

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company CREATE MEDIA VENTURES LIMITED	Company number 05354574
In the High Court of Justice Chancery Division [full name of court]	Court case number 10531 of 2011

(a) Insert full name(s)
and address(es) of
administrator(s)

I/We (a) N A Bennett & M C Healy of Leonard Curtis, One Great Cumberland Place,
Marble Arch, London W1H 7LW

administrator(s) of the above company attach a progress report for the period

from

to

(b) Insert dates

(b) 15 June 2012

(b) 14 December 2012

Signed

[Signature]
Joint / Liquidator(s)

Dated

21 December 2012

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Leonard Curtis	
One Great Cumberland Place, Marble Arch, London W1H 7LW	
Ref MP/18	Tel 020 7535 7000
DX Number	DX Exchange

ave completed and signed this form please send it to the Registrar of Companies at Companies

in Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



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22/12/2012

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COMPANIES HOUSE

SATURDAY



LEONARD CURTIS
BUSINESS RESCUE & RECOVERY

CREATE MEDIA VENTURES LIMITED
(IN ADMINISTRATION)
Registered Number: 05354574

Joint Administrators' Second Progress Report to Creditors
for the period from 15 June 2012 to 14 December 2012

21 December 2012

Leonard Curtis
One Great Cumberland Place, Marble Arch,
London W1H 7LW
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Ref L/18/MP/SCRE12/1010

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TO: ALL CREDITORS, THE COURT AND THE REGISTRAR OF COMPANIES

1 STATUTORY INFORMATION

1 1 I was appointed Joint Administrator of Create Media Ventures Limited ("the Company") together with M C Healy on 15 December 2011. M C Healy and I are licensed in the UK by the Insolvency Practitioners Association. The appointment of the Joint Administrators ("the Joint Administrators") was made by Vanessa Chapman of New Concordia Wharf, Mill Street, London SE1 2BB, a director of the Company.

1 2 The Administration proceedings are under the jurisdiction of the High Court of Justice under Court reference number 10531 of 2011.

1 3 In accordance with paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 ("the Act"), the function of the Joint Administrators may be exercised by either or both, acting jointly or alone. There have been no changes in office-holder and the initial period of the Joint Administrators' appointment has not been extended.

1 4 The Company was incorporated on 7 February 2005 and commenced to trade immediately. The principal trading address was 91 Berwick Street, London W1F 0NE. The Company's main activity was motion picture and video production. The Company had no employees.

1 5 The Company's registered office was changed from Acre House, 11-15 William Road, London, NW1 3ER to One Great Cumberland Place, Marble Arch, London W1H 7LW following our appointment. The registered number is 05354574.

1 6 On 6 February 2012 we sent a statement of the Joint Administrators' proposals to all creditors of the Company. In accordance with paragraph 52 of Schedule B1 of the Act, a meeting of creditors was not called as we thought that, on the basis of information available at the time, neither of the objectives specified in paragraph 3(1)(a) and (b) of Schedule B1 to the Act could be achieved, namely

(a) Rescuing the Company as a going concern, or (if this could be achieved)

(b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration)

1 7 No meeting of creditors was requisitioned and the proposals were therefore deemed to have been approved on 17 February 2012. There have been no major amendments to, or deviations from, those proposals.

1 8 The Company's main centre of operations is based in the UK. The EC Regulation on Insolvency Proceedings applies and the proceedings are main proceedings under the Regulation.

2 STEPS TAKEN DURING THE ADMINISTRATION AND PROGRESS TO DATE

2 1 This report should be read in conjunction with the Joint Administrators' previous reports dated 6 February 2012 and 25 June 2012.

2 2 Professional agents, GoIndustry DoveBid ("GoIndustry"), were instructed to provide a valuation of the Company's assets and goodwill.

2 3 Solicitors, Taylor Vinters LLP ("Taylor Vinters"), were instructed to provide legal advice on matters relating to the Administration, including preparation of a Sale and Purchase agreement and Deeds of Release for the secured chargeholders

2 4 **Sale of subsidiaries' shares**

2 4 1 As previously reported, a sale of the shares in subsidiaries was completed on 2 February 2012, full details of which were included in my report date 25 June 2012

2 4 2 The sale consideration of £60,000 has been received

2 5 **Cash at Bank**

We received £918 from HSBC Bank plc

2 6 **VAT Refund**

We received a pre-appointment refund of £34,301 from HM Revenue & Customs. We have queried a deduction of £3,200, in relation to penalty charges levied

2 7 **Secured Creditors**

2 7 1 Chapter Media Limited ("Chapter Media") hold a debenture dated 5 October 2006 incorporating fixed and floating charges over the assets of the Company. At the time of our appointment Chapter Media were owed £1,000,000 and have been repaid £46,003 in relation to its security. Chapter Media will suffer a significant shortfall

2 7 2 Mr Martin Bowley ("MB") holds a Legal Charge dated 15 March 2007 incorporating fixed and floating charges over the assets of the Company and at the date of our appointment was owed £105,000

2 7 3 Dr Edward Wojakowski ("EW") holds a Legal Charge dated 19 April 2007 incorporating fixed and floating charges over the assets of the company and at the date of our appointment was owed £698,000

2 7 4 There are no funds available to be distributed to either MB or EW

2 8 **Preferential Claims**

There are no preferential claims

2 9 **Prescribed Part**

The Act provides that, where a company has created a floating charge after 15 September 2003, we must make a prescribed part of the Company's net property available to the unsecured creditors. This would apply to the floating charge in favour of Chapter Media as the net property, after costs, exceeds the statutory minimum of £10,000 and the provision will therefore apply

2 10 **Unsecured Claims**

All unsecured non-preferential claims will be subject to agreement by the Liquidator. Based on present information, it is likely that funds will become available to distribute to creditors by virtue of the prescribed part

2 11 Investigations

- 2 11 1 We have complied with our statutory obligations under the Company Directors Disqualification Act 1986 and a report has been submitted to the appropriate authority
- 2 11 2 We have carried out enquires that we considered to be proportionate to the circumstances of the case. After completing these we were of the opinion that there were no matters that might lead to recoveries for the estate and that no further investigation was appropriate
- 2 12 Attached as Appendix A is a summary of the Joint Administrators' receipts and payments account for the period of the Administration from 15 December 2011 to 14 December 2012. This shows what assets of the Company were realised and for what value and what payments were made to creditors or others
- 2 13 It also shows details of expenses incurred and paid during the period of this report
- 2 14 In addition, the following expenses were incurred during the Administration (excluding category 2 disbursements (see below) , including the period of this report, irrespective of whether payment was made in respect of them. Where exact sums are not available the figures have been estimated

Nature of Expenses	Incurred This Period £	Incurred To Date £	Paid £	Unpaid £
Joint Administrators' Fees	14,179 50	45,155 50	22,500 00	22,655 50
Total	14,179 50	45,155 50	22,500 00	22,655 50

- 2 15 No monies have been paid to unsecured creditors by virtue of the application of Section 176A of the Act (prescribed part)

3 ACHIEVING THE PURPOSE OF ADMINISTRATION

- 3 1 As advised in our previous reports the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives
- (a) rescuing the Company as a going concern, or (if this cannot be achieved)
 - (b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration), or (if (a) and (b) cannot be achieved)
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors
- 3 2 We are obliged to perform our functions in the interests of the Company's creditors as a whole and, where the objective of the Administration is to realise property in order to make a distribution to secured or preferential creditors, we have a duty not to unnecessarily harm the interests of the creditors as a whole
- 3 3 It was not possible to achieve the first objective. The Company's assets have been sold, as a consequence of which there is no business to rescue as a going concern
- 3 4 In our opinion it will be possible to achieve the second objective, since funds will be available to enable a distribution to ordinary unsecured creditors by virtue of a prescribed part

3 5 We are of the opinion that the third objective has also been achieved as a distribution has been made to Chapter Media

3 6 The Administration was financed by monies received from asset realisations

4 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

4 1 The Joint Administrators' proposals, as approved, stated that "The Joint Administrators think that the Company will have insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of Section 176(A)(2)(a) of the Insolvency Act 1986 (prescribed part, if any)"

4 2 In view of this the Joint Administrators' remuneration is required to be fixed with the approval of

- (a) each secured creditor of the Company and, if we have made or intend to make a distribution to preferential creditors,
- (b) preferential creditors whose debts amount to more than 50% of the preferential debts of the Company, disregarding debts of any creditors who do not respond to an invitation to give or withhold approval

4 3 In accordance with the provisions of Rule 2.106(2) of the Insolvency Rules 1986 it may be fixed either as a percentage of the assets realised and distributed in the Administration, as a set amount or by reference to the time spent

4 4 In this case, as there were no preferential creditors, only the secured creditors were requested to approve the last mentioned Chapter Media gave their approval. Despite requests, EW and MB have not indicated their approval or otherwise to my request and, in normal circumstances, it would therefore become necessary for the Administrators to make an application to the Court for the basis to be fixed

4 5 As I was however mindful that the costs of any such application would ultimately be borne by Chapter Media, I sought the advice of an independent compliance specialist as to the correct course of action. His view was that such an application would be an unnecessary financial burden on Chapter Media and that the spirit and intent of the legislation has been complied with as both EW and MB had been given ample opportunity to raise any objection as to quantum

4 6 As advised in our previous report dated 25 June 2012 the Joint Administrators' time costs at 14 June 2012 were £30,976.00. Thereafter further costs of £14,179.50 were incurred. The total costs are summarised at Appendix B and comprise 175.20 hours at an average rate of £257.74 per hour. In accordance with the approval given, £22,500 was paid on account of these costs. We agreed with the secured creditor, Chapter Media to write off the balance of our remuneration

4 7 Further details of the Joint Administrators' charge out rates and policy regarding recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix C

4 8 Creditors also approved the basis upon which the Joint Administrators recharge internal disbursements that include an element of allocated costs. These are known as Category 2 costs and the basis of the calculation of their recharge is also attached at Appendix C. Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as "category 1 disbursement". Category 1 disbursements will generally comprise items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses incurred by

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personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and storage

- 4.9 In this case the following Category 2 costs have been incurred during the Administration and, where indicated, reimbursed to my company

Type	Incurred This Period £	Incurred To Date £	Paid £	Unpaid £
Internal photocopying @ 10p per copy	3.40	51.40	51.40	-
General stationery, postage, telephone etc @ £100 per 100 creditors/ members or part thereof	-	-	-	-
Room hire @£100 per meeting	-	-	-	-
Storage of office files (6 years) £88.75 per box	-	-	-	-
Car Mileage @45p a mile	-	-	-	-
Other	-	-	-	-
Total	3.40	51.40	51.40	-

- 4.10 On this assignment the Joint Administrators used the following professional advisors, including subcontractors

Name of Professional Advisor	Service Provided	Basis of Fees
Taylor Vinters LLP	Legal Advice	Time Costs
GoIndustry DoveBid	Valuation Advice	Time Costs
11 Stone Buildings	Legal Advice	Time Costs

- 4.11 Details of our company's charge out rates and policy regarding recharge of disbursements, staff allocation, support staff and the use of subcontractors are attached at Appendix C. Further information may be found in "A Creditors Guide to Administrators' Fees". This is available from our office free of charge or may be downloaded from www.leonardcurtis.co.uk/resources/creditorsguides

5 PRE-ADMINISTRATION COSTS

- 5.1 On 16 May 2012 the following amounts in respect of pre-administration costs were approved by Chapter Media

Charged by	Services provided	Total approved £	Amount paid £	Amount Unpaid £
Leonard Curtis	Meetings with directors, assessing that Administration was the appropriate route, instructing agents and liaising re sale of the business	6,615.00	Nil	6,615.00
GoIndustry DoveBid	Valuation of business and assets	5,000.00	2,500.00	2,500.00

6 CREDITORS' RIGHTS

- 6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report

6 2 Within 14 days of receipt of the request, the Joint Administrators must provide all of the information asked for, except so far as they consider 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 Administration or might reasonably be expected to lead to violence against any person, or
- iii) we are subject to an obligation of confidentiality in respect of the information

The Joint Administrators must also give reasons for not providing all of the information

6 3 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to Court on the grounds that the basis fixed for the Joint Administrators' remuneration, the remuneration charged or the expenses incurred by the Joint Administrator as set out in this progress report are excessive

7 EXTENSION OF ADMINISTRATION

7 1 The appointment of the Joint Administrators ceases to have effect at the end of the period of one year beginning with the date on which it takes effect

7 2 However, it is possible to extend the period of the Joint Administrators' term of office for a specified period not exceeding six months with the consent of creditors

7 3 In this case the Joint Administrators did not seek an extension

8 FURTHER ASSETS TO BE REALISED

The only remaining asset to be realised is a pre-appointment VAT refund deducted of £3,200

9 OTHER RELEVANT INFORMATION AND OUTCOME FOR CREDITORS

9 1 The automatic deadline for the Administration to end is 14 December 2012

9 2 There are no preferential claims

9 3 Based on current information, the Joint Administrators think that there will be insufficient funds to be passed to a Liquidator to enable a dividend, or dividends, to be declared to ordinary unsecured creditors other than by virtue of Section 176(A)(2)(a) of the Insolvency Act 1986 (prescribed part)

9 4 Formal Notice was sent to the Registrar of Companies to move the Company from Administration into Creditors' Voluntary Liquidation on 6 December 2012

Create Media Ventures Limited – In Administration

Creditors requiring further information should contact my office, in writing. Electronic communications should also contain a full postal address.

for and on behalf of
CREATE MEDIA VENTURES LIMITED



N A BENNETT
Joint Administrator

Licensed in the UK by the Insolvency Practitioners Association

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as agents of the Company without personal liability.

**Summary of Joint Administrators' Account of Receipts and Payments
from 15 December 2011 to 14 December 2012**

	Statement of Affairs £	Previously Reported		This Period 15/06/2012 to 14/12/2012		£
		Fixed £	Floating £	Fixed £	Floating £	
RECEIPTS						
Shares in Subsidiaries	60,000	60,000 00	-	-	-	60,000 00
VAT Refund	37,501	-	-	-	34,301 04	34,301 04
Balance at Bank	919	-	918 65	-	-	918 65
	<u>98,420</u>	<u>60,000 00</u>	<u>918 65</u>	<u>-</u>	<u>34,301 04</u>	<u>95,219 69</u>
Costs Order Award		-	3,250 00	-	-	3,250 00
Bank Interest Gross		13 05	-	18 64	0 48	32 17
		<u>60,013 05</u>	<u>4,168 65</u>	<u>18 64</u>	<u>34,301 52</u>	<u>98,501 86</u>
PAYMENTS						
Solicitors' Fees and Expenses		9,770 10	3,250 00	-	-	13,020 10
Pre-appointment costs		2,500 00	-	6,615 00	-	9,115 00
Statutory Advertising		-	76 50	-	-	76 50
IT Licence Fee		-	75 00	-	-	75 00
Bordereau Fee		-	25 00	-	-	25 00
Storage		-	15 00	-	2 00	17 00
Postage and Photocopying		-	98 91	-	19 78	118 69
Sundry Disbursements		-	77 00	-	10 00	87 00
Joint Administrators' Remuneration - on account		-	-	10,000 00	12,500 00	22,500 00
VAT		462 70	54 30	(462 70)	2,445 70	2,500 00
		<u>12,732 80</u>	<u>3,671 71</u>	<u>16,152 30</u>	<u>14,977 48</u>	<u>47,534 29</u>
DISTRIBUTIONS						
Secured Creditor- Chapter Media Limited		25,000 00	-	6,146 59	14,856 78	46,003 37
		<u>22,280 25</u>	<u>496 94</u>	<u>(16,133 66)</u>	<u>19,324 04</u>	<u>4,964 20</u>

Create Media Ventures Limited
(In Administration)

Summary of Joint Administrators' Time Costs from 15 December 2011 to 14 December 2012

	Director		Senior Manager		Manager 1		Manager 2		Administrator 1		Administrator 4		Total		Average	
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Hourly Rate £	Hourly Rate £
Statutory & Review	30	1,325 00	11	385 00	7	227 50	89	2,536 50	37	740 00	-	-	174	5,214 00	299 66	299 66
Receipts & Payments	-	-	5	175 00	-	-	75	2,137 50	40	800 00	1	13 50	121	3,126 00	258 35	258 35
Insurance	-	-	-	-	-	-	-	-	3	60 00	-	-	3	60 00	200 00	200 00
Assets	40	1,800 00	182	6,370 00	-	-	42	1,197 00	259	5,180 00	-	-	523	14,547 00	278 15	278 15
Liabilities	-	-	3	105 00	-	-	2	57 00	55	1,100 00	-	-	60	1,262 00	210 33	210 33
Debenture Holder	10	450 00	6	210 00	-	-	29	826 50	105	2,100 00	-	-	150	3,586 50	239 10	239 10
General Administration	-	-	-	-	23	747 50	29	826 50	36	720 00	10	100 00	98	2,394 00	244 29	244 29
Appointment	10	450 00	10	350 00	-	-	-	-	50	1,000 00	-	-	70	1,800 00	257 14	257 14
Post Appointment Creditor Reporting	40	1,725 00	35	1,239 00	10	325 00	148	4,218 00	94	1,880 00	114	1,539 00	441	10,926 00	247 76	247 76
Investigations	-	-	-	-	-	-	-	-	112	2,240 00	-	-	112	2,240 00	200 00	200 00
Total	130	5,760 00	252	8,834 00	40	1,300 00	414	11,799 00	791	15 820 00	125	1,652 50	1,752	45,155 50		
Average Hourly Rate (£)		442 31		350 56		325 00		285 00		200 00		132 20		257 74		

Create Media Ventures Limited
(In Administration)

Summary of Joint Administrators' Time Costs from 15 June 2012 to 14 December 2012

	Director		Senior Manager		Manager 2		Administrator 4		Total		Average	
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Hourly Rate £	Hourly Rate £
Statutory & Review	10	425 00	-	-	59	1,881 50	-	-	69	2,106 50	305 29	305 29
Receipts & Payments	-	-	-	-	73	2,080 50	1	13 50	74	2,094 00	282 97	282 97
Assets	-	-	-	-	38	1,083 00	-	-	38	1,083 00	285 00	285 00
Liabilities	-	-	-	-	2	57 00	-	-	2	57 00	285 00	285 00
Debenture Holder	-	-	-	-	29	826 50	-	-	29	826 50	285 00	285 00
General Administration	-	-	-	-	29	826 50	-	-	29	826 50	285 00	285 00
Post Appointment Creditor Reporting	30	1,275 00	4	154 00	148	4,218 00	114	1,539 00	296	7,186 00	242 77	242 77
Total	40	1,700 00	4	154 00	378	10,773 00	115	1,552 50	537	14,179 50		
Average Hourly Rate (£)		425 00		385 00		285 00		135 00		299 88		

All Units are 6 minutes

CHARGE OUT RATES AND POLICY REGARDING STAFF ALLOCATION, SUPPORT STAFF, THE USE OF SUBCONTRACTORS AND THE RECHARGE OF DISBURSEMENTS

The following information relating to the policy of Leonard Curtis is considered to be relevant

Charge out Rates

With effect from 7 May 2012 the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis

	Previous Rates			New Rates	
	Standard £	Complex £		Standard £	Complex £
Director	450	563	Director	425	531
Associate Director	350	438	Senior Manager	385	481
Senior Manager	325	406	Manager 1	330	413
Manager 1	250	313	Manager 2	285	356
Manager 2	200	250	Administrator 1	230	288
Manager 3	175	219	Administrator 2	210	263
Senior Administrator	150	188	Administrator 3	190	238
Administrator	100	125	Administrator 4	135	169
Support	0	0			

Staff Allocation, Support Staff and the Use of Subcontractors

We take an objective and practical approach to each assignment which includes active director involvement from the outset. Other members of staff will be assigned on the basis of experience and specific skills to match the needs of the case. Time spent by secretarial and other support staff on specific case related matters, e.g. report despatching, is charged. Details of any subcontractor(s) used are given in the attached report.

Professional Advisors

Details of any professional advisor(s) used are given in the attached report. Unless otherwise indicated the fee arrangement for each will be based on hourly charge out rates, which are reviewed on a regular basis, together with the recovery of relevant disbursements.

The choice of professional advisors will be based around a number of factors including, but not restricted to, their expertise in a particular field, the complexity or otherwise of the assignment and their geographic location.

Disbursements

Specific expenditure relating to the administration of a particular case is recoverable without approval and is referred to as a "category 1 disbursement". Category 1 disbursements will generally comprise supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses, including incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Where we propose to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, documents storage or communication facilities provided by us) they must be disclosed and be authorised by those responsible for approving the joint administrators' remuneration. Such expenditure is referred to as a "category 2 disbursement". The following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision:

Internal photocopying	10p per copy
General stationery, postage, telephone etc	£100 per 100 creditors/ members or part thereof
Room Hire	£100
Storage of office files (6 years)	£88.75 per box
Car Mileage	45p a mile