 May 2005

£1,500 00

KPMG Malaysia

Fees for work undertaken on the data room for the sale of Courts Malaysia

Total costs for the period ended 21 February 2007

£18,280 00

Total cost for the period from 31 January 2007 to 29 June 2007

Total cost

£18,280 00

Expenses

Expenses of KPMG UK Offices

Expenses for the period ended 2 February 2007

Summary of expenses for the period from 3 February 2007 to 29 June 2007 -

Air & rail travel and taxis	14,481 75
Car mileage and tolls	1,811 20
Graphic support	933 91
Hotel/accommodation	412 11
Subsistence	1 178 46
Sundry computing and printing	292 66
Telecommunications	334 01
Total expenses for the period from 3 February 2007 to 29 June 2007	<u>£19,452 10</u>
Total expenses	<u>£274,728 37</u>

Expenses of KPMG Overseas Offices

KPMG Grand Cayman

Expenses for the period ended 2 February 2007

Summary of expenses for the period from 3 February 2007 to 29 June 2007 -

Air & rail travel and taxis	\$5,303 03
Hotel/accommodation	\$3,606 93
Subsistence	\$1,062 68
Office expenses	\$73 15
Total expenses for the period from 2 February 2007 to 29 June 2007	<u>\$10,045 79</u>
Total Grand Cayman expenses	<u>\$74,754 89</u>

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

Court's Plc (in administration)

SIP 9 Compliant fees summary worksheet for the period to 2 November 2007

Time costs of KPMG UK Offices

Consolidated time spent by grade

Charge out rates from 1 October 2006
Charge out rates from 1 October 2007

Summary of time costs for the period ended 29 June 2007

Partner	Director	Senior Manager	Manager	Senior Administrator	Administrator	Senior Support	Support	Work Experience	Total Hours	Total Cost	Average Rate
570 00	500 00	410 00	325 00	230 00	180 00	180 00	95 00	30 00			
600 00	525 00	430 00	340 00	240 00	190 00	180 00	100 00	32 00			
6,614.5	5,413.6	9,429.1	12,301.8	11,334.3	4,893.0	1,419.9	1,658.4	17.0	53,081.6	£17,664,427.50	336.55

Summary of time cost for the period from 30 June 2007 to 2 November 2007

Activity code

Strategy, statutory & compliance
Asset realisation
Trading
Employees
Creditors and claims
Committees
Cashiering
Tax
Investigations
Shareholders
General

88.0	15.0	11.1	111.0	88.3	463.0	9.3	28.4	0.0	614.1	210,061.05	258.03
91.0	122.0	18.5	98.8	61.8	93.0	0.0	0.0	0.0	481.1	182,634.45	379.62
0.0	56.0	0.0	56.0	0.0	75.0	0.0	0.0	0.0	187.0	59,873.50	320.18
0.0	0.0	0.6	1.0	9.7	0.0	0.0	0.0	0.0	11.3	2,823.00	249.82
16.5	0.0	3.8	97.0	130.0	0.0	0.0	0.0	0.0	247.3	72,786.00	294.32
5.0	0.0	0.0	10.0	0.0	0.0	0.0	1.1	0.0	16.1	6,204.50	385.37
3.6	0.0	0.0	39.8	17.6	0.0	0.0	0.6	0.0	61.6	18,260.00	312.66
2.0	0.0	19.5	80.8	29.6	45.5	0.0	3.0	0.0	180.4	51,165.50	283.62
0.0	10.0	175.5	0.0	0.0	0.0	0.0	0.0	0.0	185.5	77,170.00	0.00
0.0	0.0	0.0	0.0	5.0	0.0	0.0	0.0	0.0	5.0	1,150.00	230.00
0.0	7.3	0.0	20.0	10.7	32.5	0.0	12.1	0.0	82.6	19,660.50	238.02
206.1	210.3	227.0	512.4	352.7	709.0	9.3	45.2	0.0	2,272.0	£702,788.50	309.33

Total hours/cost for the period from 30 June 2007 to 2 November 2007

Total hours/cost

6,820.6	5,623.9	9,656.1	12,814.2	11,687.0	5,602.0	1,429.2	1,703.6	17.0	55,353.6	£18,567,216.00	335.43
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KPMG Corporate Finance

Fees for work undertaken on disposal of the shareholding in the overseas Subsidiaries in Asia (Project Palm)

Total costs for the period ended 29 June 2007

Total cost for the period from 30 June 2007 to 2 November 2007

Total cost

£3,009,379.53
£1,335,565.90
£4,344,945.43

KPMG Transaction Services

Fees for work undertaken on the Caribbean sale (Project Coconut)

Total costs for the period ended 29 June 2007

Total cost for the period from 30 June 2007 to 2 November 2007

Total cost

£211,985.00
£0.00
£211,985.00

Time costs of KPMG Overseas Offices

KPMG Grand Cayman
Charge out rates (in US\$)

Period ended 29 June 2007

Summary of time cost for the period from 30 June 2007 to 2 November 2007

Asset realisation

Total hours/cost

	Senior Manager	Senior Manager	Senior Administrator	Senior Administrator	Total Hours	Total Cost	Average Rate
	\$625 00	\$300 00	\$260 00	\$235 00	1 606 50	\$682 864 25	\$412 61
	1 253 80	94 50	138 55	119 65			
	0 00	0 00	0 00	0 00	0 00	\$0 00	
	<u>1 253 80</u>	<u>94 50</u>	<u>138 55</u>	<u>119 65</u>	<u>1 606 50</u>	<u>\$682 864 25</u>	<u>\$412 61</u>

KPMG Mauritius

LLC for tax review exercises re Courts (Madagascar) Sarl for the period ended 27 May 2005

KPMG Malaysia

Fees for work undertaken on the data room for the sale of Courts Malaysia

Total costs for the period ended 29 June 2007

Total cost for the period from 10 June 2007 2 November 2007

Total cost

£18,280 00	-
<u>£18,280 00</u>	
<u>£1 500 00</u>	

Expenses

Expenses of KPMG UK Offices

Expenses for the period ended 29 June 2007

Summary of expenses for the period from 30 June 2007 to 2 November 2007 -

Air & rail travel and taxis	10,149 76
Tax department secretary (temp)	172 08
Hotel/accommodation	686 21
Land Registry searches	-746 00
Stationery	2 54
Subsistence	718 98
Sundry computing and printing	3 484 68
Telecommunications	109 52

Total expenses for the period from 30 June 2007 to 2 November 2007

£14 587 77

Total expenses

£269 316 14

Expenses of KPMG Overseas Offices

KPMG Grand Cayman

Expenses for the period ended 2 November 2007

Summary of expenses for the period from 30 June 2007 to 2 November 2007

Air & rail travel and taxis	0 00
Hotel/accommodation	0 00
Subsistence	0 00
Office expenses	0 00

Total expenses for the period from 30 June 2007 to 2 November 2007

0 00

Total Grand Cayman expenses

\$74 754 89

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



Courts Plc (in administration)
Report to creditors pursuant to Rules 2.47 & 2.110 of the Insolvency (Amendment) Rules
2003
KPMG LLP
29 November 2007

Appendix 3

Notice of move from administration to creditors' voluntary liquidation