

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company Informer Publishing Limited t/a The Informer	Company number 05215713
In the Southampton County Court (full name of court)	Court case number 166 of 2013

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

We (a)
Michael Ian Field
Portland Business & Financial Solutions
1640 Parkway
Solent Business Park
Whiteley
Fareham
Hampshire
PO15 7AH

Carl Derek Faulds
Portland Business & Financial Solutions
1640 Parkway
Solent Business Park
Whiteley
Fareham
Hampshire
PO15 7AH

*Delete as applicable

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 22nd August 2013

Signed


 Joint Administrators

Dated

22nd August 2013**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 researchers of the

Michael Ian Field
Portland Business & Financial Solutions
1640 Parkway
Solent Business Park
Whiteley
Fareham
Hampshire
PO15 7AH

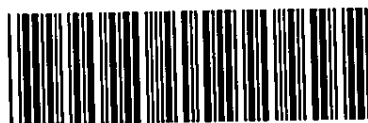
DX Number post@portbfs.co.uk

01489 550 440

DX Exchange

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

TUESDAY



A04

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27/08/2013

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COMPANIES HOUSE

Informer Publishing Limited t/a The Informer in administration

Joint administrators' proposals

- 1 We shall continue to manage the affairs, business and property of the company as administrators whilst collecting the remaining debts and business sale proceeds, as detailed later in this report
- 2 Where asset realisations allow, the cost of the administration procedure along with any preferential and any secured claims will be settled during the administration, leaving a surplus to be distributed to unsecured creditors in liquidation
- 3 The administration will move to creditors' voluntary liquidation, in accordance with paragraph 83 of schedule B1 to the Insolvency Act 1986, when we judge the timing to be appropriate which is proposed to be within three months as long as we continue to think there will be a distribution to unsecured creditors at that time. We propose that the joint administrators will become the joint liquidators, although creditors are entitled to nominate other practitioners to act if this is done before these proposals are considered. The liquidators' powers will be joint and several, as the administrators are.
- 4 If, contrary to our current thought, the eventual outcome is such that there are insufficient funds to enable a distribution for unsecured creditors, we shall arrange for the dissolution of the company, in accordance with paragraph 84 of schedule B1 to the Insolvency Act 1986, once the functions of administration are completed.
- 5 We shall carry out a standard investigation into the events leading up to the failure of the company and scrutinise preceding transactions with a view to recovery for creditors. In addition to covering the requirements of Statement of Insolvency Practice 2 investigations by office holders in administrations and insolvent liquidation (SIP2), the scope of the investigation will be defined through consultations with the major creditors affected by the cost of the work and likely recoveries. We expect this work to carry over into the liquidation.
- 6 In the event that a creditors' committee is not formed, our remuneration as administrators shall be fixed on the basis set out in rule 2.106(2)(b) of the Insolvency Rules 1986, (by reference to the time properly given by the office holders and their staff in attending to matters arising in the administration). The disbursements and expenses necessarily incurred in connection with this case will be reimbursed according to the details given in this document. Fees and disbursements can be drawn on account as the time and cost accrues.
- 7 We shall be seeking approval at the meeting of creditors for our pre-administration costs. This includes our own outstanding fees, incurred on the same time cost basis as above. Our time costs for the pre-administration period amounted to £11k plus VAT and we have decided to limit this fee to £8k plus VAT. Prior to our appointment we received a payment of £3k relating to the work undertaken preparing administration trading strategy. The balance of £5k currently remains unpaid. £3k of this sum relates to the work and assistance provided to review the financial records of the company, drafting the sales

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memorandum documentation for the business sale and helping the company to make the employees redundant including dealing with their claims on the government's redundancy scheme. The remaining £2k relates to the formalities of placing the company into administration which is in any event allowable as an administration expense in line with Rule 2.67(1)(c) Insolvency Rules 1986. We shall also be seeking approval for the expenses that we incurred, being disbursements in line with our policy and proposed charges of other professionals instructed by us prior to our appointment. These expenses are fully detailed later in this document.

8. In accordance with paragraph 98 of Schedule B1 to the Insolvency Act 1986, our discharge from liability in respect of any action as administrators takes effect when we file the prescribed forms at Companies House to cause the administration to cease.

Michael Ian Field

Joint Administrator

22nd August 2013

Informer Publishing Limited t/a The Informer in administration**Statement accompanying joint administrators' proposals**

This statement provides background information about the company, the events leading up to the administration appointment and the conduct of the administration

1 Statutory company information**Details of the court and the reference number**

Supervising court	Southampton County Court	Court reference no	166 of 2013
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Details of the company

Full registered name	Informer Publishing Limited	Former registered office (before being changed to the administrators' office)	66A Saint Johns Road Hedge End Southampton Hampshire SO30 4AG
Registered number	05215713	Trading address	25 Station Road Park Gate Southampton Hampshire SO31 7GJ
Other trading names	The Informer		

Details about the administration appointment

Name of administrators and licensing bodies	Michael Ian Field	Insolvency Practitioners Association	
	Carl Derek Faulds	Insolvency Practitioners Association	
Date of appointment	4th July 2013	Appointor	Directors of the company
Allocation of administrators' powers	All the powers and functions of an administrator are exercisable by either or both of the appointed administrators		
EC regulations	The EC regulations concerning insolvency proceedings apply to this administration and these are main proceedings		

Directors and secretary of the company

	Shareholding
Name of director Nicholas Ralls Karen Ralls	500 ordinary £1 shares 500 ordinary £1 shares
Company secretary Nicholas Ralls	
Other significant stakeholders	None

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2 The circumstances leading to the appointment of an administrator

- 2.1 The company was incorporated in 2004 having previously operated as a partnership by Nicholas and Karen Ralls since 1990. Mr and Mrs Ralls have been the directors and shareholders throughout.
- 2.2 The company traded from leasehold premises in Park Gate, Southampton. The lease for the premises was held in the directors' personal names.
- 2.3 The business produced and delivered a free monthly community magazine called "The Informer" to around 37,000 homes in the Hedge End, Locks Heath and surrounding areas of Southampton. The company generated revenue by selling the advertising space in the magazine, which consisted of around 80 full colour pages.
- 2.4 The company was originally funded by personal investment from the directors and more recently, in 2011, by way of an additional investment of £50k from Karen Ralls. The money was to be used to assist with cashflow at a time when a number of creditors had become due at the same time. The agreement between the two parties was that the loan was to be repaid in 24 monthly instalments. As security for the loan, Mrs Ralls was granted a debenture conferring fixed and floating charges over the company's assets dated 28th April 2011.
- 2.5 The trading results for the company had remained constant over the recent years. The table overpage shows the financial performance of the company reported in the last two full set of accounts.

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	Year ending 31st August	
	2012	2011
	£000	£000
Turnover	532	530
Gross margin	191	189
	36%	36%
Overheads	(98)	(99)
Net profit	93	90
Dividends	(61)	(68)
Tax	(19)	(13)
Retained earnings	13	9
Balance on reserves	130	117

- 2.6 Shortly after preparing the 2012 accounts the company began to notice a drop in the level of advertising sales being achieved in the monthly magazines. The directors believed that this was a direct result of the long standing recession and the restrictions being placed upon advertising budgets. Many of the company's customers have also themselves become a victim of the recession and had either gone out of business or decided to close.
- 2.7 The reduction of available advertisers led to increased competition in the local advertising market with prices in other magazines being reduced to entice customers across. To counteract this effect the company began to offer heavily discounted advertising rates to retain their customers.
- 2.8 The directors identified that the level of monthly turnover had been slowly dropping having recorded monthly sales at £43k in June 2012 it had reduced to £34k in January 2013.
- 2.9 By the end of January 2013 arrears to HMRC in respect of VAT and Corporation Tax totalled £70k. The matter was referred to the resolution department of HMRC and it was agreed that the company would pay the arrears over a period of 14 months.
- 2.10 To compound matters further the company lost one of its most productive sales persons during the month, which had a direct impact on the revenue likely to be achieved going forward.

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- 2 11 To assist with the company's cashflow whilst the financial position was being reviewed, the directors negotiated with suppliers to lengthen credit terms. The company's largest suppliers, Southern Print, had extended the company to 90 days credit and as a goodwill gesture allowed the company to pay the arrears month by month which would allow the next month publication to be printed on receipt of payment.
- 2 12 After reviewing the disappointing management accounts for March the directors arranged a meeting with the company's accountants to discuss the current financial difficulties. It was decided that with the drop in advertising sales the company should attempt to reduce monthly costs by cutting the pagination of the magazine. Unfortunately it transpired that the costs savings were much less than were originally expected.
- 2 13 The directors took our advice at the beginning of June when it became clear to them that the company had difficulties and they needed advice about how to respond. We explained the options available to them and it was decided that the business should be marketed for sale in an attempt to preserve the value for creditors.
- 2 14 It was decided that a formal insolvency procedure would be required to protect the company's assets whilst securing the best outcome for creditors. Administration was chosen because an appointment could be made quickly to achieve protection for assets and put an office holder in place to continue trading the company in the short term before customers were let down and the goodwill dissipated.
- 2 15 Before an appointment could be made, Karen Ralls was given formal notice of the impending administration in accordance with her entitlement as a chargeholder. She duly consented to the appointment of the administrators at short notice, with the appointment then taking place on 4th July 2013.

3 Achieving the purpose of administration

- 3 1 The statutory objectives of administration are to rescue the company as a going concern, to achieve a better result for the company's creditors as a whole than would be likely in a winding up without administration and to realise property in order to make a distribution to secured or preferential creditors. We are obliged to pursue the first objective in the first instance, only if this is not practicable, we should pursue the second objective and then the third in that order.
- 3 2 We concluded that it was not realistic in practice to be able to rescue the company as a going concern. This reflected the following obstacles -
- 3 2 1 The inability of shareholders to provide further capital to ensure solvency

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- 3 2 2 The business was fundamentally loss-making in the current structure and would only be able to survive by being taken over by a stronger owner and/or without the encumbrance of onerous contracts
- 3 2 3 We were reluctant to allow the company to trade for an extended period during the administration. Our commercial judgement was that the risk of likely losses was not justified by the likelihood of success in restructuring the company. Conversely, an approach of a short trading window to allow for a business sale and distribution of proceeds was preferable
- 3 3 During the administration, we took steps to market the business assets for sale. It had been decided that we would oversee the printing and distribution of the July publication but any further publications would need to be undertaken by a purchaser of the business. As the July edition was largely completed prior to our appointment the business was required to be sold as soon as possible after the magazine was distributed to ensure that any purchaser could begin the marketing and selling of advertising space for the next edition. As we were not looking to produce the August edition and to keep the on-going costs to a minimum, the staff were made redundant prior to our appointment
- 3 4 The business sale process had to be completed within a short timescale to allow the purchaser to begin trading immediately after the sale to allow sufficient time to prepare the next edition of the magazine
- 3 5 A sales memorandum document had been prepared in the period leading up to administration and this was circulated to a number of parties whom the director believed may be interested in the opportunity. Of these parties we received three offers for the purchase of the business and the assets of the company
- 3 6 We concluded a sale of the business with Solent Life, a local competitor to the company, for £36k on 16th July 2013. The offer included an upfront payment of £15k with deferred payments of £7.5k, £7.5k and £6k payable on 3rd September, 15th October and 28th November respectively
- 3 7 We have not made any distributions to creditors so far in the administration. We have recently received a copy of the debenture in favour of Karen Ralls. We have reviewed the debenture and have no concerns as to its validity

4 Management and finance of the company's affairs during administration

- 4 1 The statement of affairs in Appendix A shows our current projection for the asset disposals, debt collection and expenses across the entire administration. The receipts and payments account in Appendix B shows the position so far

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- 4 2 Following our appointment, we took immediate steps to safeguard the assets and to notify creditors of our appointment. We continued the company's business for the time being to ensure that advertising sales could be protected and the July edition of the magazine would be printed and distributed. This strategy would ensure that the previous advertising sales could be collected, increasing the asset base in the administration, and in turn protect the value in the goodwill of the magazine to make it more attractive to potential purchasers.
- 4 3 As agents for the company we arranged for continued supplies where possible using the same providers to the company as before. This included having to reach an agreement with the landlord and provide undertakings to utility companies to secure ongoing services.
- 4 4 We immediately entered into discussions with the company's primary printers, Southern Print, to offer them the opportunity of printing the July edition of the magazine during the administration. Unfortunately they declined the offer and we were required to source new printers for the publication.
- 4 5 We engaged a number of the company's former employees to assist with the short period of trading and these were paid on an hourly basis. If any reader has any questions about the nature of any expenses and the reason for them, please contact us so we can elaborate further.
- 4 6 We have regarded the debts owed to the company separately from the other business assets and have made arrangements to collect them. During July the debtors were collected by the former credit controller of the company and from the beginning of August the responsibility has been passed to Mr Ralls as his knowledge of the debts and relationships with the customers should ensure a better collection. We have agreed that he will be remunerated at a rate of 10% of the successful collections. This percentage is in line with a typical debt collection service given the nature of the debts.
- 4 7 There has not been any external funding requirement during the administration because we had sufficient funds available from the continued book debt collections.
- 4 8 The director, Mr Ralls, has assisted with the day to day management of the business, overseen the advertising sales, completion and printing of the magazine and assisted with the handover of information following the sale of the business. This has been overseen by our own staff of appropriate seniority.
- 4 9 We have instructed third parties to handle certain aspects of the administration on our behalf where it was either more cost effective for others to do so or where we needed a particular expertise that we did not have available amongst the staff of this firm or of the company. The receipts and payments account at Appendix B shows the costs that have been incurred so far in this administration.

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4 10 We retained Coffin Mew as solicitors to provide legal advice with the drafting, negotiation and implementation of the business sale documents. Their costs amount to £1.5k.

4 11 We instructed parties once we had checked they were suitably qualified for the task in hand, taking references about their expertise unless we have had previous direct experience of using them, and once they had agreed to work to an acceptable cost structure. Former company officers were only engaged where we were satisfied that their prior employment would bring cost-effectiveness without compromising the competence or integrity of our overall service.

4 12 We shall be arranging for distributions of the funds under our control to any secured or preferential creditors. If as expected funds arise for unsecured creditors, the distribution will need to be handled by a subsequent liquidation.

5 Estimated outcome for creditors

5 1 The directors have provided us with a statement of the company's affairs as at the date of our appointment in the prescribed form and we have produced a summary of this at Appendix A along with our commentary.

5 2 This statement shows our view of the value of the net property that will be available to creditors and includes a list of shareholders and names and addresses of creditors with the amounts due to them. This includes details of any security. The creditors' details have been compiled from the company's records, possibly amended by claims that we have received from creditors. It does not reflect the formal process of asking creditors to submit claims and assessing them for dividend purposes so it is subject to further adjustment in due course.

5 3 In summary, our preliminary estimate is that the likely recovery for creditors from this administration is as follows:

Category of claim	Estimate claims (£000)	Likely recovery
Secured creditors, namely Mrs Karen Ralls	6.5	Payment in full
Preferential creditors - arrears of pay and holiday pay due to employees	11	Payment in full
Unsecured creditors	358	Dividend of approximately 9% from the surplus, once secured and preferential creditors are paid in full

5 4 In this case, the prescribed part, which is the requirement to set aside for the benefit of unsecured creditors a proportion of the funds that would otherwise be paid to a floating

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charge holder, has no practical relevance because we believe the realisations will be such that the secured claims will be settled in full in any event and the unsecured creditors will still be entitled to the balance

6 Administrators' remuneration

- 6.1 If creditors would like further details of the approval process for administration fees, we can provide a copy of the document "Statement of Insolvency Practice 9 A Guide to Administrators' Fees" upon request or by going to the following website <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>
- 6.2 In the first instance, it is for the creditors' committee, if one is formed, to approve the basis of the remuneration of administrators. In the absence of a creditors' committee, we are required to seek approval for the basis of our remuneration by a resolution of the general body of creditors. Accordingly, these proposals set out in the next paragraph a basis for our remuneration and approval for these proposals at the forthcoming creditors' meeting will include approval for this basis of remuneration. The basis of our remuneration as administrators shall be fixed on the basis set out in rule 2.106(2)(b) of the Insolvency Rules 1986, (by reference to the time properly given by the office holders and their staff in attending to matters arising in the administration). In addition we shall charge reasonable out of pocket expenses in accordance with the schedule of rates for disbursements and out of pocket expenses published by us from time to time. Fees and disbursements can be drawn on account as the time and cost accrues. The same basis of remuneration will also apply if we are subsequently appointed as liquidators of the company.
- 6.3 We set out as Appendix C a schedule of Portland's fee and disbursement policy including the current charge out rates, this also shows the time costs accrued to date under the following headings
- **Asset realisations** – Taking appropriate measures to sell the assets of the company, as more fully explained in this report
 - **Trading** – Managing the trading operation of the business, including reaching acceptable terms with suppliers and customers, ensuring completeness of revenue and settling expenses, arranging for funding, and arranging for continued employment
 - **Administration and planning** - Internal management of the case to ensure it is completed in an expedient manner and in accordance with good practice. Maintaining estate accounts and ensuring compliance and statutory filing requirements
 - **Reporting** - Notifying creditors about the initial appointment, preparing and distributing this report containing our proposals

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- **Investigation** - Carrying out a preliminary review of the events leading up to failure, so as to consider whether actions would be justified against third parties and in preparation for completing a CDDA report on director disqualification
 - **Creditors' claims** – Corresponding with creditors about their claims and individual positions
- 6 4 We shall report on the current time cost position and amounts drawn as remuneration in our progress reports to creditors. An illustration of the likely overall cost is given in the statement of affairs discussed earlier

7 Pre-administration costs

- 7 1 Our unpaid fees and our unpaid expenses incurred in the period prior to the company entering administration, but with a view to it doing so, can be settled as an expense of the administration if approved by creditors in a similar way to our remuneration. In addition, any cost incurred in connection with the making of the appointment already qualifies as an administration expense under the rules without approval
- 7 2 Our time costs for the pre-administration period, which are calculated in the same way as our administration remuneration detailed above, amounted to £11k plus VAT. An analysis is set out at Appendix D and we have decided to limit this fee to £8k plus VAT. Prior to administration we received a payment of £3k relating to the work undertaken preparing administration trading strategy. The balance of £5k remains unpaid. £3k of this sum relates to the work and assistance provided to review the financial records of the company and in drafting the sales memorandum documentation for the business sale and helping the company to make certain employees redundant including dealing with their claims on the government's redundancy scheme. The remaining £2k covers work considering whether the objective of administration can be met so the appointment could be accepted, assisting the company to make the appointment and consultations with parties that were entitled to prior notice
- 7 3 In carrying out these services, we incurred disbursements which we propose to recharge in line with our standard policy

8 Matters requiring investigation

- 8 1 We shall carry out a standard investigation into the events leading up to the failure of the company and scrutinise preceding transactions with a view to recovery for creditors. In addition to covering the requirements of SIP2, the scope of the investigation will be defined

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through consultations with the major creditors affected by the cost of the work and likely recoveries

- 8 2 As well as exploring any areas with a view to financial recovery for creditors administrators and liquidators are also required to report on the circumstances of their appointment to the Insolvency Service, which then considers whether director disqualification proceedings are appropriate
- 8 3 If creditors have any information that would assist us in either of these functions, we would appreciate hearing from you as soon as possible

9 Exit from administration

- 9 1 Once the secured and preferential creditors have been paid in full, which we anticipate will be within the next three months, we shall arrange for the company to move to creditors voluntary liquidation in accordance with paragraph 83 of Schedule B1 to the Insolvency Act 1986 We are proposing that the joint administrators become the joint liquidators but creditors are entitled to nominate other practitioners as long as this is done before these proposals are approved

10 Meeting of creditors

- 10 1 We propose to convene the meeting of creditors on **Tuesday 10th September 2013 at 10am** at our offices at **1640 Parkway, Solent Business Park, Whiteley, Fareham, Hampshire, PO15 7AH** This meeting is to consider the contents of this report and to vote on the proposals set out at the beginning of this document Creditors may vote via proxy and need not attend in person unless they wish to do so

11 Appendices and enclosures

Appendices

Appendix

Statement of affairs of the company as at the appointment date including a list of creditors

A

Receipts and payments account for the administration to date

B

Portland's fee and disbursements policy, including a summary of the time costs to date in this case

C

Portland's pre appointment time analysis

D

Informer Publishing Limited t/a The Informer in administration

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Enclosures

Formal notice of the creditors meeting on Form 2 20B

Explanatory notes about the application of Rule 2 38 to the entitlement of creditors to vote at the meeting of creditors

A form of proxy to be used if you do not wish to attend in person but want to be represented or if you are representing a limited company

A claim form to provide us with details of your claim, which is required to be entitled to vote, if you have not already done so

Appendix A

Informer Publishing Limited in administration Summary statement of affairs as at 4th July 2013

	Notes	Directors' statement of affairs		Administrators' estimated outcome £
		Book values £	Estimated to realise £	
Assets				
Assets subject to fixed charge				
Goodwill - sale of the business	2	420,000	36,000	36,000
		<u>420,000</u>	<u>36,000</u>	<u>36,000</u>
Assets subject to floating charge				
July publication invoicing	3			30,000
Book debts from previous publications	3	69,000	65,000	35,000
Cash at client account	4	16,097	16,097	16,097
Cash at bank		2,100	2,100	469
		<u>507,197</u>	<u>119,197</u>	<u>117,566</u>
Costs of trading	6	-	-	(18,500)
Cost of insolvency, say	7	-	-	(45,000)
		<u>507,197</u>	<u>119,197</u>	<u>54,066</u>
Amount available for preferential creditors				
Preferential employee claims	8	(11,249)	(11,249)	(11,249)
Debts secured by floating charge holder	9	(6,500)	(6,500)	(6,500)
Amount available for unsecured creditors		<u>489,448</u>	<u>101,448</u>	<u>36,317</u>
Less anticipated costs of liquidation				(5,000)
				<u>31,317</u>
Unsecured creditors -	10			
Trade and expense creditors		(49,203)	(49,203)	(49,598)
Employee claims		(35,011)	(35,011)	(35,011)
Claims from finance companies		(23,349)	(23,349)	(23,349)
Directors' loan accounts		(115,858)	(115,858)	(115,858)
HM Revenue and Customs - VAT		(60,262)	(60,262)	(115,136)
HM Revenue and Customs - PAYE		(4,000)	(4,000)	(19,771)
		<u>(287,683)</u>	<u>(287,683)</u>	<u>(358,723)</u>
Net asset surplus/(deficiency)		<u>201,765</u>	<u>(186,235)</u>	<u>(327,406)</u>
Estimated dividend for unsecured creditors			35%	9%

Informer Publishing Limited in administration

Notes to statement of affairs

1 Basis of statement

- 1 1 The statement is a summary of the statement of affairs that the directors have provided to us and certified that it is correct to the best of their knowledge and belief. We have also provided an indication of our own estimated outcome which includes the costs and comments on the assumptions that they have used.

2 Business sale

- 2 1 The sale of the business consisted of the customer database, trading style and any intellectual property relating to the production of the magazine. The business was marketed during the administration and was sold on 16th July 2013 for the amount of £36,000.

3 Book debts

- 3 1 The director has recorded debts due at the date of our appointment as debtors. We have split the debtors between the sales of advertising protected by printing the July edition of the magazine in the administration and the outstanding amounts for the advertising sales in completed magazines prior to administration. This highlights the benefit of choosing to complete, produce and distribute the July edition of the magazine during the administration.

4 Cash in client account

- 4 1 At the date of our appointment we held money in our client account relating to book debts collected in the period immediately prior to administration.

5 Connected party transactions

- 5 1 There have not been any sales of assets to connected parties, nor are any anticipated.

6 Costs of trading

- 6 1 The business was traded during the administration to maintain the value of goodwill whilst we sought a purchaser. Costs were incurred to produce and distribute the July edition of the magazine. These costs comprise of staffing, printing and distribution costs together with the general business running overheads. The period of trading has enabled advertising sales of £33,000 to be protected which will be collected during the administration.
- 6 2 We do not anticipate that the total costs of trading will exceed £18.5k. We have settled £17.5k of the costs to date.

7 Costs of realisations and insolvency

- 7 1 For the purpose of illustration, we have included a provision for the costs of insolvency, these mainly comprise of the administrators' fees, legal fees and disbursements. Details of the basis of the administrators' remuneration are given elsewhere in this document.

8 Preferential employee claims

- 8 1 Preferential claims comprise £800 of arrears of pay per employee and unlimited holiday pay.

9 Debts secured by floating charge holder

- 9 1 Karen Ralls has a debenture conferring fixed and floating charges over the assets of the company granted on 28th April 2011 to secure a loan advance to the company.

10 Unsecured creditors

- 10 1 A schedule of unsecured claims is provided within this appendix after these notes.
- 10 2 In January 2013 the company agreed a time to pay arrangement with HM Revenue and Customs to deal with the overdue PAYE, VAT and Corporation Tax liabilities which were £70k at the time. The payments were being made at £4,700 per month. An updated statement of liabilities was provided to the company in May 2013 showing an increased liability as a result of a missing PAYE return dating back to 2008. The Corporation Tax liability is a modest £96 in respect of interest payable.
- 10 3 Mr Ralls and Mrs Ralls have unsecured claims of £53k and £62k respectively.
- 10 4 The company owned a quantity of IT and telephone equipment together with two motor vehicles which were all subject to finance agreements. The assets under these agreements have been returned to the finance companies and as a result the finance companies may have residual claims against the company.
- 10 5 A provision has been made for employees' claims which consist of redundancy and pay in lieu of notice claims. As a number of the pay in lieu of notice claims will be mitigated due to new employment these cannot yet be ascertained with accuracy.

Informer Publishing Limited t/a The Informer Company Creditors

Key	Name	Address	£
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Secured creditors

CY03	Karen Ralls	2B Farolillo, Reserva del Higueron, Benalmadena, 29639, Malaga, Espana	6,500 00
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Key	Name	Address	£
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Preferential creditors

CY05	Redundancy Payments Office	Cobalt Square, 83 - 85 Hagley Road, Birmingham, B16 8QG	11,249 00
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Key	Name	Address	£
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Unsecured creditors

CA00	Arval UK Limited	Arval Centre, Windmill Hill, Swindon, SN5 6PE	868 75
CA01	Alphabet (GB) Limited	Europa House, Bartley Way, Hook, Hampshire, RG27 9UF	6,617 32
CA02	ADT Fire and Security PLC	11 Tower View, Kings Hill, West Malling, Kent, ME19 4DQ	1 00
CB00	Broadway Printing Services	Unit 17, Portsmouth Enterprise Centre, Quatremaire Road, Portsmouth, Hampshire, PO3 5QT	4,830 00
CB01	British Telecommunications	Department W, Durham TE, Providence Row, Durham, DH1 1RR	90 99
CB02	British Gas Business	Insolvency Department, Ayleston Road, Leicester, Leicestershire, LE2 7QH	100 72
CB03	British Telecommunication (Alarm)	BT Correspondence Centre, Providence Row, Durham, DH98 1BT	1 00
CB04	BNP Paribas Lease Group	Northern Cross, Basing View, Basingstoke, Hampshire, RG21 4HL	1,570 25
CC00	Close Premium Finance	21st Floor, Tolworth Tower, Ewell Road, Tolworth, Surbiton, Surrey, KT6 7EL	161 67
CE00	Ecclesiastical Office PLC	Southern Regional Centre, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ	1 00
CF00	Fareham Borough Council	Director of Finance and Resources, Civic Offices, Civic Way, Fareham, PO16 7AZ	1 00
CI00	ING Lease (UK) Ltd	60 High Street, Redhill, Surrey, RH1 1NY	11,337 21
CM00	Murray McIntosh O'Brien	Welliesley House, 204 London Road, Waterlooville, Hampshire, PO7 7AN	894 00
CN00	Neopost Finance Limited	Neopost House, South Street, Romford, Essex, RM1 2AR	2,955 40
CO00	Overline	Unit 8, Quorn Estate, 73 Marlborough Road, Lancing, West Sussex	285 74
CP00	Principal I Ltd	Principal House, Parsonage Business Park, Horsham, West Sussex, RH12 4AL	349 28
CS00	Southernprint Limited	17-21 Factory Road, Upton Industrial Estate, Poole, Dorset, BH16 5SN	42,250 00

Informer Publishing Limited t/a The Informer Company Creditors

Key	Name	Address	£
CS01	Scottish & Southern Energy	Grampian House, 200 Dunkeld Road, Perth, Perthshire, PH1 3GH	1 00
CS02	Southern Water	Po Box 41, Worthing, West Sussex, BN13 3NZ	1 00
CS03	Spoton-net Ltd	167 to 169 Union Street, Torre, Torquay, Devon, TQ1 4BX	1 00
CS04	Sage UK Limited	North Park, Newcastle Upon Tyne, NE13 9AA	1 00
CT00	The Thomas Higgins Partnership	Capitol Buildings, 10 Seaview Road, Wallasey, CH45 4TH	496 20
CV00	Office Depot International (UK) Ltd	501 Beaumont Leys Lane, Bursom Industrial Estate, Leicester, LE4 2BN	130 48
CY00	HM Revenue & Customs	National Insolvency Unit, 5th Floor Regional House, St James Street, Liverpool, L75 1AD	19,771 00
CY01	HM Revenue & Customs	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	115,136 00
CY02	Nick Ralls and Karen Ralls	66A Saint Johns Road, Hedge End, Southampton, Hampshire, SO30 4AG	115,858 00
CY04	Redundancy Payments Office	Cobalt Square, 83 - 85 Hagley Road, Birmingham, B16 8QG	35,011 00
CZ00	Zurich Insurance	3000 Parkway, Whiteley, Fareham, Hampshire, PO15 7JZ	1 00
32 Entries Totalling			376,472.01

Appendix B

Informer Publishing Limited in administration

Receipts and payments account for the period to 22nd August 2013

	Note	£
RECEIPTS		
Business sale	1	15,000 00
Book debts from previous publications	2	22,616 09
Cash in client account		16,097 47
		<u>53,713.56</u>
PAYMENTS		
Costs incurred during trading period (see below)	3	17,733 36
Legal fees	4	1,500 00
Statutory advertising		75 00
		<u>19,308.36</u>
Balance in hand		<u>34,405.20</u>
Made up as follows -		
Bank		34,084 27
VAT receivable		320 93
		<u>34,405.20</u>

Estimated trading account for the administration		
July publication invoicing (not yet due or collected)		30,000 00
Sub contract services (actual)	(4,297 50)	
Printing costs (actual)	(7,000 00)	
Distribution costs (actual)	(6,406 19)	
Telephone costs (actual)	(29 67)	(17,733 36)
Potential surplus from trading during the administration		<u>12,266 64</u>

Informer Publishing Limited in administration

Notes to receipts and payments account

- 1 We have successfully been able to secure a sale of the business during the administration. We have received the first payment on account of the sales consideration.
- 2 We have continued to collect the outstanding amounts relating to advertising sales in the magazines produced prior to administration. Invoices relating to advertising for the July edition of the magazine completed and distributed in the administration have not yet become due for payment.
- 3 We arranged for the continued supply of services required to complete the production and delivery of the July publication. These are shown in more detail in the trading account.
- 4 We engaged the services of Coffin Mew LLP to provide legal advice with the drafting, negotiation and implementation of the business sale documents.
- 5 The trading account details the funds we anticipate receiving from the successful distribution of the July publication. This account also shows the costs incurred and paid in completing this exercise. We are still in the process of defraying some modest further trading costs but we do not anticipate that total trading costs will exceed £18.5k.

Informer Publishing Limited in administration

SIP9 Time and cost summary

From 4th July 2013 To 22nd August 2013

Classification of work function	Partner	Manager	Other senior professionals	Assistants and support staff	Total hours	Time cost (£)	Average hourly rate (£)
Administration and planning	0 00	6 00	39 80	0 70	46 50	5,292 50	113 82
Advice	0 00	0 00	0 50	0 00	0 50	50 00	100 00
Creditors	0 00	5 80	33 00	3 20	42 00	4,758 00	113 29
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of assets	15 70	50 60	46 30	5 30	117 90	20,520 50	174 05
Reporting	1 70	8 50	2 10	0 00	12 30	2,522 00	205 04
Trading	0 70	0 00	2 70	0 00	3 40	487 00	143 24
Total Hours	18.10	70.90	124.40	9.20	222.60	33,630.00	151.08
Total Fees Claimed						0.00	

Category 2 Disbursements	Total accrued £	Total paid £
Postage and stationery	102 86	0 00
Photocopying	1 60	0 00
Mileage	42 30	0 00
Facsimile	6 00	0 00
Company searches	16 00	0 00
	168.76	0.00

Fees and disbursements policies

Fee policy

In line with most practices, we normally calculate our fees on the basis of the time spent by each member of staff. We are prepared to calculate fees as a percentage of realisations or as a fixed fee by special arrangement only where the circumstances warrant it. Where the assignment relates to an insolvency appointment, we are normally required to obtain a resolution from creditors approving the basis of calculation.

Staff of the appropriate grades are allocated to each task on each assignment, according to the size and complexity of the matter, and they record their time in six minute units. Where the fee is to be calculated on the basis of time spent, cost rates for each grade are then used to evaluate the fee. The effectively hourly rates are currently as follows -

	Cost per hour £
Director	310
London Principal	310
Associate	310
Senior manager	250
Case manager	210
Case administrator	175
Administrator	100
Cashiers	100
Support staff	75

These rates apply with effect from 1st December 2011. They are reviewed periodically, typically every 1-2 years, and could therefore increase during any particular assignment.

Disbursement policy

Where expenses are incurred through third parties specifically in respect of the assignment, they are recharged to the case as incurred, for example statutory advertising, external room hire, fidelity bond, rail travel and external storage. These are defined as category 1 disbursements in SIP9 and approval is not required.

Other expenses can be recharged to the assignment based on a share or allocation of a cost that Portland incurs centrally. These are defined as category 2 disbursements in SIP 9 and approval is required. Typically such expenses and the method of allocation are as follows -

Postage and stationery	-	Three times postage cost
Photocopying	-	10p per copy
Facsimile	-	£1 per page
Mileage	-	HM Revenue and Customs agreed rate
Room hire	-	£120 per meeting
Storage (Portland archive)	-	£50 per box per year
Company searches	-	Two times cost

Rule 2.35

Notice of a meeting of Creditors

Name of Company

Informer Publishing Limited t/a The Informer

Company number

05215713

In the
Southampton County Court

(full name of court)

Court case number
166 of 2013(a) Insert full name(s)
and address(es) of
administrator(s)

Notice is hereby given by (a)
Michael Ian Field
Portland Business & Financial Solutions
1640 Parkway
Solent Business Park
Whiteley
Fareham
Hampshire
PO15 7AH

Carl Derek Faulds
Portland Business & Financial Solutions
1640 Parkway
Solent Business Park
Whiteley
Fareham
Hampshire
PO15 7AH

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

that a meeting of creditors of (b)
Informer Publishing Limited t/a The Informer
1640 Parkway
Solent Business Park
Whiteley, Fareham
Hampshire, PO15 7AH

(c) Insert details of place
of meeting

is to be held at (c)
(c) 1640 Parkway, Solent Business Park, Whiteley, Fareham, Hampshire, PO15 7AH

(d) Insert date and time
of meeting

on (d) 10 September, 2013 at 10 am

The meeting is

*Delete as applicable

* (1) an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ('the schedule')
~~* (2) an initial creditors' meeting requested under paragraph 52(2) of the Schedule~~
~~* (3) to consider revisions to my proposals under paragraph 54(2) of the Schedule~~
~~* (4) a further creditors' meeting under paragraph 56 of the Schedule~~
~~* (5) a creditors' meeting under paragraph 62 of the Schedule~~

I invite you to attend the above meeting

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented

In order to be entitled to vote under Rule 2.38 at the meeting you must give to me, not later than 12 00 hours on the business day before the day fixed for the meeting, details in writing of your claim

Signed



Joint Administrators

Dated 22nd August 2013

*Delete as applicable

A copy of the *proposals/ ~~revised proposals~~ is attached

The following document is an extract of Rule 2.38 of the Insolvency Rules 1986. This sets out the voting rules for the meeting of creditors to be held on 10 September 2013

Rule 2 38 Insolvency Rules 1986

Entitlement to vote

(1) Subject as follows, at a meeting of creditors in administration proceedings a person is entitled to vote only if

(a) he has given to the administrator, not later than 12 00 hours on the business day before the day fixed for the meeting, details in writing of the debt which –

(i) he claims to be due to him from the company, or

(ii) in relation to a member State liquidator, is claimed to be due to creditors in proceedings in relation to which he holds office,

(b) the claim has been duly admitted under the following provisions of this Rule, and

(c) there has been lodged with the administrator any proxy which he intends to be used on his behalf,

and details of the debt must include any calculation for the purposes of Rules 2 40 to 2 42

(2) The chairman of the meeting may allow a creditor to vote, notwithstanding that he has failed to comply with paragraph (1)(a), if satisfied that the failure was due to circumstances beyond the creditor's control

(3) The chairman of the meeting may call for any document or other evidence to be produced to him, where he thinks it necessary for the purpose of substantiating the whole or any part of the claim

(4) Votes are calculated according to the amount of a creditor's claim as at the date on which the company entered administration, less any payments that have been made to him after that date in respect of his claim and any adjustment by way of set-off in accordance with Rule 2 85 as if that Rule were applied on the date that the votes are counted

(5) A creditor shall not vote in respect of a debt for an unliquidated amount, or any debt whose value is not ascertained, except where the chairman agrees to put upon the debt an estimated minimum value for the purpose of entitlement to vote and admits the claim for that purpose

(6) No vote shall be case by virtue of a claim more than once on any resolution put to the meeting

(7) Where –

(a) a creditor is entitled to vote under this Rule,

(a) has lodged his claim in one or more sets of other proceedings, and

(b) votes (either in person or by proxy) on a resolution put to the meeting, and

(c) the member State liquidator casts a vote in respect of the same claim,

only the creditor's vote shall be counted

(8) Where –

(a) a creditor has lodged his claim in more than one set of other proceedings, and

(a) more than one member State liquidator seeks to vote by virtue of that claim,

the entitlement to vote by virtue of that claim is exercisable by the member State liquidator in main proceedings, whether or not the creditor has lodged his claim in the main proceedings

(9) For the purposes of paragraph (6), the claim of a creditor and of any member State liquidator in relation to the same debt are a single claim

(10) For the purposes of paragraphs (7) and (8), "other proceedings" means main proceedings, secondary proceedings or territorial proceedings in another member State

Proxy (Administration)

Informer Publishing Limited t/a The Informer

Name of Creditor _____

Address _____

Name of Proxy Holder

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well.

1 _____

2 _____

3 _____

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 10th September 2013, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion)

Voting Instructions for resolutions

*Please delete as appropriate

1 For the **acceptance/rejection*** of the administrator's proposals/~~revised proposals*~~ as circulated

2 For the appointment of

of

representing

as a member of the creditors' committee

This form must be signed

Signature _____ Date _____

Name in CAPITAL LETTERS

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other authority for signature

Remember there may be resolutions on the other side of this form

Informer Publishing Limited t/a The Informer**Statement of claim**

Name of creditor	
Address	
Contact name and title	
Account reference	
Telephone & facsimile	
Email address	
Amount of claim	State currency Please note that under UK insolvency law, the claim will be converted to £ sterling as at the date of liquidation and dividends will be paid in that currency
Details of how claim arose	
Supporting documents provided with this claim, eg statement	
If any part of the claim is estimated, please provide details and project when the claim will be finalised	
Recoverable VAT included in the above figure	
Details of any security or lien held over the company's assets	
Details of any retention of title claim (please ask for separate questionnaire)	