Rule 2.118

Form 2.35B

The Insolvency Act 1986

2.35B

Notice of move from administration to dissolution

Name of Company	Company number
Store Media plc (formerly WRT Group plc)	02437795

In the	Court case number
High Court of Justice, Chancery Division, Leeds District Registry (full name of court)	1016 of 2013

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

I/We (a) Robert Neil Dymond
The Manor House
260 Ecclesall Road South
Sheffield
S11 9PS

Lisa Jane Hogg
The Manor House
260 Ecclesall Road South
Sheffield
S11 9PS

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

having been appointed administrator(s) of (b) Store Media plc (formerly WRT Group plc) c/o Wilson Field Limited The Manor House 260 Ecclesall Road South Sheffield

(c) Insert date of appointment

(d) Insert name of appointor

on (c) 30 July 2013
by (d) Vivo Capital LLP, Charter House, Pittman Way, Preston, PR2 9ZD

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

Signed _____ Joint / Administrator(s)

Dated 29 JANUARY 2015

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

Wilson Field Limited
The Manor House
260 Ecclesall Road South
Sheffield
S11 9PS

DX Number 01142356780 DX Exchange

Companies House receipt date barcode

Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

MONDAY

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A09 02/03/2015 #118
COMPANIES HOUSE

Software Supplied by Turnkey Computer Technology Limited, Glasgow

In the matter of Store Media plc (formerly WRT Group plc) ("the Company")

and

In the matter of The Insolvency Act 1986 as amended by The Enterprise Act 2002

Joint Administrators' final progress report to creditors pursuant to Rule 2.110 of The Insolvency Rules 1986 as amended by The Insolvency (Amendment) Rules 2010

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1 Introduction

This report to creditors is made pursuant to Rule 2 110 of the Insolvency Rules 1986 as amended by the Insolvency (Amendment) Rules 2010 and covers the period 30 July 2014 to 29 January 2015

This report should be read in conjunction with the Joint Administrators' proposals for achieving the purpose of Administration ("the Proposals") which were made available for creditors to download from the Joint Administrators' online document centre on 24 September 2013 and the Joint Administrators' first and second progress report to creditors, which were made available to download on 28 February 2014 and 14 August 2014 respectively

As the Joint Administrators did not convene an initial meeting of creditors to consider the Proposals and no meeting was requisitioned by creditors under Paragraph 52(2) of Schedule B1 to the Insolvency Act 1986, the Proposals were deemed to have been approved by creditors on 8 October 2013, in accordance with Rule 2 33(5) of the Insolvency Rules 1986

This report is prepared on an exception basis detailing only material changes from the last report

2. Company and Joint Administrators' details

Company name	Store Media plc (formerly WRT Group plc)
Registered address	c/o Wilson Field Limited The Manor House 260 Ecclesall Road South Sheffield S11 9PS
Other trading names of the Company	None applicable
Company number	02437795
Name of Court	High Court of Justice, Chancery Division, Leeds District Registry
Court reference number	1016 of 2013
Name of Joint Administrators	Robert Neil Dymond and Lisa Jane Hogg of Wilson Field Limited, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS
Date of Joint Administrators' appointment	30 July 2013
Persons making appointment/application	The Joint Administrators were appointed by Vivo Capital LLP ("Vivo"), as holder of a qualifying floating charge pursuant to Paragraph 14 of Schedule B1 to the Insolvency Act 1986
Change in Office Holder	There has been no change in Office Holder during the Administration term.

Acts of the Joint Administrators	The Joint Administrators act as officers of the Court and as agents of the Company without personal liability Any act required or authorised under any enactment to done by an Administrator may be done by any one or more persons holding the office of Administrator from time to time
Term of office	As previously reported, as the end of the 12 months Administration term approached, the Joint Administrators applied to Vivo, as the Company's only indebted secured creditor, for its consent to a six month extension of the Administration term, in accordance with Paragraph 78(2) of Schedule B1 to the Insolvency Act 1986 Vivo gave its consent to this extension and the Administration term was therefore extended for six months until 29 January 2015.

3. Progress during the period

Attached at Appendix A to this report is a receipts and payments account for the period 30 July 2014 to 29 January 2015, with cumulative totals for the whole period of the Administration

Sale of the Company's business and assets

As referred to in the Proposals, the Company's business and assets were sold to Store Media Contracts Limited ("SM Contracts") on a going concern basis upon the Joint Administrators' appointment for an initial consideration of £30,000 A breakdown of the assets included in the sale and their individual values is as follows -

Class of asset	Consideration £
Goodwill	1
Business Intellectual Property	1
Advertising Equipment	1
Stock	1
Work in Progress	1
Book Debts	29,995
	30,000

To regulate the terms of the transaction, a sale and purchase agreement ("SPA") was entered into between the Company, its Administrators, SM Contracts and Linda Mangan, the director and shareholder of SM Contracts The SPA completed on 30 July 2013 In accordance with the terms of the SPA, the initial consideration of £30,000 was paid in full upon completion of the sale These funds have been received by the Joint Administrators

The remaining consideration payable under the SPA is the contingent consideration relating to the hosting contracts with Sainsbury's Tesco, Homebase and Wickes ("the Hosts") The additional consideration is contingent upon SM Contracts either entering into new agreements or assigning or novating the existing advertising agreements with the Hosts, in order to allow SM Contracts to continue with the provision of advertising services to customers

Under the SPA, SM Contracts is required to use its reasonable endeavours to either enter into new agreements, or alternatively novate or assign the existing agreements with the Hosts, to enable SM Contracts to honour the customers' advertising contracts Upon SM Contracts entering into a new agreement or assigning or novating an existing agreement with any one of the Hosts, an additional "Hosting Contract Consideration" payment, capped at £10,000 per Host, becomes payable by way of additional consideration for the purchase of the assets of the Company SM Contracts is required to make payment of the "Hosting Contract Consideration" within 10 business days of the completion of a new agreement or the novation or assignment of an existing agreement On this basis, a further £40,000 could become payable under the SPA (i.e £10,000 per hosting contract transferred).

However, if within six months of completion (i.e 30 January 2014), SM Contracts had not entered into a new agreement or assigned or novated an existing agreement with a Host or Hosts, it was deemed under the SPA that a new agreement had been entered into or that the existing agreement(s) had been assigned or novated, thus triggering the £10 000 per Host 'Hosting Contract Consideration' The only circumstances in which this did not apply is where the Host or Hosts have prevented SM Contracts from honouring the customer contracts, by not allowing them to enter their store or a similar action which would frustrate SM Contracts' ability to comply with the terms of the contracts

Under the SPA, SM Contracts have undertaken to notify the Joint Administrators when they either enter into a new agreement or they assign or novate an existing agreement with a Host, within five business days of the completion, assignment or novation They are also required to supply, on demand, any evidence the Joint Administrators may require to establish that a 'Hosting Contract Consideration' has become payable Furthermore, SM Contracts undertook to provide written reports every two months after completion (so the first written report was due on 30 September 2013, followed by subsequent reports every two months thereafter) as to the progress of negotiations with the Hosts If SM Contracts failed to provide such reports, the Joint Administrators were entitled, after making all reasonable attempts to consult with SM Contracts, to contact the Hosts direct to obtain the information from them

Following the appointment of Administrators, SM Contracts sought to use its reasonable endeavours to either enter into new agreements, or alternatively novate or assign the existing agreements with the Hosts, to enable SM Contracts to honour the customers' advertising contracts The Joint Administrators were copied into exchanges of correspondence between SM Contracts and the Hosts attempting to reach agreement for the continued provision of services in the Host stores

However, on 23 August 2013 the Joint Administrators were contacted by Ian Rose, who had been acting as a consultant to SM Contracts and Linda Mangan and assisting in negotiations with the Hosts Mr Rose explained that negotiations with the Hosts had not progressed as anticipated and agreement had not been reached for the continued provision of services Mr Rose went on to advise that Linda Mangan had elected to resign her directorship in SM Contracts and sell her shareholding, in order to return to the retail sector which was her background Mr Rose provided a copy of an undated deed of waiver which suggested that Linda Mangan had sold her shareholding in SM Contracts to Raymond Ingleby for £10,000 Formal evidence of this transaction, in the nature of a stock transfer form or share sale agreement, was requested from SM Contracts but was not forthcoming

Subsequently, Raymond Ingleby established direct contact with the Joint Administrators to confirm his acquisition of SM Contracts' shareholding Mr Ingleby advised that he was now taking over negotiations with the Hosts and that SM Contracts intended to comply with the terms of the SPA

In the intervening period, the Joint Administrators received direct correspondence from two of the Hosts, one of which confirmed that they would not be entering into a new contract with SM Contracts now or in the future for the continued provision of advertising services The second Host advised that it had in fact terminated its advertising agreement with the Company prior to the Joint Administrators' appointment in April 2013, due to non-payment of royalties This Host confirmed it would not enter into a novation of the existing advertising agreement with the Company to SM Contracts and nor would it enter into any new agreement with them Subsequently, the Joint Administrators received confirmation from a third Host that it had taken the decision to discontinue the advertising services in their stores and were not seeking to enter into a new agreement or contract in this respect In view of these responses, the Joint Administrators considered it unlikely that SM Contracts would be able to reach amicable agreement with the Hosts for the continued provision of advertising in their stores.

Contact was established with SM Contracts they advised that despite the correspondence received, they remained in negotiations with the Hosts and were hopeful of resurrecting an agreement going forward. Creditors will recall that SM Contracts were required to provide the Joint Administrators with bi-monthly written updates on the progress of their negotiations with the Hosts and whilst these have been requested from SM Contracts in accordance with the SPA throughout the Administration term, they have not been provided However, the Joint Administrators have maintained dialogue with SM Contracts throughout the process in order to monitor their progress, as well as entering into direct correspondence with the Hosts

As referred to previously, there was a provision in the SPA whereby if, within six months of completion of the sale (i e 30 January 2014), SM Contracts had not entered into a new agreement or assigned or novated an existing agreement with a Host or Hosts, it was deemed under the SPA that a new agreement had been entered into or that the existing agreement(s) had been assigned or novated, thus triggering the £10,000 per Host "Hosting Contract Consideration' As the six month deadline approached, the Joint Administrators reviewed the situation with the Hosts to determine whether the "Hosting Contract Consideration' had fallen due

Whilst the correspondence received from the Hosts suggested that they would not be novating the existing agreements or entering into new agreements with SM Contracts going forward, it was confirmed that they had not prevented SM Contracts from entering their stores and SM Contracts' advertising equipment, in the nature of display stands and post boxes, remained in situ at the Host stores As the advertising equipment remained in place, it was considered that SM Contracts' attempts to continue with the customer contracts had not been frustrated by the Hosts, despite not entering into a new agreement with SM Contracts Given that the advertising equipment remained in situ at the stores, it was considered that SM Contracts was still in a position to collect the book debts and work in progress they had acquired from the Joint Administrators and this being the case, it was concluded that the "Hosting Contract Consideration" had fallen due in accordance with the terms of the SPA

Having arrived at this conclusion, the Joint Administrators demanded immediate payment of the 'Hosting Contract Consideration' from SM Contracts Upon receipt of this demand. SM Contracts requested a meeting with the Joint Administrators to discuss the situation Following on from this, a meeting was arranged between the Joint Administrators, their representatives and Raymond Ingleby to be held at Wilson Field's offices on 18 February 2014

At this meeting, Mr Ingleby explained SM Contracts' position and provided an update on the progress of negotiations with the Hosts Mr Ingleby provided copies of correspondence with three of the Hosts which mirrored that received by the Joint Administrators direct, in that they had confirmed termination of the advertising agreements and requested the removal of the advertising equipment from their stores However, Mr Ingleby explained that despite the current difficulties with the Hosts, he was actively exploring alternative strategies to reach agreement with the Hosts and resurrect the situation going forward

Mr Ingleby explained that SM Contracts was facing a number of operational issues which were adversely affecting collections of book debts and work in progress from customers. Furthermore, Mr Ingleby advised that there were issues with the collectability of the book debt ledger and that he considered that the ledger acquired from the Administrators, details of which were provided by the Company prior to our appointment, were grossly overstated

However, despite SM Contracts' ongoing difficulties and the uncertainty surrounding the positron with the Hosts, Mr Ingleby advised that he remained hopeful of reaching agreement going forward and resolving the issues with collection of the book debts and work in progress, which in turn would allow SM Contracts to honour its obligations under the SPA

Following the meeting with Mr Ingleby, the Joint Administrators sought legal advice on the prospects of a claim against SM Contracts in respect of the "Hosting Contract Consideration" payable under Clause 8 of the SPA, and specifically Clause 8 3 which reads as follows -

> *8 3 If, within 6 months of the Completion Date the Purchaser has entered into a new agreement with a Host or Hosts or if the Hosts have not during the duration of the Advertising Contracts in relation to the relevant Host's premises prevented the Purchaser from honouring the relevant Advertising Contracts the Hosting Contract Consideration in relation to the relevant Host shall be payable to the Company and the Administrators*

The purpose of the legal advice was to consider whether it could be argued that the "Hosting Contracts Consideration" had fallen due in accordance with clause 8 3 of the SPA It was noted that the Joint Administrators had received unquantified confirmation that SM Contracts' advertising equipment, in the nature of display stands and post boxes, remained in situ at the Host stores on 31 January 2014 (i e six months after the completion date) and on this basis, consider that it could be argued that SM Contract's attempts to continue with the customer contracts had not been frustrated by the Hosts, despite correspondence from the Hosts indicating that they would not and will not be entering into a new agreement with SM Contracts for the continued provision of services in their stores Copies of eight pieces of correspondence with three of the four Hosts were provided to our solicitors, all of which suggested that the relevant Hosts were not allowing SM Contracts to continue to advertise in their stores In light of this correspondence, it was considered that any claim for the "Additional Hosting Consideration" in respect of three of the four Hosts would be unlikely to be successful That said, the Joint Administrators had not received any communications from the fourth Host, so it may have been possible to suggest that this £10,000 had fallen due. However, it was considered that there was sufficient uncertainty surrounding the other Hosts to allow SM Contracts to defend any claim under Clause 8 3 of the SPA

Our lawyers advised that, in principle, the Joint Administrators have a valid claim to pursue against SM Contracts under the SPA in respect of the agreements with three out of the four Hosts, based on the current evidence The position as they understood it was that no assignment or novation of the existing hosting contracts had been achieved, which rendered Clause 8 2 of the SPA irrelevant However, under Clause 8 3, unless SM Contracts had been prevented from fulfilling its customer contracts within six months of completion of the SPA, the 'Hosting Contract Consideration' (at £10,000 per host) was payable Our lawyers commented, however, that SM Contracts would have a defence to the claim (or parts thereof) if it could establish that it had been prevented from fulfilling the customer contracts by any of the Hosts

Our lawyers advised that they considered it tolerably clear from the correspondence provided that one Host had required the boards to be removed before the end of the six month period and for this reason, they did not think a claim in respect of that Host's contract had good prospects of success That said, if SM Contracts' advertising equipment hadn't been removed yet, there may still have been an argument that SM Contracts had not been prevented from fulfilling its customer contracts

Whilst correspondence had only been seen from two of the three remaining Hosts, both referred to agreements that SM Contracts' advertising boards could remain effectively on a "no contract" basis and there did not appear to have been any correspondence to SM Contracts requiring it to remove the boards Whilst there are letters addressed to the Company and its Joint Administrators stating this, our lawyers considered that there was a strong argument that these letters had been superseded by subsequent conduct

In principle, our lawyers believed that a claim against SM Contracts for £30,000 would have a good prospect of success However, they caveated this by stating that they had significant reservations about a claim being issued in Court as matters stand, for the following reasons -

1 There may be evidence that has not been seen that SM Contracts have been prevented from fulfilling the customer contracts, as it certainly appeared that none of the Hosts had been particularly willing to allow the boards to remain in stores;

2 An assessment by the Court of whether or not Clause 8.3 has been satisfied is likely to be costly requiring substantial disclosure of documents and witness evidence,

3 The claim will be in the name of the Company which means the issue of proceedings is likely to be met by an application for security for costs While a bond could be obtained to cover this risk, the cost of the bond is likely to have a significant impact on recovery given the size of the claim,

4 If the claim is lost, unless there is adverse costs insurance in place (which could again impact on recovery) there is a risk that the Company could be ordered to pay SM Contracts' costs Such a claim would likely be an expense of the Administration

The Joint Administrators' solicitors advised that the options for the Administrators appeared to be as follows

1 Pursue the claim It would be an option to pursue the claim only up to a point prior to the issue of proceedings which would mitigate nearly all of the risks identified above,

2 Assign the claim to a third party Any assignment should ideally be for a lump sum consideration to mitigate or eliminate the risk of a third party costs order. An assignment for nominal consideration and 100% of the proceeds of the claim is likely to leave the Administrators vulnerable to a third party costs order in the event the claim is not successful,

3 Abandon the claim However, at least a letter before action should be sent before this option is considered further

The potential of assigning the benefit of a claim to a third party was investigated, on the basis that the ultimate beneficiary of the Company's cause of action against SM Contracts was Vivo Capital LLP ("Vivo"), as the principal debenture holder and secured creditor in this matter Previous discussions had been held with Vivo in this respect and they had advised that they would consider an assignment of the Administrators' cause of action against SM Contracts This option was discussed with our lawyers who advised that an assignment to the secured creditor may be a good option in light of the potential difficulties/costs and the fact that any recovery will, subject to costs, be payable to them in any event

Discussions were therefore entered into and a detailed e-mail was sent to Vivo, setting out the options in respect of a potential assignment of the Administrators' cause of action against SM Contracts No response was received to this e-mail from Vivo

Despite the lack of response to the proposal, the Joint Administrators' position remained that an assignment of the SM Contracts claim to Vivo would be the optimum strategy of dealing with this matter Notwithstanding the inherent cost risk to the Administration estate and the uncertain prospects of the claim if it is brought by the Joint Administrators, Vivo are the ultimate beneficiary of the claim in any event and any distribution from the Administration estate will be reduced by increased costs of Administration It was therefore considered that an assignment of the cause of action allowing Vivo to pursue the claim in its own right was the best solution for all concerned.

The Joint Administrators met with Vivo on 25 September 2014 to discuss the merits of assigning the claim to Vivo Vivo indicated that whilst they were potentially interested in taking an assignment of the cause of action against SMC, they were aware of subsequent developments with the SMC business which may have prejudiced the potential success of the claim Accordingly, Vivo indicated that they would enter discussions with SMC and revert to the Joint Administrators with confirmation of whether or not they wished to proceed with the assignment No further communication was received from Vivo following this meeting and they have not progressed their interest in taking an assignment of the claim against SMC

In the absence of agreement with Vivo for an assignment of the claim against SMC, the Joint Administrators have little alternative than to abandon the claim in light of the inherent litigation risks and the fact that Vivo are the ultimate beneficiary of the claim It was not considered that a further extension of the Administration term to reach agreement with Vivo was appropriate, as this would entail an application to Court and the associated costs were considered prohibitive, notwithstanding the limited benefits to the general body of creditors of further extending the Administration term

Wholly owned motor vehicles

The Company had a number of wholly owned motor vehicles which were excluded from the sale to SM Contracts Upon the Joint Administrators' appointment, Charterfields Limited ("Charterfields"), International Asset Consultants, were instructed to realise the vehicles in question

Charterfields subsequently agreed private treaty sales of the vehicles in question and realisations of £8,740 have been achieved in this respect There will be no further realisations from this source

Sale of office furniture and equipment

Prior to our appointment, Matthew Longworth, a former director of the Company, had advised Charterfields that all office furniture and equipment at the Company's former trading premises were owned by Vivo, the Company's principal creditor and debenture holder Mr Longworth advised that as a result of the Company defaulting on repayments to Vivo, title to the office furniture and equipment which was owned by the Company was transferred to Vivo in lieu of payment Mr Longworth advised that this transaction occurred during the middle of 2012 Confirmation of this transaction was requested on several occasions but was not forthcoming

Following the appointment of Joint Administrators, an investigation was instigated to determine the ownership of the office furniture and equipment Despite multiple requests for confirmation of ownership, including documentary evidence of the same, the information was not provided. Under the circumstances, on 1 October 2013 the Joint Administrators requested confirmation of ownership within 48 hours, failing which the assets would be removed and realised for the benefit of the Administration estate Various exchanges of correspondence followed and Vivo indicated that they would prove ownership of the items

On 3 October 2013, the Joint Administrators received notification that bailiffs instructed by the landlord of the Company's trading premises, which were by this stage occupied by SM Contracts on an informal basis, were seeking to repossess the office furniture and equipment in view of rent arrears relating to SM Contracts' occupation of the site The Joint Administrators intervened and frustrated the attempted repossession, on the basis that no positive confirmation of ownership of the Company's office furniture and equipment had been forthcoming Given this position, the Joint Administrators explained to the bailiffs that they considered the items in question belonged to the Company and therefore any repossession would be in breach of Paragraph 43(6) of Schedule B1 to the Insolvency Act 1986, which prevents any legal process being instituted or continued against the Company or property of the Company, except with the consent of the Administrators or with the permission of Court

Having resolved the attempted enforcement action and in view of the lack of documentary evidence confirming ownership of the items, the Joint Administrators instructed Charterfields to realise the assets for the benefit of the Administration estate. Charterfields subsequently inspected the assets and recommended agreeing a private treaty sale of the items, which comprised computers and associated equipment, photocopiers, tables, desks, chairs, televisions, filing cabinets and racking, amongst other sundry items

Following a period of marketing and protracted exchanges of correspondence with a number of potential purchasers, Charterfields received an offer from Guest Services Worldwide Limited ("Guest Services") to acquire the office furniture and equipment for the sum of £25,000 plus VAT Creditors should note that Raymond Ingleby, the director and shareholder of SM Contracts, is the also the director and shareholder of Guest Services Guest Services' offer was subject to deferred payment terms, with £10,000 plus VAT being payable immediately, followed by a further instalment of £10,000 plus VAT payable by 28 February 2014 and a final instalment of £5,000 plus VAT due by 28 March 2014 Charterfields considered this offer and recommended acceptance, on the basis that it exceeded their valuation of the items

In light of Charterfields' recommendation, the Joint Administrators elected to accept Guest Services' offer and Charterfields were instructed to complete the sale Charterfields are currently holding £20,000 from Guest Services on account of the sale, however, a balance of £10,000 remains outstanding There have been various issues which have resulted in the remaining consideration being overdue for payment Firstly, a quantity of the items included in the sale to Guest Services were being held at the Kirkgate House and the landlord of Kirkgate House was refusing access to Guest Services, in the absence of payment of rent in respect of the period in which the Guest Services assets remained at the premises SM Contracts were unwilling to pay the balance of consideration without access to the full extent of the assets they acquired and a stalemate position was reached Charterfields eventually negotiated with the landlord and arranged access to the premises to allow Guest Services to inspect their assets The landlord also agreed that he would allow Guest Services access to collect the items once they had paid the outstanding balance of consideration

Guest Services subsequently inspected the assets at Kirkgate House and determined that they were all present and correct However, Guest Services failed to make payment of the remaining balance of the consideration and therefore were not authorised to collect the balance of assets from site, as Charterfields were keen to ensure that full payment was received before releasing the remaining assets to Guest Services

Charterfields continued to pursue Guest Services for the outstanding balance of £10,000, however, payment was not forthcoming despite several attempts Subsequently, the landlord of Kirkgate House contacted Charterfields to state that Guest Services had gained access to the site and were removing the assets in question and replacing them with lesser quality items The landlord alleged that this was because Guest Services were aware that the Joint Administrators retained full title to the assets until payment was received in full and if the Joint Administrators were to collect the items due to non-payment by Guest Services, they would still have possession of the items which were included in the sale Guest Services denied this allegation and suggested that the landlord bad in fact removed assets from the site since the date of the last inspection

In light of the continued dispute between the landlord and Guest Services, Charterfields suggested that Guest Services make payment of the balance of consideration and following receipt of funds, they would again meet Guest Services on site to assess the content and if there was any missing items that were identified in the last inspection, they would consider renegotiating the outstanding balance of consideration

Following receipt of this update from Charterfields, the Joint Administrators reviewed the situation and determined that the costs being incurred in concluding the transaction with Guest Services were becoming disproportionate and the landlord of Kirkgate House and Guest Services appeared unable to resolve the situation amicably. Furthermore, Charterfields advised that the realisation of £20,000 which had already been achieved exceeded their valuation of the items included in the sale On this basis, the Joint Administrators instructed Charterfields that the abandonment of the assets may be appropriate if the suggested resolution was unsuccessful Unfortunately, Guest Services failed to make payment of the outstanding £10,000 and therefore Charterfields could not proceed with their proposed strategy

The Joint Administrators had already determined that the realisation achieved from the sale to Guest Services of £20,000 exceeded the market value of the assets included in the sale and in light of the ever increasing costs being incurred in concluding the transaction, the Joint Administrators instructed Charterfields to abandon the assets at Kirkgate House and cease pursuing Guest Services for the outstanding consideration

Despite the abandonment of the assets, the Joint Administrators considered that the cause of action against Guest Services could be assigned to Vivo, in a similar manner to the proposal in respect of the claim against SMC and for the same reasons This was discussed with Vivo at the meeting held on 25 September 2014 and they suggested that they may be interested but needed to hold negotiations with Guest Services before confirming their interest. Vivo advised that they would liaise with Guest Services and revert to the Joint Administrators if they had an interest in taking an assignment of the claim No further contact has been received from Vivo following this meeting and it has therefore been resolved to abandon the assets at Kirkgate House and the cause of action against Guest Services

Causes of action in favour of the Company

As referred to in the Proposals, following our appointment the Joint Administrators were notified that the Company had two potential causes of action against firstly a former director of the Company and secondly one of the Host stores

The first claim has a value of £23,493 and relates to expenses incurred by a former director which were paid by the Company on the director's behalf and not repaid by when he left the business The Company had prepared a formal Claim Form in this respect which was intended to be filed in the Manchester County Court and issued against the debtor. The Joint Administrators reviewed this claim and its prospect of success but were conscious of the inherent litigation risk associated to issuing the claim formally In view of the Joint Administrators' concerns, another former director of the Company expressed an interest in taking an assignment of the claim and entering into an agreement with the Joint Administrators to regulate the appropriation of any proceeds of the claim Discussions were held with this director in an attempt to reach agreement for this assignment but unfortunately, the director has not pursued his interest any further As a result of the lack of interest in an assignment of the claim, the litigation risks associated to the Joint Administrators pursuing the same through Court and the imminent expiry of the extended Administration term, it has been resolved to abandon this potential claim

The second claim is against one of the Host stores, for alleged breaches of a compromise agreement with the Company This claim is at early stages and its prospect of success are wholly dependent upon the conclusion of an independent audit from a multi-national firm of accountants The accountants in question have not been paid by the Company for their services in relation to this audit and are therefore refusing to release their files in the absence of payment of their outstanding indebtedness from the Company, totalling £45,600. Given that the claim is at such an early stage and the Joint Administrators are unable to assess its merits in the absence of the auditor's report, the Administrators are reluctant to proceed with this cause of action without further information. Discussions were held with Vivo to determine if they would be interested in taking an assignment of this claim in a manner similar to the proposal in respect of the claim against SMC Vivo were also reluctant to proceed with any assignment without the accountant's report and therefore have not progressed any assignment of this claim The claim has therefore been abandoned

Cash at bank

The Joint Administrators have achieved unanticipated realisations in respect of credit balances held by the Company's bankers upon the Joint Administrators' appointment Realisations in this respect total £92

Funds due to SM Contracts which have been retained in respect of the "Hosting Contract Consideration"

Following their appointment, the Joint Administrators were made aware of additional Company bank accounts, details of which had not been disclosed by the Company prior to their appointment. Further investigation revealed that these accounts had been the beneficiary of various debtor receipts which were paid after the Joint Administrators' appointment.

As previously reported, the Company's book debts were included in the sale to SM Contracts and were attributed a value of £29,995. As SM Contracts had acquired the Company's book debts, the post appointment debtor receipts into these accounts were due to SM Contracts However, as referred to previously, the Joint Administrators had concluded that the 'Hosting Contract Consideration' due from SM Contracts had fallen due in accordance with the terms of the SPA Accordingly, the Joint Administrators have retained the sum of £7,224, which would normally be due to SM Contracts, against the "Hosting Contract Consideration"

4. Investigations

It is a statutory requirement that the Joint Administrators submit a report on the directors' conduct to The Insolvency Service, within six months of appointment The appropriate report has been submitted, however, I am unable to comment on the content of the report

I confirm that I have investigated the affairs of the Company in accordance with SIP 4

The Joint Administrators' investigations had revealed a number of areas where further investigation was required to determine whether or not there would be any recoveries for the benefit of creditors The matters highlighted related to various payments from the Company's bank accounts, the nature of which the Joint Administrators had been unable to verify

Discussions were entered into with a former director of the Company in respect of these transactions and the Joint Administrators' have received satisfactory explanations to allay their concerns As a result, the Joint Administrations are not pursuing any further investigation matters in respect of the Company

6. Distributions

Secured Creditors

Vivo Capital LLP and Vivo 2 Limited ("Vivo 2")

Vivo and Vivo 2 Limited hold a composite guarantee and debenture which was created on 21 December 2009

However, whilst reviewing the security registered against the Company's assets, it became apparent that whilst the composite guarantee and debenture had been created on 21 December 2009, neither Vivo 2 nor Vivo were actually incorporated until 8 January 2010 The Joint Administrators have received legal advice confirming that this renders the Vivo 2 debenture and security invalid

Vivo

Vivo holds a composite guarantee and debenture incorporating a fixed and floating charge which was created on 12 January 2010 We understand that the Company is indebted to Vivo in the sum of approximately £1,250,000

As first ranking qualifying floating charge holder, Vivo affected the appointment of Joint Administrators and have received a distribution of £1 in respect the sale of the Company's goodwill, which is subject to their fixed charge Accordingly, the Joint Administrators have achieved one of the three statutory purposes of Administration by making a distribution to one or more secured or preferential creditors The distribution to Vivo was made under its fixed charge

HSBC Bank plc

HSBC Bank plc ("HSBC") hold a debenture incorporating a fixed and floating charge which was created on 19 January 2010

We understand the Company has no outstanding indebtedness to HSBC

Barclays Bank plc

Barclays Bank plc ("Barclays") holds a guarantee and debenture incorporating a fixed and floating charge which was created on 8 September 2011.

Upon our appointment, the Company had no indebtedness to Barclays. However, the Joint Administrators have been made aware that Barclays have subsequently incurred liabilities of £1,683,905, relating to charge back claims received from customers under the Direct Debit Guarantee Scheme These claims have arisen in respect of the Company's failure to honour the terms of their contracts with customers

Vicinity Group Limited

Vicinity Group Limited ("Vicinity") holds a debenture incorporating a fixed and floating charge which was created on 27 March 2013

Vicinity is a company which was under the control of Matthew Longworth, prior to his resignation on 14 June 2013 It is now under the sole control of Raymond Ingleby Vicinity has not contacted the Joint Administrators to register any claim in the Administration proceedings

Preferential Creditors

The Company employed eighty staff upon our instruction, six of whom were employed on a subcontract basis, leaving seventy four contracted employees

Nineteen of these employees transferred to SM Contracts under the TUPE regulations upon completion of the sale of the Company's business and assets and therefore no preferential claims are anticipated in respect of these employees

However, the Company terminated the employment of the remaining fifty five staff prior to our appointment on 1 July 2013 and preferential claims are anticipated in respect of these employees The preferential claims will consist of employee wage arrears and holiday pay, the majority of which are subrogated to the National Insurance Fund for monies paid from the Redundancy Payments Office ("RPO").

Whilst the Joint Administrators have not yet received a claim from the RPO, and therefore no claims have been agreed, preferential claims were estimated to total £7,148 There is no prospect of a dividend to preferential creditors

Prescribed Part

Within the Insolvency Act 1986 there are provisions for a fund, called the Prescribed Part, to be set aside for distribution to the unsecured creditors. The fund is calculated on the net realisations of assets subject to a floating charge contained in a debenture created on or after 15 September 2003 and the implementation of the Enterprise Act 2002 In this instance, the qualifying floating charge is dated 12 January 2010 and therefore the Prescribed Part provisions apply

However, as the Company's net property is considerably lower than the prescribed minimum of £10,000 and the costs of making a distribution to unsecured creditors under the Prescribed Part would be disproportionate to its benefits, the above provisions will not apply in this matter

Unsecured Creditors

The Company's books and records show that unsecured creditors total £2,428,077, however, this includes the contingent creditor claims referred to in Section 6 of the Proposals If SM Contracts cannot reach agreement with the Hosts for the continued provision of advertising services, the liabilities of the Company will increase considerably

Unsecured claims received to date total £3,113,081 Claims have not been formally agreed There are insufficient funds to enable a distribution to any class of creditor.

6. Joint Administrators' Remuneration

Pre-Administration costs

On 5 November 2013, Vivo approved that the Joint Administrators be remunerated by reference to their time costs and expenses incurred before the Company entered into Administration, but with a view of it doing so As referred to in the Proposals, the Joint Administrators' pre-Administration time costs totaled £39,455

Having received Vivo's authority, the Joint Administrators have drawn their pre-appointment remuneration in full

Post-Administration costs

The Joint Administrators have sought Vivo's authority to fix their remuneration by reference to the time properly spent by them and their staff in attending to matters arising during the Administration Vivo have not approved that the Joint Administrators' remuneration to be calculated in this manner As a result, no fees have been drawn in respect of the Joint Administrators' outstanding time costs

Attached at Appendix B is a detailed summary of our time costs during the period 30 July 2013 to 29 January 2015 of £110,515.87 comprising of 508 32 hours at an average charge out rate of £217 42 To date, no fees have been drawn by the Joint Administrators Details of the charge out rates and disbursements are attached at Appendix C

My expenses for the period 30 July 2014 to 29 January 2015 are as follows (* denotes that they are Category 2 disbursements)'-

	Expenses Incurred £		Expenses Drawn £
Specific Bond	80		80
Total	**110**		**110**

Within 21 days of receipt of this progress report, a creditor may request further information regarding the Joint Administrators' remuneration and expenses Any request must be in writing and may be made by either a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors, or the permission of the Court

7. Conclusion

In accordance with the Proposals sent to creditors on 24 September 2013, the company will be struck off from the Companies Register under the dissolution rule provided under paragraph 84 of Schedule B1 of the Insolvency Act 1986

Yours faithfully
For and on behalf of Store Media plc

R N Dymond
Joint Administrator
Acting as agent of the Company without personal liability

Enc

Store Media plc (formerly WRT Group plc) – In Administration

Appendix A

Receipts and payments account

Store Media plc (formerly WRT Group plc)
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 30/07/2014 To 29/01/2015	From 30/07/2013 To 29/01/2015
	SECURED ASSETS		
1 00	Goodwill	NIL	1 00
1 00	Business Intellectual Property	NIL	1 00
		NIL	2 00
	SECURED CREDITORS		
	Vivo Capital LLP	1 00	1 00
		(1 00)	(1.00)
	HIRE PURCHASE		
(1,250,000 00)	Vivo Capital LLP	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
1.00	Advertising Equipment	NIL	1 00
9,000 00	Motor Vehicles	16,666.67	25,406 63
1.00	Stock	NIL	1.00
1 00	Work in Progress	NIL	1 00
29,995 00	Book Debts	NIL	29,995 00
	Cash at Bank	NIL	91 50
	Licence Fees	NIL	3,240 00
	Bank Interest Net of Tax	3 36	36 38
	Hosting Contract Consideration	NIL	7,224 32
		16,670 03	65,996 83
	COST OF REALISATIONS		
	Specific Bond	80 00	160 00
	Pre administration fee	8,414 00	39,455 00
	Administrators fees	NIL	NIL
	Agents/Valuers Fees (1)	6,321.75	10,404 25
	Legal Fees (1)	3,463 61	8,202 78
	Document Upload Fees	NIL	100 00
	Postage, stationary, photocopying	NIL	5,668.95
	Search Fees	NIL	80 00
	Travel expenses	NIL	433 15
	Storage and collection of records	NIL	1,426 70
	Statutory Advertising	NIL	67 00
		(18,279 36)	(65,997 83)
	PREFERENTIAL CREDITORS		
(7,148 00)	DE Arrears & Holiday Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(1,890,920 00)	Trade & Expense Creditors	NIL	NIL
(246,124 00)	Dept of Employment	NIL	NIL
(133,813 00)	HM Revenue and Customs - VAT	NIL	NIL
(144,316 00)	HM Revenue and Customs - PAYE	NIL	NIL
(7,147 00)	HM Revenue and Customs - Corporati	NIL	NIL
(5,757 00)	Overpaid Advertising Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(500,500 00)	Ordinary Shareholders	NIL	NIL

Store Media plc (formerly WRT Group plc)
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 30/07/2014 To 29/01/2015	From 30/07/2013 To 29/01/2015
		NIL	NIL
(4,146,725 00)		(1,610 33)	0.00
	REPRESENTED BY		
			NIL

Robert Neil Dymond
Joint Administrator

Store Media plc (formerly WRT Group plc)- In Administration

Appendix B

Time analysis in accordance with SIP 9

Time Entry - Detailed SIP9 Time & Cost Summary

STOR01A - Store Media plc (formerly WRT Group plc)
From 30/07/2013 To 29/01/2015
Project Code POST

Classification of Work Function	Directors & IP's	Manager & Senior Manager	Administrators	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
ADAP Appointment	0.50	0 00	2 40	0 00	2 90	751 00	258 97
ADCA Cashiering	0 70	5 85	0 40	7 73	14 68	2 899 68	197 50
ADCR Case Reviews	2.30	1 90	23 50	1 37	29.07	8 439 65	290 36
ADDI Directors/Client	2 60	0 60	6 30	0 25	9 75	2 711 00	278 05
ADGA File Maintenance	0 00	0 10	15 80	27 98	43.88	6 379.33	145 37
ADSC Statutory and Compliance	8.50	0 30	45 40	0 00	54 20	13 935.00	257 10
ADSO Strategic Overview	2.70	0.20	19 10	0 00	22 00	6 316 00	287 09
Admin and Planning	**17 30**	**8 95**	**112.90**	**37 33**	**176.48**	**41,431 87**	**234 76**
CREM Employees	0 70	0 00	5.20	0 00	5.90	1 647 00	238 70
CRTV Tax and VAT	0.20	0 00	0 50	0 00	0 70	178 00	254 29
REIS Identifying Securing and Insuring	2 90	0 00	8 50	0 00	11 40	3,200 00	280 70
Case Specific Matters	**3.80**	**0 00**	**15.20**	**0.00**	**18 00**	**5,025.00**	**264 47**
CRCL Creditors Claims	0 10	0 00	10 70	0 40	11 20	1 661 00	148.30
CRCO Communications with Creditors	2 60	4.10	167 50	0 00	174 20	37,031 00	212.56
Creditors	**2 70**	**4 10**	**178.20**	**0 40**	**185.40**	**38,692.00**	**208.69**
INDR CODA Report	2 70	0.00	0.00	8.25	10 95	2 079 00	189 94
INRE Investigation and Review	6.35	0 00	4 70	66.13	77 18	11 579 00	150 02
Investigations	**9.05**	**0 00**	**4 70**	**74.38**	**88 13**	**13,649 00**	**154.87**
REDC Debt Collection	*0 60*	0 00	0 40	1 60	2 60	624 00	240 00
REPB Property Business and Asset Sales	14 10	0 00	22 60	0 00	36 70	11 094.00	302.29
Realisation of Assets	**14 70**	**0.00**	**23.00**	**1 60**	**39.30**	**11,718.00**	**298 17**
Total Hours	**47 55**	**13 05**	**334.00**	**113 72**	**508.32**	**110,515.87**	**217.42**

Store Media plc (formerly WRT Group plc)– In Administration

Appendix C

Wilson Field Limited Charge out rates and disbursement policy

WILSON FIELD LIMITED CHARGE OUT RATES AND DISBURSEMENT POLICY

In accordance with Statement of Insolvency Practice 9 ("SIP 9") covering fees and disbursements, we are required to disclose to you our policy for recovering non-specific disbursements, and the charge out rates for the various grades of staff who may be involved in this case.

Remuneration

The office holder(s) will seek approval from creditors to draw remuneration on a time cost basis, in accordance with the rates detailed below

	Hourly charge out rate (£)	
Grade	**01/02/2014 to 31/10/2014**	**01/11/2014 onwards**
Director/Insolvency Practitioner	350-500	500
Manager	260-400	400
Assistant Manager	N/A	395
Team Leader	N/A	390
Senior Administrator	240	330
Administrator (1-5 years experience)	120-240	230-300
Secretarial & Support	100-130	130

All time is recorded in 6 minute units

Category 1 Disbursements

In accordance with SIP 9, these do not require the approval of creditors and are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party These may include advertising, room hire, insurance, travel expenses etc

Category 2 Disbursements

In accordance with SIP 9, these require the prior approval of creditors

Disbursement	Charge	
Search fees	£10 per document	On appointment
Document Upload Centre charge	£150	On appointment
Room Hire where meeting held at Wilson Field office	£100	On appointment (where appropriate)
Mileage	45p per mile	On appointment (where appropriate)
Postage, stationery, photocopying etc	£10 per member and creditor per year	On appointment and annually
Insolvency software fee	£150 per year	On appointment and annually
Storage of books and records	£80 per box per year	Once records are logged and then annually

These rates are applicable from 1 November 2014 until further notice

In common with all professional firms, our charge out rates increase from time to time We reserve the right to change the rates without prior notice to you Any change will be reported in the next statutory report to creditors