

Example:

After making agreements with his priority creditors Mr Jones has £40.00 remaining per month. He has four non-priority creditors.

He owes:

Ace Credit:	£320.00
Barts Finance:	£225.00
C-shop Catalogues:	£150.00
Diamond Plumbers:	£180.00

His total non-priority debt is £875.00

Step 1:

He divides each of his debts by the total:

Ace	320	divided by	875	is	0.37
Barts	225	divided by	875	is	0.26
C-shop	150	divided by	875	is	0.17
Diamond	180	divided by	875	is	0.20

Step 2:

He then offers a share of £40.00 to each of his remaining creditors as follows:

Ace	40 multiplied by	0.37	is	£14.80 per month.
Barts	40 multiplied by	0.26	is	£10.40 per month.
C-shop	40 multiplied by	0.17	is	£6.80 per month.
Diamond	40 multiplied by	0.20	is	£8.00 per month.