

The Insolvency Act 1986

Administrator's progress report

Name of Company
Terminus 3 Limited

Company number
02349434

In the
High Court of Justice, Chancery Division, Companies Court

Court case number
3089/2011

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

We (a) Simon John Granger and Chad Griffin of FTI Consulting Limited, 322 Midtown,
High Holborn, London WC1V 7PB

administrators of the above company attach a progress report for the period

from

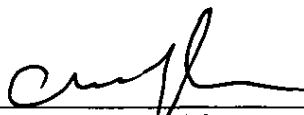
to

15 October 2011

24 October 2011

(b) Insert dates

Signed



Joint Administrator

Dated

24/10/11

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.

Peter Nower

FTI Consulting Limited, 322 Midtown, High Holborn

London WC2A 7PB

Tel 020 3077 0561

DX Number

DX Exchange

THURSDAY



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COMPANIES HOUSE

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



Joint Administrators' Final Progress Report

**For the Periods 15 April 2011 to 14 October 2011
& 15 October 2011 to 24 October 2011**

**Terminus 3 Limited (formerly Polestar Magazines & Catalogues Limited)
(in Administration)**

("the Company" or "M&C")

24 October 2011

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1 Introduction

1 1 Simon John Granger and Chad Griffin of FTI Consulting Limited ("FTI") were appointed as Joint Administrators of the Company on 15 April 2011 by the directors of the Company

1 2 Simon John Granger is licensed by the Association of Chartered Certified Accountants and Chad Griffin is licensed by the Institute of Chartered Accountants of England and Wales

1 3 This report is prepared in accordance with Rules 2.47 and 2.110 of the Insolvency Rules 1986 (as amended) ("the Rules") to provide you with a report on the periods 15 April 2011 to 14 October 2011 and for the period 15 October 2011 to 24 October 2011, which represents a final report on the progress of the Administration

1 4 Statutory information pertaining to the Company and as required by Rule 2.47 of the Rules is set out in Appendix A

1 5 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 (as amended) ("the Act"), the functions of the Administrators may be exercised by either or both, acting jointly or alone

1 6 No extensions of the period of the Administration have been requested or given

1 7 I intend to exit the Administration by moving to dissolve the Company pursuant to Paragraph 84 of Schedule B1 of the Insolvency Act 1986 (as amended) ("the Act"), as there are no funds available to pay a dividend to unsecured creditors and no further assets to realise. I have previously given notice in my proposals dated 12 May 2011 that such an exit route was likely to be used to conclude the administration of the Company

2 Progress of the Administration

Receipts and Payments

2 1 Attached in Appendix B is my Receipts and Payments account for the entire period of the Administration

2 2 Since my appointment, realisations have totalled £1, which was in relation to the sale of shares in Polestar UK Print Limited ("PUPL") as part of the wider restructuring of the Polestar Group ("the Group") on 15 April 2011

2 3 As noted in my proposals dated 12 May 2011, PUPL agreed to provide an element of funding for the expenses incurred in the administration or subsequent liquidation of the Company resulting in a payment being made to M&C of £8,000. It should be noted that this funding does not form part of the administration estate and any funds not utilised in meeting the costs of the administration will be returned to PUPL.

2 4 Payments made during the course of the administration to date include statutory advertising, statutory bonding and legal fees.

Outstanding Matters

2 5 I do not anticipate any further realisations. I intend to remit the surplus funding to PUPL and then conclude the administration and apply for the dissolution of the Company.

Tax and VAT Matters

2 6 The pre-appointment corporation tax returns have been completed for the Company, along with all necessary tax documentation in relation to the administration. No realisations have been made from tax recoveries.

Statutory Investigations

2 7 I have prepared reports on the conduct of the Company directors in accordance with my statutory duties pursuant to the Company Directors Disqualification Act 1986. The content of my reports in relation to this is confidential and has been submitted to the Department for Business, Innovation & Skills.

3 Estimated Outcome for Creditors

3 1 Given that there are no further assets to be realised, the position of each of the categories of creditor are as follows:

- **Secured creditor** – There are no known secured creditors in the Company.
- **Preferential creditors** – There are no known preferential creditors in the Company. All Group employees were employed through other Group companies.
- **Prescribed Part** – The Company has not granted any creditors a floating charge and consequently there is no prescribed part.
- **Unsecured Creditors** – There will be no funds available to distribute to unsecured creditors of the Company.

4 Administrators' Remuneration and Disbursements

4 1 The time costs incurred since the date of our appointment on 15 April 2011 to 24 October 2011 are £28,124 50 For disclosure purposes I have attached at Appendix D a Time Analysis in accordance with the provisions of Statement of Insolvency Practice 9 (SIP9), which provides details of the activity costs incurred by staff grade to the above date However, the I do not intend to draw any fees in this matter and will therefore not be seeking creditor approval to pass a fee resolution in the Administration As reported in our proposals and in accordance with Rule 2 33 (2B), FTI Consulting Limited billed The Polestar Company Limited for fees in connection with the Group, which were paid prior to the administration, and agreed that no fees would be drawn in the company's administration

4 2 Administrators' outlays of £55 10 were incurred and have been written off

4 3 Attached as Appendix E is additional information in relation to our policy on staffing, the use of sub-contractors, disbursements and details of our current charge out rates by staff grade

5 Administrators' Original Proposals

5 1 I summarise below the proposals which have been approved by the creditors of the Company

5 2 The Administrators will continue to manage the affairs of the Company in order to achieve the purpose of the Administration

5 3 The Administrators will do all such other things and generally exercise all of their powers as contained in Schedule B1 of the Act, as they consider desirable or expedient to achieve the statutory purpose of the Administration

5 4 To investigate and as appropriate pursue any claims the Company may have

5 5 In accordance with SIP9, issued by the Association of Business Recovery Professionals, the Administrators be authorised to draw remuneration as and when funds are available on account of their time costs

5 6 The Administrators be authorised to recover outstanding category 2 disbursements when such costs have been incurred in connection with the Administration and are approved in the normal manner

5 7 The Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) of Schedule B1 of the Act


- 5 8 The Administrators may use the most appropriate exit route strategy available to them in order to bring the Administration to an end
- 5 9 If all assets have been realised, and there are no funds available to enable a distribution to the unsecured creditors and a liquidation process is not required, we shall file a notice pursuant to paragraph 84 of Schedule B1 to IA86 together with our final progress report at Court and with the Registrar of Companies for the dissolution of the Company
- 5 10 Should dissolution not be the most effective route, the Joint Administrators may exit the Company's Administration into a Creditors' Voluntary Liquidation pursuant to paragraph 83 of Sch B1 to IA86 This may be the appropriate exit route if there are creditors receiving a Prescribed Part distribution It is proposed that the Joint Administrators would be appointed as Joint Liquidators, with either liquidator being able to undertake acts required or authorised under any enactment individually The creditors are entitled to nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of these proposals and before the proposals are approved
- 5 11 In the event that there are no distributions to unsecured creditors, but we still believe liquidation to be the most appropriate route (for example if investigations work is required within a liquidation process), we will exit the Administration by compulsory liquidation The Joint Administrators give notice that on such a petition the Joint Administrators will seek their appointment as Joint Liquidators pursuant to section 140 IA86 The Joint Administrators reserve the right to exit by a Creditors Voluntary Liquidation if they deem it to be a more appropriate mechanism
- 5 12 The Administrators will be discharged from liability in accordance with Paragraph 98(1) of Schedule B1 of the Act immediately upon their appointment as Administrators ceasing to have effect

6 Next Report and Exit Route

- 6 1 As stated above, I intend to exit the Administration by moving to dissolve the Company pursuant to Paragraph 84 of Schedule B1 of the Act as there are no funds available to pay a dividend to unsecured creditors and no further assets to realise This, therefore, constitutes our final Joint Administrators' Progress report

Should you have any queries in regards to the above, please contact Peter Nower of this office at peter.nower@fticonsulting.com

For and on behalf of
the Company



Chad Griffin
Joint Administrator

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The affairs, business and property of the Company are being managed by the Joint Administrators. The Joint Administrators act as agents of the Company and without personal liability.

Simon Granger is licensed in the United Kingdom to act as an insolvency practitioner by the Association of Chartered Certified Accountants and Chad Griffin is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales, under section 390(2)(a) of the Insolvency Act 1986.

Statutory Information**Appendix A**

| Company | Terminus 3 Limited (formerly Polestar Magazines & Catalogues Limited) |
|---|---|
| Court details | High Court of Justice, Chancery Division, Companies Court Case No 3089 of 2011 |
| Registered number | 02349434 |
| Registered office address | C/O FTI Consulting Limited, 322 High Holborn, London, WC1V 7PB |
| Company directors | Catherine Ann Hearn, Barry Alan Hibbert and Peter Douglas Johnston |
| Company Secretary | Alan James Goodwin |
| Date of Administration appointment | 15 April 2011 |
| Shareholding held by directors and secretary | Nil |

**Receipts and Payments Accounts for the Periods from 15 April 2011
to 14 October 2011 and from 15 October 2011 to 24 October 2011**

Appendix B

**Terminus 3 Limited (in Administration)
(Formerly Polestar Magazines & Catalogues Limited)**

| | From 15 April 2011 To 14 October 2011 | From 15 October 2011 To 24 October 2011 | Expected to Realise Statement of Affairs |
|--|--|--|---|
| | £ | £ | £ |
| Receipts | | | |
| Bank Interest | 1 38 | Nil | Nil |
| Shares & Investments | 1 00 | Nil | 1 00 |
| Third Party Funding* | 8,000 00 | Nil | Nil |
| | <u>8,002 38</u> | <u>Nil</u> | <u>1 00</u> |
| Payments | | | |
| Specific Bond | (20 00) | Nil | Nil |
| Legal Fees | (281 80) | Nil | Nil |
| Statutory Advertising | (83 70) | Nil | Nil |
| | <u>(385 50)</u> | <u>Nil</u> | <u>Nil</u> |
| Surplus/(Deficit) | <u>7,616 88</u> | <u>Nil</u> | |
| Surplus Paid to Third Party Funder* | <u>Nil</u> | <u>7,616 88</u> | |

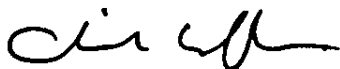
*Note that any funds not utilised in paying the expenses of the administration are payable to the third party funder, under the terms of the funding agreement

IN THE MATTER OF
Terminus 3 Limited (Formerly Polestar Magazines & Catalogues Limited)
(in administration)
Notice of no dividend

Notice is given pursuant to Part 11 7 of the Insolvency Rules 1986, that no dividend will be declared in respect of non preferential creditors in this matter for the reason that funds realised have been used or allocated for defraying the expenses of the administration

The particulars prescribed by Rule 11 7 of the Insolvency Rules 1986 in relation to this Notice can be found in the accompanying report on the outcome of the administration and the Administrators' receipts and payments account

Dated 24 October 2011



Chad Griffin
Joint Administrator

Time Cost Analysis in Accordance with SIP9

Appendix D

Terminus 3 Limited (in Administration)
Time Analysis for the period 15 April 2011 to 24 October 2011

| Classification of Work Function | Hours | | | | Total Time Cost (£) | Average hourly rate (£) |
|----------------------------------|--------------------------|-----------------|------------------------|-------------|---------------------|-------------------------|
| | Senior Managing Director | Director | Consultant / Associate | Total Hours | | |
| Administration and Planning | 7 0 | 2 2 | 40 1 | 49 3 | 17,102 0 | 346 90 |
| Investigations | 0 0 | 0 0 | 3 5 | 3 5 | 560 0 | 160 00 |
| Correspondence with Creditors | 0 0 | 15 0 | 2 5 | 17 5 | 9,025 0 | 515 71 |
| Tax Matters | 0 0 | 2 5 | 0 0 | 2 5 | 1,437 5 | 575 00 |
| Total Hours | 7 0 | 17 2 | 46 1 | 72 8 | | |
| Total Time Costs Incurred | 4,725.0 | 11,309 5 | 12,090.0 | | 28,124.5 | 388.33 |

| | |
|------------------------------|-------------|
| Total Time Costs Incurred | 28,124 50 |
| Total Fees Billed | - |
| Total Time Costs Written Off | (28,124 50) |

| Disbursement Type | £ |
|------------------------------------|--------------|
| Administrators' Outlays | 55 10 |
| Written Off | (55 10) |
| Total Disbursements Claimed | £0.00 |

1 Policy

Detailed below is FTI's policy in relation to

- staff allocation and the use of sub-contractors,
- professional advisors, and
- disbursements

1.1 Staff Allocation and the use of Sub-contractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Senior Managing Director, Managing Director, Director, Senior Consultant and Consultant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several Senior Consultants/Consultants may be allocated to meet the demands of the case

With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, eg, report compilation and distribution, do we seek to charge and recover our time in this regard

1.2 Professional Advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis

| Name of Professional Advisor | Basis of Fee Arrangement |
|--|---------------------------------|
| Freshfields Bruckhaus Dennger LLP (legal advice) – Joint Administrators lawyers | Hourly rate and disbursements |

Our choice was based on our view of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

1.3 Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred which relate to payments due to associated companies for the provision of services to the office holder. On this case no costs of this nature have been incurred.

1.4 Charge-out Rates

A schedule of FTI's charge-out rates for this assignment are as follows:

| | (Per hour) £ |
|-----------------------------------|-----------------|
| Directors | |
| Senior Managing Director | 675 |
| Managing Director | 560 |
| Tax Director | 580 |
| Director | 500 |
| Manager | |
| Senior Consultants | 415 |
| Other Senior Professionals | |
| Consultants | 360 |
| Associates | 220 |
| Insolvency Assistant | 160 |