

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 3 8 9 1 3 0 1

Company name in full Digital Television Systems Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Gavin

Surname Savage

3 Liquidator's address

Building name/number 2/3 Pavilion Buildings

Street Brighton

Post town East Sussex

County/Region

Postcode B N 1 1 E E

Country

4 Liquidator's name ①

Full forename(s) Lee

Surname De'ath

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Town Wall House

Street Balcerne Hill

Post town Colchester

County/Region Essex

Postcode C O 3 3 A D

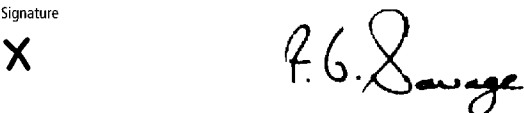

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report											
From date	^d 2	^d 5	^m 0	^m 2	^y 2	^y 0	^y 2	^y 1				
To date	^d 2	^d 4	^m 0	^m 2	^y 2	^y 0	^y 2	^y 2				
7	Progress report											
<input checked="" type="checkbox"/> The progress report is attached												
8	Sign and date											
Liquidator's signature	Signature 											
Signature date	^d 2	^d 0	^m 0	^m 4	^y 2	^y 0	^y 2	^y 2				

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Notice of progress report in voluntary winding up



Presenter information

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

Contact name **Julian Purser**

Company name **Begbies Traynor (Central) LLP**

Address **Town Wall House**

Balkerne Hill

Post town **Colchester**

County/Region **Essex**

Postcode

C	O	3		3	A	D
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Country

DX

Telephone **01206 217900**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Digital Television Systems Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Declaration of Solvency £		From 25/02/2021 To 24/02/2022 £	From 25/02/2021 To 24/02/2022 £
	ASSET REALISATIONS		
	Bank Interest Gross	9.03	9.03
259,076.00	Book Debts	259,075.96	259,075.96
611,275.00	Cash at Bank	611,400.71	611,400.71
17,310.00	Prepayments	NIL	NIL
	Stock	38,913.19	38,913.19
		909,398.89	909,398.89
	COST OF REALISATIONS		
	Legal Fees (1)	7,498.00	7,498.00
	Office Holders Fees	12,500.00	12,500.00
	Specific Bond	205.00	205.00
	Statutory Advertising	270.00	270.00
	Swearing Fee	100.00	100.00
		(20,573.00)	(20,573.00)
	UNSECURED CREDITORS		
(15,500.00)	Accruals	NIL	NIL
(1,576.00)	HM Revenue & Customs - PAYE/NIC	1,576.10	1,576.10
(7,563.00)	HM Revenue & Customs - VAT	6,622.48	6,622.48
		(8,198.58)	(8,198.58)
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	757,000.00	757,000.00
		(757,000.00)	(757,000.00)
862,922.00		123,627.31	123,627.31
	REPRESENTED BY		
	Interest Bearing Bank Account		123,627.31
			123,627.31

F.G. Savage

Gavin Savage
Joint Liquidator

Digital Television Systems Limited **(In Members' Voluntary Liquidation)**

Progress report

Period: 25 February 2021 to 24 February 2022

Important Notice

This report has been produced solely to comply with our statutory duty to report to the member of the Company pursuant to Section 92A of the Insolvency Act 1986. This report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by the member for any purpose other than this report to them, or by any other person for any purpose whatsoever.

Contents

- ❑ Interpretation
- ❑ Company information
- ❑ Details of appointment of liquidators
- ❑ Progress during the period
- ❑ Creditors
- ❑ Distributions to member
- ❑ Remuneration and expenses
- ❑ Liquidators' expenses
- ❑ Assets that remain to be realised and work that remains to be done
- ❑ Other relevant information
- ❑ Members' rights
- ❑ Conclusion
- ❑ Appendices
 - 1. Liquidators' account of receipts and payments
 - 2. Statement of Liquidators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Digital Television Systems Limited (In Members' Voluntary Liquidation)
"the liquidators", "we", "our" and "us"	Gavin Savage of Begbies Traynor (Central) LLP, 2/3 Pavilion Buildings, Brighton, East Sussex, BN1 1EE and Lee De'ath of Begbies Traynor (Central) LLP, Town Wall House, Balmerne Hill, Colchester, Essex, CO3 3AD
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
preferential creditors	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Company registered number:	03891301
Company registered office:	Town Wall House, Balmerne Hill, Colchester, Essex, CO3 3AD
Former trading address:	Unit15-16 Kingsclere Park Kingsclere Park, Kingsclere, Newbury, RG20 4SW

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	25 February 2021
Date of liquidators' appointment:	25 February 2021
Changes in liquidator (if any):	None

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 25 February 2021 to 24 February 2022.

Asset Realisations

Stock

At the date of appointment the Company owned a quantity of stock which had been written down to nil in the financial statements. Following our appointment, the bulk of these items was sold to a third party and a total sum of £38,913 has been received in this regard. A further quantity of stock is still held and the liquidators are in negotiation with the party in relation to the sale of remaining items. Further realisations in the region of £16,000 are anticipated.

Book Debts

Prior to the commencement of the Liquidation, the Company sold certain products and the licence of certain intellectual property rights to a third party in accordance with a sales contract dated 10 February 2021. Following the Liquidators' appointment, the Company's rights and entitlements under the contract were distributed in specie to the shareholder. This asset was valued in the sum of £259,076 for the purpose of the distribution.

Cash at Bank

The Company operated a bank account with Barclays Bank plc. Following the processing of the final transactions and closure of this account, a total sum of £611,401 has been received by the Joint Liquidators.

Prepayments

The Declaration of Solvency, which reflected the estimated position on 25 February 2021, included pre-payments totalling £17,310. I am advised that this related to pre-paid legal fees and no further action is required in this regard.

Bank Interest Gross

Gross Bank interest has accrued on the funds held in the Joint Liquidators' bank account in the sum of £9 during the period.

Costs of Realisation

The following costs have been incurred since our appointment as Joint Liquidators

	£
Statutory Bonding	205
Statutory Advertising	270
Swearing Fee	100

Other Costs

Legal Fees

Lester Aldridge Solicitors have been paid the sum of £7,498 in connection with assistance provided to the Joint Liquidators with regard to ongoing matters regarding the sale of the Company's stock and

associated matters. Their remuneration has been agreed on the basis of their standard hourly charge-out rates plus VAT and disbursements.

Unsecured Creditors

The Declaration of Solvency included estimated Unsecured Creditors totalling £24,639. Unsecured creditor claims in the sum of £8,199 have been paid in the Liquidation. Payments to unsecured creditors are in respect of amounts due to H M Revenue & Customs ("HMRC") in relation to pre-appointment PAYE and VAT.

The remaining creditors included on the Declaration related to an accrual for estimated additional legal fees. The Liquidators have settled all associated fees received to date as an expense of the liquidation.

Distributions

As can be seen from the attached receipts and payments account, a distribution totalling £757,000 has been made to the sole shareholder. Further details in this respect can be found in section 6 below.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to the member?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow the member to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to the member.

The costs are not split out per heading, as our fees are based on a fixed sum.

The details below relate to the work undertaken in the period of the report only.

General case administration and planning

Insolvency Practitioners are required to maintain records to demonstrate how the case is administered, and to document any decisions that materially affect the case.

At the onset of the case a strategy for how the case will be managed was created. This took into consideration the level of assets to be realised, how those assets will be realised, and whether there would be sufficient realisations to make a payments to the company's creditors and whether any surplus funds would be available for distribution to the Company's member.

The case has been subject to reviews to ensure case progression and the files will be kept up to date.

Whilst this does not benefit the member financially, it is necessary to ensure the efficient and compliant progressing of the liquidation, which ensures that the joint liquidators and their staff carry out their work to high professional standards.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Practitioners are governed by the Insolvency Act and Rules, together with following best practice guidelines known as Statements of Insolvency Practice. We have certain statutory obligations and duties to fulfil whilst in office which include the regular filing of progress reports with Companies House and the filing of a final report at the end of the period. We are also required to notify various bodies of our appointment, including creditors, Companies House, and advertise our appointment in the London Gazette.

We are also duty bound to correspond with creditors and issue notice of the insolvency event to the likes of the pensions departments, banks and other parties who would have an interest in the proceedings.

This work does not benefit the member financially but is necessary in accordance with the Insolvency Act, Rules and best practice.

Realisation of assets

All work carried out in respect of the asset realisation is for the purpose of realising property and assets for the benefit of the member generally.

In this case, I have:

- Liaised with the company's bankers regarding the closure of the pre-liquidation bank accounts and remittance of the credit balances.
- Liaised with a third party and the directors in connection with the disposal of stock held.
- Liaised with solicitors regarding sale agreements for the stock disposal
- Distributed in specie in the outstanding debt to the sole shareholder

Dealing with all creditors' claims (including employees), correspondence and distributions

Time will be spent dealing with creditor queries as and when required. This can include queries by telephone, email or within letters received in the post.

Creditors' claims will be dealt with in accordance with the order of priority and will be subject to adjudication. All claims received will be noted and registered for dividend purposes. Where required additional information from creditors in support of their proofs of debts will be requested.

Payments to creditors will be made in full as soon as possible and the relevant notices in this respect will be issued.

As detailed above, the Joint Liquidators have made payments totalling £8,199 to unsecured creditors.

Other matters which includes meetings, tax, litigation, pensions and travel

During the course of administering the case, the Insolvency Practitioner may be required to carry out additional work which does not necessarily fall under any of the other categories above.

We may also be required to submit VAT and Tax returns when appropriate in order to reclaim monies for the estate and pay over any taxes due to HMRC.

In this matter the following tasks were carried out:-

- Liaising with the company's former accountants to prepare and file Tax returns for pre-liquidation periods.
- Prepare and file tax returns for post-liquidation periods
- Sought formal written tax clearance from HMRC.

Instances and explanations of the work that might fall under this category are provided on our website at <http://www.begbies-traynorgroup.com/work-details>.

Once again, there may not be any obvious financial benefit to the member, but all work carried out would likely be considered necessary for the administration and progression of the case.

5. CREDITORS

As in any liquidation, in a members' voluntary liquidation creditors are required to prove their claims and the liquidators must examine the proofs and the particulars of the claims and admit them, in whole or in part, or reject them. The liquidators must then settle the priorities of the creditors (as between secured, preferential, secondary preferential and unsecured creditors) before paying them in full with statutory interest.

The statement of assets and liabilities embodied within the declaration of solvency sworn by the directors indicated that there were outstanding creditors estimated at £24,639. Unsecured creditor claims in the sum of £8,199 have been paid in the Liquidation.

I have requested formal written tax clearance from HM Revenue & Customs that no further amounts are due in respect of PAYE and National Insurance, Corporation Tax and VAT, however to date this still remains outstanding.

6. DISTRIBUTIONS TO MEMBER

I can confirm that the following distribution has been made to the member of the company who held Ordinary £1 shares, during the period of Liquidation: -

Date	Amount of distribution	Rate of distribution per share
1 March 2021	£757,000.00	£7,570.00

7. REMUNERATION & EXPENSES

Remuneration

Our remuneration has been fixed by a resolution of the member of the Company on a fixed fee basis of £7,500 plus VAT in accordance with the terms of our engagement letter dated 11 January 2021. Subsequently

Following our appointment, it became apparent that significant additional work would be required to be undertaken that was not previously anticipated. The additional work included:

- Negotiating the sale of the remaining stock which proved protracted
- Additional time was incurred following the death of the sole shareholder

The Joint Liquidators approached the Executors of the shareholder's estate and sought their agreement for an additional fixed fee of £5,000 plus VAT. This additional fee was approved by written resolution on 8 August 2021.

We are also authorised to draw expenses, including expenses for services provided by our firm (defined as category 2 expenses in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which were presented to the general meeting of the Company at which various resolutions, including the special resolution that the Company be wound up voluntarily, were passed.

In the period covered by the report the Joint Liquidators we have drawn the sum of £12,500 plus VAT and disbursements.

Details of the category 1 and category 2 expenses which have been incurred, (and discharged) are provided at Appendix 2.

For the purpose of clarification, we do not anticipate seeking any increase or amendment to our approved remuneration basis if matters progress to conclusion as envisaged.

Category 1 Expenses

To 24 February 2022, we have also drawn expenses in the sum of £8,073.

Category 2 Expenses

None

8. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 2.

9. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

As detailed above, I am awaiting formal written tax clearance from HMRC. I will continue to liaise with HMRC in this regard but would advise that we are currently experiencing significant delays in receiving tax clearance due to COVID-19 related matters.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to the member?

General case administration and planning

It is inevitable that administrative tasks incidental to the progress of the Liquidation will need to be carried throughout the course of the process.

Compliance with the Insolvency Act, Rules and best practice

We have certain statutory obligations and duties to fulfil whilst in office which include the regular filing of progress reports with Companies House and the filing of a final report at the conclusion of the Liquidation.

This work does not benefit the member financially but is necessary in accordance with the Insolvency Act, Rules and best practice.

Realisation of assets

All assets appearing of the Declaration of Solvency and that we are aware of have been dealt with in full other than a remaining quantity of stock, estimated at £16,000.

How much will this further work cost?

The 'further work' detailed above has always been anticipated in the event that tax clearance was not received within 12 months and the liquidation extends beyond the anniversary, but at this point in the proceedings, it is ongoing. As you know, this work is necessary in order that I may complete the liquidation as envisaged. The cost of completing this work will not exceed any amounts approved by the member previously.

As the Liquidation has progressed over the first anniversary, a further fixed fee of £1,000 plus VAT may be drawn in the period subsequent to this report.

Expenses

I do not anticipate any additional expenses being incurred in connection with the work that remains to be carried out.

10. OTHER RELEVANT INFORMATION

Use of personal information

Please note that in the course of discharging our statutory duties as liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

11. MEMBERS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a member or members of the Company with at least 5% of the voting total rights of all the members having the right to vote at general meetings of the Company (or any member or members with less than 5% of the total voting rights, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

Right to make an application to Court

Pursuant to Rule 18.34 of the Rules, within 8 weeks of receipt of this progress report any member or members of the Company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the Company (or any member, or members with less than 10% of the total voting rights, but with the permission of the Court) may make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

Obtaining information on the remuneration of liquidators and the payment of expenses

The basis of remuneration for acting as liquidators was sought following appointment. Notwithstanding this, beneficiaries of the surplus are able to seek information on their rights in relation to the remuneration and the payment of expenses and can obtain a copy of 'Begbies Traynor Guide for Shareholders. A Guide to the Liquidators' fees – England and Wales' on our website at <https://www.begbies-traynorgroup.com/services-to/shareholders>

Alternatively, if you require a hard copy of the guide, please contact our office and a copy will be sent to you.

12. CONCLUSION

We will report again in approximately twelve months' time or at the conclusion of the liquidation, whichever is the sooner.

A handwritten signature in black ink, appearing to read 'G. Savage'.

G SAVAGE
Joint Liquidator

Dated: 14 April 2022

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 25 February 2021 to 24 February 2022

Digital Television Systems Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts and Payments
To 24 February 2022

RECEIPTS	Declaration of Solvency (£)	Total (£)
Stock		38,913.19
Book Debts	259,076.00	259,075.96
Cash at Bank	611,275.00	611,400.71
Prepayments	17,310.00	0.00
Bank Interest Gross		9.03
		<hr/> 909,398.89
PAYMENTS		
Specific Bond		205.00
Office Holders Fees		12,500.00
Swearing Fee		100.00
Legal Fees (1)		7,498.00
Statutory Advertising		270.00
HM Revenue & Customs - PAYE/NIC	(1,576.00)	1,576.10
HM Revenue & Customs - VAT	(7,563.00)	6,622.48
Accruals	(15,500.00)	0.00
Ordinary Shareholders	(100.00)	757,000.00
		<hr/> 785,771.58
Net Receipts/(Payments)		<hr/> 123,627.31
 MADE UP AS FOLLOWS		
Interest Bearing Bank Account		123,627.31
		<hr/> 123,627.31

STATEMENT OF LIQUIDATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Statutory Bonding	Aviva – Marsh	205	205	Nil
Swearing fee	Barker Gotelee	100	100	Nil
Legal Fees	Lester Aldridge	7,498	7,498	Nil
Statutory Advertising	Courts Advertising Ltd	270	270	Nil
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
No expenses have been incurred with entities within the Begbies Traynor Group				