

**In the Matter of Lifestyles Direct Limited
And in the Matter of the Insolvency Act and Rules 1986**

Company Number: 04516821
Trading As: Lifestyles Direct Limited
Formerly: NA
Registered Office: Unit H3 Knights Park, Knights Road, Strood, ME2 2LS
Trading Address: Unit 9a Compass House, Smugglers Way, London, SW18 1DB

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, give notice that on 9 November 2011 we were appointed joint liquidators of Lifestyles Direct 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 31 January 2012 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 joint 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: 11 November 2011

E Walls
Joint Liquidator of Lifestyles Direct Limited

Insolvency Act 1986
Lifestyles Direct Limited
Estimated Statement Of Affairs as at 9 November 2011



	Book Value £	Estimated to Realise £	£
ASSETS			
Book Debts	71,790.34		
Website and Intellectual Property	1.00		1,000.00
Cash at Bank	1,011.00		1,011.00
Cash held by liquidator	1,750.00		1,750.00
			3,761.00
LIABILITIES			
PREFERENTIAL CREDITORS:-			
			NIL
			3,761.00
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003 OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
			NIL
			3,761.00
Estimated prescribed part of net property where applicable (to carry forward)			
			NIL
			3,761.00
DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003			
			NIL
			3,761.00
Estimated prescribed part of net property where applicable (brought down)			
			NIL
			3,761.00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors		877,113.05	
			877,113.05
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			
			(873,352.05)
			(873,352.05)
Issued and called up capital			
Ordinary Shareholders		1,000.00	
			1,000.00
TOTAL SURPLUS/(DEFICIENCY)			(874,352.05)

Lifestyles Direct Limited – In Liquidation

Notes to the Estimated Statement of Affairs

- 1.1** 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 directors have:
- Written off those debts which are known, or are thought to be, irrecoverable.
- 2. Trade and Expense Creditors**
- 2.1** 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.
- 3. Costs and Expenses of Liquidation and Asset Realisation**
- 3.1** The statement of affairs takes no account of the costs and expenses of the liquidation or realising the assets of the company.

Lifestyles Direct Limited – In Liquidation

Report To a Meeting Of Creditors Held Pursuant To Section 98 Of The Insolvency Act 1986
At KSA Group Ltd, Tower 42, Level 7, 25 Old Broad Street, London, EC2N 1HN
On 9 November 2011 At 11:30 am



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:	None Known
Company Number:	04516821
Date of Incorporation:	22/08/2002
Registered Office:	was Unit H3 Knights Park, Knights Road, Strood, ME2 2LS but recently changed to C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU
Shareholding:	1,000 Ordinary Shares of £1 each, all of which have been fully issued and paid
Shareholders:	Timscris Holdings Limited £1 Ordinary Shares 1,000
Directors:	James Leonard John Oakenfold Paul Kirk Harris Matthew Philip Rogers
Company Secretary:	Paul Kirk Harris
Nature of Business:	Retail Sales
Trading Address:	Unit 9a Compass House, Smugglers Way, London, SW18 1DB

2. History of the Company

2.1 The company was incorporated on 22 August 2002 and became a sister company of Timscris Reader Offers Limited. The company was a standalone mail order company separate from the reader offer business of its sister company.

2.2 In 2005 Lifestyles started to produce mail order branded inserts (catalogues) which were initially successful and at its peak some 40 million branded inserts were placed in any one year. However the economic climate quickly changed and it became apparent that the sales of individually inserted catalogues were not as profitable as they previously had been. The directors believe this was mainly due to increased competition and client's desire for increased commission rates. This placed a strain on the company's finances and in turn impacted on the entire Timscris group of companies.

2.3 In 2008 the then owner and management embarked on an own brand web site launch; www.lifestylesathome.co.uk, which required a large amount of investment. Further investment was required in this venture but it quickly became apparent the return from the website was not going to be as high as originally anticipated.

2.4 At the end of 2009 and beginning of 2010 action was taken to realign the business and reduce the cost base to return the business to profitability and generate a positive cash flow. Staffing was dramatically reduced along with the number of inserts been issued, only those deemed to be profitable were produced. The original company website was re-platformed to a cheaper platform which saved the company considerable amounts of money. As a result the company started to show reduced losses and in early 2011 further cost reductions were imposed, including the loss of the company's marketing director.

2.5 Further into 2011 and overall trading became increasingly difficult as consumers continued to reduce spending. It was hoped that with the savings made, the company would have returned to profit, however the worsening consumer marketplace meant that the inserts and web site sales reduced to such an extent that the company could no longer continue. The directors approached KSA Group Ltd to draft a CVA for the company's sister company in the hope this would have enabled the group to support Lifestyles Direct Ltd long into the future. Unfortunately the CVA became unworkable and based on financial information provided by the directors it was evident that the company was insolvent. Having been so advised the director's felt they had no option but to call the meetings of shareholders and members necessary to place the company into voluntary liquidation.

2.6 The directors consider that the main reasons for the company's failure were as follows:

1. The effects of the downturn in the economy effecting the industry as whole; and
2. The Administration of the sister company meant it could no longer rely on its support.

3. Meetings of Members and Creditors

3.1 At a meeting of the board of directors held on 13 October 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 9 November 2011. The notices were issued to shareholders and creditors on 17 October 2011.

3.2 Accordingly, on 9 November 2011 at a meeting of the shareholders, duly convened at the offices of KSA Group Ltd, Level 7, Tower 42, 25 Old Broad Street, London EC2N 1HN resolutions were passed placing the company into Voluntary Liquidation and appointing E Walls, who is licensed to act as an insolvency practitioner by the Insolvency Practitioners Association, liquidator.

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 either the company, its directors or shareholders.

4. Transactions with Associated Companies or Trading Organisations

4.1 Creditors should note that on 5 October 2011 Eric Walls and Wayne Harrison of KSA Group Ltd were appointed joint administrators of both Timscris Reader Offers Limited and Templar Marketing Services Limited. These companies are associated companies as defined by the Insolvency Act 1986 (as amended). It is likely that there have been mutual dealings between these companies.

5. Extracts from Accounts and other Financial Information

5.1 A summary of the company's recent financial history is attached at Appendix 1 to this report.

6. Statement of Affairs

- 6.1 A statement of affairs of the company as at 18 July 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 One creditor attended the meeting and two proxies had been forwarded naming the chairman of the meeting as proxy holder. A third proxy which was invalid was also received.
- 7.2 The chairman opened the meeting and Eric Walls of KSA Group Ltd, who had been appointed liquidator of the company by the shareholders of Lifestyles Direct 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 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 no monies had yet been paid in respect of the costs of calling the meetings of shareholders and creditors and assisting the directors in the preparation of the statement of affairs. It was agreed that a charge of £4,500 plus VAT plus disbursements would be levied by KSA Group Limited, in respect of these costs.
- it was agreed that liquidator's remuneration would be calculated by reference to time costs incurred by the liquidator and his staff and authorisation was given for the liquidator to draw remuneration on account of those time costs when he felt it was appropriate.
- The liquidator 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

- the creditors agreed that all disbursements incurred by the liquidator's 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 liquidator's specific performance bond should be set at £10,000.

KSA Group Ltd
Lifestyles Direct Limited
B - Company Creditors

Unsecured Creditors

Name	Address	£
Adfero Ltd	South Quay Plaza 2, 183 Marsh Wall, London, E14 9SH	2,880.00
BBC Magazines Ltd	Media Centre, 201 Wood Lane, London, W12 7TQ	33,600.00
Charlie Bettinson	548 Garratt Lane, Earlsfield, London, SW17 0NY	432.00
Emailvision (UK) Ltd	Lynton House, 7-12 Tavistock Square, London, WC1H 9LT	380.00
HM Revenue and Customs	Insolvency Operations, Queens Dock, Liverpool, L74 4AF	13,852.59
HM Revenue and Customs	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	389.07
Polestar UK Print Ltd	Group Credit, Petty's House, Whitehall Road, Leeds, LS12 1BD	4,061.00
Roto Smeets	Parallelweg 5, 4878 Ah Etten leur, Netherlands	43,223.00
Templar Marketing Services Ltd	Unit H3 Knights Park, Knights Road, Strood, Rochester, Kent, ME2 2LS	2,578.39
Timscrip Reader Offers Limited	Unit H3 Knights Park, Knights Road, Strood, Rochester, Kent, ME2 2LS	761,041.00
Zebra	C/o RBS, Smith House PO Box 50, Elmwood Ave, Feltham, Middlesex, TW13 7QD	14,676.00
	Total	<u>877,113.05</u>

Signature

Date

Lifestyles Direct Limited
Summary of Recent Financial History

Accounting Information

The following information has been extracted from the company's management accounts for the period ended June 2011

	Annual Accounts June 2011 £	Annual Accounts June 2010 £
Profit and Loss Account		
Turnover	154,666	
Gross Profit	(2,823)	
Gross Profit Percentage	(1.8%)	
Directors' Remuneration	Nil	
Dividends	Nil	
Net profit before Taxation & Dividends	(20,910)	
	<hr/>	<hr/>
Balance Sheet		
Fixed Assets	20,866	82,133
Current Assets	198,735	105,340
Liabilities	(964,834)	(605,080)
Total Assets Less Liabilities	<u>(745,233)</u>	<u>(417,607)</u>
Issued Share Capital	1,000	1,000
Reserves	(746,233)	(418,607)
Shareholders Reserves	<u>(745,233)</u>	<u>(417,607)</u>

Estimated Deficiency Account
For the period from June 2011 to 9 November 2011.

	£	£
Reserves Balance at 1 July 2011		(746,233)
Amounts written off for the purposes of the statement		
Book Debts	71,790	
		<u>(71,790)</u>
		(818,023)
Extraordinary Items		
		<u>(0)</u>
		(818,023)
ASSUMED TRADING PROFIT/(LOSS) FOR THE PERIOD		<u>(55,329)</u>
CREDITORS DEFICIENCY PER STATEMENT OF AFFAIRS		<u>(873,352)</u>