

## The Insolvency Act 1986

**Administrator's progress report****2.24B**

Name of Company Martell Press Limited	Company number 01269137
In the Manchester District Registry (full name of court)	For court use only 723109 of 2009

(a) Insert full name(s) and address(es) of administrators

We (a) Philip Francis Duffy and Paul David Williams of MCR, 43-45 Portman Square, London, W1H 6LY,

Administrators of the above company attach a progress report for the period:

From

To

(b) Insert date

(b) 4 March 2009	(b) 3 September 2009
------------------	----------------------

Signed

Joint Administrators

Dated

30.9.09

**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.

MCR  
43-45 Portman Square  
London  
W1H 6LY

87 7240

completed and signed this form please send it to the Registrar of Companies at:

House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff



A37

COMPANIES HOUSE

SATURDAY

**Martell Press Limited  
(In Administration)**

**Joint Administrators' Progress Report to Creditors  
for the period from 4 March 2009 to 3 September 2009  
pursuant to Rule 2.47(1) of the  
Insolvency Rules 1986 as amended**

**30 September 2009**

**Names of Joint Administrators:** Philip Francis Duffy  
Paul David Williams

**Date of appointment:** 4 March 2009

**Date of report:** 30 September 2009

**Appointed by:** GE Commercial Finance Limited, the holder of a  
Qualifying Floating Charge

**Court reference:** Manchester District Registry no. 723109 of 2009

**MCR**  
**43-45 Portman Square**  
**London**  
**W1H 6LY**

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## **1. INTRODUCTION**

- 1.1 Philip Francis Duffy and I, both of MCR, were appointed Joint Administrators of Martell Press Limited ("the Company") on 4 March 2009 by GE Commercial Finance Limited ("GE"), the holder of a qualifying floating charge, under Paragraph 14 of Schedule B1 to the Insolvency Act 1986 ("the Act").
- 1.2 In accordance with Paragraph 100(2) of Schedule B1 to the Act our functions as the Joint Administrators are being exercised jointly and severally.
- 1.3 The purpose of this report is to provide creditors with details of the progress of the Administration, in accordance with Rule 2.47(1) of the Rules for the six month period to 3 September 2009.
- 1.4 This report should be read in conjunction with our previous report to creditors dated 22 April 2009.

## **2. JOINT ADMINISTRATORS' REPORT AND STATEMENT OF PROPOSALS**

- 2.1 We issued our Report to Creditors together with our Statement of Proposals ("the Proposals") on 22 April 2009.
- 2.2 In accordance with Paragraph 52(1) of Schedule B1 to the Act, a creditors' meeting was not required to be held as it was anticipated that there would be insufficient realisations to enable a distribution to non-preferential creditors. No meeting was convened and in accordance with Rule 2.33(5) of the Insolvency Rules 1986, our proposals were deemed to have been approved by creditors.
- 2.3 As advised in the Proposals, we must perform our functions with the purpose of achieving one of the following objectives:
  - Rescuing the Company as a going concern; or
  - 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
  - Realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.4 The focus has been on achieving the second and third objectives as there was insufficient working capital to rescue the Company as a going concern. We believe that the second and third objectives have been achieved as the sale of the business and certain assets has enabled a distribution to the respective charge holders from net realisations.

### 3. PROGRESS OF THE ADMINISTRATION

- 3.1 The manner in which the affairs and business of the Company have been managed since our previous report and will continue to be managed and financed are set out below.

#### Asset Realisations

- 3.2 As detailed in the Proposals, the Company's business and certain assets were sold to Martells Limited on 7 April 2009. The sale consideration was paid in full on completion and was apportioned as follows:

	£
Plant & Machinery	44,999
Stock	500
Goodwill	1
	<u>45,500</u>

- 3.3 GE held a chattel mortgage over certain items of plant and machinery and GE was therefore paid £32,268 out of the sale consideration in respect of the assets subject to the chattel mortgage.

#### Freehold property

- 3.4 As detailed in the Proposals, the freehold property at Hopes Lane, Ramsgate, Kent, CT12 6UW was sold to Martells Limited for £145,000 on 7 April 2009.
- 3.5 HSBC Bank plc ("HSBC") have been paid the net proceeds of the property in accordance with the terms of their debenture.

#### Book debts

- 3.6 Again as detailed in our previous report, the book debts were assigned to GE in accordance with a book debt factoring agreement. As at the date of our appointment, the sales ledger balance was £286,948 and GE were owed approximately £126,000, subject to accruing interest and charges.
- 3.7 We have appointed MCR Receivables Management Limited ("MCR-RM"), a company associated with this firm, to collect the book debts.
- 3.8 To date, a total of £141,000 has been collected by MCR-RM, of which £133,000 has been paid directly to GE and £8,021 into the Administration estate account. GE have now been paid in full from book debt realisations and it is anticipated that a surplus of approximately £7,000 will be paid by GE to the Company.
- 3.9 GE are taking steps to assign the sales ledger to the Company and any further book debt realisations will be paid directly to the Administration. MCR-RM anticipate that a further £32,000 of book debts will be collectable and are continuing to collect the debtor monies and may take recovery action against the remaining debtors.
- 3.10 Once collection efforts have been exhausted, we will review the possibility of a VAT bad debt relief claim.

### **Sundry refunds**

- 3.11 Cash at bank of £27.60 has also been received.

## **4. INVESTIGATION**

- 4.1 We have a statutory obligation to file a report with the Department for Business, Innovation & Skills regarding the conduct of all directors of the Company that served in the three years prior to the appointment. The content of this report is confidential and was submitted to the Insolvency Practitioners Compliance Unit on 6 July 2009.

## **5. DIVIDEND PROSPECTS / PRESCRIBED PART**

### **Secured Creditors**

#### **HSBC**

- 5.1 In consideration for the monies advanced under a loan and overdraft facility, the Company granted HSBC a first ranking debenture, which confers fixed and floating charges over all of the assets of the Company, specifically including the freehold property referred to in paragraph 3.3 above.
- 5.2 At the date of our appointment, the Company's indebtedness to HSBC was approximately £224,000, subject to accruing interest and charges.
- 5.3 A distribution of £141,000 has been paid to HSBC from net proceeds of the sale of the property.
- 5.4 It is anticipated that there will be insufficient realisations to enable any further distributions to HSBC and it is therefore very likely that HSBC will suffer a shortfall of approximately £83,000.

#### **GE**

- 5.5 The Company granted a second fixed and floating charge to GE as security in respect of the book debt factoring agreement and a chattel mortgage over certain plant and machinery. As previously reported, the Company's book debts were assigned to GE under this agreement.
- 5.6 As mentioned in paragraph 3.3, a distribution totalling £32,268 has been paid to GE under the chattel mortgage.
- 5.7 As reported in paragraph 3.5 above, GE have now been paid in full out of book debt realisations.

### **Preferential Creditors**

- 5.8 The Redundancy Payments Office has submitted a preferential claim totalling £19,715 in respect of payments made to the Company's former employees.
- 5.9 Based on the current information there will be insufficient realisations to pay a dividend to the preferential creditors.

### Prescribed Part

- 5.10 Pursuant to Section 176A of the Insolvency Act 1986, where a floating charge is created after 15 September 2003 a prescribed part of the Company's net property shall be made available to non-preferential creditors.
- 5.11 The prescribed part is calculated as a percentage of net property, as follows:
- |                                    |                                        |
|------------------------------------|----------------------------------------|
| Net property less than £10,000:    | 50%                                    |
| Net property greater than £10,000: | 50% up to £10,000 plus 20% thereafter. |
- 5.12 The maximum value of the ring-fenced proportion of the funds, known as the "prescribed part", is £600,000.
- 5.13 Although the security was created post 15 September 2003, based on current information, it is unlikely that there will be sufficient net realisations to enable a distribution from the prescribed part.

### Non-Preferential Creditors

- 5.14 According to the Company's books and records, non-preferential creditors total £364,679. The non-preferential creditors can be summarised as follows:

	£
Trade & Expense Creditors	214,679
HM Revenue & Customs	Uncertain
Directors' Loans	150,000
<b>Total</b>	<b>364,679</b>

- 5.15 Based upon the current information available, it is anticipated that there will not be sufficient realisations to enable a distribution to the non-preferential creditors of the Company.

## 6. JOINT ADMINISTRATORS RECEIPTS AND PAYMENTS ACCOUNT

- 6.1 A detailed receipts and payments account, for the period 4 March 2009 to 3 September 2009 is shown in Appendix 2. This excludes book debts assigned to and collected by GE.

## 7. COSTS AND EXPENSES

- 7.1 Our firm's time costs are analysed at Appendix 3 in accordance with Statement of Insolvency Practice 9. Our time costs total £56,930, up to 25 September 2009, and £2,500 has been drawn as remuneration.
- 7.2 It is anticipated that a further £10,000 will be incurred bringing the Administration to a close.
- 7.3 In accordance with Rule 2.106(5A) of the Insolvency Rules 1986, as amended, the Joint Administrators' remuneration was approved by the secured creditor, HSBC. The remuneration is fixed by reference to the time properly given by us and our staff.
- 7.4 We intend to draw further remuneration where funds permit. The balance of our unbilled time costs will be written off.



7.5 Category 1 disbursements total £895. No disbursements have been repaid to date.

## 8. EC REGULATIONS

8.1 It is our opinion that the EC Regulation on Insolvency Proceedings 2000 ("EC Regulation") apply and these proceedings are main proceedings as defined in Article 3 of the EC Regulation. The centre of main interest of the Company is in England.

## 9. CONCLUSION AND ENDING THE ADMINISTRATION

9.1 The Proposals advised that Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the creditors' consent.

9.2 As the Company has no property with which to make a distribution to its non-preferential creditors, we anticipate that, once the remaining book debts are realised or written off and statutory matters are completed, a Notice to move from Administration to Dissolution – Form 2.35B ("the Notice") will be submitted to the Registrar of Companies pursuant to Paragraph 84 of Schedule B1 to the Act.

9.3 Following registration of the Notice by the Registrar of Companies, our appointment will cease to have effect, and we will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Act.

9.4 At the end of three months beginning with the date of the Notice being registered by the Registrar of Companies, the Company will be dissolved.

## 10. NEXT REPORT

10.1 We are required to provide a progress report within one month of the end of the next six months of the Administration. It is anticipated that the Administration will come to an end before the anniversary on 4 March 2010. The final report will be provided no later than 2 March 2010 or earlier if the Administration has been finalised.

10.2 ~~If you have any queries or require any further assistance, please do not hesitate to contact Jon Barnard of this office.~~

  
**Paul Williams**  
Joint Administrator

**APPENDIX 1**  
**Statutory information**

### STATUTORY INFORMATION

<b>Date of incorporation</b>	16 July 1976				
<b>Registered number</b>	01269137				
<b>Company directors</b>	Martin Gibson and Ian Boxer				
<b>Company secretary</b>	Ian Boxer				
<b>Shareholder</b>	Martell Holdings Limited				
<b>Trading address</b>	Hopes Lane Ramsgate Kent CT12 6UW				
<b>Registered office</b>	<table><tbody><tr><td>Current:</td><td>Formerly:</td></tr><tr><td>43-45 Portman Square London W1H 6LY</td><td>Roper Yard Roper Road Ramsgate, Kent CT2 7EX</td></tr></tbody></table>	Current:	Formerly:	43-45 Portman Square London W1H 6LY	Roper Yard Roper Road Ramsgate, Kent CT2 7EX
Current:	Formerly:				
43-45 Portman Square London W1H 6LY	Roper Yard Roper Road Ramsgate, Kent CT2 7EX				

## **APPENDIX 2**

### **Joint Administrators' receipts and payments account**

**Martell Press Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**  
**For the period from 4 March 2009 to 3 September 2009**

£

**FIXED ASSET REALISATIONS**

Freehold land & property	145,000.00
Book Debts	NIL
Goodwill	1.00
	<u>145,001.00</u>

**COST OF REALISATIONS**

Joint Administrators' remuneration	(2,500.00)
Legal fees	(1,500.00)
	<u>(4,000.00)</u>

**DISTRIBUTIONS TO SECURED CREDITORS**

HSBC Bank plc	(141,000.00)
GE Commercial Finance Limited	NIL
	<u>(141,000.00)</u>

**HIRE PURCHASE ASSETS**

Plant & Machinery	44,999.00
GE Commercial Finance Limited	(32,268.15)
	<u>12,730.85</u>

**FLOATING ASSET REALISATIONS**

Furniture & Equipment	NIL
Stock	500.00
Debtors	8,021.07
Cash at bank	27.60
	<u>8,548.67</u>

**COST OF REALISATIONS**

Agent's/Valuer's Fees	(5,733.62)
Legal fees	(5,037.00)
Stationery & Postage	(120.32)
Employee consultant services	(1,220.00)
Storage Costs	(321.13)
Insurance of Assets	(492.48)
Bank charges	(8.25)
	<u>(12,932.80)</u>

8,347.72

**REPRESENTED BY**

VAT receivable	4.35
Floating charge current account	8,343.37
	<u><u>8,347.72</u></u>

## **APPENDIX 3**

### **Analysis of time costs**

# MARTELL PRESS LIMITED

## Analysis of Joint Administrators' time costs for the period 4 March 2009 to 25 September 2009

Classification of Work Function	Hours					Total Hours	Time Cost	Average Hourly Rate
	Partner	Manager	Senior	Assistants	Support			
							£	£
Strategy planning & control	8.30	15.40	15.40	75.00		114.10	17,613.00	154.36
Sale of business	5.70	11.00	20.50	2.70		39.90	9,750.00	244.36
Book debts		9.60	13.50	1.70		24.80	5,913.00	238.43
General correspondence	1.30	0.30	10.00	20.20		31.80	4,524.50	142.28
Unsecured creditors		1.40	1.30	21.40		24.10	2,621.00	108.76
Cashiering & accounting	0.50	1.70	2.30	7.50		12.00	2,267.50	188.96
Fixed charge assets	2.60	2.60	2.30			7.50	2,244.00	299.20
Proposals		1.60	2.40	12.40		16.40	2,052.00	125.12
CDDA reports	0.10	1.80	2.60	9.40		13.90	1,964.00	141.29
General admin		0.60	2.50	14.20		17.30	1,949.00	112.66
Employee matters	0.10	0.80	1.00	13.60		15.50	1,707.00	110.13
Statutory meetings & reports		3.90	1.30	1.30		6.50	1,540.50	237.00
Retention of title		0.20	4.40	2.00		6.60	1,117.00	169.24
Secured Creditors	0.10	0.30	2.20	0.40		3.00	606.50	202.17
Floating charge assets		1.50				1.50	427.50	285.00
Statement of affairs	0.20			1.70		1.90	243.00	127.89
IPS set up & maintenance		0.60		0.50		1.10	224.00	203.64
Preferential creditors		0.10	0.20			0.30	76.50	255.00
Trading - operations	0.10					0.10	45.00	450.00
Financial review				0.30		0.30	27.00	90.00
Meetings				0.20		0.20	18.00	90.00
<b>Total Hours</b>	<b>19.00</b>	<b>53.40</b>	<b>81.90</b>	<b>184.50</b>		<b>338.80</b>	<b>56,930.00</b>	<b>168.03</b>
<b>Total Fees Claimed (£)</b>	<b>7,670.00</b>	<b>15,298.00</b>	<b>17,072.00</b>	<b>16,890.00</b>			<b>56,930.00</b>	

## Analysis of Category 1 Disbursements

Matter	£
Statutory advertising	147.85
Travel & subsistence	98.80
Hotel expenses	134.54
Mail redirection	24.90
Motor expenses	112.60
Bordereau	314.00
Land Registry fees	26.00
Companies House fees	6.00
Storage costs	30.77
<b>Total</b>	<b>895.46</b>