

The Insolvency Act 1986**Liquidator's Progress
Report****S.192****Pursuant to Sections 92A and 104A
of the Insolvency Act 1986**

For Official Use

To the Registrar of Companies

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Company Number

04623064

Name of Company

Branded Media Limited

~~1/~~ We
Carl Derek Faulds
1640 Parkway
Solent Business Park
Whiteley
Fareham
Hampshire
PO15 7AH

James Richard Tickell
1640 Parkway
Solent Business Park
Whiteley, Fareham
Hampshire
PO15 7AH

the liquidator(s) of the company attach a copy of ~~the~~ our progress report
under section 192 of the Insolvency Act 1986


Signed



Date

7 8 FEB 2012

Portland Business & Financial Solutions
1640 Parkway
Solent Business Park
Whiteley
Fareham
Hampshire
PO15 7AH
Ref B7139/CF/JT/NL/AP/MM/AJ

THURSDAY	FEB 08	
		
A05	*A13T113T* 01/03/2012	#52
COMPANIES HOUSE		

**Branded Media Limited
(In Liquidation)
Joint Liquidators' Trading Account**

Statement of Affairs	From 15/02/2011 To 14/02/2012
PURCHASES Purchases	431.20 (431.20)
TRADING SURPLUS/(DEFICIT)	(431.20)

Branded Media Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 15/02/2011 To 14/02/2012
ASSET REALISATIONS	
Sale of business	15,000 00
Work in progress	36,462 41
Book debts	73,138 87
Transfer from administration	92,493 77
Insurance refund/claim	289 20
Trading Surplus/(Deficit)	(431 20)
	<u>216,953 05</u>
COST OF REALISATIONS	
Insolvency Services payment fees	2 45
Insolvency Services fees	92 00
Administrators' fees	3,050 00
Liquidators' fees	32,000 00
Liquidators' expenses	797 99
Affidavit fee	10 00
Legal fees	11,350 00
Accountants fees	3,002 50
Debt collection fees	1,443 23
Debtor recovery fee	9,682 49
Statutory advertising	126 00
Rents payable	2,027 32
Bank charges	114 05
Refund of delivery expenses	160 00
	<u>(63,858 03)</u>
TRADE & EXPENSE CREDITORS	
Unsecured	71,566 69
	<u>(71,566 69)</u>
	<u><u>81,528 33</u></u>
REPRESENTED BY	
VAT receivable	1,304 12
Current account	9,954 47
Insolvency Services	70,269 74
	<u>81,528.33</u>

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27th February 2012

TO THE MEMBERS AND CREDITORS

Annual progress report to members and creditors

Branded Media Limited in liquidation

We have recently passed the anniversary of our appointment as joint liquidators on 15th February 2011, following our appointment as joint administrators on 9th December 2010. We are therefore providing you with a report on the progress of the winding up.

We enclose a schedule giving statutory details of our appointment.

Progress to date in realising assets

We enclose a summary of our receipts and payments during the year and for the case in total. We have provided comparisons of the realisations with the original projections in the statement of affairs, which we hope you will find helpful.

The business was sold during the administration for a consideration of £25k plus 5% of turnover (as recorded on the company's submitted quarterly VAT returns) on turnover over £2m achieved in the first two years trading. Full details were provided in our report of 11th February 2011.

The initial consideration of £10k was received during the administration, the balance of £15k was received during the liquidation. There was nothing due from the turnover clause in the first year of trading as the purchasing company's turnover did not reach £2m. We will continue to monitor this and will collect funds if they become due.

Following our appointment as administrators we continued to trade for a short period whilst we found a buyer for the business. We completed profitable work in progress during this time. The majority of the costs of trading were demanded to be paid up front as suppliers would not give credit to a company in administration. Sales invoicing was completed on a 30 day basis. We have received £36,462 during the liquidation to date.

◆ **Corporate Finance**
Business sales &
Acquisitions
Refinancing

◆ **Business Recovery**
Viability reviews
Administrations
Voluntary arrangements

◆ **Insolvency**
Investigations
Liquidations
Bankruptcy

Portland Business & Financial Solutions Ltd
Registered No. 3830668
Carl D Faulds, Mike Fortune, James Tickell
All Licensed Insolvency Practitioners are authorised
by the Insolvency Practitioners Association

We are in dispute with a former customer with regards to an outstanding balance of £10,000 for goods supplied during this process, we have instructed an associated company, Portland Legal Debt Collection Limited (PLDC) to pursue this amount

Payment to the landlord for the period of occupation in administration of £2,027 has been made, together with payment of £431 to a courier for deliveries undertaken in the administration

We regarded the debts owed to the company of £147k separately from the other business assets and made arrangements to collect them. It was anticipated £110k would be collected

Given that the purchasing company retained the former staff of the company, we took the view that it would be more cost effective and efficient for their internal accounts staff to conduct the debt collection exercise as agents for the liquidators. In return for undertaking the debtor collection exercise the consideration of 10% of debtor receipts is being paid. Debtors of £73,139 have been collected in the liquidation, bringing total debtor realisations to £117,235

We have recently instructed PLDC to conclude the debt collection process. We anticipate further receipts of £3-5k

The balance of funds from the administration of £92,494 was transferred to the liquidation at the outset. There has been a refund in respect of an overpaid insurance premium

Investigation

In our first report, we invited creditors to bring to our attention any matters that they believe require further investigation. We have also conducted an investigation into the affairs of the company in order to identify matters that would lead to a cost-effective recovery for creditors. We have concluded that there are no matters that merit pursuing

In addition, a report has been submitted to the Insolvency Service as required under the provisions of the Company Directors Disqualification Act 1986

Creditors' claims and dividends

A summary of the position regarding creditors' claims is set out below -

	Creditor totals			Dividend totals	
	Statement of affairs £	Claims received £	Claims agreed £	Paid to date £	%
Unsecured creditors	794,275	1,406,454	1,023,089	71,567	7

We comment further as follows -

- The company held leasehold premises. We established that there was no realisable premium which could be achieved from an assignment of the lease. The company's interest has been disclaimed in the liquidation. The landlord made a claim for the remainder of the lease and dilapidations of £812,151. With the assistance of solicitors we formally rejected £548,782 of their claim, resulting in a claim of £263,369 being agreed.
- We have received an estimated claim from HM Revenue & Customs (HMRC) in respect of PAYE and National Insurance of £383,365, which is significantly in excess of the amount shown in the company's records. This is believed to be due to a previous reallocation of deductions. With the assistance of the company's former payroll company we have produced outstanding P35 returns for the two years prior to administration, which have now been submitted. We anticipate receiving an amended claim from HMRC shortly.
- The timing of the next dividend will be dependent upon the agreement of HMRC's claim. Irrespective of whether HMRC's claim is reduced there will be a further dividend to unsecured creditors, the quantum will vary depending on the level of claim which is accepted. In addition, further funds may be received from the second year earn out clause, which will be reviewed in December 2012.

Our projection of the next dividend and likely timescale is as follows -

	Next dividend		Projected total dividend %
	Amount %	Projected date	
Unsecured claims – HMRC debt accepted as is	1-3	February 2013	8-10
Unsecured claims – HMRC debt is reduced	5-7	February 2013	12-14

Liquidators' fees, disbursements and expenses

At the first meeting of creditors in the administration it was resolved that our remuneration as administrators and liquidators should be based on our time costs. We are now required to provide creditors with details relating to those time costs and the disbursements that we have incurred since our last report to creditors and to date in the liquidation. This is analysed on the attached schedule, along with a schedule of our current charge-out rates and disbursements policy, and the totals are summarised below.

	Since last report	Liquidation total
	£	£
Time costs	11,362	34,559
Average hourly rate	160	148
Fees drawn	12,500	32,000

In the attached analysis, we have recorded time in the following categories of work that we have handled -

- **Asset realisations** – Taking appropriate measures to realise the assets of the company, as more fully explained under the heading 'Progress to date in realising assets'
- **Administration and planning** - Internal management of the case to ensure it is completed in an efficient manner and in accordance with good practice Maintaining the estate accounts and ensuring compliance and statutory filing requirements
- **Reporting** – Communicating with creditors about initial appointment and preparing and distributing reports
- **Investigation** - Carrying out a review of the events leading up to failure and completing the CDDA reports, which is explained in more detail under the heading of 'Investigation' above
- **Creditors' claims** – Corresponding with creditors about their claims, as more fully described under the 'Creditor claims and dividends' above

We have also instructed agents to handle certain aspects of the liquidation on our behalf where it was either more cost-effective for them to do so or where they have a particular expertise that was required A summary of the name of agents, the work handled, the basis of the fees paid and the amounts paid and accrued is given below

Name and profession	Nature of work handled	Basis of fees paid	Paid and accrued to date (+) £
Coffin Mew LLP Solicitors	Business sale agreement Landlord issues General legal advice	Time cost	11,350
Khan and Morris Accountants LLP Accountants	Provision of accounting information Completion of statutory requirements	Time cost	3,003
Branded Print Limited Debt collection	Debt collection	10% of realisations	9,682
Portland Legal Debt Collection Limited	Debt collection	15% of realisations	1,443

+ the amounts paid to date are shown in the attached receipts and payments account and the balance to arrive at the amounts shown above have been incurred but not paid

We have drawn a final fee of £3,050 for our services during the administration that preceded the liquidation. The basis of this fee was approved by creditors during the administration and the work done with respect to it was explained in our final administration report. We enclose with this report a schedule of the total time spent on the administration which explains the fees eventually drawn.

Anticipated timescale for completion of the winding up

We expect to be able to complete the winding up by February 2013. Prior to that, we need to address these outstanding issues upon which we have commented in this report -

- Debt collection
- Agree HMRC's claim
- Review final payment from earn out on sale agreement
- Payment of a further dividend

We hope that the contents of this report have provided you with a clear and detailed explanation of the conduct of the winding up. If you should have any queries or require further explanation please do not hesitate to contact us.



Carl D Faulds
Joint Liquidator

Within twenty-one days of receipt of this progress report, a creditor may make a written request for further information in relation to the report, including information about the liquidators' remuneration or expenses. If a creditor believes that this remuneration is excessive, the basis is inappropriate, or the expenses incurred by the liquidators are excessive, the creditor may, provided certain conditions are met, apply to court within eight weeks of receiving the progress report to challenge these.

Further information regarding liquidators' fees can be found by visiting the following website link

<http://www.insolvency-practitioners.org.uk/uploads/Liq.pdf>

Attachments

- Summary of receipts and payments
- Statutory information
- SIP9 time analysis (administration)
- SIP 9 time analysis (liquidation to anniversary)
- Schedule of charge out rates

Branded Media Limited
(In Liquidation)

Joint Liquidators' receipts and payments account

	Statement of affairs £	Administration £	From 15/02/2011 To 14/02/2012 £	Total £
RECEIPTS				
<u>Trading realisations -</u>				
Work-in progress	45,000 00	1,285 00	36,462 41	37,747 41
Sale of business	25,000 00	10,000 00	15,000 00	25,000 00
Turnover earn out clause	Uncertain	0 00	0 00	0 00
Book debts	110,000 00	44,256 05	72,978 87	117,234 92
Cash at bank	82,000 00	82,241 43	0 00	82,241 43
Cash in client account	20,000 00	20,000 00	0 00	20,000 00
Insurance refund	0 00	0 00	289 20	289 20
	<u>282,000 00</u>	<u>157,782 48</u>	<u>124,730 48</u>	<u>282,512 96</u>
PAYMENTS				
<u>Trading expenditure (to complete work in progress) -</u>				
Material and sub-contractor costs		18,830 48	431 20	19,261 68
Wages		13,857 52	0 00	13,857 52
Rent - trading premises		0 00	2,027 32	2,027 32
Insolvency Service fees		0 00	94 45	94 45
Specific penalty bond		330 00	0 00	330 00
Statutory advertising		125 00	126 00	251 00
Direct travel expenses		1 48	0 00	1 48
Postal redirection fee		25 96	0 00	25 96
Court filing fee		30 00	0 00	30 00
Affidavit fee		10 00	10 00	20 00
Courier fees		44 80	0 00	44 80
Book keeping fees		153 98	0 00	153 98
Insurance of assets		262 49	0 00	262 49
Debtor realisation fee - Branded Print Limited		2,057 00	9,682 49	11,739 49
Debtor realisation fee - Portland Legal Debt Collection Limited		0 00	1,443 23	1,443 23
Administrators' pre-appointment fee		10,000 00	0 00	10,000 00
Administrators' remuneration - Portland		19,500 00	3,050 00	22,550 00
Solicitors' fees		0 00	11,350 00	11,350 00
Accountants' fees		0 00	3,002 50	3,002 50
Liquidators' remuneration - Portland		0 00	32,000 00	32,000 00
Liquidators' category 2 disbursements		0 00	797 99	797 99
Bank charges		60 00	114 05	174 05
VAT receivable		0 00	1,304 12	1,304 12
Payments to creditors				
Unsecured creditors - 7p in £		0 00	71,566 69	71,566 69
		<u>65,288 71</u>	<u>137,000 04</u>	<u>202,288 75</u>
Balance in hand at 14th February 2012				<u>80,224 21</u>

Branded Media Limited in liquidation

Statutory details relating to the liquidation

This section provides background information about the company and the liquidation appointment

Details of the company

Full registered name	Branded Media Limited	Former registered office (before being changed to the liquidators' office)	8a The Gardens Broadcut Fareham Hampshire PO16 8SS
Registered number	04623064	Former trading address	Unit A Lutyens Business Centre Bilton Road Basingstoke RG24 8LJ
Other trading names	None		

Details about the liquidation appointment

Name of liquidators and their licensing bodies	Carl Derek Faulds	Insolvency Practitioners Association	
	James Richard Tickell	Insolvency Practitioners Association	
Liquidators' address	1640 Parkway, Solent Business Park, Whiteley, Fareham, Hampshire, PO15 7AH		
Date of appointment	15th February 2011	Appointed by	In accordance with the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986
Type of appointment	Creditors' voluntary liquidation		

Branded Media Limited in Liquidation

SIP9 Time and cost summary

From 15th February 2011 To 14th February 2012

Classification of work function	Partner	Manager	Other senior professionals	Assistants and support staff	Total hours	Time cost (£)	Average hourly rate (£)
Realisation of assets	0 50	14 20	73 60	5 20	93 50	13,941 50	149 11
Administration and planning	0 40	4 90	0 40	0 00	5 70	1,243 50	218 16
Creditors	1 60	18 30	92 80	6 80	119 50	17,282 00	144 62
Investigations	0 00	1 20	3 80	3 90	8 90	1,171 50	131 63
Reporting	0 00	2 90	2 30	0 00	5 20	892 00	171 54
Total Hours	2.50	41.50	172.90	15.90	232.80	34,530.50	148.33
Total Fees Claimed						32,000.00	

Category 2 Disbursements	Accrued in period £	Paid in period £	Total accrued £	Total paid £
Postage and stationery	482 43	482 43	482 43	482 43
Photocopying	141 10	141 10	141 10	141 10
Mileage	128 46	128 46	128 46	128 46
Room hire	0 00	0 00	0 00	0 00
Storage (Portland archive)	0 00	0 00	0 00	0 00
Facsimile	20 00	20 00	20 00	20 00
Company searches	32 00	26 00	32 00	26 00
	803.99	797.99	803.99	797.99

From 9th December 2010 To 15th February 2011

Classification of work function	Partner	Manager	Other senior professionals	Assistants and support staff	Total hours	Time cost (£)	Average hourly rate (£)
Realisation of assets	1 90	6 20	28 60	4 30	41 00	5,558 50	135 57
Administration and planning	0 50	0 70	1 70	0 00	2 90	482 50	166 38
Creditors	2 20	4 20	49 60	3 90	59 90	7,670 00	128 05
Investigations	0 60	1 90	1 20	0 00	3 70	794 00	214 59
Reporting	0 30	4 70	9 30	0 00	14 30	2,677 50	187 24
Trading	2 90	10 00	14 10	0 00	27 00	5,396 00	199 85
Total Hours	8.40	27.70	104.50	8 20	148.80	22,578.50	151.74
Total Fees Claimed						22,550.00	

Portland Business & Financial Solutions

Fees and disbursements policies

Fee policy

In line with most practices, we normally calculate our fees on the basis of the time spent by each member of staff. We are prepared to calculate fees as a percentage of realisations or as a fixed fee by special arrangement only where the circumstances warrant it. Where the assignment relates to an insolvency appointment, we are normally required to obtain a resolution from creditors approving the basis of calculation.

Staff of the appropriate grades are allocated to each task on each assignment, according to the size and complexity of the matter, and they record their time in six minute units. Where the fee is to be calculated on the basis of time spent, cost rates for each grade are then used to evaluate the fee. The effectively hourly rates in recent periods are as follows -

	Cost per hour	
	Current rate from 1 Dec 2011	1 Sept 2010 to 30 Nov 2011
	£	£
Director	310	285
London Principal	310	280
Associate	310	280
Senior manager	250	225
Case manager	210	195
Case administrator	175	165
Administrator	100	95
Cashiers	100	95
Support staff	75	70

The current rates apply with effect from 1st December 2011. They are reviewed periodically, typically every 1-2 years, and could therefore increase during any particular assignment.

Disbursement policy

Where expenses are incurred through third parties specifically in respect of the assignment, they are recharged to the case as incurred, for example statutory advertising, external room hire, fidelity bond, rail travel and external storage. These are defined as category 1 disbursements in SIP9 and approval is not required.

Other expenses can be recharged to the assignment based on a share or allocation of a cost that Portland incurs centrally. These are defined as category 2 disbursements in SIP 9 and approval is required. Typically such expenses and the method of allocation are as follows -

Postage and stationery	-	Three times postage cost
Photocopying	-	10p per copy
Facsimile	-	£1 per page
Mileage	-	HM Revenue and Customs agreed rate
Room hire	-	£120 per meeting
Storage (Portland archive)	-	£50 per box per year
Company searches	-	Two times cost