

## The Insolvency Act 1986

## Administrator's progress report

2.24B

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

(a) Insert full name(s) and addresses of administrators

We (a) James Bradney and David Thorniley of Bridge Business Recovery, 3rd Floor, 39-45 Shaftesbury Avenue, London W1D 6LA, being the Joint Administrators of the above company attach a progress report for the period

From

To

(c) Insert date

(b) 26 October 2010	(b) 25 April 2011
---------------------	-------------------

Signed

Joint Administrator

Dated

11/5/2011

## 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

Bridge Business Recovery  
3rd Floor  
39-45 Shaftesbury Avenue  
London  
W1D 6LA  
Tel 020 7025 6130

If 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



A20

12/05/2011

92

COMPANIES HOUSE

Companies House Progress Report Form 2.24B 069622

THURSDAY

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

**Progress Report to Creditors  
Pursuant to Rule 2.47(1) of the  
Insolvency Rules 1986 as amended**

**10 May 2011**

The Magazine People Limited (In Administration)  
Progress Report to Creditors  
For the period from 26 October 2010 to 25 April 2011

---

<b>Names of Joint Administrators</b>	James Bradney David Thorniley
<b>Date of appointment</b>	26 October 2010
<b>Date of report</b>	10 May 2011
<b>Appointed by</b>	Qualifying Floating Charge Holder (Wessex Insurance Funding Limited)
<b>Court reference</b>	High Court of Justice Companies Court Chancery Division No 8748 of 2010

**Bridge Business Recovery**  
3rd Floor  
39-45 Shaftesbury Avenue  
London  
W1D 6LA



## CONTENTS

- 1 Introduction
- 2 Background
- 3 Asset realisations
- 4 Creditors' Meeting
- 5 Investigation
- 6 Dividend prospects / Prescribed Part
- 7 Joint Administrators' remuneration
- 8 Conclusion

## APPENDICES

- 1 Statutory information
- 2 Joint Administrators' Receipts and Payments account
- 3 Analysis of the Joint Administrators' time costs
- 4 Proof of Debt form

## **1. INTRODUCTION**

- 1 1 James Bradney and David Thorniley ("the Joint Administrators") of Bridge Business Recovery were appointed Joint Administrators of The Magazine People Limited ("the Company") on 26 October 2010 by Wessex Insurance Funding Limited ("Wessex"), the holders of the qualifying floating charge under paragraph 14 of Schedule B1 to the Insolvency Act 1986
- 1 2 The purpose of this report is to detail my acts and dealings together with the conduct during the first six months of the Administration and should be read in conjunction with the Joint Administrators' Report and Proposals to Creditors dated 13 December 2010 ("the Proposals")

## **2. BACKGROUND**

- 2 1 The Company was incorporated on 22 August 2007. Statutory information on the Company is included within Appendix 1
- 2 2 The Company's principle activity was to produce and publish monthly magazines in the Brighton, East Grinstead and Tunbridge Wells areas
- 2 2 The main causes of failure were due to increasing production costs and delayed debtor payments

## **3 ASSET REALISATIONS**

### **Professional Advisors**

- 3 1 PDT Solicitors ("PDT") were instructed to draft an Asset Sale Agreement ("the Agreement") on behalf of the proposed Joint Administrators. PDT were retained by the Joint Administrators to oversee the execution and completion of the Agreement, shortly after the Company was placed into Administration
- 3 2 Prior to Administration, Agentcite Limited ("Agentcite"), a firm of chattel agents, were instructed to value the Company's assets on behalf of the proposed Joint Administrators
- 3 3 Total Data Management ("TDM") have been instructed to collect and store the Company's books and records on behalf of the Joint Administrators

### **Sale of Business**

- 3 4 The Joint Administrators' sold the business and certain assets of the Company to Ginger Monkeys Marketing Limited ("GMML") on 26 October 2010, for £25,000, in accordance with the terms of the Agreement
- 3 5 Full details of the sale are detailed in the Joint Administrators' letter to creditors dated 8 November 2010 and the Proposals

### **Trading**

- 3 6 As detailed in the Proposals, the Joint Administrators did not trade the Company in Administration, as there were no funds available to continue trading

**Goodwill**

- 3 7 GMML paid £20,000 for the goodwill on 26 October 2010

**Customer Contracts & Office Equipment**

- 3 8 GMML paid £4,999 for the office equipment and £1 for the customer contracts on 26 October 2010

**Licence to Occupy Fees**

- 3 9 GMML have paid £2,056 towards the rent in relation to their occupation of the Company's former trading premises. The Joint Administrators have since paid these funds to the Landlord.

**Other Realisations**

- 3 10 Third party funds totalling £689 were received in error. These funds have since been repaid to the third party. Sundry income of £116 and an insurance refund of £31 have also been received during the Administration.

**Receipts and Payments**

- 3 11 Attached at Appendix 2 is the Joint Administrators' Receipts and Payments Account for the period 26 October 2010 to 25 April 2011.

**4 CREDITORS' MEETING**

- 4 1 You will recall from our previous report that pursuant to Paragraph 52(1) of Schedule B1 to the Insolvency Act 1986, a creditors' meeting was not required to be held as there will be insufficient assets to enable a distribution to unsecured creditors other than from the prescribed part pursuant to Section 176A of the Insolvency Act 1986.
- 4 2 No meeting was convened and in accordance with Rule 2.33(5) of the Insolvency Rules 1986 the Joint Administrators' proposals were deemed to have been approved by the creditors on 24 December 2010.

**5 INVESTIGATION**

- 5 1 The Directors conduct report was submitted to the Insolvency Practitioners Compliance Unit on 19 April 2011. The content of this report is confidential.

**6 DIVIDEND PROSPECTS / PRESCRIBED PART**

**Secured Creditors**

- 6 1 In consideration for the monies advanced under Finance Agreement on 22 October 2010, the Company granted Wessex a debenture which confers fixed and floating charges over all of the assets of the Company.

6.2 At the date of the Joint Administrators appointment, 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.

6.3 The collections achieved by Wessex have reduced their indebtedness in full and the Joint Administrators are advised that there may be a possible surplus available to the Company, once the collections are complete.

#### **Preferential Creditors**

6.4 In the Statement of Affairs, the Directors estimated that there were no preferential claims as all the employees were transferred to GMML under the Agreement and the Transfer of Undertakings (Protection of Employment) Regulations 2006.

6.5 The Joint Administrators have not received any such claims.

#### **Prescribed Part**

6.6 Pursuant to section 176A of the Insolvency Act 1986 where a floating charge is created after 15 September 2003 a prescribed part of the Company's net property shall be made available to unsecured creditors ("Prescribed Part"). As the floating charge was granted to Wessex on 22 October 2010, this provision shall apply.

6.7 The Prescribed Part is calculated as a percentage of net property, as follows -

Net property less than £10,000	50% unless you think costs of distribution > benefit
Net property under £600,000	50% up to £10,000 plus 20% thereafter to a maximum Prescribed Part of £600,000

6.8 In the Statement of Affairs, the Directors estimated that £5,567 would be made available from floating charge assets, subject to asset realisations and the costs of the Administration. However, based on the current information, the Joint Administrators anticipate there will be insufficient funds to enable a distribution to unsecured creditors under the Prescribed Part.

#### **Unsecured Creditors**

6.9 In the Statement of Affairs, the Directors estimated unsecured creditor claims at £155,959 which can be summarised as follows:

	<u>£'s</u>
Trade & Expense Creditors	70,492
HM Revenue & Customs	68,364
Associated Creditors	16,373
Bank	730
<b>Total</b>	<u>£ 155,959</u>

6.10 The Joint Administrators have received unsecured creditor claims of £110,469 however, these claims have not yet been adjudicated for dividend purposes.

6.11 Based upon the current information available, it is anticipated that there will be insufficient asset realisations to enable a distribution to the unsecured creditors of the Company.

- 6.12 If they have not already done so, creditors are invited to lodge their claim for any monies outstanding as at 26 October 2010. A Proof of Debt form is attached at Appendix 4 and should be completed and returned to this office, together with the appropriate supporting documentation.

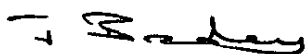
## 7. JOINT ADMINISTRATORS' REMUNERATION

- 7.1 In accordance with Rule 2.106(5A) of the Insolvency Rules 1986, as amended, the Joint Administrators' remuneration was approved by the secured creditor, Wessex, on 24 December 2010. The Joint Administrators' remuneration is fixed by reference to the time properly incurred by them and their staff in attending to matters arising in the Administration.
- 7.2 The Joint Administrators' time costs for the period 26 October 2010 to 25 April 2011 total £17,361 which represents 81.5 hours at an average of £213 per hour. An analysis of these time costs is set out at Appendix 3.
- 7.3 During the period, £14,039 has been drawn by the Joint Administrators, together with £26 in respect of disbursements. The balance of costs outstanding will be drawn from any future asset realisations.

## 8. CONCLUSION

- 8.1 I shall continue investigating the Company affairs prior to Administration and liaising with Wessex with respect to their ongoing debt collections. I anticipate these matters will be completed within the statutory twelve month period of the Administration.
- 8.2 In accordance with the Proposals, when all the outstanding matters relating to the Administration are complete, and any dividends to the secured creditors or unsecured creditors from the Prescribed Part are distributed, necessary steps will be taken to give notice to the Registrar of Companies to the effect that the Company has no further property which might permit further distributions to creditors, at which time the Administration will cease. Notice will be served on all creditors at that time.

I hope to report to you further within the next four months, however, in the meantime, should you have any queries or require any additional information, please do not hesitate to contact Danny Wright at this office on 020 7025 1570 or by email on [danny.wright@bridgebr.co.uk](mailto:danny.wright@bridgebr.co.uk)



James Bradney  
Joint Administrator

10 May 2011



## **APPENDIX 1**

### **Statutory information**

**STATUTORY INFORMATION**

<b>Company Name</b>	The Magazine People Limited	
<b>Date of Incorporation</b>	22 August 2007	
<b>Registered Number</b>	06350783	
<b>Company Directors</b>	Nicholas Moore	(22 August 2007 to present)
	Sharon Lacey	(22 August 2007 to 1 October 2010)
	Richard Moore	(1 January 2008 to present)
<b>Company Secretary</b>	Sharon Moore	(22 August 2007 to present)
<b>Shareholders</b>	<u><b>Name</b></u>	<u><b>No of £1 Ordinary Shares</b></u>
	Nicholas Moore	75
	Richard Moore	20
	Sharon Lacey	5
<b>Head Office</b>	Current	
	6 Sussex Mews Tunbridge Wells Kent TN2 5QJ	
	Formerly	
	First Floor 14B Chapel Place Tunbridge Wells TN1 1YQ	
<b>Registered Office</b>	Current	
	3 <sup>rd</sup> Floor 39 – 45 Shaftesbury Avenue London W1D 6LA	
	Formerly	
	Little Anwoth St Johns Road Crowborough East Sussex TN6 1RW	
<b>Charges</b>	Wessex Insurance Funding Limited – debenture Created – 22 October 2010	

## **APPENDIX 2**

### **Joint Administrators' Receipts and Payments account**

**THE MAGAZINE PEOPLE LIMITED**  
(IN ADMINISTRATION)

**JOINT ADMINISTRATORS' SUMMARY RECEIPTS AND PAYMENTS ACCOUNT**  
**FOR THE PERIOD FROM 26 OCTOBER 2010 TO 25 APRIL 2011**

	Directors' Statement of Affairs £	26 October 2010 to 13 December 2010 £	14 December 2010 to 25 April 2011 £	TOTAL to 25 April 2011 £
<b>RECEIPTS</b>				
Goodwill	20,000 00	20 000 00	0 00	20,000 00
Customer Contracts	1 00	1 00	0 00	1 00
Office Equipment	4,999 00	4,999 00	0 00	4,999 00
Licence to Occupy Fees	n/a	937 50	1,118 95	2,056 45
Bank Interest Gross	n/a	0 00	6 57	6 57
Insurance Refunds	n/a	0 00	30 88	30 88
Sundry Income	n/a	0 00	116 05	116 05
Sundry Refunds	n/a	0 00	688 85	688 85
<b>TOTAL</b>	<b>25 000 00</b>	<b>25 937 50</b>	<b>1,961 30</b>	<b>27,898 80</b>
<b>PAYMENTS</b>				
Agent / Valuers Fees		0 00	(1 500 00)	(1 500 00)
Joint Administrators' Remuneration		0 00	(14 039 22)	(14,039 22)
Joint Administrators' Disbursements		0 00	(25 96)	(25 96)
Legal Fees		(8 500 00)	0 00	(8 500 00)
Legal Disbursements		(180 65)	0 00	(180 65)
Rent re Licence to Occupy		0 00	(2,056 45)	(2 056 45)
Statutory Advertising		(60 00)	0 00	(60 00)
Third Party Funds		0 00	(688 85)	(688 85)
<b>TOTAL</b>		<b>(8 740 65)</b>	<b>(18 310 48)</b>	<b>(27 051 13)</b>
<b>Net Receipts (Payments)</b>		<b>17,196 85</b>	<b>(16,349 18)</b>	<b>847 67</b>
Cash At Bank				10 09
VAT Recoverable (Payable)				837 58
				<b>847 67</b>

**Note**

The Licence to Occupy Fees were paid to the Landlord of the property where Ginger Monkeys Marketing Limited occupied until 31 December 2010 in accordance with the terms of the Asset Sale Agreement dated 26 October 2010

### **APPENDIX 3**

#### **Analysis of the Joint Administrators' time costs**

THE MAGAZINE PEOPLE LIMITED - IN ADMINISTRATION

JOINT ADMINISTRATORS' TIME COSTS FOR THE PERIOD 26 OCTOBER 2010 TO 25 APRIL 2011

SIP 9 TIME SUMMARY

Classification of work function	Hours						Total Cost £	Average hourly rate £
	Partner	Senior Manager	Manager	Case Administrator	Assistants and support staff	Total hours		
Admin and Planning	1 75	0 00	3 85	44 90	0 20	50 70	10,850 25	214 01
Creditors	0 00	0 00	1 40	16 10	1 13	18 63	3 852 66	206 80
Investigations	0 00	0 00	1 20	7 60	0 00	8 80	1 908 00	216 82
Realisations of assets	0 25	0 00	0 00	3 10	0 00	3 35	749 75	223 81
<b>Total hours and costs</b>	<b>2 00</b>	<b>0 00</b>	<b>6 45</b>	<b>71 70</b>	<b>1 33</b>	<b>81 48</b>	<b>17,360 66</b>	<b>213 07</b>

Disbursements	£78 96
---------------	--------

The above headings include <i>inter alia</i>	
<b>Administration and Planning</b> case planning appointment notification maintenance of records statutory reporting PAYE/NIC	<b>Investigations</b> SIP2 review reports pursuant to Company Directors Disqualification Act 1986 investigating antecedent transactions
<b>Realisation of Assets</b> identifying and securing assets debt collection property business and asset sales	<b>Creditors</b> communications with creditors Creditors' claims (including secured creditors employees and preferential creditors)

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the current hourly chargeout rates applicable to this appointment exclusive of VAT are as follows

	£
Partners	300 395
Senior Managers	295
Managers	260
Seniors/Administrators	100-210
Assistants and Support Staff	95

Chargeout rates are normally reviewed annually in June, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs and changes to indirect costs such as Professional Indemnity Insurance

**Direct expenses ("Category 1 disbursements")**

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case will be charged to the estate at cost with no uplift. These include, but are not limited to such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case

**APPENDIX 4**  
**Proof of Debt Form**

**Proof of Debt – General Form**

The Magazine People Limited – In Administration	
Date of administration 26 October 2010	
1	Name of creditor (If a company please also give company registration number)
2	Address of creditor for correspondence
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 the relevant documents to the proof of debt form to substantiate the claim)
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)
<b>For Administrators' Use only</b>	
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Administrator	Administrator