

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company N & M Promotions Limited	Company number 02776053
In the High Court Of Justice (full name of court)	Court Case Number 6113 of 2015

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

We (a) Stephen Paul Grant and Louise Mary Brittain both of Wilkins Kennedy LLP
Bridge House, London Bridge, London, SE1 9QR

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

* Delete as appropriate

(b) Insert date

(b) 13 November 2015

Signed *Stephen Paul Grant*
Joint Administrator

Dated 13/11/15

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 searches
of the public record

Wilkins Kennedy LLP
Bridge House
London Bridge
London
SE1 9QR

Tel 0207 403 1877

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

House, Crown Way, Cardiff CF14 3UZ

DX 33050



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COMPANIES HOUSE

WEDNESDAY

**N&M Promotions Limited – In Administration
("the Company")**

**Joint Administrators' Report and Proposals to Creditors pursuant to Paragraph
49 of Schedule B1 to the Insolvency Act 1986**

13 November 2015

Wilkins Kennedy LLP
Bridge House
London Bridge
London
SE1 9QR

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N&M Promotions Limited – In Administration (“the Company”)
Joint Administrators’ Report and Proposals
13 November 2015

Stephen Paul Grant and Louise Mary Brittain of Wilkins Kennedy LLP are the Joint Administrators of the Company and these are the Joint Administrators’ statutory proposals relating to the Company

1. Statutory information

Statutory information relating to the Company is attached at Appendix I

2. Circumstances leading to the appointment of the Joint Administrators

The Company is a trading entity which is a wholly owned subsidiary Company of Delta Leisure Group Limited (“DLG”) DLG also wholly owns the following other subsidiary companies

- Delta Music Merchandising Limited (“DMM”)
- Delta Home Entertainment Limited (“DHE”)
- Delta Digital Sales Limited (“DDS”)

The Company, its holding company and the other subsidiaries are referred to as “the Group”

Full details regarding the formation of the Company and early group structure, along with details of the Group’s trading activities are included at Appendix II

DLG operated as the Holding Company and holds most of the Group’s assets, liabilities and employees and creates and manufactures all products on the Delta label, which it sold on to export customers, DHE and DMM The Company was previously the group holding company and had in the most part ceased to trade with the exception of some promotional trading via national newspapers of Delta products

A summary of the Company’s recent trading performance is shown below

	Audited 01/05/2011 - 30/04/2012 £	Audited 01/05/2012 - 30/04/2013 £	Audited 01/05/2013 - 30/04/2014 £
Turnover	316	-	-
Profit/(loss) before taxation	46,022	(4)	(325,004)
Taxation	(5,061)	1,677	15
Retained profit/(loss)	40,961	1,673	(524,989)
Extraordinary items	-	-	-
Dividends	-	-	-
Profit/(loss) b/fwd	(76,029)	(35,068)	(33,395)
Profit/(loss) c/fwd	(35,068)	(33,395)	(358,384)

Full details regarding the events leading up to the appointment of Joint Administrators was circulated as per the disclosure under Statement of Insolvency practice 16 (“SIP 16”), a copy of which is attached at Appendix II

Following the rejection of the DLG’s CVA, the Company had no option but to consider ceasing to trade along with the other Group companies which would be rendered insolvent as a result of the failure of the holding company and also unable to continue to trade A Notice of Intention to appoint Administrators

("NOI") was filed on 16 September 2015 and served on Shawbrook Bank Limited ("Shawbrook") under their qualifying floating charge

On 18 September 2015, I was appointed by the Directors as Administrator of the Company to act jointly with my partner Louise Mary Brittain. Ms Brittain and I were concurrently appointed as Joint Administrators of the other 4 Group companies. The appointment permitted the Joint Administrators to take any actions required either jointly or alone, and I have been the Administrator primarily involved in dealing with the Company's affairs.

The sales of the Group's assets completed on 21 September 2015 and funds totalling £342,500.00 were received by my solicitors on completion. Of this, £42,500.00 was due to DMM and has been paid over accordingly. The correct apportionment of the balance of funds between the 5 Group companies is currently being reviewed with the £300,000.00 being held by DLG in the meantime.

3. Objectives of the administration of the Company and the Joint Administrators' strategy for achieving them

The purpose of an administration is to achieve one of the three objectives set out in the insolvency legislation, which are to -

- (a) rescue the company as a going concern, or
- (b) 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), or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and with DLG ceasing to trade and unable to provide personnel or product to retail, continuing to trade the Company until a sale as a going concern could be achieved, or proposing a CVA was not appropriate.

As a result, I sought to achieve objective (b) for the Company, and did this by way of the 'pre-pack' sale of the Group's stock and intellectual property. Although the majority of the Group's assets were owned by DLG and DMM, since the Company had previously been the holding company for the Group, there were a number of contracts that were likely to be in the name of the Company and so all of the companies within the Group were named as a party to the sales agreements.

The insolvency legislation has set a 12 month maximum duration for administrations, unless the duration is extended by the court or the creditors. If I am unable to complete the Administration of the Company within 12 months then I will either apply to the court, or hold a meeting of creditors, in order to seek approval to extend the duration of the Administration.

4. Actions of the Joint Administrators following appointment

It was decided that as there were no funds available to do so, I would be unable to continue the business of the Company in Administration and therefore an immediate sale of the Group's assets was the best way to achieve the objective of the Administration. As a result, on 21 September 2015, I sold the Group's stock and intellectual property to VDL and SMTV.

As there were negotiations for the sales which were conducted prior to the appointment of the Joint Administrators, details of the negotiations and sale were sent to creditors with the notice of appointment as required by SIP 16. A further copy of this information is attached at Appendix II.

5. Financial position of the Company

I have asked the Directors to prepare a summary of the Company's estimated financial position as at 18 September 2015 which is known as a statement of affairs, but I have not yet received any draft of the document. An extension was granted to the Directors whilst remote access to the Company's financial information stored on a computer server could be arranged. The final statement of affairs is expected to be received shortly and will be filed at Companies House upon receipt.

A list of creditors is attached at Appendix III. It should be noted by creditors that their exclusion from the list does not preclude them from having a valid claim, nor does a sum listed which differs from the claim submitted, necessarily dictate the sum that the claim will be admitted for.

5.1 Assets

Intellectual Property and Stock

As advised above, sales of some of the Group's assets were completed on 21 September 2015 to VDL and SMTV with funds received in full on completion. The assets sold were as follows:

	<u>Simply Media TV Limited</u>	<u>Vivat Direct Limited</u>
Intellectual Property	£100,000.00 plus VAT	-
Stock	-	£200,000.00 plus VAT
"FTN" Stock	-	£42,500.00 plus VAT
Total.	£100,000.00 plus VAT	£242,500.00 plus VAT

There was no apportionment stated between the Group companies in respect of the intellectual property and stock. The full balance of the consideration received in these respects has been attributed to DLG in the interim whilst the correct apportionment is being considered and applied as appropriate. The funds received in respect of "FTN" Stock relate specifically to DMM assets and have accordingly been transferred directly into that Administration's bank account.

These were asset sales only and as such no liabilities were included, however, it should be noted that the Joint Administrators only sold such right title and interest as the Company and its subsidiaries had in these assets. The sales agreements included provision relating to third party assets, including, but not limited to, items subject to retention of title clauses and licenses which terminated upon the insolvency of the Group.

Full details regarding the sale of the business and assets are included in the SIP16 information previously circulated and reproduced at Appendix II.

Intercompany Balances

I am aware that there will be a number of intercompany balances between the Group companies and these will be investigated in due course. In addition to the balances that accrued prior to the Administration, there are subrogated intercompany balances which have arisen as a result of payments made to the secured creditor under their security, further details of which are provided below.

Book Debts

The Company's books and records show that it had no book debts outstanding as at August 2015 which would have been subject to the invoice financing agreement with Shawbrook. Further details regarding the application of the charge is provided below. I am currently in the process of accessing the relevant information to confirm whether there are any debtor balances owed to the Company which need to be collected. Should outstanding debts be identified, I will appoint an independent debt collection agency to pursue payment of the debts on a % of realisations basis.

Cash at Bank

The Company held accounts with Coutts & Co. Funds of £4,594.35 have been received in respect of the credit balances held.

I have subsequently become aware of a further bank account held with HSBC Bank Plc within which funds of £3,947.91 were held on the date of my appointment. I will shortly be requesting that these funds are forwarded to me along with any credits received to the account following my appointment.

5.2 Liabilities

Preferential Creditors

The only preferential creditors are any former employees of the Company for unpaid wages and holiday pay. Claims are subject to a maximum limit set by the insolvency legislation.

All of the Group's employees were employed by DLG and therefore no employee liabilities are expected to arise in this Administration.

Secured Creditors

The following charge is registered at Companies House and is showing as outstanding immediately prior to my appointment.

Name of chargeholder	Type of charge	Date created	Date registered
Centric SPV1 Limited (“Shawbrook”)	Fixed and Floating	30 September 2014	6 October 2014

The charge relates to the book debts factored by Shawbrook and all Group companies were subject to the charge with an all companies cross charge.

At the date of Administration Shawbrook was owed £222,999.92 and this liability was paid in full from the sale of the Group's intellectual property and stock to SMTV and VDL, under the terms of their security. The majority of the liability related to funds advanced on DHE debts and as such, the Company will have a subrogated claim against the debtor ledger of DHE in relation to any monies paid to Shawbrook under the cross guarantee, from the sale of the Company's assets. Once the apportionment of the sale proceeds has been completed, the appropriate claim will be made in the Administration of DHE.

Prescribed Part

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a “floating charge” over its assets to a lender on or after 15 September 2003. This is known as the “prescribed part of the net property”. A Company's net property is that left after paying the preferential creditors and the costs of the Administration, but before paying the lender who holds a floating charge. An Administrator has to set aside

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

There is no liability owed to Shawbrook under their floating charge and as such, whilst the prescribed part provisions do apply, the full balance of any net property will be available for the unsecured creditors.

Unsecured Creditors

6 unsecured claims have been received to date totalling £30,130.13. The balance of any intercompany liabilities have not yet been determined or included in the above.

This compares to the initial list of unsecured claims of £1,167.55 taken from the Company’s records just prior to my appointment which did not include any estimated claim from HM Revenue & Customs.

As Joint Administrator, I do not have the power to declare and pay a dividend without first obtaining a court order to do so and therefore I do not intend to review or agree the claims of unsecured creditors. Should there be sufficient funds to declare a dividend to unsecured creditors, the Company will be placed into Creditors Voluntary Liquidation and the dividend will be dealt with by the subsequently appointed Liquidator(s).

6. Joint Administrators’ receipts and payments account

A summary of my receipts and payments relating to the Company for the period from when it entered Administration on 18 September 2015 to the date of these proposals is attached at Appendix IV. As advised previously in this report, the whole sale proceeds of the stock (except the FTN stock) and intellectual property totalling £200,000.00 plus VAT and associated distribution to the secured creditors has currently been allocated in the Administration of DLG and this will be amended following confirmation of the correct apportionment of the funds.

The Administration bank account is held with Allied Irish Bank Plc and is interest bearing.

7. Proposed future actions of the Joint Administrators to achieve the objective of the administration

In order to achieve the objective of the Administration of the Company, I propose to continue to work to realise the remaining assets of the Company including any subrogated claim against the debtor ledger of DHE. The expenses of the Administration will also be paid.

The secured creditor has been paid in full under their fixed and floating charges and as such the full balance of any net property will be available for the unsecured creditors. The availability of a dividend to unsecured creditors will depend upon clarification of the book debt position and any subrogated claim the Company has in the Administration of DHE.

8. Joint Administrators’ remuneration and expenses

I propose that my fees will be charged by reference to the time properly spent by me and my staff in dealing with matters relating to the Administration of the Company. This time will be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken. Information about current charge out rates and the units of time in which work done is recorded is set out in Appendix VI. I also propose that I am permitted to charge what are known as Category 2 expenses. Information about Category 2 expenses is also set out in Appendix VI.

The approval of my remuneration and Category 2 expenses forms part of these proposals for which approval is being sought as set out at section 12 below.

To the date this report is prepared, my time costs amount to £7,729.00 representing 61.00 hours work, at an average charge out rate of £126.70. Appendix V contains information about my remuneration as Joint Administrator, including the total time spent on the affairs of the Company for the period from when it entered Administration on 18 September 2015 to the date of these proposals, and the cost of that time based on the charge out rates of the staff undertaking the work. An explanatory note which shows the fee policy for my firm is included at Appendix VI.

N&M Promotions Limited – In Administration ("the Company")
Joint Administrators' Report and Proposals
13 November 2015

Please go to www.r3.org.uk/index.cfm?page=1210 for the "Creditors Guide to Administrators' Fees" if you require further information relating to Administrators' remuneration. Please be advised that the relevant document is found by following the link "Effective from November 2011 to September 2015". A hard copy is available free of charge upon request to my office.

My expenses to date amount to £599.16. I have not yet drawn any expenses in this matter.

The following expenses have been incurred but have not yet been paid:

Particulars of expense	Type of expense (category 1 or 2)	Amount incurred/ accrued to date	Amount outstanding
Assistance to Administrators*	Category 1	£284.76	£284.76
Insurance of Assets	Category 1	£106.00	£106.00
Mail Re-Direction Fee	Category 1	£160.00	£160.00
Statutory Advertising	Category 1	£28.40	£28.40
Specific Bond	Category 1	£20.00	£20.00

*The assistance to the Administrators was provided by two former employees of the Group who remained on site to assist in the clearance of the site and to bring the Company's accounting system as fully up to date as possible. This work was focussed on ensuring that the debtor ledger was as accurate as possible to assist in the collection of the Group's book debts and generally maximise realisations. The individuals worked for on hourly rate equivalent to their previous remuneration basis and the total cost of their assistance has been apportioned equally between the 5 Group companies.

The following agents or professional advisors have been utilised in this matter to date:

<u>Agent / professional advisor</u>	<u>Nature of work</u>	<u>Fee arrangement</u>
Squire Patton Boggs (UK) LLP	Post appointment assistance in final negotiations, finalising the sale agreements and effecting completion	Time costs – £16,478.50 plus VAT (to 16/10/2015)*
Williams and Partners	Chattel Agents – sale of assets	Commission – 10% plus VAT
Williams and Partners	Chattel Agents – on site assistance re clearance of premises, queries regarding retention of title claims and collection of books and records	Time costs – £180.00 plus VAT per day - £720.00 plus VAT*
ISG Technology Limited	Assistance in relocating the Group's computer server offsite and arranging remote access to the information held	Time costs – £850.00 plus VAT per day - £1,275.00 plus VAT*

* The fees are to be apportioned between the 5 Group companies. The fees shown are the total fees charged before apportionment. The apportionment will be calculated on the basis of the percentage of total asset realisations of £342,500.00 plus VAT apportioned to the Company.

The above fees are all unpaid and will be paid in due course.

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

9. Pre-appointment fees and expenses

The Board of the Company instructed me to assist them in placing the Company in Administration following the rejection of the CVA of DLG on 7 September 2015. They agreed that I should be paid my pre-appointment fees and expenses on a time cost basis. I attach at Appendix V a detailed time cost table showing the pre-appointment time costs incurred by category and staff grade at my firm.

My time costs amount to £1,403.50 representing 7.30 hours work, at an average charge out rate of £192.26. Appendix V contains information about my remuneration as Joint Administrator, including the total time spent on the affairs of the Company up to the date when it entered Administration on 18 September 2015 and the cost of that time based on the charge out rates of the staff undertaking the work. An explanatory note which shows the fee policy for my firm is included at Appendix VI.

In addition to my own time costs, the following expenses were incurred and have not yet been paid:

<u>Agent / professional advisor</u>	<u>Nature of work</u>	<u>Fee arrangement</u>
Squire Patton Boggs (UK) LLP	Pre-appointment assistance in negotiating the sales of assets and preparation of the sales agreements	Time costs – £18,245.00 plus VAT*
AMB Law	Preparation of and filing of a notice of intention and notice of Administration	Time costs & disbursements – £492.20 plus VAT (apportioned)

* The fees are to be apportioned between the 5 Group companies. The apportionment will be linked to the percentage of the asset sales totalling £342,500.00 plus VAT received from the sales agreements completed on 21 September 2015.

If a committee is appointed at the meeting of creditors by correspondence, I will initially seek approval from the committee for payment of the balance of the pre-appointment fees of £1,403.50 plus VAT and expenses that have not yet been paid. If the committee does not approve those fees, or it approves the fees at a level that I (or the other insolvency practitioner) feel is insufficient, I may seek approval from the general body of creditors or failing that, from the court.

If a committee is not appointed, then since the pre-appointment fees and expenses that have not yet been paid cannot be approved within these proposals, I will be seeking a separate resolution to approve them at the meeting to be held by correspondence.

10. Joint Administrators’ investigations

I have a duty to consider the conduct of those who have been Directors of the Company at any time in the three years preceding the Administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure. A questionnaire for this purpose is attached at Appendix IX.

11. EC regulation on insolvency proceedings

I consider that the EC regulation on insolvency proceedings apply to the Administration of the Company. I also consider that they are “main” proceedings since the Company’s registered office and its trading address are in the United Kingdom.

12 Joint Administrators’ proposals

In order to achieve the objective set out at section 3 above, as Joint Administrator of the Company I formally propose to creditors that

- (a) I continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that I
 - (i) continue to review the asset, book debt and intercompany balance positions of the Group in order to correctly apportion the funds received to date and the subrogated claims of each company in respect of the payment made to the secured creditor,
 - (ii) sell any of the Company’s unsold assets at such time(s) on such terms as considered appropriate and collect the outstanding book debts due,
 - (iii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or Company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company, and
 - (iv) do all such things and generally exercise all their powers as Joint Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) the Administration will end by placing the Company into Creditors’ Voluntary Liquidation, and propose that I, Stephen Paul Grant and Louise Mary Brittain are appointed the Joint Liquidators of the Company, and that we will act jointly and severally in our duties. Creditors may nominate a different person(s) as the proposed Liquidator(s), but you must make the nomination(s) at any time after you receive these proposals, but before they are approved. Information about the approval of the proposals is set out at section 13
- (c) if there are no funds for distribution to unsecured creditors the Administration of the Company will end by filing notice of dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar of Companies three months after the notice is registered
- (d) alternatively, if there are no funds for distribution to unsecured creditors but it is believed that further investigations are required, the Administration will end by the presentation of a winding-up petition to the court for the compulsory liquidation of the Company and I propose that I, Stephen Paul Grant and Louise Mary Brittain are appointed the Joint Liquidators of the Company by the court
- (e) I am remunerated by reference to time properly spent by me and my staff in dealing with matters relating to the Administration of the Company, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken. Details of the current charge out rates for myself and my staff are outlined in Appendix VI of these proposals
- (f) I be authorised to draw category 2 expenses as outlined in Appendix VI of these proposals

13. Approval of proposals

I intend to hold a meeting of creditors by correspondence to consider and vote on my formal proposals to achieve the objective of the Administration of the Company. I attach formal notice of conduct of business by correspondence (Form 2 25B) and also a proof of debt form. You can only vote at the meeting by correspondence if you complete and return the proof of debt form and Form 2 25B, having completed the voting section of the form. I must receive your completed forms by no later than 12 noon on 1 December 2015. You are not required to vote at the meeting by correspondence, and if you do not do so then this will


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not affect your rights against the Company. Creditors whose claims are wholly secured are not entitled to vote at the meeting by correspondence.

Whilst I have decided to hold a meeting by correspondence, creditors whose debts amount to at least 10% of the total debts of the Company can require me to convene an actual meeting of creditors. Such a request must be made to me on Form 2.21B within five business days of the date of these proposals.

14 Further Information

Should you require any further information relating to these proposals or the Administration of the Company please do not hesitate to contact Chloe Edges at this office.



Stephen Paul Grant
Joint Administrator

13 November 2015

Company Information.

Company name	N&M Promotions Limited
Previous name	Delta Music Limited (changed 7 July 2014)
Trading style	-
Company registration number	02776053
Date of incorporation	23 December 1992
Current registered office	Bridge House, London Bridge, London, SE1 9QR
Former registered office and trading address	1 Newtons Court, Crossways Business Park, Dartford, Kent, DA2 6QL
Principal trading activity	Digital retail of home entertainment products

Appointment Details

Date of appointment	18 September 2015
Appointment made by	The Directors
Court name and reference	High Court Of Justice No 6113 of 2015
Administrators' appointed	Stephen Paul Grant (IP No 008929) and Louise Mary Brittain (IP No 09000)

Officers of the Company:

Directors	Appointed	Resigned
Mr Laurence Adams	7 January 1993	-
Company Secretary	-	-
Shareholding	The Company's authorised share capital is 250,000 Ordinary shares of £1 00 which have been issued and are held as follows	
	Delta Leisure Group Limited (In Administration)	Shares at £1.00 250,000

Charges:

Name of chargeholder	Type of charge	Date created	Date registered
Centric SPV1 Limited	Fixed and Floating	30 September 2014	6 October 2014

Group Structure:

Holding Company	Date Incorporated	Status
Delta Leisure Group Limited	17 October 2006	In Administration

Other Subsidiaries

Delta Music Merchandising Limited	29 April 1994	In Administration
Delta Home Entertainment Limited	30 April 1982	In Administration
Delta Digital Sales Limited	27 August 2009	In Administration

Information to be provided pursuant to Statement of Insolvency Practice 16 in relation to the below Companies.

N&M Promotions Limited - In Administration ("DLG")

N&M Promotions Limited – In Administration ("DMM")

N&M Promotions Limited – In Administration ("DHE")

N&M Promotions Limited – In Administration ("DDS")

N & M Promotions Limited – In Administration ("NMP") ("the Companies" or "the Group")

The headings below are as set out in Statement of Insolvency Practice 16, a statement outlining the basic principles and essential procedures with which insolvency practitioners are required to comply where a sale of a business or assets of an insolvent company has taken place in administration and where the majority of negotiations and marketing occurred prior to the appointment. The headings are used as a guide to ensure that all information required is provided, but where possible we have expanded upon the information covered by the headings. This is so that as much background information as is reasonable in the circumstances is provided. Information in relation to the background of the Company prior to the first contact with the Joint Administrators is based upon information provided by the Directors or other third party sources.

1 The source of the Administrators' initial introduction

- 1.1 The introduction was made by Shawbrook Bank Limited ("SBL"), the provider of asset based and invoice finance to the Companies. Shawbrook Bank Limited hold fixed and floating charges registered against each of the Companies incorporating cross company guarantees. For the avoidance of doubt, it is confirmed that no payments have or will be made in respect of the introduction.

2 The extent of the Administrators' involvement prior to appointment

- 2.1 Wilkins Kennedy LLP were first instructed on 28 July 2015 to conduct an Independent Business Review ("IBR") and provide a report on the findings to the Group with particular regard to the invoice discounting facility provided by SBL and the funding requirements going forward. An initial meeting was held with the directors of the boards ("the Boards") on 28 July 2015.
- 2.2 The IBR identified that DLG, the Group's parent company was insolvent and advice was provided that steps should be taken to improve DLG's financial position or that it should cease to trade.
- 2.3 A number of options as to how DLG could proceed were suggested which are explained further at section 4 below. It was pointed out that continuing to trade without implementing one of the suggested options was not viable. Following discussions with the Boards, it was confirmed that the preferred option would be to proceed to propose a Company Voluntary Arrangement ("CVA") in composition of DLG's debts in full and final settlement. It was proposed that the Subsidiary Companies would be unaffected and each was considered to be viable in the event that the CVA was approved and DLG could continue to trade. The CVA was initially proposed to continue for a 3 year period but this was later extended to 5 years and provided for unsecured creditors to receive 100p in the £ on their claims.
- 2.4 In the year prior to these discussions there were expressions of interest from potential purchasers of the Companies but no deals were concluded for the Group but a sale of the business and assets of DMM was agreed with Flop The Nuts Limited ("FTN"). Following eight months of negotiations between DMM and FTN, the sale completed on 4 August 2015. The sale proceeds, to be received in stages were to be utilised to pay DMM's creditors estimated at that time in the sum of circa £127,000.00 with any remaining balance being paid to DLG for the benefit of the CVA by way of a dividend payment. The sale included stock with a maximum value of £280,000.00, motor vehicles, promotion stands, related handheld terminals and software and the goodwill with a combined maximum value of £90,270.00. 18 employees were transferred to the purchaser under TUPE legislation. Payments were scheduled to be received as follows:
- £50,000 to be payable on Completion (4 August 2015),
 - £150,000 to be payable in the first week of September 2015,
 - £150,000 to be payable in the first week of October 2015, and
 - any balance to be payable in the first week of November 2015 (up to a maximum of £20,270.00)

- 2 5 The Group was primarily funded via an invoice discounting agreement with SBL who hold fixed and floating charges over each of the Companies, each created on 30 September 2014 and delivered on 6 October 2014. Following the completion of the IBR and the review of the options available to the Company, it became apparent to the Boards that if the CVA was not approved, DLG and therefore the rest of the Group would be unable to continue to trade.
- 2 6 To allow the directors time to review the viability of proposing a CVA and to put together the proposal, a Notice of Intention to Appoint Administrators ("NOI") was filed on 11 August 2015 for DLG and DMM. The protection provided by the interim moratorium preserved the value in the Companies' assets for the creditors' as a whole.
- 2 7 Following circulation of the proposal for the CVA, I was made aware of a third party who made an offer for the business and assets of DLG. Creditors of DLG were advised of this offer on 3 September 2015 when an amendment to the CVA proposal was circulated. At this time, creditors were advised that the offer would require DLG to cease trading and enter an Administration process. Although details of the quantum of the offer were not disclosed, creditors were provided with an estimated outcome which indicated that an Administration would result in a lower return to creditors than in the event that the CVA had been approved.
- 2 8 On 25 August 2015 further NOI's were filed for DLG and DMM after the proposal had been deemed viable and issued to creditors but after indications were received from key creditors that the proposals may be rejected unless certain conditions were met.
- 2 9 On 7 September 2015, the CVA was rejected by creditors and the Boards revisited the options available to them which following the offer referred to above, included a pre-packaged sale of the assets and the Administration of the Companies.
- 2 10 Following confirmation that the CVA had been rejected, further NOI's were filed in respect of DLG and DMM on 8 September 2015 to protect the Group's assets from creditor action whilst the viability of the offer from the third party was considered and whilst the existence of any other potential purchasers was determined.
- 2 11 As referred to above, in the event of the rejection of DLG's CVA, the other companies within the Group would be insolvent and unable to continue to trade so were also required to enter a formal insolvency process. As negotiations with potential purchasers of the Group's assets continued, it became apparent that all of the Companies would be required to be named on the final sales agreements and as such, all of the Companies would need to be placed into Administration to maximise the realisation of the Group's assets. NOI's were filed in respect of DHE, DDS and NMP on 16 September 2015 and served on SBL under their qualifying floating charges in each of the companies.
- 2 12 SBL provided their consent to the appointment of the proposed Administrators of DHE, DDS and NMP on 16 September 2015. Their consent was not required in respect of DLG and DMM as five business days had passed since the NOI's for these companies had been served on them.

3. Any marketing activities conducted by the company and/or the Administrators

- 3 1 As set out in paragraph 6 below it was clear that no trading would be possible during the Administration. As a number of parties had already stated their interest and taking into account the short timescale within which any sale would need to be achieved, it was not considered appropriate in the circumstances of the case to place an advert in the press or with any agents. I do not consider that doing so would have resulted in any offer being received in excess of that which was accepted.
- 3 2 It should also be noted that several conversations were held throughout the process with the three largest creditors and they were consulted prior to completion of the sale. These creditors account for approximately 76% of DLG's creditors.
- 3 3 As advised above, prior to the CVA being formally rejected, I received an offer for the assets of DLG. The terms of the offer were such that the funds in respect of the consideration would be placed in a solicitor's client account as proof of funding, to be released upon completion of any sale. The prospective purchaser also confirmed that they would seek to reach an agreement with the purchaser of the business.

and assets of DMM to continue to supply them. No enquiries or objections were received from creditors following the advice given that this offer had been received.

- 3.4 Following rejection of the CVA, this offer and the Administration process then appeared to represent the best return for creditors.
- 3.5 Following notification of the CVA rejection, two further parties identified that they were also interested in making an offer for the Group's assets and all three interested parties signed non-disclosure agreements and information was provided regarding the Group's financial and trading affairs. In addition to the third party interest, the beneficial owner and Director of all the Companies, Mr Laurence Adams identified that he was also interested in making an offer.
- 3.6 Of the three parties that signed non-disclosure agreements, two made offers (this included the offer that had already been received from Vivat Direct Limited and Simply Media TV Limited) and one advised that whilst he was interested in some of the business and assets of the Group, he was aware of the two other offers and his offer would be considerably less. It was not therefore considered by that party to be worthwhile to continue in the negotiations but it was noted that they would wish to reconsider their position should the other offers be withdrawn.
- 3.7 Three offers were received as follows -

Offer 1

Proposed purchaser	Vivat Direct Limited/Simply Media TV Limited
Connected purchaser	No
Total offer amount	£300,000.00 plus VAT
Offer details	<ul style="list-style-type: none">• £100,000.00 for the Intellectual Property ("IP") of all Companies (offer from Simply Media TV Limited)• £200,000.00 for the available stock of all Companies (offer from Vivat Direct Limited)
Conditions attached	<ul style="list-style-type: none">• Both offers must be accepted and effected simultaneously• The sale should occur as a 'pre-packaged' Administration sale• Funds of £300,000 were lodged with Solicitors

Offer 2

Proposed purchaser	Not Disclosed
Connected purchaser	No
Total offer amount	£85,000.00 plus VAT
Offer details	<ul style="list-style-type: none">• £15,000.00 in respect of the Amazon and Ebay accounts trading as Direct2 U, usernames and passwords, associated stock assigned to this account to the book value £41,000.00• £35,000.00 in respect of the whole business and assets of DDS• £35,000.00 in respect of certain programme rights
Conditions attached	None specified

Offer 3

Proposed purchaser	Laurence Adams
Connected purchaser	Yes
Total offer amount	£25,000.00 plus VAT
Split of offer	£25,000.00 for the shares and assets of DDS
Conditions attached	<ol style="list-style-type: none">1) To include non-exclusive rights to the DDS CD catalogue2) Sale to be completed prior to Administration3) Creditor liabilities to be settled by purchaser

- 3.8 Having reviewed the details of each offer, it was apparent that the offer made by Vivat Direct Limited ("VDL") and Simply Media TV Limited ("SMTV") would offer the best return for the Companies' creditors and further discussions were entered into by the Boards to finalise the details of the offer. Funds of £300,000.00 were placed into a solicitors' client account as proof of funding.

- 3 9 Prior to the creditors' meeting to consider the CVA, FTN, who had purchased the assets of DMM, advised that they did not intend to make payment of their next agreed instalment of £150,000 00 citing their entitlement under the sale agreement to offset the costs of any redundancy payments associated with the transferred employees incurred in the first 3 months of the agreement, discrepancy in respect of the stock sold as part of the agreement and associated costs incurred by them. DLG having ceased to trade also affected their supply chain in respect of the manufactured products
- 3 10 Negotiations were commenced with FTN in respect of their remaining payments under the sale agreement and an agreement was reached in which a further payment of £60,000 00 plus VAT would be made in full and final settlement of FTN's liability under the agreement for the stock already received and the chattel assets that had been included in the sale agreement. The stock that had yet to be delivered to FTN was released from the agreement
- 3 11 Independent specialist valuers and agents, Williams and Partners ("W&P") were requested to prepare a valuation and report in respect of the returned FTN stock, further referred to here as "the FTN stock"
- 3 12 At this time, VDL advised that they would also wish to make an offer for the FTN stock. The offer was initially made in the sum of £50,000 00 plus VAT but later reduced to £42,500 00 plus VAT following investigations into what stock remained. A condition of the offer was that the sale would be required to be effected simultaneously with the other assets to be purchased by VDL and SMTV. Taking into account the valuation of the items and advice provided by W&P, the offer received for the FTN stock of £42,500 00 plus VAT from VDL was considered to be a good offer and as such was accepted
- 3 13 Solicitors were instructed to prepare the two sale and purchase agreement ("SPAs") and negotiations continued between the Boards, VDL and SMTV to finalise the details of the sale. The Companies continued to trade on a very limited basis during this time to ensure that the value of the assets were maintained and book debt collections were maintained
- 3 14 Negotiations regarding the final details of SPAs took longer than anticipated. The appointment of Joint Administrators was made for each of the Companies on 18 September 2015 and the sales of the assets completed on 21 September 2015

4 Any valuations obtained for the business or the underlying assets

- 4 1 The FTN stock was valued by professional valuers W&P. The valuation was as follows

	<u>Forced Sale</u>	<u>Willing Buyer</u>
FTN Stock	£0 00 - £5,000	£17,000 - £20,000

- 4 2 W&P confirmed that on the basis of the information provided to them, the offer received from VDL for the FTN stock of £42,500 00 plus VAT was far in excess of any other offer likely to be received and recommended its acceptance
- 4 3 A valuation of the IP and other stock sold to VDL and SMTV was not obtained as it became apparent from the offers received that offers in excess of those received were highly unlikely to be received. In addition, as previously mentioned I consulted with the three largest creditors of DLG regarding the structure and consideration of the proposed sale
- 4 4 A number of assets not included in SPAs including but not limited to, the office and computer equipment, a forklift truck, a number of motor vehicles (including some or all which may be subject to lease or hire purchase agreements), warehouse racking and stock returned by customers not otherwise included in the SPAs, are currently being marketed for sale by W&P

5. Alternative courses of action considered and possible financial outcomes

- 5 1 A number of alternative courses of action were suggested following the IBR and a CVA in respect of DLG was proposed but subsequently rejected. In the event of the CVA being accepted, the Group's subsidiary Companies would have remained unaffected and continued to trade (with the exception of DMM which was to be wound down following payment of its creditors in full, having already ceased to trade on 4 August 2015 when the sale agreement in respect of its assets was signed and its employees

transferred to the purchaser) Following the rejection of the CVA and in the absence of any offers for financial support (outside of a CVA), DLG was considered unable to continue trading, it became clear that the only alternative to ceasing to trade and selling the assets on a break up basis, was to appoint Administrators and arrange for a pre-pack sale of the business and assets which would provide a significantly better return to creditors and was in the best interest of the Group's creditors as a whole As a result, the Group's subsidiary Companies were also unable to continue to trade and consideration was given to what options were available to those Companies

- **Do Nothing** – If no action was taken to resolve the Group's financial position, it would be unable to continue to trade and it was likely that creditors would instigate legal proceedings against the Group to recover their debts
- **Informal Arrangement** – With a formal CVA having been rejected, it was not considered appropriate or worthwhile to propose informal arrangements with the Group's creditors
- **Refinancing** – The Boards confirmed that they had been unable to obtain sufficient further credit to that date and they confirmed that they were not in a position to make any personal loans to the Group
- **Sale of Business** – A sale of the Group's shares was unable to be achieved, efforts having been made prior to my involvement A condition of the best offer received for the Group's assets stipulated that the sale should be effected by a duly appointed Administrator
- **Administration** – The routes into Administration were outlined and the Board were advised of the statutory purposes of Administration and the protection from creditors that the process would provide
- **Company Voluntary Arrangement ("CVA")** – A CVA of DLG had previously been proposed and rejected A CVA usually relies on the company being able to continue to trade With DLG unable to continue to trade, the subsidiary Companies were not considered suitable candidates to propose a viable CVA due to the fact that they were reliant on DLG for the supply of goods to enable them to continue to trade
- **Creditors' Voluntary Liquidation** – The process of placing the Companies into creditors' voluntary liquidation was discussed, however in light of the above condition of purchase, this was not considered to be a suitable process in which to achieve the best realisations for the Group as the proposed sale of assets would not be able to continue Furthermore, there may have been possible distraint issues arising with the landlord of the trading premises when the next quarters rent fell due and from HM Revenue & Customs in relation to the Companies outstanding tax liabilities
- **Compulsory Liquidation** – The option of presenting petitions to the Court to wind up the Companies was considered however, the Board did not want to pursue this option for the same reason they do not want to place the Company into creditors' voluntary liquidation

6. Why it was not appropriate to trade the business, and offer it for sale as a going concern, during the Administration

- 6 1 DMM had previously ceased to trade on 4 August 2015 following the completion of the sale of its assets to FTN
- 6 2 Whilst it was previously considered that DLG would be able to continue to trade should the proposed CVA be proposed, without that formal arrangement, it did not have sufficient available funds to continue to trade and be able to meet its liabilities as they fell due Following the CVA rejection, the Board of DLG knew that they would be unable to continue to trade
- 6 3 As DLG provided manufactured products to the other subsidiary Companies, DHE, DDS and NMP were unable to continue to trade without support from the Group's funding arrangements and the product supply from DLG

6 4 It was concluded that it would not be possible for any trading to take place during the Administration due to the lack of available funding SBL confirmed that they would not continue funding the Group and the Boards had confirmed that they would not be willing to introduce any funds

7. Details of requests made to potential funders to fund working capital requirements

7 1 During the time that the CVA of DLG was proposed, the Boards met with three asset and invoice finance providers to consider the possibility of replacing SBL who did not wish to fund DLG in a CVA

7 2 An offer for funding was received however as the CVA was not approved, this was no longer viable

7 3 No other financiers were approached following the rejection of the CVA since the Companies were no longer viable and could not continue to trade

8. Whether efforts were made to consult with major creditors

8 1 SBL were kept fully informed of the position and provided a Deed of Release to allow the assets subject to their charges to be sold

8 2 Details of the proposed Administration and sale were provided over the telephone to Ian Denyer at HMRC on 17 September 2015 When asked to confirm if he had any queries or concerns, he requested confirmation if the proposed purchasers were connected to the Group in any way and it was confirmed that they had no connection It was also confirmed that it was not intended that any of the Group's officers be involved in the purchasers' businesses before or after the completion of the sales

8 3 Contact was made with two of the remaining largest creditors by telephone on 17 September 2015 and 18 September 2015 These creditors are MPO France and VDC Group Trading Limited respectively

8 4 These creditors were advised of the basis of the proposed sale, the independent valuation agent's opinion regarding the FTN stock and the expected timings of the process Of the three creditors consulted, which accounted for 76% of DLG's liabilities, two of the creditors raised no objections to the sale and the third was keen for the sale to be completed

9. The date of the transaction

9 1 The sales transactions were completed on 21 September 2015

10. Details of the assets involved and the nature of the transaction

10 1 The assets sold were as follows

	Simply Media TV Limited	Vivat Direct Limited
Intellectual Property	£100,000 00 plus VAT	-
Stock	-	£200,000 00 plus VAT
FTN Stock	-	£42,500 00 plus VAT
Total.	£100,000 00 plus VAT	£242,500.00 plus VAT

10 2 All funds were received on completion, there is no deferred consideration element to the SPAs

10 3 No liabilities were included in the sale

10 4 The remaining assets as detailed in section 4 of this report were not included in the transactions and work to realise these assets with the assistance of W&P is ongoing

11 The consideration for the transaction, terms of payment, and any condition of the contract that could materially affect the consideration

11 1 The whole of the consideration has been received and the balance of the funds, after discharging the liability to SBL under their security, is held in my solicitor's client account pending the opening of Administration bank accounts. There were no conditions which could materially affect the consideration.

11 2 The sales consideration received in respect of the stock and FTN stock is to be paid to DLG and DMM respectively.

11 3 The consideration under the sales contract for intellectual property was £100,000.00 however there was no apportionment stated between the companies within the Group. The full balance of the consideration for the intellectual property has been paid to SBL under the cross-company guarantees which they held and which were supported by fixed and floating charges. The companies will have subrogated claims for the amounts paid to SBL under these cross-company guarantees, as applicable and as such the Joint Administrators will appoint a specialist valuation agent to review and apportion the consideration.

12 If the sale is part of a wider transaction, a description of the other aspects of the transaction

12 1 The sale is not part of a wider transaction.

13. The identity of the purchasers

13 1 The purchasers are as follows:

- Vivat Direct Limited – registered company number 07184818. This company was incorporated on 10 March 2010.
- Simply Media TV Limited – registered company number 04724694 – This company was incorporated on 7 April 2003.

14. Any connection between the purchaser and the directors, shareholders or secured creditors of the company

14 1 There is no connection between the Company and VDL or SMTV. There are no common directors or shareholders nor any prior relationship with the exception of the negotiations to acquire the business in recent months.

15. The names of any directors, or former directors, of the company who are involved in the management or ownership of the purchaser, or of any other entity into which any of the assets are transferred

15 1 None.

16. Whether any directors had given guarantees for amounts due from the company to a prior financier, and whether that financier is financing the new business

16 1 Laurence Adams, a director of each of the five companies and the ultimate beneficiary of DLG's shareholdings in the subsidiaries, had personally guaranteed the liability owed to SBL up to £50,000. There is no connection between the Group and VDL and SMTV and as such, the financiers of the purchasers are not known.

17. Any options, buy-back arrangements or similar conditions attached to the contract of sale

17 1 None.

SCHEDULE OF CREDITORS

NAME	£
ALAN A MARSH	-
D A DEWSALL	-
D J BOWYER	-
D STYLES	-
EASY INVOICE FINANCE LIMITED	-
FUTURE NOISE MUSIC LIMITED	£1,010 52
GLOBAL PAYMENTS	-
HM REVENUE & CUSTOMS	-
JENNY HUCKELL	-
MA BUSINESS & LEISURE LIMITED	-
NEOPOST	-
PREMIUM CREDIT	-
ROYAL MAIL GROUP LIMITED	£127 03
SELLERDECK LIMITED	£30 00
THAMES WATER UTILITIES LIMITED	-
TIME INC (UK) LIMITED	-

N&M Promotions Limited - In Administration
Joint Administrators' Abstract of Receipts & Payments

From 18 September 2015 to 13 November 2015

S of A			
£			£
RECEIPTS			
	Cash at Bank		4,594 35
	-		4,594 35
PAYMENTS			
	-		-
			-
CASH IN HAND (Interest Bearing)			4,594 35

Pre-Administration Fees to 18 September 2015

HOURS						£ Time Cost	£ Average hourly rate
Classification Of work function	Partner	Manager	Other senior Professionals	Assistants & support staff	Total Hours		
Administration & planning	-	0 40	1 30	2 60	4 30	503 50	117 09
Cashiering & Accounting	-	-	-	-	-	-	-
Realisation of assets	-	2 00	-	-	2 00	600 00	300 00
Trading	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-
Creditors	-	0 20	-	-	0 20	60 00	300 00
Statutory Matters	-	0 80	-	-	0 80	240 00	300 00
Case Specific Matters	-	-	-	-	-	-	-
Total hours		3 40	1 30	2 60	7 30	1,403 50	192 26
Total fees drawn (£)						-	

Joint Administrators' Fees from 18 September 2015 to Date

HOURS						£ Time Cost	£ Average hourly rate
Classification Of work function	Partner	Manager	Other senior Professionals	Assistants & support staff	Total Hours		
Administration & planning	-	2 90	6 30	25 00	34 20	3,062 00	89 53
Cashiering & Accounting	-	-	-	0 20	0 20	25 00	125 00
Realisation of assets	0 10	1 60	0 70	-	2 40	656 50	273 54
Trading	-	-	-	-	-	-	-
Investigations	-	1 90	-	-	1 90	570 00	300 00
Creditors	-	0 80	0 30	10 10	11 20	802 50	71 65
Statutory Matters	-	5 10	5 40	0 60	11 10	2,613 00	235 41
Case Specific Matters	-	-	-	-	-	-	-
Total hours	0 10	12 30	12 70	35 90	61 00	7,729.00	126 70
Total fees drawn (£)						-	

ADDITIONAL INFORMATION REGARDING FEES INCURRED IN RELATION TO N&M PROMOTIONS LIMITED

Pre-Administration Period to 18 September 2015

- Reviewing the options available and the likely outcome for creditors of each to ensure Administration was the most suitable procedure in the particular circumstances of the case
- Collating information from the Company in respect of the assets available for sale and their physical location to ensure that the information provided to potential purchasers was as transparent and accurate as possible to maximise the offer received
- Responding to various requests for information from the potential purchasers of the Group's assets and liaising with the solicitors regarding the sales agreements
- Liaising with the Company's secured creditor in respect of their ongoing position, liability and their consent to the proposed sale. In addition, agreeing the release of the security following payment in full on completion of the proposed sale which was required in order for the sales to be effected and the best level of realisations possible being achieved whilst maintaining the continued co-operation of the secured creditors in respect of ongoing debtor realisations
- Consideration being given, and investigations being made, regarding the security of the Company's electronic books and records following the Company ceasing to trade as the information required to ensure the future book debt collections was held on these systems. It was understood that without this information any debtor disputes or queries would be difficult to respond to resulting in potential write offs and minimised future realisations

Post-Administration Period to 13 November 2015

- Arranging the initial post appointment statutory notifications and letters
- Finalising the sales agreements and their completion on the business day following appointment
- Liaising with the Directors and obtaining the assistance of 2 former members of staff to assist in the update of the Company's electronic records and provision of information to the office holders
- Liaising with the Company's computer service provider to arrange the removal of the electronic hardware from the premises and arrange offsite access to the information held
- Liaising with various parties for whom the Company held assets on trust and the subsequent arrangements for the return of those assets
- Receiving the completion funds to the appointed Solicitors and payment of the dividend due to the secured creditor
- Opening the Administration bank account and the subsequent receipt of the balance of funds held by the Solicitors
- Liaising with the secured creditor in respect of book debt receipts received by them following appointment and arranging the transfer of the same to the Administration bank account
- Continuing to liaise with creditors and license holders in respect of their ongoing position
- Dealing with queries regarding Retention of Title claims made against stock sold to the purchaser and the provision of contact details to the purchaser to deal with queries in full
- Corresponding with customers identified as a result of receiving redirected mail in respect of media promotions and returning cheques/order forms where appropriate
- Arranging collection of the Company's physical records from the trading premises
- Requesting a formal Statement of Affairs be provided by the Directors
- Requesting the completion of statutory questionnaires by the Directors and former Directors
- Requesting the cash at bank funds held by the Company's bankers and noting the receipt of the same. In addition, requesting further information in respect of the Company's accounts and copy bank statements
- Arranging appropriate insurance cover of the assets following appointment and prior to their sale
- The preparation and circulation of a notification to creditors in accordance with SIP16
- The preparation of this proposal document and appendices
- Convening the meeting of creditors to be held by correspondence

APPENDIX VI

**CURRENT CHARGE OUT RATES, TIME CHARGING POLICY, DISBURSEMENT AND COMPLAINTS
POLICY**

CURRENT CHARGE OUT RATES, TIME CHARGING POLICY, DISBURSEMENT AND COMPLAINTS POLICY

Explanation of office-holders time charging policy

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP9"), the chargeout rates detailed on the next page are applicable to this appointment exclusive of VAT. Rates are normally reviewed on an annual basis and adjustments made accordingly where deemed appropriate.

Time is recorded in 6 minute units by each staff member working on the case. A description of the routine work undertaken which time will be recorded for is detailed as follows:

1 Administration and planning

- Preparing documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details
- Reviewing the ongoing progression of case files
- Arranging the collection and storage of company records
- Ensuring an appropriate case bordereau is in place
- Case planning and administration
- Preparing reports to members and creditors
- Convening and holding meetings of members and creditors where appropriate

2 Investigations

- Review and storage of the company's books and records
- Preparation of returns / reports pursuant to the Company's Directors Disqualification Act 1986
- Conduct investigations into any suspicious transactions
- Reviewing the books and records to identify any transactions or actions that the officeholder may take in order to recover funds for the benefit of creditors

3 Realisation of assets

- Identifying, securing and obtaining sufficient insurance in respect of company assets
- Dealing with any retention of title or other third party claims
- Debt collection functions
- Negotiating and completing property, business and asset sales

4 Trading

- Management of trading operations
- Maintaining and preparing accounting records for the period of trade
- Dealing with ongoing employee issues

5 Creditors

- Dealing with creditor correspondence and telephone conversations
- Maintaining creditor information and claims (including those submitted by secured creditors, employees and other preferential creditors)

Work carried out in addition to that described above is detailed in the main progress report.

Complaints procedure

Details of our complaints procedure are available on our website using the following link:
<http://www.wilkinskennedy.com/services/wk-restructuring-recovery/insolvency/complaints-procedure>

CURRENT CHARGE OUT RATES, TIME CHARGING POLICY, DISBURSEMENT AND COMPLAINTS POLICY

Wilkins Kennedy LLP Current Charge Out Rates from 1 May 2015

	£ p/hr
Partner/Director	325-450
Senior Manager/Manager	300-350
Supervisor/Senior	195-250
Junior/Administrator	50-160
Support Staff	75-90

[Time is recorded in units of 6 minutes]

Explanation of office-holders disbursement recovery policy

Statement of Insolvency Practice 9 ("SIP9") – Remuneration of Insolvency Office Holders, requires that the office holder provide a statement of the office-holder's policy in relation to recharges of disbursements. SIP 9 defines disbursements as either **Category 1** or **Category 2** disbursements -

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements will generally comprise costs which, whilst being in the nature of expenses or disbursements, include elements of shared or allocated costs.

Charging and disbursement recovery policy

Category 1 disbursements are recoverable without approval, and will be recovered by the office holder as they are incurred.

Category 2 disbursements do require approval, and should be identified and subject to approval by those responsible for approving remuneration. SIP 9 provides that, the office holder may make a separate charge for expenses in this category, provided that -

- such expenses are of an incidental nature and are directly incurred on the case, and there is a reasonable method of calculation and allocation, it will be persuasive evidence of reasonableness, if the resultant charge to creditors is in line with the cost of external provision, and
- the basis of the proposed charge is disclosed and is authorised by those responsible for approving his remuneration.

Payments to outside parties in which the office holder or his firm or any associate (as defined by section 435 of the Insolvency Act 1986) has an interest should be treated as category 2 disbursements.

The following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Photocopying	£0.05 per sheet
Mileage	£0.45 per mile
Meeting Room Hire	£50.00 per meeting

Category 2 disbursements are recovered by the office holder in accordance with the above guidance.

PROPOSED RESOLUTIONS AS PER FORM 2 25B

- 1 That the Joint Administrators proposals set out in the report dated 13 November 2015 be approved
- 2 That the outstanding pre-appointment fees and expenses set out in section 9 of the Joint Administrators' report dated 13 November 2015 be drawn from asset realisations received into the Administration

FORM 2 25B - NOTICE OF CONDUCT OF BUSINESS BY CORRESPONDENCE

Rule 2 48

Notice of conduct of business by correspondence

Name of Company N&M Promotions Limited	Company number 02776053
In the High Court of Justice Chancery Division Companies Court (full name of court)	Court case number 6113 of 2015

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

Notice is hereby given by (a) Stephen Paul Grant and Louise Mary Brittain of Wilkins Kennedy LLP, Bridge House, London Bridge, London SE1 9QR

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

To the creditors of (b) N&M Promotions Limited of Bridge House, London Bridge, London, SE1 9QR

(c) Insert number of resolutions enclosed

That, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) two resolutions for your consideration. Please indicate below whether you are in favour or against each resolution

(d) Insert address to which form is to be delivered

This form must be received at (d) Bridge House, London Bridge, London SE1 9QR

(e) Insert closing date

By 17 00 hours on (e) 1 December 2015 in order to be counted. It must be accompanied by details in writing of your claim unless those details have already been submitted for the purpose of a meeting of creditors. Failure to do so will lead to your vote(s) being disregarded

Repeat as necessary for the number of resolutions attached

Resolution (1)

I am *in Favour / Against

Resolution (2)

I am *in Favour / Against

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor _____

Signature of creditor _____
(If signing on behalf of creditor, state capacity e.g. director/solicitor)

If you require any further details or clarification prior to returning your votes, please contact me/us at the address above

Signed



Joint Administrator

Dated

13/11/2015

N&M PROMOTIONS LIMITED - IN ADMINISTRATION

Date of Administration 18 September 2015

1	Name of creditor (If a company please also give company registration number)	
2	Address of creditor for correspondence	
2a	Email address of creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into Administration	
4	Details of any documents by reference to which the debt can be substantiated (Note Please attach)	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	
For Administrators' Use only		
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Administrator		Administrator

N&M Promotions Limited - in Administration

Only to be completed if you wish to draw matters to the Administrators' attention

Name of Creditor
Address
Estimated Claim
If the estimated claim exceeds the credit limit, on what basis or terms was the additional credit allowed?
Please provide details of any comfort, security or assurance given to you to allow continuance of credit
When were you first aware that there were difficulties in getting payment and what was the evidence of this? E g extended credit, on account payments, dishonoured cheques
Please provide details, including dates, of any decrees or other legal action you took to recover your debt
Please provide details of any cheques which were dishonoured, including dates and amounts
Are there any particular matters you feel should be reviewed? If so, please provide brief details

Signature _____

Name _____ (Block Capitals, please)

Position _____

Date _____