

## The Insolvency Act 1986

Liquidator's Progress  
Report

S. 192

Pursuant to section 192 of the  
Insolvency Act 1986

To the Registrar of Companies

For official use

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Company Number

04234460

Name of Company

(a) Insert full  
name of company

(a) DIGITAL INTERACTIVE STUDIO CENTRE LIMITED

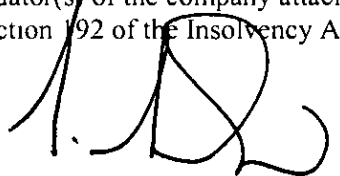
Limited

(b) Insert full  
name(s) and  
address(es)

I/We (b)  
Peter Kubik and Ladislav Hornan of UHY Hacker Young LLP, Quadrant  
House  
4 Thomas More Square  
London  
E1W 1YW

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

Signed



Date

10/09/12

Presenter's name,  
address and  
reference  
(if any)

Ladislav Hornan  
UHY Hacker Young LLP  
Quadrant House  
4 Thomas More Square  
London  
E1W 1YW

L1	WED SATURDAY		
		*A1HZPL9N*	#190
		22/09/2012	
		COMPANIES HOUSE	
A22	WED SATURDAY	*A1HA0TTT*	#241
		12/09/2012	
		COMPANIES HOUSE	

**DIGITAL INTERACTIVE STUDIO CENTRE LIMITED**

**IN CREDITORS' VOLUNTARY LIQUIDATION**

**ANNUAL REPORT**

**14 October 2011**

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## 1. INTRODUCTION

The purpose of this report is to detail my acts and dealings as Joint Liquidator and it should be read in conjunction with my initial report sent to creditors on 20 August 2010.

## 2. BACKGROUND

### REGISTERED NAME, ADDRESS AND NUMBER

Digital Interactive Studio Centre Limited - In Creditors' Voluntary Liquidation ('the Company')

Registered office: Quadrant House, 4 Thomas More Square, London, E1W 1YW

Registered number. 04234460

### APPOINTMENT DETAILS

Ladislav Horman and I were appointed Joint Liquidators of the Company on the 16 August 2010 following meetings of members and creditors of the Company

The Company's principal activity was to provide interactive television and gaming services. The Company's major contract was with NHS Direct for the provision of digital television services for the NHS Direct channel on the BSkyB platform. The main reason for failure was attributed to the expiry of this contract which led to the Company being unable to meet its overheads going forward.

## 3. ASSET REALISATIONS

Please find attached at appendix 1 a summary of the receipts and payments account since the date of my appointment until 15 August 2011. I have provided my brief comments on the realisations for this period below.

### Property, plant and equipment

As per the Statement of Affairs lodged in these proceedings, the property, plant and equipment had a book value of £569,702. Please note that the majority of this figure includes a large amount of investment in to the development and improvement of the lease hold property that was not recoverable

I instructed James Owen & Co, an independent valuation agency, to attend the premises of the Company, carry out a valuation of the assets and assist in the sale of the assets.

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The total estimated to realise value was £39,000 in respect of the following assets; air conditioning unit and generator, office furniture and equipment and technical equipment.

The air conditioning unit and generator had an estimated to realise value of £25,000. Unfortunately due to both these assets being integrated as part of the building that required specialist removal, they did not attract as much interest as initially anticipated. The assets were sold to Mirada Plc, the parent company of Digital Interactive Studio Centre Limited, for a total amount of £20,000 on 2 November 2010.

Payment for these assets was due in November 2010, however, payment was not forthcoming and after a long period of pursuing the purchaser, it was agreed that the outstanding consideration would be paid over two instalments. I received payment of £10,000 in accordance with the agreement in March 2011.

I did not receive the second instalment as agreed with Mirada Plc and I therefore agreed a payment plan to pay the balance in monthly instalments of £2,500. I issued a statutory demand in August 2011 to Mirada Plc for the full amount outstanding when it was once again unable to meet the agreed payments. At the current point in time I have not taken this matter any further as payment of £5,000 was received soon after this action was taken.

During the period that is being reported on I received £10,000 in respect of these assets. As discussed, two instalments totalling £5,000 have been received since 15 August 2011. Two further instalments of £2,500 are due in the last week of October and November respectively. Should the purchaser fail to adhere to the terms of the agreed payment plan, I intend to issue a statutory demand for the full amount outstanding and initiate legal proceedings.

The office furniture and equipment along with the technical equipment had a combined estimated to realise value of £14,000. Due to the age and condition of the assets as well as the fact they were being sold on a break up basis, the estimated to realise value of £14,000 was reduced and the best offer of £11,400 was accepted. I can confirm that this has been received in full.

#### **Book debts**

According to the Statement of Affairs, the book debts had a book value of £120,954. As detailed in the report previously sent to creditors, a total of £114,750 of this amount was due to the Company in respect of the rent deposit. I confirm that the landlord has set off the rent deposit against the outstanding rent arrears and the dilapidations of the property.

The remainder of the book debts were disputed and not recoverable. They have been written off accordingly.

#### **Cash at bank**

The director of the Company was previously under the impression that there was £500 cash at bank. A total sum of £7,448 was recovered from the bank account however £7,149 was paid in to the account in error in respect of a sister company's debtor. Subsequently £7,149 has been repaid to the sister company.

#### **Utility refund**

Please be advised that there was a credit balance on the Company's account with Thames Water. After chasing the debtor for a number of months I can confirm that a total amount of £3,362 has been refunded to the Company.

#### **Bank interest**

A total amount of £25 was received in to the Liquidation account during the year until 15 August 2011.

### **4. INVESTIGATION**

In accordance with the Company Directors Disqualification Act 1986, I have complied with my duties and submitted my return/report to the Department of Business of Innovation and Skills.

Please note that the contents of this return/report are confidential.

### **5. CREDITORS CLAIMS**

#### **Secured creditors**

The Company did not grant any debentures to any third parties.

#### **Preferential creditors**

There were no preferential claims in the Liquidation due to the employees having been transferred to other group companies prior to the Company entering Liquidation

#### **Unsecured creditors**

The unsecured creditors of the Company as per the Statement of Affairs were estimated to be £2,512,741.

Please be advised that a Notice of Intended Dividend was sent to unsecured creditors on 7 October 2011. The last date for proving debts is 18 November 2011. I am still

receiving proof of debts and therefore I am unable to agree the total value of unsecured creditor claims at present.

## **6. DIVIDEND PROSPECTS**

As detailed above, the Company does not have any secured or preferential creditors and therefore net realisations have been made available for a dividend to unsecured creditors

As detailed above a Notice of Intended Dividend was sent to unsecured creditors on 7 October 2011. The last date for declaring the dividend is the 18 January 2012, however I am hopeful the distribution may be processed prior to this date. Please be advised that the dividend will be a first and final dividend.

## **7. COSTS AND EXPENSES**

The payments shown on the receipts and payments account at appendix 1 are in the main self-explanatory. However I have provided a brief narrative on each entry below.

### **Storage costs**

The Company's books and records have been placed in to a secure third party storage facility Accordingly £201 has been paid for this service for the period up to 15 August 2011.

### **Statutory advertising**

In accordance with statutory obligations I advertised our appointment as Joint Liquidators in the London Gazette. A total of £255 has been paid in respect of this service.

### **Insurance of assets**

The assets of the Company were insured upon appointment until they were sold at a total cost of £279

### **Professional fees**

As previously stated James Owen & Co were instructed to assist in achieving a sale of the assets of the Company Their costs were agreed on a percentage basis of realisations and have been paid £3,371 for their services.

### **Refund of bank balance**

As discussed earlier in this report, a total of £7,149 was repaid to a group Company in respect of a incorrect payment in to the Company's bank account.

### **Office holders' fees**

The Joint Liquidators remuneration was drawn in accordance with Insolvency Rules 1986 S4.127(2)(b) on a time cost basis in relation to this assignment, as authorised by creditors at the Section 98 Meeting on the 16 August 2011 in accordance with the following resolution:

"That the Joint Liquidators' remuneration be fixed by reference to time properly given by the Joint Liquidators and their staff in attending to matters arising in the winding up, with authority to draw fees generally on account, as and when funds become available."

The Joint Liquidators' time costs, category 1 and category 2 disbursements for the period 16 August 2010 until 15 August 2011 are detailed at appendix 2, you will note that these total £8,777, £375 and £550 respectively

The Joint Liquidators' time costs totals £8,777 representing 83 hours at an average hourly rate of £83. The sum of £7,505 has been drawn to date.

The Joint Liquidators category 1 disbursements total £375 My category 1 disbursements represent the simple reimbursement of actual out of pocket payments made on behalf of the assignment.

### **Case bonding**

A premium is paid to insure the realisations in the Liquidation against any extraordinary events such as theft A total of £260 has been paid for this cover.

### **Company search fees**

The sum of £15 has been paid to Companies House in respect of using their online company search service required to gather statutory information about the Company

### **Insolv case management fee**

A total of £100 has been paid in respect of the fees incurred for maintaining and supporting the software required to effectively progress and manage the case.

Category 2 disbursements are in respect of overhead charges incurred by the Joint Liquidators in respect of this assignment, for example meeting room and postage costs

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I have not drawn any fees in relation to these costs however approval has been granted by unsecured creditors at the Section 98 meeting on 16 August 2011 in accordance with the following resolution:

"That the Joint Liquidators can recover indirect (Category 2) disbursements, calculated by reference to the rates provided to the meeting."

**8. FURTHER INFORMATION**

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit

**9. CONCLUSION**

I shall be continuing my administration of the Liquidation. Once the outstanding sale consideration has been received and the dividend to unsecured creditors of the Company has been paid, it is my intention to close this case.

If you require any further information please contact Sam Lewis on 020 7767 2617.

  
Peter Kubik  
Joint Liquidator



**Digital Interactive Studio Centre Limited - In Creditors Voluntary Liquidation**  
**Joint Liquidators' Abstract of Receipts & Payments**

**From 16 August 2010 to 15 August 2011**

S of A £	16/08/10 to 15/08/11	Total £
<b>RECEIPTS</b>		
39,000 Property, Plant and Equipment	21,400 00	21,400 00
75,381 Book Debts	NIL	NIL
500 Cash at Bank	7,448 44	7,448 44
NIL Bank Interest Gross	25 24	25 24
NIL Vat Payable	3,995 00	3,995 00
114,881	<u>32,868 68</u>	<u>32,868 68</u>
<b>PAYMENTS</b>		
Office Holders Fees	7,505 00	7,505 00
Storage Costs	201 34	201 34
Statutory Advertising	255 00	255 00
Insurance of Assets	279 34	279 34
Professional Fees	3,371 00	3,371 00
Refund of bank balance	7,148 82	7,148 82
Vat Receivable	2,171 61	2,171 61
	<u>20,932 11</u>	<u>20,932 11</u>
<b>CASH IN HAND</b>	<u>11,936 57</u>	<u>11,936 57</u>

Digital Interactive Studio Centre Limited - In Creditors' Voluntary Liquidation  
Summary of Joint Liquidators' time costs from 15 August 2010 (date of appointment) to 15 August 2011

Classification of work function	Partner Hours	Director Hours	Manager Hours	Asst Manager Hours	Sr Administrator Hours	Administrator Hours	Junior Administrator Hours	Total Hours	Total Cost £	Avg Hourly Rate £
Administration & Planning										
Administrative Set-up	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	60.00	0.00
Appointment Notification	0.00	0.00	0.00	0.00	0.00	0.00	2.50	2.50	200.00	80.00
Case Planning	2.00	700.00	0.00	3.00	458.00	0.00	17.65	22.65	2,607.00	115.10
Maintenance of Records	0.00	0.00	0.00	0.00	0.00	0.00	9.35	9.35	781.00	84.80
Statutory Reporting	0.00	0.00	0.00	0.00	0.00	0.00	4.00	4.00	320.00	80.00
Realisation of Assets										
Debt Collection	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Securing Insurance Assets	3.50	1,277.50	0.00	0.00	0.00	0.00	14.40	17.90	2,485.00	139.39
Property business and asset sales	0.00	0.00	0.40	0.00	0.00	0.00	0.60	1.00	106.00	106.00
Retention of Title	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors										
Communication with Creditors	0.00	0.00	0.00	0.00	0.00	0.00	1.20	1.20	103.00	0.00
Creditors Claims	0.00	0.00	0.00	0.40	62.00	0.00	2.35	2.75	271.00	98.40
Trading										
Investigations										
CDDA Reports	0.00	0.00	0.00	0.90	130.50	0.00	19.60	20.80	1,800.50	86.56
Case Specific Matters Insurance & Pensions Queries										
<b>TOTAL HOURS</b>	<b>5.50</b>	<b>0.10</b>	<b>0.40</b>	<b>4.30</b>	<b>£551.50</b>	<b>£0.00</b>	<b>72.85</b>	<b>83.15</b>	<b>£8,778.50</b>	
<b>TOTAL TIME CHARGED (£)</b>	<b>£1,977.50</b>	<b>£23.00</b>	<b>£56.00</b>	<b>£145.00</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>		<b>£8,778.50</b>	<b>£109.55</b>
Average hourly cost (£)	£0.00	£0.00	£145.00	£0.00	£0.00	£0.00	£0.00			

All figures are shown net of VAT

ANALYSIS OF DISBURSEMENTS Category 2		ANALYSIS OF DISBURSEMENTS Category 1	
Type & Purpose	Cost basis	Type & Purpose	Costs to date £
Stationery / fax / postage / telephone	One off cost of £10 per creditor	Bond	280.00
Internal cost of redundancy/Practitioner's	£5 per annum for 10 years	Search Fees	15.00
Working papers	£5 per annum for 10 years	Insolvent case management fee	100.00
Files and notices	One off cost of £35		
Photocopying (other than to creditors)	10c per sheet		
Internal meeting room cost	£85 per hour		
Mileage (own car usage)	45p per mile		
<b>TOTAL</b>		<b>TOTAL</b>	<b>£375.00</b>

## Standard fee schedule for insolvency services

Effective from 1 October 2011

Grade	Rate £/ per hour
Partners	£315 - £470
Directors	£275
Manager	£175 - £230
Assistant managers	£155 - £160
Senior administrators	£130 - £150
Administrators	£90 - £100
Junior Administrators	£70 - £85

## Other costs

Effective from 1 February 2011

One off cost of £10 per creditor  
One off cost of £3 per debtor  
£5 per annum for 10 years (£50)

One off cost of £35  
10p per sheet  
£65 per hour  
45p per mile

*VAT will be charged on the above disbursements where applicable*