

The Insolvency Act 1986

Liquidator's Progress Report
Pursuant to Section 192 of
The Insolvency Act 1986

S.192

For Official Use

To the Registrar of Companies

--	--	--

Company Number

07147030

Name of Company

ASG Distributions Limited

I / ~~We~~
William Antony Batty
3 Field Court
Grays Inn
London
WC1R 5EF

the liquidator(s) of the company attach a copy of my/our progress report
under section 192 of the Insolvency Act 1986

Signed



Date

3. May 25th

Antony Batty & Co
3 Field Court
Grays Inn
London
WC1R 5EF

Ref ASGLIQ/WAB/NS/HJ/CH

Ir
MONDAY
TF

A3KSXV5M

A38	20/06/2011	117
COMPANIES HOUSE		
A30	05/05/2011	232
COMPANIES HOUSE		

**ASG Distributions Limited
(In Liquidation)
Joint Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From 29/04/2010 To 28/04/2011
	DISTRIBUTIONS	
(1 00)	Ordinary Shareholders	NIL
		NIL
<hr/>		
(1.00)		NIL
	REPRESENTED BY	
		NIL

Note



William Antony Batty
Joint Liquidator

ASG DISTRIBUTIONS LIMITED - IN LIQUIDATION
LIQUIDATOR'S PROGRESS REPORT

ANTONY BATTY & COMPANY LLP
3 FIELD COURT
GRAY'S INN
LONDON
WC1R 5EF

ASG DISTRIBUTIONS LIMITED - IN LIQUIDATION

This report is prepared in accordance to the provisions of the Insolvency Act 1986, which require the Liquidator to provide creditors with an update of the progress of the liquidation. The report has been prepared for the purpose of advising creditors. The report is private and confidential and may not be relied upon, referred to, copied or quoted from, in whole or in part, by creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.

W A Batty was appointed as Liquidator of ASG Distributions Limited on 29 April 2010.

WA Batty & S Evans are licensed as Insolvency Practitioners in the UK by The Institute of Chartered Accountants in England & Wales under S 390 (2) of the Insolvency Act 1986.

Abbreviations used in this report

- ASG Distributions Limited - ("ASG" or "the Company")
- W A Batty - ("the Liquidator")
- Insetco Plc formerly known as ASG Media Plc - ("Insetco")
- ASL Media Limited - ("ASL")
- Freelance Media Limited - ("Freelance")

CONTENTS

- 1 Introduction
- 2 Asset realisations
- 3 Liabilities
- 4 Liquidator's receipts and payments
- 5 Liquidator's remuneration & expenses
- 6 Further Information for creditors
- 7 Conclusion of the Liquidation

Appendices

- I Statutory Information
- II Details of Liquidator
- III Liquidator's Receipts and Payments account
- IV Summary of Liquidator's time costs
- V Summary of Liquidator's expenses
- VII Schedule of charge out rates and disbursements policy

1 INTRODUCTION

1.1 Purpose of Report

This report is prepared pursuant to the provisions of the Insolvency Act 1986, which require me as Liquidator to provide creditors and members with an update on the progress of the Liquidation

This report covers the period from 29 April 2010 to 28 April 2011

The following information is included in this report

- Details of asset realisations
- Details of any distributions made to creditors and likely further distributions
- Details of the Liquidator's receipts and payments including details of assets realised and any costs paid
- Information regarding fees and expenses
- Other information for creditors

2 ASSET REALISATIONS

2.1 Book Debts

Insetco(formerly ASG Media PLC), ASL and Freelance all entered Administration on 2 November 2009. The business and assets of ASL & Freelance and certain assets of Insetco were sold to Trainfx Limited, a subsidiary of RAM Investment Group PLC on 9 November 2009

Insetco's only remaining asset was an outstanding loan to ASL

As part of the Administration sale, TrainFx Limited agreed to assist the Joint Administrators in collecting the debts due to ASL. The Director estimated that book debts of circa £100,000 would be recoverable out of the total ledger of £394,984, this would have resulted in a substantial dividend payment to Insetco in respect of the outstanding loan

The CVA proposed a hive down of Insetco's remaining assets and liabilities to a newly formed company, ASG Distributions Limited. It was further proposed that this Company was to be placed into Creditors Voluntary Liquidation and that the Joint Administrators be appointed as Liquidators. Creditors of Insetco were to become creditors of ASG Distributions Limited

In addition the CVA proposed that shares in Insetco would be issued to the Insetco creditors *pari passu* with their claim. This had the effect of restoring solvency to Insetco

The intention of the arrangement was to ensure that creditors received the benefit of any realisations, subject to similar costs, and within the same timescale which they would otherwise have received were Insetco to have progressed into Liquidation rather than exiting Administration by way of the CVA, whilst also receiving the additional benefit of the shares in Insetco, which have now been issued under the terms of the CVA. This arrangement removed all of the liabilities from Insetco on agreement of the CVA, such that it could then be re-listed as an investing company on AIM

Following approval of the CVA the ASL loan from Insetco, was hived-down to ASG Distributions Limited

ASL entered creditors' voluntary liquidation on 1 November 2010 and Antony Batty and Stephen Evans were appointed Joint Liquidators

The Joint Liquidators of ASL have been advised by TrainFx that the majority of the debts are disputed and therefore are unlikely to be collectable. Further investigations are taking place to ascertain which debts can be collected and whether legal action will be necessary to collect the sums.

The outcome for ASL's creditors, including ASG Distributions Limited, is dependent on the level of book debt recoveries.

There are no other assets to be realised in the liquidation of ASG Distribution Limited.

3. CREDITORS – CLAIMS AND DISTRIBUTIONS

There are a number of different classes of creditors in insolvency matters. These include:

Secured Creditors are creditors who hold fixed and/or floating charge debenture security; they are paid in priority to other creditors, subject to preferential creditors and unsecured creditors under the prescribed part.

Preferential creditors comprise employees' claims for holiday pay and some arrears of wages. Preferential creditors are paid in priority to the prescribed part, floating chargeholders and unsecured creditors.

Unsecured creditors rank behind secured and preferential creditors. Unsecured creditors receive the surplus from net realisations after secured and preferential creditors and any payment which is made under the prescribed part.

3.1 Secured Creditors

I am not aware of any secured creditors in this matter.

3.2 Preferential creditors

I am not aware of any preferential creditors in this matter.

3.3 Prescribed Part

There are provisions of the insolvency legislation that require a liquidator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A Company's net property is that left after paying the preferential creditors and the costs of the liquidation, but before paying the lender who holds a floating charge. A liquidator has to set aside:

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000.

As there is no qualifying floating charge holder, the prescribed part does not apply.

3.4 Unsecured Creditors

The total of unsecured claims received is £3,599,609, compared to a Statement of Affairs estimate of £694,271. I have agreed claims of £3,309,779 and I have rejected claims of £313,675.

As detailed in the notes to the Statement of Affairs, I was aware that creditor claims could be substantially in excess of that detailed in the Statement of Affairs, due to guarantees given by Insetco to creditors of its subsidiary companies.

I am unable at this point to estimate the value of the dividend, if any, due from ASL Media Limited. The outcome for creditors of ASL Distributions Limited is dependent on the level of

book debt recoveries in ASL Media Limited. As detailed above it is currently uncertain whether the Liquidators of ASL Media Limited will be in a position to make a distribution to its creditors.

Shares in Insetco have been issued by the Supervisor of the CVA to the Insetco creditors (who mirror the creditors of ASG Distribution Limited) pari passu with their claim and the Supervisor has ceased to act.

4 LIQUIDATORS' RECEIPTS AND PAYMENTS

No receipts or payments have been made in the CVL period.

5 LIQUIDATOR'S REMUNERATION & EXPENSES

5.1 Approval of Basis of Remuneration & Expenses

My fees as Liquidator have been approved on a time cost basis, by reference to time properly given by me and my staff in attending to matters arising in the Liquidation, together with category 2 expenses, by the creditors at the creditors' meeting held on 1 April 2010.

Category 1 expenses are payable without approval from creditors.

5.2 Liquidator's Time Costs

For the period of this report, time costs amount to £1,705, representing over six hours work, at an average charge out rate of £250.

To date I have not drawn any remuneration.

Appendix V contains further information about time spent on the Liquidation and has been categorised into the following headings:

- **Administration and Planning** includes case planning, administrative set-up, appointment notification, statutory reporting, compliance, cashiering, accounting and administrative functions.
- **Realisation of Assets** includes identifying, securing, insuring assets, retention of title issues, debt collection, property, business and asset sales.
- **Investigations** includes reporting on the conduct of directors, investigating antecedent transactions and any other investigations that may be deemed appropriate.
- **Trading** includes planning, strategy, trading accounting, managing operations on site, corresponding with suppliers and customers, and on-going employee matters.
- **Creditors** includes creditor set up, communication and meetings, reviewing and agreeing preferential and unsecured claims, corresponding with secured creditors, reviewing and obtaining advice in relation to security granted by the Company.

To date the time spent on this matter has predominantly been spent on the initial set up and statutory tasks of the Liquidation.

A Guide to Liquidators' fees may be found at <http://www.antonybatty.com/resources.html>. I would also be pleased to send you a copy by e-mail or post on request. Details of current charge out rates are given at Appendix VII.

5.3 Liquidator's Expenses

A summary of my expenses for the period of this report is given at Appendix VI.

Details of the disbursements policy are given at Appendix VII

5.4 Creditor's Request for Further Information about Remuneration & Expenses

Under insolvency legislation, creditors have the right to request in writing further information regarding the remuneration or expenses set out in this report. The request can be made by either

- a) a secured creditor, or
- b) an unsecured creditor with concurrence of at least 5% in value of unsecured creditors (including that creditor) or the permission of the Court

The request must be made in writing within 21 days of receipt of this report

5.5 Creditor's Claim that Remuneration and/or Expenses are Excessive

Under insolvency legislation, creditors have the right to challenge my remuneration and expenses by making an application to court. The application can be made by either

- a) a secured creditor, or
- b) an unsecured creditor with concurrence of at least 10% in value of unsecured creditors (including that creditor) or the permission of the Court

The application may be made on the grounds that my remuneration is, in all the circumstances, excessive, the basis of fixing the remuneration is inappropriate, or my expenses are, in all the circumstances, excessive

Any such application must be made within 8 weeks of receipt of this report

If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not out of the assets

6 FURTHER INFORMATION FOR CREDITORS

6.1 Investigations

I am required to submit a report to the Department for Business, Innovation, and Skills concerning the conduct of those who have been directors of the Company at any time in the three years preceding the Liquidation. Whilst the content of this report is confidential, I confirm that this report has been submitted. This is a standard part of my duties and does not imply any criticism of the directors

I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. To date, I am not aware of any such matters

If there are any matters which may not have already been brought to my, please contact Claire Howell at my office

6.2 EC Regulation on Insolvency Proceedings

I consider that the EC Regulation on Insolvency Proceedings apply to the Liquidation of the Company. I also consider that they are "main" proceedings since the Company's registered office and trading address are in the United Kingdom

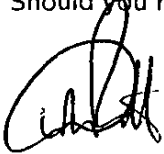
6.3 Third Party Assets

Should any creditor believe that they own assets that may have been in the Company's possession, they should contact my office as soon as possible

7 CONCLUSION OF THE LIQUIDATION

The Liquidation will be finalised once the prospect of a dividend from the liquidation of ASL Media Limited has been ascertained

Should you require any further information please contact Claire Howell

A handwritten signature in black ink, appearing to be 'W A Batty', written over a horizontal line.

W A Batty
Liquidator
31 May 2011

APPENDIX I

ASG DISTRIBUTIONS LIMITED - IN LIQUIDATION
STATUTORY INFORMATION

Company Number	07147030
Date of Incorporation	4 February 2010
Trading Name	N/A
Previous Registered Names	None
Registered Office	3 Field Court, Gray's Inn, London, WC1R 5EF
Formerly	N/A
Trading Address	N/A
Principle business activity	N A

Directors

<u>Name</u>	<u>Appointed</u>	<u>Resigned</u>
G K D Truman	04/02/2010	Present

Company Secretary

<u>Name</u>	<u>Appointed</u>	<u>Resigned</u>
None		

Issued Share Capital	ordinary shares of £1 each
----------------------	----------------------------

Shareholders

<u>Name</u>	<u>Ordinary Shares</u>	<u>Percentage</u>
ASG Media Plc – In Administration	1	100%

Chargeholders

<u>Name</u>	<u>Type of Charge</u>	<u>Date of Charge</u>
None		

APPENDIX II

ASG DISTRIBUTIONS LIMITED - IN LIQUIDATION

DETAILS OF APPOINTMENT OF THE LIQUIDATOR

Name and address of Liquidator	W A Batty of 3 Field Court, Gray's Inn London, WC1R 5EF
Date of Appointment	29/04/2010
By Whom Appointed	Members and creditors

APPENDIX VI

ASG DISTRIBUTIONS LIMITED - IN LIQUIDATION

SUMMARY OF LIQUIDATOR'S EXPENSES

	Category 1	Category 2
Photocopying		£2
Faxes		£3
Advertising	£68	
Companies House search	£5	
Postage	£6	
	<u>£79</u>	<u>5</u>

SIP 9 - Time & Cost Summary

Period 29/04/10 20/05/11

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	0 00	3 60	1 80	0 70	6 10	1,499 00	245 74
Investigations	0 00	0 30	0 00	0 00	0 30	88 50	295 00
Realisations of assets	0 00	0 40	0 00	0 00	0 40	118 00	295 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Pre Jan 2003 Time	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	0 00	4 30	1 80	0 70	6 80	1,705 50	250 81
Total Fees Claimed						0 00	

APPENDIX VII

Antony Batty & Company LLP

Time Costs – Charge out rates per hour and disbursements policy

1 April 2011 – 31 March 2012

2011\12

Office Holder (e.g. Liquidator)	£395
Senior Manager	£310
Case Manager	£285
Senior Administrator	£215
Administrator	£120

Please note that these rates may be increased from time to time. Creditors will be notified of changes in the annual report.

Disbursement Policy

Please note that the liquidator's disbursements are charged out at the following rates -

Category 1 - represent recovery of necessarily incurred disbursements at the cost incurred

Sundry disbursements, such as advertising, where incurred appropriately, are recharged at 100% of the cost incurred

Insurance and bonding is recharged at 100% of the relevant charge to the office holder

Travel where the staff of Antony Batty & Company LLP staff use their own vehicles in the course of their duties in this matter, the mileage is recharged at 40p per mile. All other travel costs are recharged at 100% of the cost incurred

VAT is charged as appropriate

Category 2

Photocopying	15p per sheet
Postage	the current postage rate applicable
Faxes - UK	£1 per sheet
International	£2 per sheet
Internal meeting room hire -	£100 per hour, (minimum 1 hour)
Storage	£35 per box per annum

VAT is charged as appropriate