

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company Journey Dynamics Limited	Company number 05965942
In the High Court of Justice (full name of court)	Court case number 6286 of 2010

We, David Elliott
Moore Stephens LLP
Victory House
Quayside
Chatham Maritime
Kent ME4 4QU

Simon Paterson
Moore Stephens LLP
Victory House
Quayside
Chatham Maritime
Kent ME4 4QU

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

(b) Insert date

From (b) 6 August 2010	To (b) 16 December 2010
---------------------------	----------------------------

Signed



Joint Administrator

Dated

16 December 2010

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 on the public record

David Elliott
Moore Stephens LLP
Victory House
Quayside
Chatham Maritime
Kent ME4 4QU

DX Number

01634-895100
DX Exchange
Rochester 2

Company

WEDNESDAY



If 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

JOURNEY DYNAMICS LIMITED ("THE COMPANY") (IN ADMINISTRATION)

Final progress report pursuant to Rule 2.47 and Rule 2.110 of the Insolvency Rules 1986.

1 Statutory Information

Name	Journey Dynamics Limited
Company number	05965942
Registered office	Victory House, Quayside Chatham Maritime Kent ME4 4QU
Court reference	High Court of Justice No 6286 of 2010
Date of appointment	6 August 2010
Joint administrators	David Elliott Simon Paterson
Address	Victory House Quayside Chatham Maritime Kent ME4 4QU
Joint administrators' functions	Any act required or authorised under any enactment to be done by the administrators may be carried out by both or either of the administrators, or by one or both of the persons for the time being holding that office in succession to them
Appointor	FSE Loan Management Limited
Address	Riverside House 4 Meadows Business Park Station Approach, Blackwater Camberley, Surrey GU17 9AB

2. Summary of Joint Administrators' Proposals

Please find attached a copy of form 2.24B and a copy of the joint administrators' receipts and payments account for the period 6 August 2010 to 16 December 2010. There have been no deviations or amendments to the original proposal which was approved, with modifications. A copy of the approved proposals is attached.

There have been no changes in the office holders and there has been no application to extend the term of the administration. Steps will now be taken to place the company into creditors' voluntary liquidation.

3. Steps Taken During the Administration

A detailed explanation of the background leading to the appointment of the administrators and the steps taken post appointment was included in the administrators' proposals dated 28 September 2010. As the proposals were circulated so recently, I do not believe it is necessary to reproduce in detail this information and would invite creditors to cross reference to the proposals for this information.

The background to the acceptance of the offer made by Givenpath Limited was detailed in the proposals but I set out below a summary of the many component parts of the sale. A sale price of £190,000 was agreed, to be discharged by an initial payment of £10,000 upon completion and by instalments based upon sales thereafter, until payment of the full amount has been made. The initial sum of £10,000 has been received.

A sale agreement was completed on 27 August 2010, selling the business and the majority of the assets of the company to Givenpath Limited. The following assets have been acquired:

- the trading name, goodwill, website and domain and intellectual property. The purchaser agreed to pay a total of £187,000 via a monthly amount based upon the level of sales income received in respect of the intangible assets. These payments will continue until such times as the balance of the consideration of £180,000 has been discharged. The company has complied with its obligations under the sale agreement but to date no further consideration has fallen due.
- the company has been granted a debenture against the assets of the purchaser in order to secure the assets purchased, whilst the deferred consideration is paid.
- the purchaser has acquired the office furniture and equipment for the sum of £3,000. This was paid in full on completion and the sale price was agreed with Edward Symmons, our chattel agents.

All other assets, including any trade debtors, have been excluded from the sale agreement and these are available to be realised by the administrators or subsequently appointed liquidators. Our investigations are ongoing and it is currently too early to assess whether any further realisations will be effected.

4. Asset Realisation

The receipts and payments account attached details the asset realisations to date, which comprise the initial consideration of £10,000 paid by Givenpath Limited.

There have been no further asset realisations to date but under the sale agreement completed with Givenpath Limited there is additional deferred consideration totalling £180,000 due to be received, contingent on sales made by the new company.

There are also a number of matters that are currently being investigated by the administrators and these may lead to further recoveries in due course. At the present time it is too early to assess the possibility or quantum of any recovery.

5. Payments

I have made a number of payments during the course of the administration and these are detailed on the attached receipts and payments account. I have also incurred a number of expenses that are yet to be discharged either in part or in full and these are summarised below:

	Incurring	Discharged in Period	Outstanding
Legal Fees (TLT Solicitors)	£14,596 50	£5,000 00	£9,596 50
Agent's Fees (Edward Symmons)	£2,273 63	Nil	£2,273 63
Statutory Advertising	£151 20	£75 60	£75 60
Car Mileage	£142 92	£142 92	£0 00
Travel	£82 34	£82 34	£0 00
Searches	£9 00	£7 00	£2 00
Court Fees	£30 00	£30 00	£0 00
Photocopying	£0 15	£0 15	£0 00

These expenses will be discharged from future realisations of the deferred consideration set out above. As the company is shortly to exit administration, these costs will be discharged by the liquidator in due course.

The administrators utilised the services of TLT Solicitors for the provision of legal advice and their costs were discharged on a time cost basis. The administrators also utilised the services of Edward Symmons as chattel agents and valuers and their costs were discharged on a time cost basis.

6 Secured Creditors

The company has granted two debentures over the assets of the business. The Royal Bank of Scotland were granted a debenture over the assets of the business on 29 November 2007 and FSE Loan Management Limited were granted a debenture over the assets of the business on 29 May 2008. Both charges were provided in respect of amounts advanced to the company. As both charges post date 15 September 2003, a prescribed part would apply in accordance with S176A of the Insolvency Act 1986.

However, the remaining sale proceeds relate to goodwill and intellectual property, both of which fall under the fixed charges given by the company. As a result there is not expected to be a prescribed part made available, unless any floating charge realisations are achieved, in excess of the sale of the office equipment and computers.

7. Creditor Claims and Dividend Prospects

No preferential claims have been received in the administration, however we are aware that some employee claims have been submitted and therefore some claims may be received in the liquidation. Non-preferential claims totalling £57,135 have been received to date and there remain potential claims of £387,624.

No funds have been distributed to unsecured creditors to date but it is anticipated that a dividend will be payable to unsecured creditors but this is contingent on the realisation of the deferred sales consideration. As it is anticipated that this may take an extended period of time to realise, it is unlikely that a dividend will be paid until the end of 2011.

There remain a number of creditors who have not submitted details of their claim in the administration and I would urge those creditors to ensure that a claim is submitted in the liquidation. A dividend will only be paid to those creditors who have submitted a claim form that has been admitted for dividend purposes.

8. Creditors' Rights

Within 21 days of receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in the progress report.

Within 14 days of receipt of the request, we must provide all of the information asked for, except so far as we consider that

- 1 the time or cost of preparation of the information would be excessive, or
- 2 disclosure of the information would be prejudicial to the conduct of the administration it might reasonably be expected to lead to violence against any person, or
- 3 we are subject to an obligation of confidentiality in respect of the information.

We are also required to give reasons for not providing all of the requested information.

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 administrators remuneration, the remuneration charged, or the expenses incurred by the administrators as set out in the progress report are excessive.

9. Outcome

Steps will be taken to place the company into creditors' voluntary liquidation in accordance with the proposals, as modified

10. Summary of Costs

As part of the joint administrators' proposals, it was resolved that the remuneration of the joint administrators be fixed by reference to the time properly given by the joint administrators and their staff in attending to matters arising in the administration, and that the joint administrators be authorised to draw disbursements on account including internal costs as defined by SIP 9 as category 2 disbursements

The time costs incurred to date have arisen primarily as a result of dealing with the sale of the business, which included liaising with our agents in order to market the business, dealing with enquiries from prospective purchasers, negotiations with the eventual purchasers and the review and agreement of the sale agreement. In addition we have dealt with the statutory functions required under the Insolvency Act, including the initial meeting of creditors to consider our proposals and also enquiries from creditors

Set out below is a summary of the joint administrators' time costs incurred in attending to matters arising in the administration to 12 December 2010

	Hours	£
Partner	28 85	9,961 50
Manager	58 00	8,649 00
Administrator	14 40	1,197 25
Support	7 45	464 85
	<u>108.70</u>	<u>20,272.60</u>

To date, no fees have been drawn

In addition to the time costs detailed above, Moore Stephens LLP incurred time costs of £4,426 50 prior to appointment. We have not sought to have these costs paid and have made no statement in accordance with Rule 2.33(2)(ka) of the Insolvency Rules 1986 and so they will be written off

A detailed breakdown of time costs and category 2 disbursements, together with current charge out rates are attached

A copy of "A Creditors' Guide to Administrators' Fees" is available on the Moore Stephens website <http://www.moorestephens.co.uk/Creditorguidespost6Aprilappointmentspetitions.aspx> or by requesting a copy from this office in writing or by telephone

If you have any queries, please do not hesitate to contact Daniel Smith on 01634 895109 or by email at daniel.smith@moorestephens.com

Journey Dynamics Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 16/12/2010

S of A £		£	£
	FIXED CHARGE ASSETS		
52,000 00	Intellectual Property	7,000 00	
135,000 00	Goodwill	NIL	
			7,000 00
	FIXED CHARGE HOLDER		
(50,000 00)	Royal Bank of Scotland Plc	NIL	
(54,471 46)	FSE Loan Management Limited	NIL	
(8,378 35)	Royal Bank of Scotland Plc	NIL	
			NIL
	ASSET REALISATIONS		
3,000 00	Office Equipment & Computers	3,000 00	
			3,000 00
	OTHER REALISATIONS		
	Interest Gross of Tax	0 03	
			0 03
	COSTS OF REALISATION		
	Agents Fees & Expenses	1,935 00	
	Legal Fees & Expenses	5,000 00	
			(6,935 00)
	COSTS OF ADMINISTRATION		
	Court Fees	30 00	
	Statutory Advertising	75 60	
	Office Holders Outlays	236 41	
			(342 01)
	UNSECURED CREDITORS		
(111,104 78)	Trade & Expense Creditors	NIL	
(214,083 85)	HM Revenue & Customs - PAYE	NIL	
(317 00)	HM Revenue & Customs - VAT	NIL	
			NIL
	CONTRIBUTORIES		
(25,230 00)	Ordinary Shareholders	NIL	
(1,417 00)	'A' Ordinary Shareholders	NIL	
(767,587 00)	Share Premium Account	NIL	
			NIL
(1,042,589.44)			2,723.02
	REPRESENTED BY		
	VAT Receivable		338 63
	Bank 2 - Current (F)		(2,675 49)
	Bank 2 - Deposit (F)		5,000 03
	Vat Control Account		59 85
			2,723.02

JOURNEY DYNAMICS LIMITED (IN ADMINISTRATION)**Summary of time spent for period 06/08/2010 to 12/12/2010**

Classification of work	Partner	Manager	Administrator	Support	Total Hours	Time Cost £	Average Rate £/h
Statutory compliance, administration and planning	0 40	29 35	5 95	3 10	38 80	5,362 60	138 21
Investigations	-	7 95	0 65	1 95	10 55	1,302 25	123 44
Realisation of assets	16 95	2 75	-	-	19 70	6,252 50	317 39
Creditors	11 50	11 30	7 80	2 40	33 00	6,391 00	193 67
Total hours	28 85	58 00	14 40	7 45	108 70	-	-
Total fees claimed	9,961 50	8,649 00	1,197 25	464 85	-	20,272 60	186 50

Chargeout rates:-

Partner	£300-£500
Manager	£120-£285
Administrator	£70-£120
Support staff	£30-£105

Standard activity

Statutory compliance, administration and planning

Investigations

Realisation of assets

Creditors

Examples of work

Statutory reporting and compliance
 Compliance with other regulatory requirements
 Case planning
 Administrative set up
 Appointment notification
 Maintenance of records

SIP 2 review
 CDDA reports
 Investigating antecedent transactions

Identifying, securing, insuring assets
 Retention of title
 Debt collection
 Property, business and asset sales

Communication with creditors
 Creditors' claims (including employees and other preferential creditors)

JOURNEY DYNAMICS LIMITED (IN ADMINISTRATION)**Summary of category 1 disbursements for the period 06/08/2010 to 16/12/2010**

	£
Bond	98 00
Advertising	151 20
Car mileage	142 92
Travel	82 34
Searches	13 00
Court Filing Fee	30 00
Total	<u>517 46</u>

Summary of category 2 disbursements for the period 06/08/2010 to 16/12/2010

	£
Photocopying/Printing	0 15
Total	<u>0 15</u>

Disbursements drawn on account **342 01**

Outstanding Disbursements **175 60**

Category 2 disbursement rates:-

Type	Rate
Photocopying/printing	£0 15 per sheet
Fax	£0 40 per sheet
Colour photocopying	£2 50 per sheet
Storage - standard box	£3 90 per box per quarter (min £30 per quarter)
IPS charge*	£25 per quarter
Room hire	£30-£50 per hour