

Liquidator's Progress Report

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

S. 192

To the Registrar of Companies

Company Number

05654941

Name of Company

(a) Insert full name
of company

(a) FILM24 LIMITED - IN LIQUIDATION

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

I ^(b)Stephen Katz of David Rubin & Partners LLP, 26 - 28 Bedford Row,
London, WC1R 4HE

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 9 June 2011 to 8 June 2012

Signed



Date

24/7/12

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

David Rubin & Partners LLP
26 - 28 Bedford Row
London WC1R 4HE

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IN THE MATTER OF
FILM24 LIMITED - IN LIQUIDATION

AND
THE INSOLVENCY ACT 1986

**THE LIQUIDATOR'S SECOND ANNUAL PROGRESS REPORT
PURSUANT TO SECTION 104A OF THE INSOLVENCY ACT 1986
AND
RULE 4.49C OF THE INSOLVENCY RULES 1986
FOR THE YEAR ENDED 8 JUNE 2012**

FILM24 LIMITED - IN LIQUIDATION
Annual Progress Report pursuant to Section 104A of the Insolvency Act 1986

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(a) Introduction

The Company was placed into liquidation by a Special Resolution of the members followed by a meeting of the creditors convened under section 98 of the Insolvency Act 1986 on 9 June 2010. This report provides an update on the progress in the liquidation for the year ended 8 June 2012.

Rule 4.49C-CVL(5): Progress Report

(b) Statutory Information

Company name	Film24 Limited
Registered office	26 - 28 Bedford Row, London, WC1R 4HE
Company number	05654941
Trading address	Pinewood Studios, Pinewood Road, Iver Heath, Buckinghamshire SL0 0NH

(c) Liquidator's name and address:

Stephen Katz of David Rubin & Partners LLP, 26 - 28 Bedford Row, London, WC1R 4HE was appointed Liquidator of the Company on 9 June 2010.

(d) Basis of Liquidator's Remuneration

- 1.1 At the first meeting of Creditors a resolution was passed approving that the basis of my remuneration as Liquidator be fixed by reference to the time properly spent by my staff and myself in attending to matters arising in the winding-up.
- 1.2 In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), a schedule of my firm's charge-out rates was issued to creditors at the time the basis of the Liquidator's remuneration was approved. Our hourly chargeout rates, exclusive of VAT, for the period ended 31 October 2011 were as follows:

	£
Partners/Office Holders	300 - 395
Managers/Senior Managers	220 - 260
Administrators/Senior Administrators	110 - 140
Cashiers and Assistants	100 - 120

Chargeout rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance.

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Rates for the period 1 November 2011 onwards have been revised as follows

	£
Partners/Office Holders	300 - 395
Managers/Senior Managers	250 - 295
Senior Administrators	180 - 220
Administrators	130 - 160
Support	110 - 120

1 3 *Staff allocation and the use of subcontractors*

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team will usually consist of a Partner, Manager, Senior Administrator and two Administrators. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

We have not utilised the services of any subcontractors in this case.

(e) **Liquidator's remuneration**

My time costs for the year under review are £4,706.50. This represents 30.24 hours at an average rate of £154.82 per hour. I attach at Appendix B a Time Analysis which provides details of the activity during the year, analysed by staff grade.

I have also reviewed my cumulative time costs for the period from 9 June 2010 to 8 June 2012 and would report that my total time costs are £31,705.50 for 171.54 hours, which equates to an average cost of £184.44 per hour. A breakdown of my time charges is also set out in Appendix B.

To date £22,989 has been paid on account of these time costs.

To view an explanatory note concerning Liquidator's remuneration issued by the Joint Insolvency Committee, please visit the Publications folder on our website at www.drpartners.com/cases, using the following log-on details:

USERNAME f911_fil@sharesrvr.com PASSWORD lhf119F*

Alternatively, please contact this office to arrange for a copy to be sent to you.

Included in the work undertaken by me and my staff is the following -

- i Dealing with creditors' enquiries both by correspondence and by telephone and noting their claims and distributing a first and final dividend to unsecured creditors
- ii Agreeing preferential claims and paying a preferential dividend

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- iii Carrying out all necessary investigations, including the examination of the Company's statutory books and books of accounts and records in order to enable me to prepare and submit a Liquidator's report on the conduct of the directors pursuant to the requirements of the Company Directors Disqualification Act 1986
- iv Preparation and circulation of my annual progress reports and Receipts and Payments Account to creditors pursuant to S104A of the Insolvency Act 1986 and submission of same to the Registrar of Companies
- v Dealing with all matters relating to book debts, including correspondence and telephone attendances with the debtors
- vi Reaching a settlement with Media Icon in respect of the debt it owed to the Company
- vii Dealing with matters relating to the VAT refund due to the Company
- viii Correspondence with the Company's banks, requesting information
- ix Dealing with unclaimed dividends
- x Dealing with residual tape stock

(f) Liquidator's Expenses

Expenses incurred in the liquidation are explained at (g) below in my comments on the Receipts and Payments Accounts

(g) Details of progress for the period under review:

A Receipts and Payments Account is attached at Appendix A, which is further explained below

1. Receipts

1.1 Furniture and Equipment

The amount of £780 00 plus VAT was received for the sale of the Company's office furniture and computers. This figure was based on the forced sale valuation received from our agents Phillip Davies & Sons. The furniture and equipment was sold to Goldfinn Limited, which is an associated company by virtue of the companies having a mutual director.

1.2 Stock

The Company's stock comprised of a large quantity of used tapes. The stock was sold for £970 00 plus VAT to Goldfinn Limited and was in line with Phillip Davies & Sons' forced sale valuation.

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1.3 Book Debts

This relates to monies received from Media Icon in settlement of a dispute in respect of monies owed by Media Icon to the Company

1.4 Website, Goodwill and IPR

Phillip Davies & Sons open market valuation of the Company's website, goodwill and IPR was between £10,000 and £15,000. These assets were subsequently sold to Goldfinch Limited for the sum of £11,750.00 plus VAT.

1.5 VAT Refund

The amount of £50,317.71 was received in respect of a VAT refund, which was held in our client account and transferred to the current account upon my appointment as Liquidator.

A further £18,753.23 was due to the Company in respect of a further VAT reclaim. However, I can advise that this amount has been set-off against HM Revenue & Customs's claim in the liquidation in respect of PAYE.

1.6 Cash held on appointment

The amount of £56,192.71 was held by my firm, prior to my appointment as Liquidator, specifically for the purposes of meeting the costs of the Statement of Affairs fee as detailed below. As detailed above, £50,317.71 was received in respect of a VAT refund and has been allocated accordingly. A further £5,875 was received from the director of the Company as a bond which was held in our client account. This amount was repaid to the director as the asset realisations were sufficient to meet the costs of the liquidation.

1.7 Cash at Bank

The Estimated Statement of Affairs ("ESOA") disclosed cash at bank with an estimated to realise value of £500. However, Barclays Bank Plc has advised us that the balance at the date of Liquidation was £616.89 overdrawn. HSBC Bank Plc have yet to provide us with the final statement.

1.8 Bank Interest Gross

Interest earned on the funds in hand amount to £176.38.

2. Payments

2.1 Preparation of Statement of Affairs

This fee relates to the assistance given to the directors of the Company in notifying and convening the members and creditors meeting under section 98 of the Insolvency Act 1986, and the preparation of the statement of affairs and directors' report to creditors. This fee was approved at the first meeting of creditors.

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2.2 Office Holder's Fees

The basis of my remuneration is set out at (d) and (e) above To date, I have drawn fees of £22,989 00

2.3 Agent's/ Valuer's fees

The amount of £2,730 01 plus VAT was paid to Messrs Davies & Sons in respect of their fees and disbursements for providing the valuation of the Company's assets comprising of plant and machinery, office furniture, computer equipment, intellectual property and stock and assisting in the sale thereof Phillip Davies & Sons received an offer for the Company's assets from Goldfinn Limited, a connected party, in the sum of £12,000 00 However, the agents managed to negotiate an increase to £13,500 00 plus VAT There is no amount outstanding in respect of agent's fees

2.4 Statutory Advertising

This represents the costs for the publishing of statutory advertising in the London Gazette in respect of the first and final meeting of the members and creditors, the notice of the appointment of the liquidator and to creditors to submit their claims in the liquidation

2.5 Legal Fees

The amount of £3,908 95 plus VAT was paid to solicitors Squire, Sanders & Dempsey for the legal services they provided in respect of the dispute between the Company and Media Icon Squire, Sanders and Dempsey successfully reached an out of court settlement with Media Icon whereby the latter has paid the Company the amount of £25,638 81 by installment There is no amount outstanding in respect of legal fees

Squire, Sanders & Dempsey have a specialist Insolvency department and they were chosen on that basis after taking into account the size and complexity of the legal issues Squire, Sanders & Dempsey charge their fees on a time cost basis and they have provided me with an analysis of the time they have spent in relation to this matter

2.6 Corporation Tax

The amount of £36 96 has been paid to HM Revenue & Customs in respect of Corporation Tax for the period 9 June 2010 to 8 June 2011

2.7 Statutory costs

The amount of £18 was paid in respect of fees for various searches and information obtained from Companies House

2.8 Specific Bond

The specific bond is the cost of insurance, based on the level of realisations by the Liquidator, as required by the Insolvency Practitioners Regulations 2005

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2.9 Meeting Costs

The first meetings of members and creditors were held at my offices for which my firm charged a nominal rental of £150 plus VAT for the provisions of the boardroom and ancillary facilities

(h) Details of any assets that remain to be realised

All assets have been realised. The Company owned a large amount of tape stock. Various enquiries were made in this regard, however, we were unable to find a purchaser and in fact the company was potentially liable for destruction costs. Accordingly, the tape stock was abandoned.

(i) Investigations

1.1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS). As this is a confidential report, I am not able to disclose the contents.

(j) Creditors' rights – Rule 4.49E and Rule 4.131

- i) 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 Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report.
- ii) 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 Liquidator's remuneration, the remuneration charged or the expenses incurred by the Liquidator as set out in this progress report are excessive.

(k) Any other relevant information:

(i) Preferential creditors

I received a preferential claim from the Redundancy Payments Office for £9,707.37. There were also preferential claims from 4 employees who were owed the balance of their holiday pay amounting to £5,163.39. A preferential dividend of 100p in the £ was declared on 31 May 2011.

(ii) Unsecured creditors

The claims of 41 unsecured creditors have been noted when received. A first and final dividend of 0.78p in the £ was declared on 31 May 2011 and subsequently paid to unsecured creditors, whose claims were agreed.

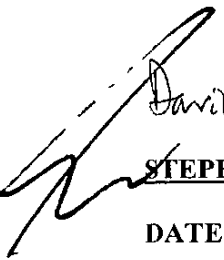
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(l) Next Report

I am required to provide a further report on the progress of the liquidation within two months of the end of the next anniversary of the liquidation, unless I have concluded matters prior to that, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors. I can advise that there are no outstanding matters to address and the case will be closed shortly.

I trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact Emma Struben at this office.



David Rubin & Partners

STEPHEN KATZ - LIQUIDATOR

DATE: 20 July 2012

FILM24 LIMITED - IN LIQUIDATION
LIQUIDATOR'S RECEIPTS AND PAYMENTS ACCOUNT
FROM 9 JUNE 2010 TO 8 JUNE 2012

	<u>Estimated</u> <u>to realise</u> £	<u>Realised</u> <u>to-date</u> £	<u>Y/E</u> <u>08-Jun-12</u> £
Balance Brought Forward			2,618 00
<u>Receipts</u>			
Furniture & Equipment	780 00	780 00	-
Stock	970 00	970 00	-
Book Debts	28,295 80	25,638 81	-
Website Goodwill & IPR	Uncertain	11,750 00	-
VAT Refund	18,650 73	50,317 71	-
Cash held on Appointment	56,192 71	-	-
Cash at Bank	<u>500 00</u>	-	-
Unclaimed dividend		2 04	2 04
Bank Interest Gross		257 53	81 15
		<u>89,716 09</u>	<u>2,701 19</u>
<u>Payments</u>			
Statement of affairs fee		7,500 00	-
Office Holder's Fees		22,989 00	-
Agents/Valuers Fees		2,730 01	-
Statutory Advertising		302 40	-
Legal Fees		3,908 95	-
Corporation Tax		36 96	36 96
Statutory Costs		18 00	-
Specific Bond		420 00	-
Meeting Costs		<u>150 00</u>	-
		38,055 32	36 96
<u>Dividends</u>			
Preferential dividend of 100p in the £		14,870 76	-
Unsecured dividend of 0 78p in the £		34,125 78	-
Receipts less Payments		<u>2,664 23</u>	<u>2,664 23</u>
Represented by:-			
Balance at bank			969 47
VAT Receivable			1,694 76
			<u>2,664 23</u>
Stephen Katz			
Liquidator			

APPENDIX B

FILM 24 LIMITED - IN LIQUIDATION LIQUIDATOR'S TIME COSTS FOR THE YEAR ENDED 8 JUNE 2012 SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Managers / Senior Managers	Administrators/ Senior Administrators	Cashiers	Total hours		
Statutory compliance, admin and planning	00 06	02 36	15 48	03 12	21 42	3,061 50	141 08
Realisations of assets	00 06	02 12	00 00	00 00	02 18	610 00	265 22
Creditors	00 12	00 48	05 24	00 00	06 24	1,035 00	161 72
Total hours and costs	00 24	05 36	21 12	03 12	30 24	4,706 50	154 82

LIQUIDATOR'S CUMULATIVE TIME COSTS FOR THE PERIOD 9 JUNE 2010 TO 8 JUNE 2012 SIP 9 TIME SUMMARY							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Managers / Senior Managers	Administrators/ Senior Administrators	Cashiers	Total hours		
Statutory compliance, admin and planning	00 42	09 48	41 42	13 42	65 54	8,965 50	136 047041
Investigations	00 12	00 00	05 42	00 06	06 00	715 00	119 17
Realisations of assets	10 00	38 06	00 42	00 00	48 48	12,475 00	255 64
Creditors	04 42	19 36	26 54	00 00	51 12	9,550 00	186 52
Total hours and costs	15 36	67 30	75 00	13 48	171 54	31,705 50	184 44

The above headings include *inter alia*

Administration and Planning

case planning
appointment notification
maintenance of records
statutory reporting and compliance
tax and VAT

Realisation of Assets

identifying and securing assets
debt collection
property, business and asset sales

Investigations

SIP2 review
reports pursuant to Company Directors Disqualification Act 1986
investigating antecedent transactions

Creditors

communications with creditors
creditors claims (including secured creditors employees and preferential creditors)

Direct expenses ("Category 1 disbursements")

Category 1 disbursements as defined by SIP 9 which can be specifically identified as relating to the administration of the case will be charged to the estate at cost with no uplift. These include but are not limited to such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Indirect expenses ("Category 2 disbursements")

It is normal practice to also charge the following indirect disbursements ("Category 2 disbursements" as defined by SIP 9) to the case, where appropriate.

Postage and stationery circulars to creditors

Headed paper	25p per sheet	Envelopes	25p each
Photocopying	6p per sheet	Postage	Actual cost

Meeting Costs Use of Meeting Room is charged at £150 per session

Storage and Archiving

We use a commercial archiving company for storage facilities for company's records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £30 per hour.

Mileage incurred as a result of any necessary travelling is charged to the estate at the HM Revenue & Customs approved rate, currently 45p per mile.