

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company The Magazine People Limited	Company number 06350783
In the High Court of Justice (full name of court)	Court case number 8748 of 2010

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

I/We (a)
Stephen Hunt
Griffins
Tavistock House South
Tavistock Square
London
WC1H 9LG

Timothy Bramston
Griffins
Tavistock House South
Tavistock Square
London, WC1H 9LG

administrator(s) of the above company attach a progress report for the period

From (b) 22 December 2011	To (b) 31 January 2012
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Signed

Joint Administrator(s)

Dated

5 March 2012

p. 6/3

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

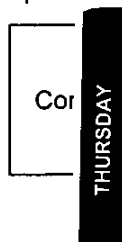
The contact information that you give will be visible to searchers of the public record

Stephen Hunt
Griffins
Tavistock House South
Tavistock Square
London
WC1H 9LG

DX Number

020 7554 9600
DX Exchange

When you have completed and signed this form, please send it to the registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff



A02 08/03/2012 #252
COMPANIES HOUSE

**The Magazine People Limited
(In Administration)**

Joint Administrators' Final Progress Report
in accordance with
Rule 2 116 of the Insolvency Rules 1986

17 February 2012

Griffins
Tavistock House South
Tavistock Square
London
WC1H 9LG



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1. Introduction

- 1 1 In my letter of 4 November 2011, I informed you that following a High Court Order dated 15 August 2011, Mr James Bradney and Mr David Thorniley were removed as Joint Administrators of the Company and I, Stephen John Hunt, together with my Partner, Timothy Bramston were appointed Joint Administrators. The Court Order also provided that the Administration be extended until 15 February 2012.
- 1 2 I also informed you that although there were significant concerns regarding the validity of the former Joint Administrators' appointment, having sought and received legal advice, I was satisfied that our appointment under the terms of the Court Order is valid.
- 1 3 Creditors will be aware that I made an application to Court for an Order to end the Administration and to wind up the Company.
- 1 4 This is a Final Progress Report in accordance with Rule 2.116 of the Insolvency Rules 1986 which summarises my acts and dealings during the Administration. It should be read in conjunction with my Progress Report dated 21 December 2011 and the former Joint Administrators' Report and Proposals to Creditors dated 13 December 2010 and their Progress Report dated 10 May 2011.

2. Joint Administrators' Proposals

- 2 1 The former Joint Administrators' Proposals were approved by Creditors on 24 December 2010 without modifications.
- 2 2 I summarise below the Proposals. The Proposals are intended as a route to achieving the purpose of the Administration (" 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") and/or realising property in order to make a distribution to one or more secured or preferential creditors, which came into effect on 26 October 2010.
- 2 3 The Joint Administrators continue the Administration to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect.
- 2 4 The Joint Administrators do all such other things and generally exercise all their powers as contained in Schedule 1 of the Insolvency Act 1986, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration.
- 2 5 To seek an extension to the Administration period if deemed necessary by the Joint Administrators.
- 2 6 When it is anticipated that no better realisations will be made in the Administration than would be available in a winding up, to take the necessary steps to put the Company into either Creditors' Voluntary Liquidation, Company Voluntary Arrangement or into Compulsory Liquidation as deemed appropriate by the Joint Administrators. It is proposed that James Bradney and David Thorniley of Bridge Business Recovery would act as Joint Liquidators should the Company be placed into Creditors' Voluntary Liquidation.



- 2 7 In the event that the Joint Administrators form the view that the exit options identified in proposal 2 6 above are inappropriate, then, in due course, the Joint Administrators will apply provisions at Paragraph 84 Schedule B1 of the Insolvency Act 1986 enabling the Company to move from Administration to Dissolution. This will be conditional on the completion of all necessary investigations into the Directors' affairs and no deemed distribution to creditors at the end of the Administration period.
- 2 8 In the event that the Joint Administrators form the view that a distribution can be made to unsecured creditors to take the necessary steps to put the Company into Creditors' Voluntary Liquidation. It is proposed that James Bradney and David Thorniley of Bridge Business Recovery would act as Joint Liquidators should the Company be placed into Creditors' Voluntary Liquidation. In accordance with Paragraph 83 (7) of Schedule B1 to the Insolvency Act 1986 and Rule 2 117A(3) of the Insolvency Rules 1986 (as amended) the creditors may nominate a different person as the proposed Liquidator, provided such nomination is made before these proposals were approved.
- 2 9 Further, the Joint Administrators will be seeking the following resolutions from the secured creditors
- 2 10 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 of the Insolvency Act 1986, upon filing the end of the Administration.
- 2 11 That the Joint Administrators' remuneration be fixed by reference to time properly spent by them and their staff in attending to matters arising in the Administration.
- 2 12 That the Joint Administrators be authorised to draw their firm's internal costs and expenses in dealing with the Administration (category 1 Disbursements"), if any.

3. Asset Realisations

- 3 1 The Joint Administrators' Receipts and Payments Account for the period 22 December 2011 to 31 January 2012 and cumulative is attached at Appendix 2. The Receipts and Payments Account contains information from a period prior to my appointment. I have been unable to verify the figures for the period prior to my appointment.
- 3 2 As previously reported by them, the former Joint Administrators sold the Company's goodwill and other assets to Ginger Monkeys Marketing Limited for £25,000.
- 3 3 The only other receipt is bank interest gross of £0 01.
- 3 4 As detailed in my last Progress Report the book debts were collected by Wessex Insurance Funding Limited ("Wessex") during the course of the Administration. The former Joint Administrators reported that Wessex have been repaid in full. I am currently making enquiries to establish whether there will be any surplus funds due to the Company.



4. Creditors and Dividend Prospects

Prescribed Part

- 4 1 Insufficient funds have been realised to require a prescribed-part calculation at this time

Secured Creditors

- 4 2 In consideration of the monies advanced under a Finance Agreement dated 22 October 2010, the Company granted Wessex a debenture which confers fixed and floating charges over the assets of the Company. At the date of the Administration, the Company's indebtedness to Wessex was approximately £84,569 subject to accruing interest and charges. During the Administration, Wessex have continued to collect the debts under the Receivable Finance Agreement, which was assigned to them by Lloyds TSB Commercial Finance Limited. As referred to in paragraph 2.4 the former Joint Administrators reported that Wessex has been repaid in full.

4 3 Preferential Creditors

No preferential claims were anticipated and none have been received.

4 4 Unsecured Creditors

In the Statement of Affairs, the Directors estimated that unsecured creditors' claims amounted to £155,959. At this early stage I have yet to adjudicate and agree unsecured creditors' claims received to date and therefore I am unable to comment on the prospect of a dividend payment to this class of creditor.

5. Joint Administrators' Remuneration

- 5 1 The basis of the former Joint Administrators' fees by reference to the time properly given by them and their staff in attending to matters arising in the Administration was approved by the secured creditor, Wessex on 24 December 2010. From the records made available to me, the previous office holder's time costs total £21,502.66. As far as I am aware, there is no associated breakdown of the amount of time expended on matters arising in the Administration. Fees drawn in the period total £14,039.22 as shown in their Receipts and Payments Account.
- 5 2 As regards Griffins' time costs since 15 August 2011, these amount to £22,040.23. I attach at Appendix 3 my time analysis in accordance with the provisions of the Statement of Insolvency Practice 9 (SIP9), which provides details of the activity costs incurred by staff grade to date. Attached at Appendix 4 are the current charge out rates for Griffins.
- 5 3 In view of the fact that there were significant doubts regarding the validity of the former Joint Administrators' appointment I was concerned that I should not rely on the approval given to them by Wessex in respect of my own remuneration. The Court has approved my time costs incurred in the Administration to be paid as an expense of the Liquidation.



- 5.4 Should any secured creditor or unsecured creditor (with the agreement of at least 5% in value of unsecured creditors) require any further information about the Administrators' remuneration or expenses please write to me within 21 days of receipt of this report stating the information required. Alternatively any unsecured creditor may make an application to court within that period under Rule 2.48A of the Insolvency Rules 1986 to request further information.

6. Investigations

- 6.1 A report on the conduct of the directors was submitted to the Department for Business, Innovation and Skills (formerly the Department of Trade & Industry) by the former Office Holders on 19 April 2011. The contents of this report are confidential.

Since my appointment, I have reviewed the work carried out by former Office Holders. My investigations in this regard are ongoing and I will report further in due course during the Liquidation.

7. Conclusion

- 7.1 My investigations into the conduct of the former Office Holders are ongoing and a claim to insurers will be pursued in the Liquidation. I am unable at this stage to state whether this will lead to significant recoveries for the Company.
- 7.2 On 31 January 2012 the Administration of the Company ended and a Winding UP Order was granted placing the Company into Compulsory Liquidation, with myself and my partner Tim Bramston being appointed as Joint Liquidators on that day.

Should you require any further information, please do not hesitate to contact this office.

Yours faithfully


for **Stephen Hunt**
Joint Administrator

Dated 17 February 2012



APPENDIX 1

Statutory information



STATUTORY INFORMATION

Court	High Court of Justice Chancery Division Companies Court Court No 8748 of 2010	
The Company	The Magazine People Limited	
Registered Number	06350783	
Registered Office Address	Griffins Tavistock House South Tavistock Square London, WC1H 9LG	
Trading Address	1 st Floor 14b Chapel Place Tunbridge Wells TN1 1YQ	
Activity	Recreational, Cultural and Sporting Activities	
Date of the Administration	26 October 2010	
Purpose of Administration	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) and/or Realising property in order to make a distribution to One or more secured or preferential creditors	
Former Joint Administrators	James Bradney Bridge Business Recovery 3 rd Floor 39-45 Shaftesbury Avenue London W1D 6LA	David Thorniley Bridge Business Recovery
Date of Joint Administrators' Appointment	15 August 2011	
Joint Administrators	Stephen Hunt Tavistock House South Tavistock Square London WC1H 9LG	Tim Bramston Tavistock House South Tavistock Sqaure London WC1H 9LG



**The Magazine People Limited
(In Administration)
Final Progress Report
17 February 2012**

Date of Approval of Proposals	24 December 2010
Appointor	Wessex Insurance Funding Limited Qualifying Floating Charge Holder
Extensions	Extended until 15 February 2012 by Order of the Court



APPENDIX 2

Joint Administrators' Receipts and Payments Account for the period 22 December 2011 to 31 January 2012, together with cumulative account since 26 October 2010



The Magazine People Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 22/12/2011 To 31/01/2012	From 26/10/2010 To 31/01/2012
	SECURED ASSETS		
20,000 00	Intellectual Property	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	SECURED CREDITORS		
(84,569 47)	Wessex Insurance Funding Limited	NIL	NIL
(20,000 00)	Wessex Insurance Funding Limited	NIL	NIL
(90,000 00)	Wessex Insurance Funding Limited	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	ASSET REALISATIONS		
	Goodwill	NIL	20,000 00
4,999 00	Office Equipment	NIL	4,999 00
92,406 00	Debtors (Pre-Appointment)	NIL	1 00
	Licence to Occupy Fees	NIL	2,056 45
	Insurance Refund	NIL	30 88
	Bank Interest Gross	0 01	7 48
	Third Party Funds	NIL	9 60
	Compensation award from former emp	<u>NIL</u>	<u>221 70</u>
		0 01	27,326 11
	COST OF REALISATIONS		
	Specific Bond	NIL	62 00
	Joint Administrators' Remuneration	NIL	14,039 22
	Joint Administrators' Disbursements	NIL	25 96
	Agents / Valuers Fees	NIL	1,500 00
	Legal Fees	NIL	8,680 65
	Statutory Advertising	NIL	60 00
	Rent re Licence to Occupy	<u>NIL</u>	<u>2,056 45</u>
		NIL	(26,424 28)
	UNSECURED CREDITORS		
(155,958 23)	Trade and Expense Creditors	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	DISTRIBUTIONS		
(100 00)	Opening Balance	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(233,222.70)</u>		<u>0.01</u>	<u>901.83</u>
	REPRESENTED BY		
	Bank of Scotland		81 25
	VAT Control Account		841 58
	Expenses Bourne by Former Office hol		(21 00)
			<u>901.83</u>

APPENDIX 3

Analysis of Griffins' time costs from 15 August 2011 to 31 January 2012



Time Entry - Detailed SIP9 Time & Cost Summary

MAGAZ01 - The Magazine People Limited
From 15/08/2011 To 31/01/2012
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
STAT Statutory	0.17	3.83	0.00	0.08	4.08	1,436.66	351.84
TAX Tax	0.00	0.25	0.00	0.58	0.83	233.32	279.98
CASG Cashiering Functions	0.00	0.25	0.00	1.75	2.00	516.20	258.10
SIP7 R&P Accounts	0.00	0.00	0.00	1.25	1.25	312.48	249.97
ADMIN Administration Work	0.00	10.58	0.00	0.75	11.33	3,854.60	340.11
REVIEWS Case Reviews	0.00	3.83	0.00	7.50	11.33	3,218.67	283.82
MTGS Meetings	0.00	0.00	0.00	0.08	0.08	22.50	270.00
SPECBOND Specific Bond	0.00	0.08	0.00	0.00	0.08	29.17	350.04
VAT Vat Returns	0.00	0.17	0.00	0.33	0.50	141.65	283.30
DIARY Case Diary	0.00	0.08	0.00	0.42	0.50	133.32	266.64
SIP9 Preparation of Remuneration	0.00	0.00	0.00	0.25	0.25	62.48	249.98
Administration & Planning	0.17	19.08	0.00	13.00	32.25	9,959.04	308.81
CRED Creditor Related Work	0.00	0.17	0.00	0.82	1.08	287.48	265.37
PROREPORT Progress Report	0.00	4.00	0.00	6.87	10.67	3,066.88	287.50
Creditors	0.00	4.17	0.00	7.88	11.75	3,354.16	285.48
BOND1 Bond Claim - Proving or Recovery of money	0.00	0.00	3.17	6.17	9.33	2,436.67	261.07
SIP2 Investigation into Affairs	0.00	0.00	10.08	0.00	10.08	3,831.67	380.00
INV Investigation	0.00	1.00	0.00	1.17	2.17	641.66	296.15
BOND2 Bond Claim Parallel Costs	0.00	0.00	0.00	4.33	4.33	1,083.33	250.00
BOND Bond Claim	0.00	0.00	0.17	0.00	0.17	46.67	280.02
Investigations	0.00	1.00	13.42	11.67	26.08	8,040.00	308.24
INVLEGAL Legal	0.08	0.08	0.00	0.67	0.83	241.26	289.51
LEGL Legal Issues	0.17	0.00	0.00	6.25	6.42	1,653.27	257.65
Legal & Litigation	0.25	0.08	0.00	6.92	7.25	1,894.53	261.31
SETUP Case Set-up	0.00	0.00	0.00	0.25	0.25	62.50	250.00
Pre-Appointment	0.00	0.00	0.00	0.25	0.25	62.50	250.00
ASST Asset Realisation	0.00	0.25	0.00	0.42	0.67	191.66	287.49
INSURANCE Insurance of assets	0.00	0.00	0.00	0.08	0.08	20.83	249.96
ASSTLEGAL Legal	0.00	0.00	0.00	0.08	0.08	20.83	249.96
Realisations of Assets	0.00	0.25	0.00	0.58	0.83	233.32	279.98
Total Hours	0.42	24.58	13.42	40.00	78.42	23,643.55	300.24
Total Fees Claimed						0.00	

Time Entry - Detailed SIP9 Time & Cost Summary

MAGAZ01 - The Magazine People Limited
From 15/08/2011 To 31/01/2012
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
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APPENDIX 4

Griffins charge out rates (provided in accordance with the Statement of Insolvency Practice (SIP 9))



GRIFFINS POLICY ON CHARGEOUT RATES AND DISBURSEMENTS

SCHEDULE OF STANDARD CHARGEOUT RATES IN RESPECT OF GRIFFINS PARTNERS AND STAFF AS AT 1 OCTOBER 2011.

In accordance with Statement of Insolvency Practice 9 "Remuneration of Insolvency Office Holders" the following hourly charge-out rates will be applied when fixing the Officeholders Remuneration

Grade of staff	Hourly Rate
Partners	£495 - £545
Managers	£300 - £395
Senior Investigators	£325 - £380
Administrators/Investigators	£200 - £300
Junior Administrators/Junior Investigators	£145 - £190
Support Staff	£70 - £180

The above rates are reviewed annually on 1 October

It is not our policy to charge for support staff (secretarial, filing, reception) unless such staff are working on an individual matter for more than 7 hours in which case the rate for an Administrator may be applied

Time is charged in minimum units of 5 minutes for all staff

DISBURSEMENTS

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance¹ requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at

DEFINITIONS

Practice guidance¹ classifies expenses into two broad categories

- *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external suppliers' invoice or published tariff of charges,
- *Category 2 expenses* Griffins' policy is not to charge for Category 2 disbursements

CHARGING POLICY

- *Category 1 expenses (approval not required)* – all such items are re-charged to the case as they are incurred

¹ Statement of Insolvency Practice 9 (England and Wales)

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT
BEFORE MR REGISTRAR NICHOLLS
ON 31 JANUARY 2012

Petition No 309 of 2012
Administration No 8748 of 2010

IN THE MATTER OF THE MAGAZINE PEOPLE LIMITED (in administration) ("the
Company")
AND IN THE MATTER OF THE INSOLVENCY ACT 1986

(1) STEPHEN JOHN HUNT
(2) TIMOTHY JAMES BRAMSTON
(as Joint Administrators of The Magazine People Limited)

Applicants

ORDER

UPON the Petition presented to this Court on 12 January 2012 by the Applicants which sought

- 1 the end of the administration of the Company which commenced on 26 October 2010,
and
- 2 the making of a compulsory winding up order

AND UPON the Court having read the documents recorded on the Court file as having been
read

AND UPON hearing Counsel for the Applicants

AND UPON the Court being satisfied on the evidence that the EC Regulation on Insolvency
Proceedings applies and that these proceedings are main proceedings as defined in Article 3 of
the Regulation



IT IS ORDERED THAT:

1. The Applicants' appointment as Joint Administrators effective from 15 August 2011 shall cease to have effect pursuant to paragraph 79(1) of Schedule B1 to the Insolvency Act 1986 with immediate effect.
2. The Applicants be discharged from liability pursuant to paragraph 98(1) of Schedule B1 to the Insolvency Act 1986 with effect from 5 March 2012
3. This hearing be treated as the return day of the petition pursuant to rule 4.22 of the Insolvency Rules 1986 and any requirement for the advertisement and service of the Petition is dispensed with under rule 4.23(1) of the Insolvency Rules 1986
4. The Company shall be wound up by this Court under the provisions of the Insolvency Act 1986 with immediate effect.
5. Stephen John Hunt and Timothy James Bramston are appointed as Joint Liquidators of the Company pursuant to section 140(1) of the Insolvency Act 1986 with immediate effect subject to rule 4.102 of the Insolvency rules 1986.
6. Any act required or authorised under any enactment to be done by a liquidator may be done by either or both of the joint liquidators pursuant to section 231 of the Insolvency Act 1986.
7. The final report to creditors shall be in the form of the report at pages 48-65 of Exhibit SJH1
8. The remuneration payable out of the Company's property pursuant to paragraph 99(3) of Schedule B1 to the Insolvency Act 1986 shall be fixed on a time basis pursuant to rule 2.106 of Schedule B1 to the Insolvency Act 1986.
9. The costs of and occasioned by the petition be paid as an expense of the administration of the Company.

DATED 31 January 2012