

## The Insolvency Act 1986

## Administrator's progress report

Form 2.24B(CH)

Name of Company  Weblogix Limited	Company number  03616110
In the High Court of Justice Companies Court Chancery Division London	Court case number 224 of 2014

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

We (a) Geoffrey Wayne Bouchier and Jason James Godefroy of Duff & Phelps Ltd , The Shard,  
32 London Bridge Street, London, SE1 9SG,

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

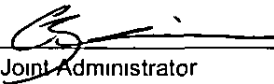
from

to

(b) Insert dates

(b) 10 January 2014

(b) 9 July 2014

Signed   
Joint Administrator

Dated 8/8/14

## 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

Duff & Phelps Ltd  
The Shard  
32 London Bridge Street  
London, SE1 9SG  
  
Tel +44 (0) 20 7089 4700

MONDAY



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11/08/2014

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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

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# **Progress Report to Creditors**

8 August 2014

## **Weblogix Limited (In Administration)**

Joint Administrators' Progress Report to Creditors  
for the period from 10 January 2014 to 9 July 2014  
pursuant to Rule 2 47(1) of the Insolvency Rules 1986 as amended

**Duff & Phelps Ltd.  
The Shard  
32 London Bridge Street  
London  
SE1 9SG**

## Definitions

Word or Phrase	Definition
360 Group	360 Group Ltd (Company Number 03645154)
the Act	The Insolvency Act 1986 (as amended)
the Appointment Date	10 January 2014 being the date of appointment of the Joint Administrators
the Bank / HSBC / Lloyds	HSBC Bank plc and Lloyds Bank plc with whom the Company banked
Category 1 Disbursements	The Joint Administrators' external costs and expenses in dealing with the Administration
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Company	Weblogix Limited (In Administration) (Company Number 03616110)
CVL	Creditors' Voluntary Liquidation
DBIS	The Department for Business, Innovation & Skills
the Director	Mr Brian Martin Keegan, the sole director of the Company
Duff & Phelps	Duff & Phelps Ltd, The Shard, 32 London Bridge Street, London, SE1 9SG
EC Regulation	EC Regulation on Insolvency Proceedings 2000
the Group	360 Group and its subsidiaries
HMRC	Her Majesty's Revenue and Customs
Hyperlink	Hyperlink Services Limited (Company Number 04230959)
the Joint Administrators	Geoffrey Wayne Bouchier and Jason James Godefroy of Duff & Phelps
Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to ordinary non-preferential unsecured creditors
the Proposals	The Joint Administrators' Report to Creditors and Statement of Proposals dated 17 January 2014

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**Definitions**

<b>Word or Phrase</b>	<b>Definition</b>
the Reporting Period	The period 10 January 2014 to 9 July 2014
the Rules	The Insolvency Rules 1986 (as amended)
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SOA	Statement of Affairs, documentation to be supplied by the Director outlining the Company's financial position as at the Appointment Date
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

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- 1 Statutory Information
- 2 Joint Administrators' Receipts and Payments Account
- 3 Analysis of Time Charged and Expenses Incurred
- 4 Proof of Debt Form

**1. Introduction**

- 1 1 The Joint Administrators were appointed on the Appointment Date by an order of the High Court of Justice, Chancery Division, Companies Court, London pursuant to Paragraph 10 of Schedule B1 to the Act. The application to the Court was made by the Director on behalf of the Company.
- 1 2 The Court reference number is 224 of 2014.
- 1 3 In accordance with Paragraph 100(2) of Schedule B1 to the Act the functions of the Joint Administrators are being exercised by any of the Administrators.
- 1 4 The purpose of this report is to provide creditors with details of the progress of the Administration for the Reporting Period, in accordance with Rule 2.47(1) of the Rules.
- 1 5 This report should be read in conjunction with the Proposals.
- 1 6 Statutory information on the Company is attached at Appendix 1.

**2 Joint Administrators' Report and Statement of Proposals**

- 2 1 In accordance with Paragraph 51 of Schedule B1 to the Act, a creditors' meeting was held at Duff & Phelps, The Shard, 32 London Bridge Street, London, SE1 9SG on 4 February 2014. The Joint Administrators' Proposals were approved at that meeting.
- 2 2 As advised in the Proposals, the Joint Administrators must perform their functions with the purpose of achieving one of the following hierarchical objectives:
- Rescuing the Company as a going concern, or
  - 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), or
  - Realising property in order to make a distribution to one or more secured or preferential creditors.
- 2 3 In accordance with Paragraph 49(2) of Schedule B1 to the Act the Joint Administrators note the following:
- The first objective will not be achieved as there are insufficient funds and assets available to enable the Company to be rescued as a going concern.
  - The Joint Administrators are pursuing the second objective.
  - The Joint Administrators note that the employees of the Company are understood to have transferred to an associated company by way of TUPE in November 2013 and therefore do not anticipate their being any preferential claims and there are no secured creditors.

**3. Progress of the Administration**

- 3 1 The manner in which the affairs and business of the Company have been managed since the appointment of the Joint Administrators and will continue to be managed and financed are set out overleaf.

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### Asset Realisations

- 3 2 The business ceased to trade prior to the Administration as the Company had insufficient working capital to pay suppliers and HMRC. Therefore, the Joint Administrators concluded that the asset realisation process would focus on the collection of the Company's book debts and the sale of the business and certain assets of the Company.

### Sale of Business

- 3 3 The Joint Administrators are in final negotiations in relation to a sale of the business and certain assets of the Company. The Joint Administrators are unable to comment upon the sale at this time, so as not to prejudice the sale process. Details of the sale will be disclosed in the next report to creditors following completion of the sale.

### Book Debts

- 3 4 According to the SOA the realisable value of the debts of the Company totalled £521,243 as at the Appointment Date. However, according to the Company records, the outstanding debts of the Company totalled £984,748 as at November 2013, broken down as follows:

Debtor	Amount	
Inter-Company Debtors	£	425,396
Trade Debtors – Associated Companies	£	10,020
Other Trade Debtors	£	549,332
<b>Total</b>	<b>£</b>	<b>984,748</b>

- 3 5 As outlined in the Proposals Report, there are significant concerns as to the accuracy of the financial records and therefore the above debts remain subject to reconciliation, with many of the debts being disputed. The Joint Administrators are continuing to pursue the recovery of the book debts and hope to shortly agree a settlement in relation to certain of the inter-company debtors.

### Cash at Bank

- 3 6 According to the SOA, £1,029 was held in the Company's pre-appointment bank accounts.
- 3 7 The Joint Administrators have recovered cash at bank of £1,009 from HSBC and £33 from Lloyds.

### Sundry Refunds

- 3 8 Bank interest of three pence has been received in the Reporting Period.

**4. Investigations**

- 4 1 The Joint Administrators' investigations into the Company's affairs and in particular the financial irregularities outlined in the Proposals Report are currently ongoing. The Joint Administrators cannot, at this stage, detail the nature of these investigations as it may hamper any further action that may be required. However, should any of the Company's creditors have information concerning the Company's affairs that they would like to bring to the Joint Administrators' attention, please contact this office.
- 4 2 The Joint Administrators have complied with their statutory obligation to file a report with DBIS regarding the conduct of all directors of the Company that served in the three years prior to the Joint Administrators' appointment. The content of this report is confidential.

**5 Dividend Prospects / Prescribed Part**

**Secured Creditors**

- 5 1 The Company has no secured creditors.

**Preferential Creditors**

- 5 2 According to the Company records, the estimated liabilities due to employees total £502,729 including accrued holiday pay and pension liabilities.
- 5 3 The Joint Administrators now understand that the employees of the Company transferred to an associated company by way of TUPE in November 2013 and therefore do not anticipate there being any preferential claims submitted against the Company.

**Prescribed Part**

- 5 4 The Prescribed Part is not applicable in this instance as there is not a floating charge registered against the Company.

**Non-Preferential Unsecured Creditors**

- 5 5 According to the SOA non-preferential creditors total £3,221,674. Claims received to date total £7,392,279. No claims have been adjudicated on at this stage.
- 5 6 Based upon the current information available and assuming the sale of the business and certain assets completes, it is anticipated that there may be sufficient realisations to enable a distribution to the non-preferential unsecured creditors of the Company. The quantum of any such distribution is presently uncertain and will be dependent on the level of consideration received for the sale of the business and certain assets of the Company and any recoveries made from the book debts.
- 5 7 Creditors of the Company should complete the proof of debt form enclosed at Appendix 4 and return it to the Joint Administrators, together with supporting documentary evidence, in order for their claim to be noted in the Administration.

**6. Joint Administrators' Receipts and Payments Account**

- 6 1 A receipts and payments account, for the Reporting Period is shown in Appendix 2.



- 6 2 As at 6 August 2014 there was an estate account balance of £874 (including VAT receivable of £34)

## **7 Statement of Pre-Administration Costs**

- 7 1 Pre-Administration costs are defined in the Rules as fees charged and expenses incurred by the Joint Administrators or their firm, or any other person qualified to act as an Insolvency Practitioner, before the Company entered Administration but with a view to doing so
- 7 2 Pre-Administration time costs total £14,570 and are analysed at Appendix 3 These costs were approved at the meeting of creditors held on 4 February 2014
- 7 3 Pre-Administration costs totalling £14,374 were paid directly to Duff & Phelps by the parent of the Company

## **8 Joint Administrators' Costs and Expenses**

- 8 1 The Joint Administrators' basis of remuneration was fixed on the basis of time properly charged at the creditors' meeting held on 4 February 2014
- 8 2 The time costs charged in the period are as analysed at Appendix 3
- 8 3 As of the date of this report, the Joint Administrators have not drawn any fees in respect of remuneration
- 8 4 The Joint Administrators' disbursements are also detailed at Appendix 3
- 8 5 The Joint Administrators have incurred expenses in dealing with the Administration of the Company and these are detailed in Appendix 3
- 8 6 Information regarding the fees and disbursements of Administrators, including details of the Duff & Phelps disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees" This can be viewed and downloaded from the Joint Administrators' website at <http://www.duffandphelps.com/uk-restructuring/creditor-guides> Should you require a copy, please contact this office
- 8 7 In accordance with Rule 2 48A of the Rules, secured creditors and unsecured creditors (with the concurrence of at least 5% in value of total unsecured creditor claims) or with the permission of the Court, may make a request in writing for further information about the remuneration or expenses set out in this Progress Report This should be done within 21 days receipt of this report, after which the Joint Administrators have 14 days to respond
- 8 8 In addition to the above, any secured creditor, or any unsecured creditor (with the support of at least 10% in value of the total unsecured creditors) or with the permission of the Court, may apply to the Court on the grounds that the remuneration or basis fixed for the Joint Administrators' remuneration or the expenses incurred by the Joint Administrators are considered to be excessive In accordance with Rule 2 109 of the Rules, this application must be made no later than eight weeks after receipt of the Progress Report, where the charging of the remuneration or the incurring of expenses in question occurs

**9. Conclusion and Ending the Administration**

- 9 1 The Joint Administrators' Proposals advised that Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the creditors' consent
- 9 2 The outcome of the Administration will largely be dependent upon the outcome of the Joint Administrators' investigations and the sale of the Company's business and certain assets. The Joint Administrators are hopeful that there will be sufficient realisations to enable a distribution to be made to non-preferential unsecured creditors.
- 9 3 Assuming this is the case, then the Joint Administrators will take the necessary steps to move the Company to CVA in accordance with the approved Proposals. The Joint Administrators will then become Joint Liquidators.

**10. Next Report**

- 10 1 The Joint Administrators will provide a Progress Report within one month of the end of the each six months of the Administration or earlier if an extension to the period of the Administration is required or the Administration ended.
- 10 2 On present information, as it is anticipated that the Administration will conclude within the next six months and the Company moved into CVL, the next report to creditors will be a Final Report.
- 10 3 If you require further information, please do not hesitate to contact Hannah Raymond of this office.

Yours faithfully



**Geoffrey Wayne Bouchier**  
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Geoffrey Wayne Bouchier and Jason James Godefroy, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association.

**Appendix 1**

**Statutory Information**

**Statutory Information**

<b>Date of Incorporation</b>	14 August 1998
<b>Registered Number</b>	03616110
<b>Company Director</b>	Mr Brian Martin Keegan
<b>Company Secretary</b>	Darran Searle (resigned 10 December 2013)
<b>Shareholder</b>	360 Group Ltd (27 Ordinary Shares)
<b>Trading Address</b>	360 House 7 Cambridge Court Hammersmith London W6 7NJ
<b>Registered Office</b>	<b>Current:</b> C/O Duff & Phelps Ltd The Shard 32 London Bridge Street London SE1 9SG  <b>Former:</b> 360 House 7 Cambridge Court Hammersmith London W6 7NJ
<b>Any Other Trading Names</b>	N/A

**Appendix 2**

**Joint Administrators' Receipts and Payments Account**

**Weblogix Limited (In Administration)**  
**Joint Administrators' Receipts and Payments Account**

**Statement  
of Affairs  
£**

**From 10 January 2014  
To 9 July 2014  
£**

**Estimated to**

**Realise**

**Asset Realisations**

409,373 00	Inter-Company Debtors	-
2,004 00	Trade Debtors - Associated Companies	-
109,866 00	Other Trade Debtors	-
1,029 00	Cash at Bank	1,043 08
50,000 00	Goodwill	-
-	Bank Interest Gross	0 03
<u>572,272 00</u>		<u>1,043 11</u>

**Cost of Realisations**

-	Statutory Advertising	169 20
<u>-</u>		<u>(169 20)</u>

**Preferential Creditors**

Uncertain	-
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**Unsecured Creditors**

(3,221,674 00)	-
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**Distributions**

(27 00)	Ordinary Shareholders	-
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**(2,649,429 00)**

**873 91**

**Represented By**

VAT Receivable	33 84
Floating / Main Current Account	840 07
	<u><b>873 91</b></u>

**Appendix 3**

**Analysis of Time Charged and Expenses Incurred**

**Weblogix Limited (In Administration)****Analysis of Time Costs for the Reporting Period**

Classification of Work Function	Partner	Manager	Hours			Total Hours	Time Cost	Avg Hourly Rate
			Senior	Assistant	Support			
Administration and Planning								
Case Review and Case Diary Management	0 80	16 90	0 80	14 20	0 00	32 70	10,652 50	325 76
Cashiering & Accounting	0 00	0 40	0 40	2 90	0 00	3 70	829 50	224 19
Dealings with Directors and Management	0 00	3 90	0 00	11 50	0 00	15 40	4,377 50	284 25
IPS Set Up & Maintenance	0 00	0 10	0 00	1 00	0 00	1 10	279 00	253 64
Insurance	0 00	0 50	0 00	1 95	0 00	2 45	676 00	275 92
Statement of Affairs	0 00	1 70	0 00	1 50	0 00	3 20	1,012 50	316 41
Statutory Matters (Meetings & Reports & Notices)	2 80	10 30	0 00	49 10	0 00	62 20	14,565 00	234 16
Strategy Planning & Control	1 60	10 90	0 00	33 80	0 00	46 30	13,995 50	302 28
Tax Compliance / Planning	0 00	0 70	0 60	5 40	0 00	6 70	1,490 00	222 39
Creditors								
Communications with Creditors / Employees	0 40	0 00	0 00	5 00	0 00	5 40	938 00	173 70
Non Pref Creditors / Employee Claims Handling	0 00	0 00	0 00	2 85	0 00	2 85	342 00	120 00
Investigations								
CDDA & Reports & Communication	0 30	3 80	5 90	4 90	0 00	14 90	4 480 00	300 67
Financial Review and Investigations (S238/239 etc)	1 40	4 30	2 10	13 40	0 00	21 20	6 782 00	319 91
Realisation of Assets								
Book Debts	0 00	2 20	0 00	2 40	0 00	4 60	1,701 00	369 78
Goodwill and Intellectual Property Rights	0 00	0 00	0 00	1 35	0 00	1 35	162 00	120 00
Sale of Business	2 50	7 50	0 00	0 65	0 00	10 65	5,258 00	493 71
Total Hours	9 80	63 20	9 80	151 90	0 00	234 70		287 77
Total Fees Claimed	5,880 00	28,126 00	3,136 00	30,398 50	0 00		67,540 50	

**Category 1 Disbursements**

Description	£
Bonding / Insurance	225 00
Postage	195 00
BT Conferencing	112 54
Total	532 54

**Category 2 Disbursements** There are no Category 2 Disbursements



**Weblogix Limited (In Administration)****Analysis of Time Costs up to 10 January 2014**

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
<b>Administration and Planning</b>								
Dealings with Directors and Management	0 00	0 00	0 00	2 40	0 00	2 40	636 00	265 00
Financial Review	0 00	0 80	0 00	2 90	0 00	3 70	1 112 50	300 68
IPS Set Up & Maintenance	0 00	0 00	0 00	0 30	0 00	0 30	79 50	265 00
Strategy Planning & Control	10 30	6 70	0 00	4 80	0 00	21 80	10 333 00	600 00
<b>Investigations</b>								
Financial Review and Investigations	0 00	1 80	0 00	0 00	0 00	1 80	774 00	430 00
<b>Total Hours</b>	<b>10 30</b>	<b>12 30</b>	<b>0 00</b>	<b>11 70</b>	<b>0 00</b>	<b>34 30</b>		<b>424 77</b>
<b>Total Fees Claimed</b>	<b>6,180 00</b>	<b>5,289 00</b>	<b>0 00</b>	<b>3,100 50</b>	<b>0 00</b>		<b>14,569 50</b>	

**Category 1 Disbursements** There are no Category 1 Disbursements

**Category 2 Disbursements** There are no Category 2 Disbursements

Expenses Incurred

Weblogix Limited (In Administration)  
Post Administration Costs Incurred  
For the Reporting Period

Company	Expenses (as per Receipts and Payments Account)	Detail	Fee Basis	Incurred (£)	Amount Paid (£)
Rosling King LLP	0 00	Drafting appointment documents, security review and agreements for sale of the business and certain assets	Time Costs	4,248 00	0 00
Courts Advertising Limited	169 20	Statutory advertising of appointment	Per Unit	169 20	169 20
				4,417 20	169 20

The Joint Administrators' choice of agent was based on their perception of the ability and experience to perform this type of work, the complexity and nature of the assignment and the basis of the Joint Administrators' fee arrangement with them

**Appendix 4**

**Proof of Debt Form**