

# Liquidator's Progress Report

# S.192

Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

03609126

Name of Company

Target Entertainment Limited

☒ We

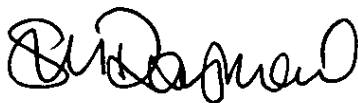
Shay Bannon, 55 Baker Street, London, W1U 7EU

Sarah M Rayment, 55 Baker Street, London, W1U 7EU

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

The Progress Report covers the period from 28/02/2013 to 27/02/2014

Signed



Date

24 APR 2014

BDO LLP  
55 Baker Street  
London  
W1U 7EU

Ref 00184924/JJB/SMR/SEP/CS/JPB/R

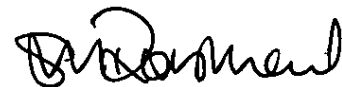
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A02 30/04/2014 #68  
COMPANIES HOUSE

**Target Entertainment Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs	From 28/02/2013 To 27/02/2014
<b>ASSET REALISATIONS</b>	
Book debts	9,011 72
Business Rates Refund	7,176 17
VAT Refund	4,814 28
Administration Surplus	282,633 37
Admin Unbanked Cheques	10,879 63
Bank Interest Net of Tax	265 70
Third Party Funds	136,530 42
	<u>451,311 29</u>
<b>COST OF REALISATIONS</b>	
Third Party Funds	136,530 42
Specific Bond	193 75
Employee Settlement	9,000 00
Administrators Remuneration	NIL
Liquidators' Fees	NIL
Liquidators' Disbursements	NIL
Royalties	18,379 30
Debt Collection Costs	3,602 64
Agents' Fees & Disbs	199 21
Legal Fees & Disbs	3,225 00
IT Services	4,754 84
Storage Costs	3,529 00
Bank Charges	70 00
	<u>(179,484 16)</u>
<b>PREFERENTIAL CREDITORS</b>	
Preferential Hol Pay	20,099 92
	<u>(20,099 92)</u>
	<u><u>251,727.21</u></u>
<b>REPRESENTED BY</b>	
Input VAT	3,371 77
Fixed Current Account	2,351 26
Floating Current Account	246,004 18
	<u>251,727.21</u>



4/ Shay Bannon  
Joint Liquidator



22 April 2014

«NAME»

«A1»

«A2»

«A3»

«A4»

«A5»

Your Ref

Our Ref 1/JPB/Annual Report/A6

Please ask for  
John Buchanan  
020 7893 2352

FAO «CONTACT»

Dear Sirs

Target Entertainment Limited - In Creditors' Voluntary Liquidation

Registered Address:

Registered number: 03609126

Joint Liquidators: Shay Bannon and Sarah M Rayment

Joint Liquidators Address 55 Baker Street, London, W1U 7EU

Date of Appointment: 28 February 2013

I enclose for your information an annual progress report in accordance with Section 104A of the Insolvency Act 1986 and Rule 4.49C of the Insolvency Rules 1986

I also enclose a Receipts and Payments account showing a balance in hand of £248,356.85 for your information

#### Receipts & Payments

The Receipts shown are largely self-explanatory, although I would comment specifically on the following matters

The sum of £282,633.37 was transferred from the preceding Administration. Liabilities incurred during the period of the preceding Administration, not previously settled, are payable from this sum

Cheques unbanked in the preceding administration relating to royalty payments, totalling £10,879.63, have been refunded to the liquidation. The amount of £10,879.63 will be reissued to the relevant producers

Funds of £136,530.42 were received in the liquidation bank account in respect of an EU Media Grant relating to a project which had been terminated prior to Company entering into Liquidation. In accordance with the termination agreement the funds were to be refunded should they be received by the Company. The funds received have now been released

## Progress of the liquidation

### Business Rates Refund

Business Rates refund of £7,176 17 has been realised in the liquidation in respect of the Company's former business premises

### VAT Refund

A pre administration VAT refund of £4,814 has been received

### Book Debts

In the preceding administration the Joint Administrator entered into an agreement with Metrodome Group Plc ("Metrodome") to act as the Company's book debt collection agent. In consideration, Metrodome has been paid an Agency Fees of

10% of the Net Receipts totalling <£400,000

20% of the Net Receipts between £400,000 and £800,000

30% of the Net Receipts > £800,000

Please note that "Net Receipts" are book debts received less the royalties due to the producer or initial rights holder, bank charges, other agents' commission and withholding tax

As at the date of this report book debts of £9,011 72 have been received in the Liquidation bringing the total book debt receipts received in both the Administration and Liquidation to £531,703 69. The quantum of book debts that remain collectable is uncertain due to disputes arising and the provision of material to service existing contracts

### Customers & Contractual Matters

In the preceding Administration the Joint Administrators sought a party to take over whatever right, title and interest the Companies held in the existing distribution and licence agreement catalogue in order that commission may continue to be collected for the benefit of the estate where possible. Due to the nature of the existing contracts it was not possible to effect a simple sale of the Company's catalogues. An agreement was reached with Content Media Corporation International Limited ("Content") which enabled Content to novate existing agreements with the consent of producers

In accordance with the agreement with Content, the Company is due to receive 35% of Content's net receipts, after costs, collected from the acquired contracts

The Joint Liquidators continue to liaise with Content in respect of any sums due to the Company. However, Content have been unable to confirm any net receipts received in respect of agreements novated to date

### Service Charge Refunds

The Joint Liquidators have reviewed amended service charge accounts relating to the Company's former business premises for the periods ending 24 March 2011 and 24 March 2012. The amended service charge accounts indicate that the Company may be due refunds of circa £35,000.

The Joint Liquidators have requested that the funds be remitted to the liquidation. The position is currently under review by the managing agents responsible for the service charge accounts.

#### **Removal & Appointment of Liquidator**

On 15 November 2013, an order was made by the High Court of Justice, Chancery Division, Companies Court in London, No 7490 of 2013 removing Andrew Beckingham as Joint Liquidator of Target Entertainment Limited following his resignation from BDO LLP and appointing Sarah Rayment of BDO LLP as Joint Liquidator of the Company.

#### **Future Prospects**

##### **Secured Creditors**

At the date of the Joint Liquidators appointment Metrodome Group Plc (Metrodome) was owed the sum of £15,552 secured under a fixed and floating charge. This sum has now been paid in full. Please note that the distribution is not reflected on the attached receipts and payments account as the distribution occurred after the period to which this report relates. In addition to the secured debt Metrodome has an unsecured claim in the liquidation of £2,395,462.

##### **Preferential Creditors**

On the 25 June 2013 the Joint Liquidators paid preferential creditors totalling £20,099.92 in full.

In addition to the above the Joint Liquidators paid a settlement of £9,000 in respect of an employment tribunal claim issued by a former employee of the Company.

##### **Unsecured Creditors**

The unsecured claims notified to the Joint Liquidators total approximately £6.5m. A distribution will be made to the unsecured creditors in due course.

##### **Liquidators' Remuneration**

Pursuant to the Insolvency Rules 1986, the Joint Liquidators are obliged to fix their remuneration in accordance with Rule 4.127(2) of the Insolvency Rules 1986. This permits remuneration to be fixed either

- (1) as a percentage of the assets realised and distributed, and/or
- (2) by reference to the time the Joint Liquidators and the staff have spent attending to matters in the liquidation, and/or
- (3) as a set amount, and/or
- (4) as a combination of the above.

The creditors have already approved the Joint Liquidators' remuneration on a time cost basis.

The Joint Liquidators' remuneration has been approved on the basis of time properly spent in dealing with issues in the liquidation. The enclosed schedule analysing the time costs reflects

the time costs accrued to 27 February 2014 of £51,449.60 represented by a total of 171.40 hours, at an average hourly rate of £300.17

#### Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. Disbursements of £414.31 have accrued during the period of the liquidation but have not been drawn.

Liquidators often charge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of a specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn and these are known as category 2 disbursements. The policy of BDO LLP is not to charge any category 2 disbursements.

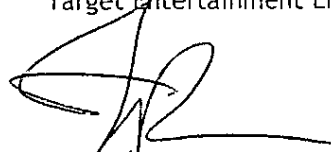
#### Creditors' rights

I provide at the end of this report an extract from the Insolvency Rules 1986 setting out the rights of creditors to request further information and/or challenge the remuneration or expenses within the liquidation.

The Insolvency Service has established a central gateway for considering complaints in respect of insolvency practitioners. In the event that you make a complaint to me but are not satisfied with the response from me then you should visit <http://www.bis.gov.uk/insolvency/contact-us/IP-Complaints-Gateway> where you will find further information on how you may pursue the complaint.

If you require any further information please do not hesitate to contact John Buchanan of my office.

Yours faithfully  
for and on behalf of  
Target Entertainment Limited



S Bannon  
Joint Liquidator  
Licensed to act as insolvency practitioner by the Association of Chartered Certified Accountants

Enc

**Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Liquidators' fees and expenses**

**Rule 4.49E Creditors' and members' request for further information**

(1) If-

- (a) within the period mentioned in paragraph (2)-
  - (i) a secured creditor, or
  - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
  - (iii) members of the company in a members voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or
- (b) with the permission of the court upon an application made within the period mentioned in paragraph (2)-
  - (i) any unsecured creditor, or
  - (ii) any member of the company in a members voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter[s] in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108

(2) The period referred to in paragraph (1)(a) and (b) is-

- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4.108, and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

(3) The liquidator complies with this paragraph by either-

- (a) providing all of the information asked for, or
- (b) so far as the liquidator considers that-
  - (i) the time or cost of preparation of the information would be excessive, or
  - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
  - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information

**Rule 4.131 Creditors' claim that remuneration or other expenses are excessive**

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that-
  - (a) the remuneration charged by the liquidator,

(b) the basis fixed for the liquidator's remuneration under Rule 4 127, or

(c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

(1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days notice but which is without notice to any other party

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

(3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

(4) If the court considers the application to be well-founded, it must make one or more of the following orders-

(a) an order reducing the amount of remuneration which the liquidator was entitled to charge,

(b) an order fixing the basis of remuneration at a reduced rate or amount,

(c) an order changing the basis of remuneration,

(d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,

(e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation



Target Entertainment Limited  
- In Creditors' Voluntary Liquidation

Summary of Joint Liquidators' Receipts And Payments from 28/02/2013 (date of appointment) to  
27/02/2014

RECEIPTS	Total (£)
Book debts	9,011 72
Business Rate Refund	7,176 17
VAT Refund	4,814 28
Funds Transferred From Administration	282,633 37
Administration Unbanked Cheques	10,879 63
Bank Interest Net of Tax	267 11
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PAYMENTS

Third Party Funds	136,530 42
Specific Bond	193 75
Employee Settlement	9,000 00
Royalties	18,379 30
Debt Collection Costs	3,602 64
Agent's Fees & Disbs	199 21
Legal Fees & Disbs	3,225 00
IT Services	4,754 84
Storage Costs	3,529 00
Bank Charges	70 00
Input VAT	3,371 77
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	182,855 93

DISTRIBUTIONS

Preferential creditors paid in full	20,099 92
Balance in Hand	248,356 85
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	431,212 78

BDO LLP  
55 Baker Street  
London  
W1U 7EU

S Bannon & S Rayment  
Joint Administrators  
22 April 2014

**Summary of Time Charged and Rates Applicable for the Period From 28/02/2013 (date of appointment) to 29/02/2014**

GRAND TOTAL		AV RATE
Hours	£	£
5.90	1 935.20	328.00
97.15	31,251.40	321.68
15.85	5 709.05	360.19
42.65	9,914.90	232.47
6.25	1 607.75	257.24
1.80	546.90	304.94
1.80	482.40	268.00

Net Total	171 40	51 449 60	300 17
Other Disbursements		414 31	
Billed		0 00	
Grand Total		51 663 91	