

## The Insolvency Act 1986

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

To the Registrar of Companies

For Official Use

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Company Number

03815052

Name of Company

UK Film Council

I / We  
Malcolm Cohen  
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

Signed



Date

- 9 JUL 2012

BDO LLP  
55 Baker Street  
London  
W1U 7EU

Ref 00172523/MAC/DSC/SMB/DAW/NLT

For Official Use

Insolvency Sect

Post Room

SATURDAY



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COMPANIES HOUSE

**UK Film Council  
(In Liquidation)  
Liquidator's Trading Account**

Statement of Affairs	From 30/06/2011 To 29/06/2012
TRADING EXPENSES	
Insurance	5,590 49
	<u>(5,590 49)</u>
<hr/> TRADING SURPLUS/(DEFICIT)	<hr/> <u>(5,590 49)</u> <hr/>



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2-4 Cockspur Street  
London  
SW1Y 5DH

FAO Louise Sumner

13 July 2012

Your Ref  
Our Ref 7/SMB/UKFC

Please ask for Sharon Bloomfield  
Direct Line 020 7893 2905  
Email sharon.bloomfield@bdo.co.uk

Dear Sir/Madam

#### UK Film Council ("the Company") - In Members' Voluntary Liquidation

I enclose, for your information, an annual progress report for the Company for the period 30 June 2011 to 29 June 2012

#### Receipts and Payments

I enclose for your information a summary of the receipts and payments in the liquidation of the Company. The contents are largely self-explanatory but I would expand as follows

Shortly after my appointment the sum of £2.4m was paid to the British Film Institute ("BFI") under the terms of the transfer agreement between the Company and BFI dated 30 June 2011

The sum of £1.4m was paid to the landlord of the Company's former trade premises at 10 Little Portland Street, London in settlement of the Company's obligations under the lease

BFI had made a contribution to the lease obligation and under the terms of this facility, and should the settlement with the landlord be agreed at less than £1.5m, were entitled to a refund of a third of any amount saved. Accordingly £33,333.33 was paid to BFI in this respect

In September 2010 the Company had entered into a funding agreement with Cross Artform Venues Network Limited ("CAVN"). This agreement was novated to BFI and the sum of £980k was paid to BFI to discharge the remaining funding obligation to CAVN

In order to discharge the above liabilities a contribution of £550k was made by DCMS into the liquidation estate

#### Premises

As outlined above, the Company occupied premises at 10 Little Portland Street, London under the terms of a lease due to expire in March 2015. It was originally intended that a settlement would be reached with the landlord prior to the Company entering liquidation, however, in the event this had not been completed by the date of my appointment

Following advice from my agents, the lease was disclaimed on 28 September 2011. An initial claim of some £2.32m was received from the landlord. Lengthy negotiations ensued and were completed in March 2012 with a settlement of £1.4m being achieved, being a substantial reduction on the original quantum of the landlord's claim

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## Other Matters

My staff and I have been tasked with dealing with a number of significant matters during the liquidation, none of which were envisaged at the time of our initial engagement. These include, but are not limited to, the following

- Obtaining quotes and dealing with the instruction of property agents
- Liaising with said agents regarding the maintenance and security of 10 Little Portland Street
- Dealing with the disclaimer of the property
- Instructing agents regarding the landlord negotiation
- Liaising with the landlord's solicitor, DCMS and agents regarding the landlord negotiations
- Meeting with landlord and reaching settlement
- Dealing with numerous creditor claims and informing third parties of the Company's liquidation
- Update meetings, emails and conference calls with DCMS regarding the above and other matters
- Dealing with CAVN claim, review contract and correspondence, liaison with BFI, arranging receipt from DCMS and payment to BFI
- Ongoing review and liaison with solicitors regarding the Film London contract
- Liaison with DCMS regarding the submission of tax returns

## Tax

I am pleased to report that I have received formal clearance to close the liquidation in respect of VAT from HM Revenue & Customs ("HMRC")

Corporation Tax returns for the pre-liquidation period have been submitted and the liabilities for these periods have been paid. I have very recently received formal clearance from HMRC in this regard.

## Closure of the Liquidation

The majority of matters have now been resolved and I anticipate that I will be in a position to convene the final meeting of the member to close the liquidation in the near future.

## Liquidator's Remuneration

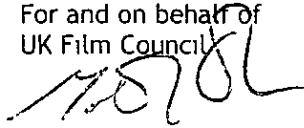
I originally estimated that the Liquidator's fees would be in the region of £24,725, plus disbursements and VAT. However, due to the significant amount of work performed which is out of scope, my time costs for the year total c £107k. I attach a summary of time charged and rates applicable for your information.

As agreed with you, I intend to raise an invoice for £71,452.00 plus VAT and disbursements of £1,681.56 for my costs to 30 March 2012.

As previously advised, I would anticipate that Liquidator's fees in total should not exceed a further £25k plus disbursements and VAT.

Should you have any queries regarding this report or the liquidation in general, please contact Sharon Bloomfield on the above direct line

Yours faithfully  
For and on behalf of  
UK Film Council



Malcolm Cohen  
Liquidator

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**UK Film Council**  
**(In Members' Voluntary Liquidation)**

**Liquidators' Abstract Of Receipts And Payments**  
**For the period 30 June 2011 to 29 June 2012**

<b>RECEIPTS</b>	<b>(£)</b>
Cash at Bank	4,526,607.30
Contribution from DCMS	550,000 00
Rates Refund	9,557 56
Bank Interest Gross	11,043.77
Sundry Refunds	1,730 39
	<hr/>
	5,098,939 02
	<hr/>
<b>PAYMENTS</b>	
British Film Institute - transfer agreement	2,415,083 36
Landlord Settlement	1,400,000 00
British Film Institute - lease settlement	33,333 33
British film Institute - CAVN	980,000 00
Trade & Expense Creditors	108,177 48
Insurance	5,590 49
Securty Costs	861 75
Agent's Fees	82,465 06
Legal Fees	500 00
Corporation Tax	4,246 55
Sundry Liquidation Expenses	1,586 00
Storage Costs	1,203 18
Re-direction of Mail	108 95
VAT Recoverable	17,685 32
	<hr/>
	5,050,841 47
	<hr/>
<b>BALANCE IN HAND</b>	48,097 55
	<hr/>
	5,098,939 02
	<hr/>

Summary of Time Charged and Rates Applicable for the Period From 30 June 2011 to 29 June 2012

<sup>1</sup> This category includes time spent on matters such as taxation and IT recovery

**UK Film Council  
(In Liquidation)  
Liquidator's Abstract of Receipts & Payments**

**Statement  
of Affairs**

**From 30/06/2011  
To 29/06/2012**

**FIXED CHARGE ASSETS**

Security costs	861 75
	(861 75)

**ASSET REALISATIONS**

Cash at Bank	2,111,523 94
Rates refund	9,557 56
Bank Interest Gross	11,043 77
Sundry Refunds	1,730 39
Trading Surplus/(Deficit)	(5,590 49)
Contribution from DCMS	550,000 00
	2,678,265 17

**COST OF REALISATIONS**

Agents/Valuers Fees (1)	82,465 06
Legal Fees (1)	500 00
Corporation Tax	4,246 55
Sundry liquidation expenses	1,586 00
Storage Costs	1,203 18
Re-direction of Mail	108 95
	(90,109 74)

**UNSECURED CREDITORS**

Trade & Expense Creditors	2,521,510 81
	(2,521,510 81)

**65,782 87**

**REPRESENTED BY**

Vat Input	17,735 32
Bank 1 Current	48,097 55
Vat Output	(50 00)
	<b>65,782.87</b>



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Malcolm Cohen  
Liquidator