

The Insolvency Act 1986

**Administrator's progress report**

Name of Company

TNT Publishing Limited

Company number

03948613

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

(full name of court)

Court case number  
7673 of 2011(a) Insert full  
name(s) and  
address(es) of  
administrator(s)

I/We (a)  
Simon Thomas  
Moorfields Corporate Recovery LLP  
88 Wood Street  
London  
EC2V 7QF

Robert Pick  
Moorfields Corporate Recovery LLP  
88 Wood Street  
London  
EC2V 7QF

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

From

To

(b) Insert date

(b) From 2 September 2011

(b) To 1 March 2012

Signed

Joint / Administrator(s)

Dated

19/03/2012

**Contact Details:**

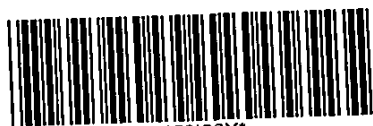
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

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

Simon Thomas  
Moorfields Corporate Recovery LLP  
88 Wood Street  
London  
EC2V 7QF

DX Number

0207 186 1144  
DX Exchange



\*A158158X\*

A39

22/03/2012

#251

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**

THURSDAY

Our ref TNTP001/ADM 15 030  
Your ref

**To All Creditors**

19 March 2012

Dear Sirs

**TNT Publishing Limited ("The Company") – In Administration**

In accordance with Rule 2 47, I would like to provide creditors with my update following my appointment as Joint Administrator on 2 September 2011

**1. Statutory Information**

I attach the Statutory Information relating to the Company and the appointment at Appendix I

**2. Progress of the Administration**

The Joint Administrators' receipts and payments account for the period 2 September 2011 to 1 March 2012 is attached at Appendix II

I would comment specifically as follows

**2 1 Book Debts**

Upon our appointment we identified that the Company had an outstanding book debt ledger of £390,721

The Joint Administrators instructed TNT Multimedia Limited ("TNT Multimedia") to assist with the collection of the book debts for a commission of 5% Following which, we then instructed Oriel Collections Limited ("Oriel") to assist with the collection of the remaining bad debts on a commission of 20%

I can confirm that during the period to 1 March 2012 total book debt collections amounted to £361,624 Oriel are continuing to pursue the remaining bad debts and any further realisations will be reported to creditors in my next report

**2 2 Cash at Bank upon Appointment**

I can confirm that cash at bank upon appointment amounted to £9,484 and has been received in full

2 3 Bank Interest

Bank interest earned on funds in hand the date of my appointment has amounted to £130

2 4 Records Review Fee

I can confirm the Joint Administrators were approached by a third party in respect of a pre administration insurance claim and a fee of £240 was paid to the administration estate for the provision of certain information

2 5 Sale of Business

Prior to our appointment agents Edward Symmons LLP ("Edward Symmons") were instructed to value the Company's tangible assets and to assist with a two week marketing campaign whereby the business and assets of the Company were offered for sale

A sales teaser, non disclosure agreement and information memorandum was issued to over 70 interested parties including former directors, shareholders and competitors

Following this marketing campaign one offer was received from TNT Multimedia As part of a wider transaction to include the assets of Red Reef Media Limited, the Company's ultimate parent, the offer from TNT Multimedia to purchase the business and assets of the Company was £2m The offer was recommended for acceptance by Edward Symmons

KBC Bank N V ("KBC"), the Company's secured creditor, were consulted throughout the process and consented to the sale

There was no element of deferred consideration The sale consideration was paid in full on completion as part of a debt rollover by the secured creditor and was apportioned as follows -

<b>Assets</b>	<b>(£)</b>
Goodwill	1,990,995
Equipment & Information Technology	6,000
Intellectual Property	3
Stock	3,000
Deposits	1
Work In Progress and Contracts	1
<b>Total</b>	<b>2,000,000</b>

In accordance with Statement of Insolvency Practice 13 (SIP 13), I would advise you that the following assets were sold to a director of the Company

Date of Valuation	Asset Description	Estimated Value	Asset Location	Beneficial Interest
02/09/2011	Goodwill	£1,990,995	TNT Multimedia Limited	Common Directors
02/09/2011	Equipment & Information Technology	£6,000	TNT Multimedia Limited	Common Directors
02/09/2011	Intellectual property	£3	TNT Multimedia Limited	Common Directors
02/09/2011	Stock	£3,000	TNT Multimedia Limited	Common Directors
02/09/2011	Deposits	£1	TNT Multimedia Limited	Common Directors
02/09/2011	Work in Progress and Contracts	£1	TNT Multimedia Limited	Common Directors

### 3. Joint Administrators' Expenses

#### 3.1 Merchant Services Charges

Following our appointment it was determined that in order to maintain a consistent flow of debtor receipts, the Company's merchant service facilities should be maintained for a period of 12 weeks

The cost of maintaining the Company merchant services for this period amounted to £32 76

#### 3.2 Accountants Fees

The Joint Administrators instructed Ford Campbell Freedman LLP ("FCF") in respect of valuing certain of the Company's assets and their fees amounted to £7,500 which has been paid in full

Furthermore, Price Bailey LLP ("Price Bailey") were instructed to provide tax advice in relation to the sale of the business and their fees amounted to £1,500 and have been paid in full

#### 3.3 Agents Fees

As detailed above, Edward Symmons were instructed to value the Company's tangible assets and to assist with a two week marketing campaign

Their fees in relation to this matter have amounted to £5,703 38 which has been paid in full

#### 3.4 Legal Fees

The Joint Administrators instructed DLA Piper UK LLP ("DLA") to assist with the sale of the business

Their fee in this matter amounted to £25,428 which has been paid in full

---

3 5 Debtor Collection Commission

TNT Multimedia were instructed by the Joint Administrators to assist in collecting the Company's book debts on a commission of 5% of realisations. Their total commission earned on funds they collected amounted to £17,400 which has been paid in full.

The remaining bad debts were then assigned to Oriel to pursue. Due to the difficulties in collecting these debts, and taking into consideration that a large number were based in Australia and South Africa, it was agreed their commission would be 20% of realisations. To date they have been paid commission of £2,450 and they continue to pursue the remaining bad debts.

3 6 Stationary & Postage

The cost of stationary and postage in the administration has amounted to £141.

3 7 Storage Costs

The cost of storing the Company's books and records to date has amounted to £190.

3 8 Statutory Advertising

The cost of statutory advertising during the course of the administration has amounted to £522.

3 9 Insurance of Assets

The cost of insuring the Company's assets amounted to £106.

3 10 Bank Charges

Bank charges incurred during the administration have amounted to £90.

3 11 VAT Receivable

The Joint Administrators have submitted a VAT refund to HM Revenue & Customs for £12,164.

**4. Assets still to be realised**

4 1 Book Debts

Oriel continue to pursue the remaining bad debts, however future realisations are expected to be minimal and will be detailed in my next report to creditors.

**5. Pre-administration Costs**

Pre-appointment fees charged and expenses incurred by the Joint Administrators are as follows

---

Costs paid by	Details of services provided	Costs incurred (£)	Costs paid (£)	Details of services provided	Costs incurred (£)
Moorfields Corporate Recovery LLP	Options advice, marketing of the company & negotiation of the sale to TNT Multimedia Limited	£38,887 50	£15,000 00	KBC Bank N V	£23,887 50
Moorfields Corporate Recovery LLP	Pre-appointment disbursements	£71 52	Nil	N/A	£71 52
Edward Symmons LLP	Valuation of business and assets Marketing campaign for sale of business	£5,703 38	£5,703 38	Joint Administrators	Nil
DLA Piper UK LLP	Dealing with the sale contract	£25,428 23	£25,428 23	Joint Administrators	Nil
Price Bailey LLP	Taxation advice on the sale of business and assets to TNT Multimedia Limited	£1,500 00	Nil	Joint Administrators	Nil
Ford Campbell Freedman LLP	Valuation of certain of the Groups assets in respect of the sale of business	£7,500	£7,500	Joint Administrators	Nil

5 1 The pre-administration costs were reported in my proposals dated 25 October 2011

5 2 The payment of unpaid pre-administration costs set out above as an expense of the administration is subject to the approval of creditors. As the Joint Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the prescribed part), approval will be sought from the secured creditor in accordance with R2.106 of the Insolvency Rules 1986

## 6 Joint Administrators' Remuneration

6 1 Attached as Appendix III is a SIP9 Time & Cost Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by us in managing the Administration. Our time costs for the period from 2 September 2011 are £82,535. This represents 380 hours at an average hourly rate of £217.

6 2 To date, no fees or disbursements have been drawn.

6 3 Attached as Appendix IV is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade.

## **7. Estimated outcome for creditors**

### **7.1 Secured Creditors**

As previously report KBC were secured by a fixed and floating charge registered at Companies House on 5 March 2008. As at the date of my appointment KBC were owed £2,236,667

In accordance with the sale of business and assets to TNT Multimedia on 2 September 2011, KBC rolled over £2,000,000 of their debt to TNT Multimedia

Furthermore, I can confirm that on 2 February 2011 the Joint Administrators made a distribution of £153,000 to KBC in accordance with their floating charge dated 5 March 2008

Subject to any future debtor realisations, it is anticipate that no further funds will be available to distribute under their floating charge to KBC and they are unlikely to be repaid in full

### **7.2 Preferential Creditors**

The Company does not have any preferential creditors as all employees were transferred to TNT Multimedia as part of the sale agreement in accordance with TUPE regulations

### **7.3 Unsecured Creditors**

Unsecured creditors in the administration total £570,933

The Company has insufficient assets to allow a dividend distribution to unsecured creditors other than by way of the prescribed part

### **7.4 Prescribed Part**

As previously reported, we are required to set aside an "Unsecured Creditors Fund" out of the Company's net floating charge realisations as outlined in s 176A of the Insolvency Act 1986

We can confirm that funds available for distribution to unsecured creditors in accordance with prescribed part amount to £35,432 following the deduction of distribution costs

Unsecured creditors will receive a pence in the pound distribution, the quantum and timing of which will be determined once the Company has entered into Creditors Voluntary Liquidation

## **8. Investigations**

In accordance with the Company Directors Disqualification Act 1986 I would confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills. As this is a confidential report, I am not able to disclose the contents

## **9. Ending the Administration**

- 9 1 As outlined in the initial report to creditors it is the Joint Administrators' intention to exit the Administration into Creditors Voluntary Liquidation
- 9 2 As no extension to the prescribed time limit has been sought, we will be commencing this action shortly. A final progress report in relation to the Administration will be sent to creditors prior to this action being taken
- 9 3 The Joint Administrators will be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect

## **10. Creditors' rights**

- 10 1 Within 21 Days of the receipt of this report, a secured creditor, or an unsecured creditor (with concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrator provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report
- 10 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Joint Administrators' remuneration, the remuneration charged or the expenses incurred by the Joint Administrator as set out in the progress report are excessive
- 10 3 I can confirm that the Joint Administrators' proposals previously circulated in accordance with Rule 2.33(5) of the Insolvency (Amendment) Rules 2003 were deemed to have been approved on 7 November 2011

I trust this is in order but should you have any queries please do not hesitate to contact Mark Bracken

Yours faithfully  
For and on behalf of  
TNT Publishing Limited



**S R Thomas**  
**Joint Administrator**

DDI 020 7186 1150  
Fax 020 7186 1177  
Email mbracken@moorfieldscr.com

Simon Thomas and Robert Pick of Moorfields Corporate Recovery LLP, 88 Wood Street, London, EC2V 7QF were appointed Joint Administrators on 2 September 2011. The Administrators now manage the affairs, business and property of the company. The Administrators act as agents only and without personal liability.



**TNT Publishing Limited  
Statutory Information**

**Company Information**

Company Number	03948613
Registered Office	88 Wood Street London EC2V 7QF
Trading Address	10 Greycoat Place London SW1P 1SB

**Appointment details**

Administrators	Simon Robert Thomas and Robert Harry Pick
Administrators' address	Moorfields Corporate Recovery LLP 88 Wood Street London EC2V 7QF
Date of appointment	2 September 2011
Court	High Court of Justice, Chancery Division, Companies Court
Court Reference	7673/2011
Appointed by	Directors appointment
Functions	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone
EC Regulations	The Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom and as such these proceedings will be the main proceedings as defined in article 3 of the EC regulation

**Appendix II****TNT Publishing Limited  
(In Administration)****Summary of Receipts & Payments  
2 September 2011 to 1 March 2012**

<b>RECEIPTS</b>	<b>Total (£)</b>
Book Debts	361,624 08
Cash at Bank	9,483 73
Bank Interest Gross	130 37
Records Review Fee	240 00
	<u><b>371,478 18</b></u>
 <b>PAYMENTS</b>	
Merchant Services Charges	32 76
Accountants Fees	9,000 00
Agents/Valuers fees	5,703 38
Legal fees	25,428 23
Debtor Collection Commission	19,850 02
Stationery & Postage	140 76
Storage Costs	190 00
Statutory Advertising	522 00
Insurance of Assets	106 00
Bank Charges	90 00
KBC Bank N V - Floating Charge Distribution	153,000 00
Vat Receivable	12,163 83
	<u><b>226,226 98</b></u>
<b>Balance In Hand</b>	<u><b>145,251 20</b></u>
	<u><u><b>371,478 18</b></u></u>

## SIP9 Time & Cost Summary

TNT Publishing Limited - In Administration  
From 2 September 2011 To 1 March 2012

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	10 30	7 90	30 00	15 05	63 25	14,596 25	230 77
Asset Realisation	14 90	15 50	234 10	0 00	264 50	54,902 00	207 57
Case Specific Matters	0 00	0 00	15 50	0 00	15 50	2,867 50	185 00
Creditors	10 80	5 00	20 50	0 00	36 30	10,169 50	280 15
<b>Total Hours</b>	<b>36.00</b>	<b>28.40</b>	<b>300.10</b>	<b>15.05</b>	<b>379.55</b>	<b>82,535.25</b>	<b>217.46</b>

Total Fees Claimed

0.00

Total Disbursements Claimed

0.00

**TNT Publishing Limited  
(In Administration)**

**1. Explanation of office-holders charging and disbursement recovery policies**

Appendix IV of this report outlines the time costs to date in relation to activities undertaken during this matter. The activities are summarised as follows:

**1.1 Administration and planning**

The following activities have been undertaken:

- Statutory duties associated with the appointment including the filing of relevant notices,
- Notification of the appointment to creditors, members, employees and other interested parties,
- Setting up of case files
- Reviewing available information to determine the appropriate strategy,
- Setting up and maintaining bank accounts,
- Implementing the strategy for the Administration,
- 6 monthly progress review of the case,
- Completion of statutory returns to the Insolvency Compliance Unit of the Department for Business Innovation and Skills

Staff of different levels were involved in the above activities depending upon the experience required.

**1.2 Realisation of assets**

Appendix II shows the realisations made for the benefit of the creditors. In this case the assets belonging to the Company were as follows:

- Undertaking a three week marketing campaign whereby the Company's assets were offered for sale to interested parties,
- Preparation of a sales teaser for interested parties,
- Compilation of an information memorandum,
- Issuing the sales teaser and information memorandum to over 70 interested parties,
- Negotiating the sale with various interested parties,
- Providing further additional asset information upon request from interested parties,
- Negotiating the business for sale with TNT Multimedia, and
- Completing a sale of the business to TNT Multimedia on 2 September 2011

The time spent includes the following matters:

- Instructing TNT Multimedia and Oriel to pursue the Company's book debts,
- Regularly monitoring the collection of book debts,
- Reporting to the secured creditor regarding book debt collections,
- Holding various meetings with TNT Multimedia to negotiate the terms of a sale,
- Dealing with TNT Multimedia's legal advisors with regards to the sale agreement,
- Instructing agents to prepare valuations of the Company's assets,
- Corresponding with agents in relation to valuation and realisation of assets,
- Dealing with TNT Multimedia to answer and assist with their queries in relation to the structure of the sale, and
- Finalising and completing on the sale of assets

## 1 2 Creditors

The time spent includes the following matters

- Recording and maintaining the list of creditors,
- Dealing with secured creditor related matters,
- Liaising with the various government agencies to receive their claims in the administration,
- Recording creditor claims,
- Dealing with specific creditor calls and correspondence,
- Reporting to creditors,
- Dealing with creditor queries by telephone and email, and
- Reviewing and evaluating creditor claims to date

## 1 3 Investigations and communications

The time spent includes the following matters

- Corresponding with Company directors for purposes of conduct report,
- Issuing questionnaires and requests for Statement of Affairs,
- Reviewing Company records and directors conduct questionnaires, and
- Preparing the statutory return in accordance with the requirements of the Department for Business Innovation and Skills

## 1 4 Time recording

Time properly incurred on cases is charged to the assignment at the hourly rate prevailing at the time. The current hourly rates are outlined below

	£
Partner	440
Director	325
Manager	300 - 325
Assistant manager	250
Senior Administrator	200 – 220
Administrator	100 – 185
Cashier	125 – 140
Support	70

For your information, A Creditor's Guide to Administrators' Fees can be obtained at <http://www.insolvency-practitioners.org.uk/uploads/Admin.pdf>

## 2.1 Disbursement recovery

### Category 1 Disbursements

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling, postage, photocopying if external provider, statutory advertising and other expenses made on behalf of the assignment

These expenses are detailed as follows

- Company searches are charged at cost
- External meeting room costs
- External document storage costs
- Mileage allowances are paid at HM Revenue & Customs approved rates. For personnel using their own vehicles, these are currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter

### Category 2 Disbursements

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Moorfields Corporate Recovery LLP for the provision of services which include an element of recharged overhead, for example, room hire or document storage

The following Category 2 disbursements are currently charged by this firm

- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost
- A set-up charge of £50 per case for online creditor reporting

It should be noted that disbursements costs might increase from time to time, however, increases would only be in line with inflation or increases from our supplier