

**In the Matter of Expansive Media Limited
And in the Matter of the Insolvency Act and Rules 1986**

Company Number: 05236892
Trading As: Expansive Media Limited
Formerly: HLF 3219 Limited
Registered Office: Regus House, Victory Way, Crossways Business Park, Dartford, DA2 6QD
Trading Address: Same as registered office

In accordance with Rule 4.106, We, Eric Walls and Wayne Harrison of KSA Group Limited C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU hereby give notice that on 28 June 2011 we were appointed joint liquidators of Expansive Media Limited by resolutions of members and creditors.

Notice is hereby given that the creditors of the above named company, which is being voluntarily wound up, are required, on or before 30 September 2011 to send in their full forenames and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned E Walls (IP No. 9113) and W Harrison (IP No. 9703) of KSA Group Limited, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, Alternative Contact: E Walls, insolvency@ksagroup.co.uk, 0191 482 3343, the Liquidators of the said company, and, if so required by notice in writing from the said liquidators, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution.

Dated: 1 July 2011

E Walls
Joint Liquidator of Expansive Media Ltd

Insolvency Act 1986
 Expansive Media Limited
 Estimated Statement Of Affairs as at 28 June 2011



	Book Value £	Estimated to Realise £	£
ASSETS			
Book Debts	43,426.20	13,426.20	
Gener8 Finance Ltd	(22,425.78)	(22,425.78)	
Deficiency c/d		<u>(8,999.58)</u>	
Held in liquidators' client account	2,400.00		2,400.00
Computer Equipment	1,592.00		150.00
Stock	6,373.00		<u>2,545.00</u>
			<u>5,095.00</u>
LIABILITIES			
PREFERENTIAL CREDITORS:-			
Employees - Arrears and Holiday Pay		12,013.37	
			<u>12,013.37</u>
			(6,918.37)
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
			<u>NIL</u>
			(6,918.37)
Estimated prescribed part of net property where applicable (to carry forward)			<u>NIL</u>
			(6,918.37)
DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003			
			<u>NIL</u>
			(6,918.37)
Estimated prescribed part of net property where applicable (brought down)			<u>NIL</u>
			(6,918.37)
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Deficiency b/d		8,999.58	
Trade & Expense Creditors		441,575.48	
Employees - Redundancy and notice pay		43,247.98	
			<u>493,823.04</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			<u>(500,741.41)</u>
			(500,741.41)
Issued and called up capital Ordinary Shareholders		900.00	
			<u>900.00</u>
TOTAL SURPLUS/(DEFICIENCY)			<u><u>(501,641.41)</u></u>

Expansive Media Limited – In Liquidation
Notes to the Estimated Statement of Affairs



1. Computer Equipment

1.1 The chattel assets of the company consist of computer equipment. No professional valuation of the assets has been obtained in order to mitigate cost. Book values attributed to those assets in the statement of affairs have been taken from the most recent set of annual account for the year ended 28 February 2010.

2. Stock

2.1 The value attributed to stock has been provided by the directors. Stock is currently being held in a warehouse and is subject to a lien being exercised over it.

3. Book Debts

3.1 The book value figure for debtors has been taken from the books and records of the company as at the date of liquidation. In assessing the amounts estimated to realise the director has written off those debts which are known, or are thought to be, irrecoverable.

3.2 The company utilised the services of a factoring company prior to liquidation. The amount due to that company as set out in the statement of affairs has been taken from the company's records. This figure takes no account of any additional charges or collect out fees which may be levied by the invoice discounting company.

4. Prescribed Part of Net Property

4.1 As a result of the Enterprise Act 2002 the preferential creditor status of HM Revenue and Customs, in respect of PAYE, NIC deductions and VAT, was abolished. This change in legalisation also introduced provisions for the liquidator to set aside a certain proportion of the company's net property to deal with the claims of unsecured creditors in advance of the claims of the holder of a floating charge. **These provisions only apply if the floating charge was created on or after 15 September 2003.** The prescribed part does not apply in this case.

5. Amounts due to Employees

5.1 In some instances it has been necessary to estimate the amounts due to employees in respect of arrears of wages, holiday pay, pay in lieu of notice and redundancy.

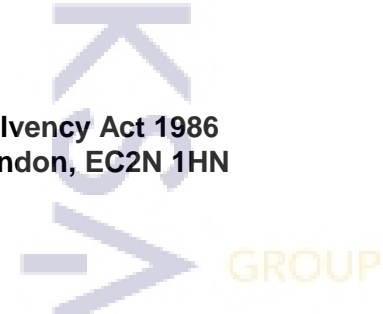
6. Trade and Expense Creditors

6.1 Details of amounts due to creditors have been taken from the books and records of the company. Inclusion in the statement of affairs of the company does not constitute agreement that these amounts are, or were at any time, owed by the company and does not entitle a creditor to participate in any future distribution.

7. Costs and Expenses of Liquidation and Asset Realisations

7.1 The statement of affairs takes no account of the costs and expenses of the liquidation or realising the assets of the company.

**Report To a Meeting Of Creditors Held Pursuant To Section 98 Of The Insolvency Act 1986
At the offices of KSA Group Ltd, Tower 42, Level 7, 25 Old Broad Street, London, EC2N 1HN
On 28 June 2011 at 12.00 pm**



1. Statutory Information

1.1 Detailed below is information extracted either from the statutory books of the company or from records held by the Registrar of Companies.

Previous Names: HLF 3219 Limited (Changed on 07/10/2004)

Company Number: 05236892

Date of Incorporation: 21 September 2004

Registered Office: Was Regus House, Victory Way, Crossways Business Park, Dartford, DA2 6QD but recently changed to C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU

Shareholdings: 900 Ordinary Shares of £1, all of which have been issued and fully paid.

		£1 Ordinary Share
Shareholders:	Matthew John Millbank	450
	Martin Mason	450

Directors in the last 3 years: Martin Andrew Mason
Matthew John Millbank

Company Secretary: Matthew John Millbank

Nature of Business: Development and supply of media promotions for national newspapers and magazines

Trading Address: Regus House, Victory Way, Crossways Business Park, Dartford, DA2 6QD

2. History of the Company

2.1 The company was incorporated on 21 September 2004 and began trading shortly thereafter. The company's main business activity was the development and supply of media promotions for national newspapers and consumer magazines.

2.2 Throughout its trading history, the company used invoice finance funding services from various providers. The company used invoice finance funding to assist with cash flow, which was personally guaranteed by the directors. The company traded relatively successfully for four years with modest growths in revenue and profitability over the period and gained a reputation for providing quality services to the media industry.

2.3 The economic downturn of 2008 had a significant impact on the media industry and the company's core business marketplace. Newspapers and Magazines immediately started to reduce their budgets for promotional activity and this had a negative impact on the company's ability to achieve large value projects as previously done.

2.4 As a direct result of the recession the company's filed accounts for 2008/09 showed a significant loss. However, with the continued support of its bank and core clients, the directors attempted to change the business model, reduce costs and trade out of a negative net worth. The company's filed accounts for 2009/10 saw some success in these efforts and the balance sheet position improved but trading remained extremely challenging with more media clients reducing their promotional activity and budgets even

further. The directors secured an overdraft facility with NatWest bank, which it secured through personal guarantees from the directors.

- 2.5** Throughout the second half of 2010 and start of 2011 the company continued a program of cost saving and cash flow management including the reduction of its staff numbers to half the previous size, a move to smaller, lower cost, serviced offices and agreement of more competitive rates and credit terms with suppliers.
- 2.6** Throughout 2010/2011, the company was continuing to make crown payments through the HM Revenue and Custom's ("HMRC") 'time to pay' scheme and in doing so was demonstrating the viability of its business. Whilst it was successful in the repayment and significant reduction of amounts owed to HMRC over this period, HMRC gave notice that the company could not continue to use the scheme in the long term. To further ease cash flow issues, the company agreed a series of repayment agreements with its creditors and was successful in servicing these on a weekly and monthly basis.
- 2.7** From December 2010 the company suffered a series of major setbacks that were widely outside of its control and ultimately difficult to recover from. Firstly, it suffered a series of cancelled projects due to delivery issues caused by the extreme and adverse UK weather conditions. Then the company's largest newspaper client announced budget cutbacks and cancelled several large value projects that were scheduled for 2011. Finally, In February 2011 the company's factoring company at that time advised the company that it could no longer support Invoice Finance services at the credit limit and funding limits it had previously offered. The reduction of these limits had a big impact of the company's cash flow position.
- 2.8** Throughout March and April 2011 the directors were engaged in ongoing talks with NatWest Bank in an attempt to gain increased lending facilities. After several weeks of discussions, in May 2011 the bank advised that it could not offer any extension to the existing overdraft facility and began returning cheque payments. At this point it became apparent to the directors that the company could no longer service its repayment agreements to suppliers or to HMRC.
- 2.9** With no option to raise additional finance and with increasing pressure from creditors, all sales and payment activity was suspended and a meeting was arranged with representatives of KSA Group Ltd. Based on financial information provided by the directors it was evident that the company was insolvent. After consulting further with representatives of KSA Group Ltd the directors felt they had no option but to call the meetings of shareholders and members necessary to place the company into voluntary liquidation.
- 2.10** The directors consider that the main reasons for the company's failure were as follows:
1. The decline in the level of work from its major customer; and
 2. The increased competition for work which resulted in reduced profit margins.

3. Meetings of Members and Creditors

- 3.1** At a meeting of the board of directors held on 2 June 2011 it was agreed that meetings of members and creditors should be summoned for the purposes of placing the company into Creditors Voluntary Liquidation. Notices were signed summoning the meetings for 28 June 2011. The notices were issued to shareholders and creditors on 3 June 2011.
- 3.2** Accordingly, on 28 June 2011 at a meeting of the shareholders, duly convened at the offices of KSA Group Ltd, Tower 42, Level 7, 25 Old Broad Street, London, EC2N 1HN resolutions were passed placing the company into Voluntary Liquidation and appointing E Walls and W Harrison, who are licensed in the UK to act as an insolvency practitioners by the Insolvency Practitioners Association, joint liquidators.
- 3.3** Prior to being asked to advise the directors on the affairs of the company the partners and staff of KSA Group Limited had had no material professional relationship with the company, its directors or shareholders.

4. Transactions with Associated Companies or Trading Organisations

4.1 There are no known associated companies or trading organisations.

5. Extracts from Accounts and other Financial Information

5.1 A summary of the company's recent financial history is attached to this report.

6. Statement of Affairs

6.1 A statement of affairs of the company as at 28 June 2011 has been prepared by the directors. A summary of the statement of affairs is attached to this report, along with accompanying notes, and an estimated deficiency account in respect of the period of trading.

6.2 The statement of affairs takes no account of the cost and expenses of the liquidation or of realising the company's assets.

7. Business conducted at the meeting

7.1 A number of creditors attended the meeting and a number of proxies had been received in favour of the chairman.

7.2 The chairman opened the meeting and W Harrison of KSA Group Ltd, who had been appointed joint liquidator of the company by the shareholders of Expansive Media Limited, presented a brief report to the meeting and reviewed the statement of affairs of the company which had been drawn up to the date of liquidation on his behalf.

7.3 There being no further issues raised by the creditors the chairman moved to the formal business of the meeting. Accordingly, creditors approved the following resolutions:

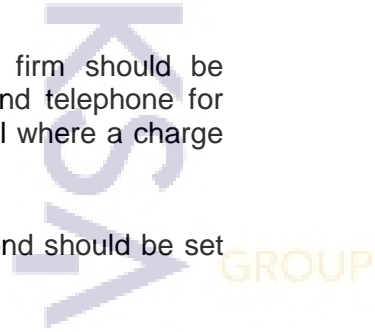
- the appointment of E Walls and W Harrison of KSA Group Ltd, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, was confirmed.
- a creditors' committee was not established.

In the absence of a creditors committee:

- The meeting was informed that an agreed fee of £4,000 plus VAT plus disbursements will be paid to KSA Group Limited in respect of the costs of assisting the director in preparing the statement of affairs and summoning and holding the meetings of members and creditors.
- The meeting was also informed that KSA Group Ltd had received funds of £2,400 including VAT, which are being held in the liquidators' client account.
- it was agreed that liquidators' remuneration would be calculated by reference to time costs incurred by the liquidators and their staff and authorisation was given for the liquidators to draw remuneration on account of those time costs when they felt it was appropriate.
- The liquidators informed the meeting that the current charge out rates for staff likely to deal with matters pertaining to this liquidation were as follows:

	£ per hour
Administrators	40 – 100
Managers	100 – 175
Partners	175 – 300

- It was agreed that all disbursements incurred by the liquidators' firm should be reimbursed at direct cost save in the case of postage, stationery and telephone for which a charge of £7.50 per creditor would be levied, and motor travel where a charge of 50p per mile would be made.
- it was agreed that the level of the liquidators' specific performance bond should be set at £25,000



Expansive Media Limited
Summary of Recent Financial History

Accounting Information

The following information has been extracted from the Company's annual accounts for the period ended 28 February 2009 and the period 28 February 2010.

	Annual Accounts 28 February 2010 £	Annual Accounts 28 February 2009 £
Profit and Loss Account		
Turnover	2,483,181	1,103,991
Gross Profit	739,268	278,089
Directors' Remuneration	100,579	78,995
Dividends	0	0
Net profit/ (Loss) After Taxation & Dividends	(157,286)	(204,132)
	<hr/>	<hr/>
Balance Sheet		
Fixed Assets	1,592	7,278
Current Assets	377,720	297,532
Liabilities	(535,698)	(508,042)
Total Assets Less Liabilities	<hr/> <u>(156,386)</u>	<hr/> <u>(203,232)</u>
Capital and reserves	900	900
Profit and loss account	(157,286)	(204,132)
Shareholders Reserves	<hr/> <u>(156,386)</u>	<hr/> <u>(203,232)</u>

B - List of Creditors

Unsecured Creditors

Name	Address	£
4 Ward Accountancy	c/o Coctail Market, 25 Floral Street, London, WC2E 9DS	2,300.00
AMEX	Dept 880 Amex House, Edward Street, Brighton, BN88 1AH	7,200.00
Arval Ltd	Arval Centre, Windmill Hill, Swindon, SN5 6PE	1,000.00
Bruizer	The Fire Station, Bentwaters Parks, Rendlesham, Woodbridge, IP12 2TW	326.06
Bupa	Anchorage Quay, Salford Quays, M50 3XL	323.72
Choice Leader Ltd	94 Commercial Road, Paddock Wood, TN12 6DP	3,000.00
Content Partners Ltd	38-4 Eastcastle Street, London, W1W 8DT	39,000.00
DC Thomson	2 Albert Square, Dundee, DD1 9QJ	13,500.00
DHL International Ltd	178-188 Great South West Road, Hounslow, Middx, TW4 6JS	2,000.00
Easycrane Ltd	Unit 23, The IO Centre, Armstong Road, Royal Arsenal, London, SE18 6RS	2,000.00
Evening Standard	Northcliffe House, 2 Derry Street, Kensington, London, W8 5TT	9,400.00
Geerings Print Ltd	Cobbs Wood House, Chart Road, Ashford, Kent, TN23 1EP	10,668.33
Grove Storage Ltd	1-7 Grove Road, Northfleet, DA11 9AX	1,000.00
HM Revenue and Customs	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	24,000.00
HM Revenue and Customs	Insolvency Operations, Queens Dock, Liverpool, L74 4AA	50,000.00
Honeycombe Storage	Hubbards Farm, Shalford, Essex, CM7 5BG	200.00
Media Promotions & Publishing Ltd	Admirals Park, Crossways, Dartford, DA2 6QD	3,600.00
Morrisons	Claredon House, Clarendon Road, Redhill, RH1 1FB	216.00
MPO France	40 Rude de Paris, 92100 Boulogne-Billancourt, FRANCE	83,221.59
NatWest Bank plc	NatWest, Newbury Market Place, Newbury, Berkshire, RG14 5AJ	84,931.31
Print Genie Ltd	19 Titan Court, Laporte Way, Luton, LU4 8EF	29,128.80
Printwells	1-4 Chapman Way, Tunbridge, TN2 3EF	18,900.00
Rachel Hawley	The Basement, 79 High Street, Greenhithe, Kent, DA9 9RD	1,800.00
Royal Mail	100 Victoria Embankment, London, EC4Y 0HQ	3,000.00
Seko SYnergy	Unit 6, Hurricane Way, Axis Park, Langley, Berkshire, SL3 8AG	691.77
Sharps Printers Ltd	Dartford, Kent, DA2 6QD	500.00
Skyjack Publishing	Skyjack House, 55 Gunterstone Road, London, W14 9BS	1,000.00
TAKT Sp Zo.O	Wyzwolenia 2, 32-329 Boleslaw, Malopolskie, POLAND	12,300.00
TBS Credit Services	Frating Green, Colchester, Essex, CO7 7DW	13,000.00
Technicolor Disc Service	Building 1, 3rd Floor, Chicwick Park, 566 Chiswick High Road, London	3,000.00
tms	94 Commerical Road, Paddock Wood, Kent, TN12 6DP	4,645.38
Topps Eurpoe Ltd	18 Vincent Avenue, Crownhill, Milton Keynes, MK8 0AW	5,000.00
Toyota Financial Service	PO Box 557, Portsmouth, PO6 4WL	1,516.50
Universal Pictures	Oxford House, 76 Oxford Street, London, W1A 1BS	4,500.00
UPS Ltd	UPS House, Forest Road, Feltham, Middx, TW13 7DY	4,206.02
Vodafone		500.00

441,575.48

Signature _____ Date _____

Expansive Media Limited

**Estimated Deficiency Account
For the period from 1 March 2010 to 28 June 2011.**

	£	£
Reserves Balance at 28 February 2010		(157,286)
Amounts written off for the purposes of the statement		
Computer Equipment	1,442	
Stock	3,828	
Book Debts	30,000	
	<hr/>	<hr/> (35,270)
		(192,556)
Extraordinary Items		
Employees Claims - Redundancy / notice pay		<hr/> (43,248)
		(235,804)
ASSUMED TRADING PROFIT/(LOSS) FOR THE PERIOD		<hr/> (264,937)
CREDITORS DEFICIENCY PER STATEMENT OF AFFAIRS		<hr/> (500,741)