

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

Company Number: 07037160  
Trading As: Purple Rain Media Limited  
Formerly: No previous names  
Registered Office: Lunimouse House, 300 South Row, Milton Keynes, MK9 2FR  
Trading Address: As above

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 23 February 2012 we were appointed joint liquidators of Purple Rain 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 June 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](mailto: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: 27 February 2012

E Walls  
Joint Liquidator of Purple Rain Media Ltd

Insolvency Act 1986  
 Purple Rain Media Limited  
 Estimated Statement Of Affairs as at 23 February 2012



	Book Value £	Estimated to Realise £
<b>ASSETS</b>		
Cash at Bank	2,664.91	2,664.91
		<u>2,664.91</u>
<b>LIABILITIES</b>		
<b>PREFERENTIAL CREDITORS:-</b>		
		NIL
		<u>2,664.91</u>
<b>DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003 OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS</b>		
		NIL
		<u>2,664.91</u>
Estimated prescribed part of net property where applicable (to carry forward)		NIL
		<u>2,664.91</u>
<b>DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003</b>		
		NIL
		<u>2,664.91</u>
Estimated prescribed part of net property where applicable (brought down)		NIL
		<u>2,664.91</u>
<b>Unsecured non-preferential claims (excluding any shortfall to floating charge holders)</b>		
Trade & Expense Creditors	25,505.28	25,505.28
		<u>25,505.28</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		(22,840.37)
		<u>(22,840.37)</u>
Issued and called up capital Ordinary Shareholders	100.00	100.00
		<u>100.00</u>
<b>TOTAL SURPLUS/(DEFICIENCY)</b>		<u><u>(22,940.37)</u></u>

## Purple Rain Media Limited – In Liquidation

### Notes to the Estimated Statement of Affairs



#### 1. Chattel Assets

1.1 The company holds no chattel assets.

#### 2. Prescribed Part of Net Property

2.1 In certain circumstances the liquidator is required to make a prescribed part of the company's net property available to the unsecured creditors. In this case the prescribed part does not apply as there is no floating chargeholder.

#### 3. Trade and Expense Creditors

3.1 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.

#### 4. Costs and Expenses of Liquidation and Asset Realisation

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

## 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:	07037160
Date of Incorporation:	10 October 2009
Registered Office:	Was Luminouse House, 300 South Row, Milton Keynes, Buckinghamshire, MK9 2FR but will shortly change to C12 Marquis Court, Marquisway, Team Valley, Gateshead, NE11 0RU
Shareholders:	100 Ordinary Shares of £1, all of which have been issued and fully paid.
	£1 Ordinary Share
	Paul Constable 51
	Charlotte Constable 49
Directors in the last 3 years:	Paul Constable Charlotte Constable
Company Secretary:	Charlotte Constable
Nature of Business:	Affiliate marketing services
Trading Address:	4 Matthan Lane, Oxley Park, Milton Keynes, MK4 4SY

## 2. History of the Company

2.1 The company was incorporated on 10 October 2009 and began trading shortly thereafter. The company provided affiliate marketing services to the gambling industry.

2.2 The company was incorporated to provide affiliate marketing to the gambling industry via a popular search engine. The director created various websites with recommendations and links to certain gambling websites. A set fee was then paid to the company for each player who deposited an amount with the casino. In the months following incorporation the affiliate websites generated significant traffic and the company was generating a high level of profit.

2.3 As time progressed, the business continued to grow and the company was achieving a top tier ranking with certain casinos, resulting in increased payments for each player secured. However, the casinos decided to significantly reduce the level of payment per player secured and this immediately reduced profit levels. The reduced payments continued for a sustained period.

2.4 Problems began when the company's main search engine changed its operating policy. It was no longer possible to advertise with the search engine without a gambling licence. This change had a significant impact on the company as all of its revenue was generated using the search engine. In an effort to find another source of income, the directors moved the company's advertising programme to another search engine with a similar model, albeit with lower levels of activity than the previous search engine. This produced some income for the business but the directors quickly found the income was reducing each month as

many other affiliate marketing companies decided to move to the same search engine thereby increasing competition to the point where the operation was no longer producing profit.

**2.5** Once the affiliate marketing operations became unprofitable the directors attempted to diversify into website design in an effort to continue trading. However, it quickly became apparent that competition in this market was high and the directors discovered they could not compete with the firms based overseas who offered website design services at a very low cost.

**2.6** During this time, the directors tried to continue to increase the ranking of the affiliate websites by link building and search engine optimisation work. However, this did not generate the expected results for the company and with no prospect of finding additional funding, and very little income being generated, the directors made the decision to cease trading.

**2.7** Accordingly, 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.

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

1. The change in operating policy of the company's main search engine; and
2. The increasing competition with the use of the other search engine.

### **3. Meetings of Members and Creditors**

**3.1** At a meeting of the board of directors held on 1 February 2012 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 23 February 2012. The notices were issued to shareholders and creditors on 6 February 2012.

**3.2** Accordingly, on 23 February 2012 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 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 (appendix 1).

### **6. Statement of Affairs**

**6.1** A statement of affairs of the company as at 23 February 2012 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** No creditors attended the meeting other than the directors.

**7.2** The chairman opened the meeting and E Walls of KSA Group Ltd, who had been appointed joint liquidator of the company along with W Harrison by the shareholders of Purple Rain 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:

- meeting was informed that an agreed fee of £4,500 plus VAT plus disbursements will be paid to KSA Group Limited in respect of the costs of assisting the directors 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 was holding funds of £5,400 which was made up from the company's cash at bank.
- 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 45p per mile would be made.
- it was agreed that the level of the liquidators' specific performance bond should be set at £10,000

**Purple Rain Media Limited**  
**Summary of Recent Financial History**

**Accounting Information**

The following information has been extracted from the company's annual accounts for the year ended 31 October 2010.

	Annual Accounts 31 October 2010 £
<b>Profit and Loss Account</b>	
Turnover	271,006
Gross Profit	74,014
Gross Profit Percentage	27.3%
Director's Remuneration	10,946
Dividends	27,000
Net profit / (loss) before Taxation & Dividends	39,576
	<hr style="border: 1px solid black;"/>
<b>Balance Sheet</b>	
Fixed Assets	Nil
Current Assets	26,111
Liabilities	(13,535)
Total Assets Less Liabilities	<hr style="border: 1px solid black;"/> <u>12,576</u>
Issued Share Capital	100
Reserves	12,476
Shareholders Reserves	<hr style="border: 1px solid black;"/> <u>12,576</u>

**B - List of Creditors**

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**Unsecured Creditors**

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<b>Name</b>	<b>Address</b>	<b>£</b>
HM Revenue and Customs	St Mungos Road, Cumbernauld, Glasgow, G17 1YZ	10,581.00
HM Revenue and Customs	Euston Tower, 286 Euston Road, London, NW1 3UQ	1,913.32
i2 Office	Luminous House, 300 Soth Road, Milton Keynes, MK9 2FR	1,076.04
Melon Interactive	6 & 7 Britten's Court, Clifton Reynes, Olney, Bucks, MK46 5LG	1,260.00
Yahoo UK Ltd	Dept YSM PO Box 4699, 6 Littlehampton Road, Worthing, BN11 9HQ	10,674.92
	<b>Total</b>	<b><u>25,505.28</u></b>

Signature \_\_\_\_\_ Date \_\_\_\_\_



**Purple Rain Media Limited**

**Estimated Deficiency Account  
For the period from 1 November 2010 to 23 February 2012.**

	£	£
Reserves Balance at 31 October 2010		12,476
ASSUMED TRADING PROFIT/(LOSS) FOR THE PERIOD		<u>(35,316)</u>
CREDITORS DEFICIENCY PER STATEMENT OF AFFAIRS		<u>(22,840)</u>