

# Liquidator's Progress Report

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

**S.192**

To the Registrar of Companies

Company Number

05354574

Name of Company

(a) Insert full  
name of company

(a) CREATE MEDIA VENTURES LIMITED

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

I / We (b) N A Bennett

of Leonard Curtis, One Great Cumberland Place, Marble Arch, London W1H 7LW

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 18 December 2012 to 17 December 2013

Signed



Date

17 February 2014

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

Leonard Curtis,  
One Great Cumberland Place,  
Marble Arch,  
London  
W1H 7LW  
Ref K/18/TB/SC948D/115

WEDNESDAY



\*A321JJVV\*

A06

19/02/2014

#238

COMPANIES HOUSE



**LEONARD CURTIS**  
BUSINESS RESCUE & RECOVERY

**Create Media Ventures Limited  
(In Creditors' Voluntary Liquidation)**

Company Registration Number: 05354574

Former Registered Office: Acre House, 11-15 William Road, London NW1 3ER

Trading Address: 91 Berwick Street, London W1F 0NE

**Liquidator's First Progress Report  
prepared pursuant to Section 104A of the Insolvency Act 1986  
(as amended) and Rule 4.49C of the Insolvency Rules 1986 (as amended)**

**17 February 2014**

Leonard Curtis

Hollins Mount, Hollins Lane, Bury BL9 8DG

Tel 0161 767 1250 Fax 0161 767 1240

recovery@leonardcurtis.co.uk

Ref C948D/TB/1040

## CONTENTS

- 1 Introduction
- 2 Conduct of the Liquidation
- 3 Receipts and Payments Account
- 4 Outcome for Creditors
- 5 Investigations
- 6 Liquidator's Remuneration, Expenses and Disbursements and Creditors' Rights

## APPENDICES

- A Summary of Liquidator's Receipts and Payments from 18 December 2012 to 17 December 2013
- B (i) Summary of Liquidator's Time Costs from 18 December 2012 to 17 December 2013
- B (ii) Summary of Liquidator's Time Costs from 18 December 2012 to 17 December 2013 (Closure Unit)
- C (i) Additional Information in relation to the Policy of Leonard Curtis regarding Fees and Disbursements
- C (ii) Additional Information in relation to the Policy of Leonard Curtis regarding Fees and Disbursements (Closure Unit)

**TO ALL MEMBERS, CREDITORS, DIRECTORS AND THE REGISTRAR OF COMPANIES**

**1 INTRODUCTION**

1.1 N A Bennett and M C Healy were appointed as Joint Administrators of Create Media Ventures Limited ("the Company") on 15 December 2011. Upon conclusion of the Administration, pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986 (as amended) ("the Act"), Mr Bennett and Mr Healy were appointed as Joint Liquidators on 18 December 2012.

1.2 Mr Healy has left Leonard Curtis and Mr Bennett will proceed as sole Liquidator. Mr Healy was removed as office holder by an Order of the High Court, dated 22 November 2013. Under the terms of the Order, all creditors of the Company have permission to apply to Court within 28 days of the date of this report for the purposes of applying to vary or discharge the terms of the Order insofar as it affects the Company's estate.

1.3 Mr Bennett is licensed in the UK by the Insolvency Practitioners Association.

1.4 This report provides an update on the conduct of the liquidation for the period from 18 December 2012 to 17 December 2013, as required by Section 104A of the Act. It contains details of the progress made, the expected outcome for creditors and other information that the Liquidator is required to disclose.

**2 CONDUCT OF THE LIQUIDATION**

2.1 The Company's registered office was changed to One Great Cumberland Place, Marble Arch, London W1H 7LW on 4 January 2012.

**Assets Realised**

2.2 No assets have been realised further to the Joint Administrators' final report, other than bank interest and the Administration surplus which are detailed below.

**Administration Surplus**

2.3 According to the Joint Administrators' final report, there was a surplus of £7,465. The full amount has been remitted into the liquidation account.

**Bank Interest**

2.4 During the year to 17 December 2013, bank interest of £10 was received.

**Assets Still to be Realised**

**VAT Penalty Refund**

2.5 Creditors will be aware that the Liquidator is pursuing a penalty charge refund of £3,200 in relation to a penalty charged levied by HM Revenue & Customs ("HMRC"). The liquidator has written to HMRC to request that this penalty be reversed and a refund of £3,200 be made into the insolvent estate. This matter remains ongoing and any realisation will be reported to creditors in due course.

**3 RECEIPTS AND PAYMENTS ACCOUNT**

3.1 All figures are stated net of VAT.

- 3 2 A summary of the Liquidator's receipts and payments in the liquidation from 18 December 2012 to 17 December 2013 is attached at Appendix A

#### 4 OUTCOME FOR CREDITORS

##### Secured Creditors

- 4 1 Chapter Media Limited ("Chapter Media") holds a debenture dated 5 October 2006 incorporating fixed and floating charges over the assets of the Company. At the date of Administration, Chapter Media were owed £1,000,000 and have been repaid £46,003 during the Administration in relation to its security. Chapter Media will suffer a significant shortfall in this instance.
- 4 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 Administration was owed £105,000.
- 4 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 Administration was owed £698,000.
- 4 4 There are no funds available to be distributed to either MB or EW.

##### Preferential Creditors

- 4 5 As at the date of Administration, no preferential claims were anticipated.
- 4 6 No claims have been received.

##### Ordinary Unsecured Creditors

- 4 7 The table below illustrates the position regarding the claims of the ordinary unsecured creditors.

	As at Date of Administration	Claims Received
	£	£
Trade and Expense	888,900	900,328
HMRC (PAYE/NIC/CT)	3,200	3,200
Director's Loan Account	192,411	192,411
	<b>1,084,511</b>	<b>1,095,939</b>

- 4 8 Section 176A of the Act requires the Insolvency Practitioner in certain circumstances, where the Company has created a floating charge after the implementation of the Enterprise Act on 15 September 2003, to make a "prescribed part" of the Company's net property available for the satisfaction of unsecured debts (including previously preferential Crown debts) in priority to the floating charge holder.
- 4 9 At the date of the liquidation, the Company had the following unsatisfied post-Enterprise Act charges:

Person(s) entitled	Date of floating charge
Chapter Media Limited	5 October 2006
Mr Martin Bowley	15 March 2007
Dr Edward Wojakowski	19 April 2007

- 4 10 The prescribed part rules apply in this case and, accordingly, the Liquidator was required to 'ring-fence' a proportion of the Company's net property for the benefit of unsecured creditors, provided that the net property exceeds £10,000
- 4 11 A first prescribed part dividend of 0.39 pence in the pound was declared and paid on 13 March 2013 in favour of ordinary unsecured creditors with agreed claims. The total amount of £4,330 was distributed on agreed claims of £1,095,939. Any further dividend is wholly dependant on a realisation being received in respect of the VAT penalty refund from HMRC.

## 5 INVESTIGATIONS

- 5 1 Since the commencement of the liquidation, the Liquidator has considered the information acquired in the course of appraising and realising the business and assets of the Company, together with information provided by the Company's directors and its creditors, to identify any further possible realisations for the estate and what further investigations, if any, might be appropriate.
- 5 2 That assessment did not identify any possible further realisations. In addition, the Liquidator concluded that no further investigations were required. If, however, any creditor is aware of any particular matters which they consider requires investigation, they should send full details to this office.
- 5 3 Notwithstanding the above, the Liquidator has complied with his statutory obligations under the Company Directors Disqualification Act 1986 and the appropriate report has been submitted to the relevant authority.

## 6 LIQUIDATOR'S REMUNERATION, EXPENSES AND DISBURSEMENTS AND CREDITORS' RIGHTS

### Remuneration

- 6 1 Following the Insolvency (Amendment) Rules 2010, where a company which is in Administration moves into liquidation under paragraph 83 of Schedule B1 of the Act, the basis of remuneration is treated as having been fixed in the Administration.
- 6 2 The Liquidator's remuneration is therefore payable by reference to time properly given by him and his staff in attending to matters arising in the liquidation.
- 6 3 The Liquidator's remuneration is restricted to a total of £2,000. The Liquidator's time costs from 18 December 2012 to 17 December 2013 are £12,111, which represents 43.9 hours at an average hourly rate of £275.89. Attached at Appendix B (i) is a time analysis which provides details of the activity costs incurred by staff grade for the period 18 December 2012 to 17 December 2013.
- 6 4 Attached at Appendix B (ii) is a time analysis which provides details of the activity costs incurred by staff grade within the 'Closure Unit' of Leonard Curtis. The time costs are £57, which represents 0.2 hours at an average hourly rate of £285.
- 6 5 Fees totalling £2,000 have been drawn during the year ending 17 December 2013. Any remaining time costs will be written off in this instance.
- 6 6 Further guidance may be found in "A Creditors' Guide to Liquidator's Fees," which may be downloaded from <http://www.leonardcurtis.co.uk/resources/creditorsguides>. If you would prefer to receive this in hard copy, please contact Tom Bond of this office on 0161 767 1250.
- 6 7 Attached at Appendices C (i) and C (ii) is additional information in relation to the firm's policy on staffing, the use of subcontractors, disbursements and details of current charge-out rates by staff grade.

## Description of Significant Time Costs Incurred by Category

### Receipts and Payments

- 6 8 This involved the posting of monies received into the liquidation account and making payments in respect of expenses incurred in the liquidation

### Liabilities

- 6 9 Time costs were incurred dealing with creditor queries, logging and agreeing creditor claims. In addition, time was incurred in calculating and paying the dividend to unsecured creditors

### Expenses and Disbursements

- 6 10 The Liquidator has incurred expenses and Category 1 disbursements (independent third party expenses paid and reimbursed to the Liquidator, which do not require creditors' consent) as follows

Description	Total amount incurred to date £	Amount incurred in this period £	Amount reimbursed £	Amount still to be reimbursed £
Companies House Searches	1 00	1 00	1 00	-
Storage Costs	15 00	15 00	15 00	-
Report Hosting	6 00	6 00	6 00	-
Postage	13 56	13 56	13 56	-
Statutory Advertising	401 76	401 76	401 76	-
Software Licence	75 00	75 00	75 00	-
<b>Total</b>	<b>512 32</b>	<b>512 32</b>	<b>512 32</b>	<b>-</b>

- 6 11 Creditors also approved the basis for recharging disbursements that include an element of shared or allocated cost or payments to outside parties in which the Liquidator or Leonard Curtis have an interest, also known as Category 2 disbursements. In this case, the following costs have been incurred

Description	Total amount incurred to date £	Amount incurred in this period £	Amount reimbursed £	Amount still to be reimbursed £
Mileage	20 67	20 67	20 67	-
<b>Total</b>	<b>20 67</b>	<b>20 67</b>	<b>20 67</b>	<b>-</b>

- 6 12 No professional advisors, including subcontractors, have been used during the liquidation

### Creditors' Rights

- 6 13 Within 21 days of receipt of this report, a creditor may ask the Liquidator to provide further information about the remuneration and expenses set out in this report. A request must be in writing, and may be made by a secured creditor, or an unsecured creditor with the concurrence of at least five per cent in value of the creditors (including that creditor), or the permission of the court.
- 6 14 Any secured creditor, or any unsecured creditor with either the concurrence of at least 10 per cent in value of the creditors (including that creditor) or the permission of the court, may apply to the court, on the grounds that the basis fixed for the Liquidator's remuneration is inappropriate, or the remuneration or expenses charged by the Liquidator is excessive.

**Create Media Ventures Limited – In Creditors' Voluntary Liquidation**

---

- 6 15 The application must, subject to any order of the court under paragraph 6 14 above, be made no later than eight weeks after receipt of the progress report that first reports the fee basis, the charging of the remuneration or the incurring of the expenses in question
- 6 16 Unless the court orders otherwise, the costs of the application shall be paid by the applicant and are not payable as an expense of the liquidation

Yours faithfully  
for and on behalf of  
**CREATE MEDIA VENTURES LIMITED**



**N A BENNETT**  
**LIQUIDATOR**

Licensed in the UK by the Insolvency Practitioners Association



APPENDIX A

**SUMMARY OF LIQUIDATOR'S RECEIPTS AND PAYMENTS  
FROM 18 DECEMBER 2012 TO 17 DECEMBER 2013**

	Estimated to Realise	Movements in the Period
	£	£
<b>RECEIPTS</b>		
Administration Surplus	7,466	7,465 51
VAT Penalty Refund	Uncertain	Nil
	<u>7,466</u>	<u>7,465 51</u>
Bank Interest		10 10
		<u>7,475 61</u>
<b>PAYMENTS</b>		
Companies House Searches		1 00
Storage Costs		15 00
Report Hosting		6 00
Postage Fee		13 56
Staff Mileage		20 67
Statutory Advertising		401 76
Software Licence		75 00
Liquidator's Remuneration		<u>2,000 00</u>
		<u>2,532 99</u>
<b>DISTRIBUTIONS</b>		
Unsecured creditors (0 39p/£) 13/03/2013		<u>4,330 53</u>
<b>BALANCE IN HAND</b>		<u>612 09</u>
<b>MADE UP AS FOLLOWS</b>		
Balance at Bank		<u>612 09</u>
		<u>612 09</u>

APPENDIX B (i)

SUMMARY OF LIQUIDATOR'S TIME COSTS FROM 18 DECEMBER 2012 TO 17 DECEMBER 2013

	Senior Manager		Director		Manager 2		Administrator 2		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	Units	Cost £	
Statutory & Review	7	269 50	5	212 50	31	883 50	13	273 00	56	1,638 50	292 59
Receipts & Payments	-	-	-	-	42	1,197 00	41	861 00	83	2,058 00	247 95
Liabilities	4	154 00	-	-	117	3,334 50	6	126 00	127	3,614 50	284 61
General Administration	-	-	-	-	35	997 50	36	756 00	71	1,753 50	246 97
Appointment	-	-	-	-	36	1,026 00	-	-	36	1,026 00	285 00
Post Appointment Creditor Reporting	-	-	10	425 00	45	1,282 50	-	-	55	1,707 50	310 45
Investigations	-	-	-	-	11	313 50	-	-	11	313 50	285 00
<b>Total</b>	<b>11</b>	<b>423 50</b>	<b>15</b>	<b>637 50</b>	<b>317</b>	<b>9,034 50</b>	<b>96</b>	<b>2,016 00</b>	<b>439</b>	<b>12,111 50</b>	

Average Hourly Rate (£)

385 00	425 00	285 00	210 00	275 89
--------	--------	--------	--------	--------

All Units are 6 minutes

APPENDIX B (ii)

SUMMARY OF LIQUIDATOR'S TIME COSTS FROM 18 DECEMBER 2012 TO 17 DECEMBER 2013 (CLOSURE UNIT)

	Manager 2		Total		Average Hourly Rate £
	Units	Cost £	Units	Cost £	
Statutory & Review	2	57 00	2	57 00	285 00
Total	2	57 00	2	57 00	
Average Hourly Rate (£)		285 00		285 00	
All Units are 6 minutes					

### APPENDIX C (i)

#### ADDITIONAL INFORMATION IN RELATION TO THE POLICY OF LEONARD CURTIS REGARDING FEES AND DISBURSEMENTS

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

##### Staff Allocation and Support Staff

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 not charged.

Where it has been agreed by resolution of the secured and/or preferential creditors, a creditors' committee or creditors generally, that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters arising in the appointment, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the office holders reserve the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

With effect from 6 January 2014, the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis

With effect from 6 Jan 2014	Standard £	Complex £	7 May 2012 to 5 Jan 2014	Standard £	Complex £
Director	450	562	Director	425	531
Senior Manager	410	512	Senior Manager	385	481
Manager 1	365	456	Manager 1	330	412
Manager 2	320	400	Manager 2	285	356
Administrator 1	260	325	Administrator 1	230	287
Administrator 2	230	287	Administrator 2	210	262
Administrator 3	210	262	Administrator 3	190	237
Administrator 4	150	187	Administrator 4	135	168
Support	0	0	Support	0	0

##### The Use of Subcontractors

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, 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 Liquidator's remuneration. Such expenditure is referred to as a "category 2 disbursement". In the event of charging for category 2 disbursements 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
Business Mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.

APPENDIX C (ii)

ADDITIONAL INFORMATION IN RELATION TO THE POLICY OF LEONARD CURTIS REGARDING FEES AND DISBURSEMENTS  
(CLOSURE UNIT)

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

**Staff Allocation and Support Staff**

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 not charged.

Where it has been agreed by resolution of the secured creditors, a creditors' committee or creditors generally, that the office holders' remuneration will be calculated by reference to the time properly given by the office holders and their staff in attending to matters arising in the appointment, then such remuneration will be calculated in units of 6 minutes at the standard hourly rates given below. In cases of exceptional complexity or risk, the insolvency practitioner reserves the right to obtain authority from the appropriate body of creditors that their remuneration on such time shall be charged at the higher complex rate given below.

With effect from 6 January 2014, the following hourly charge out rates apply to all assignments undertaken by Leonard Curtis

With effect from 6 Jan 2014	Standard £	Complex £	1 Jan 2012 to 5 Jan 2014	Standard £	Complex £
Director	450	562	Director	425	531
Senior Manager	410	512	Senior Manager	385	481
Manager 1	365	456	Manager 1	330	412
Manager 2	320	400	Manager 2	285	356
Administrator 1	260	325	Administrator 1	230	287
Administrator 2	230	287	Administrator 2	210	262
Administrator 3	210	262	Administrator 3	190	237
Administrator 4	150	187	Administrator 4	135	168
Support	0	0	Support	0	0

**Subcontractors**

Details and the cost of any work which has been or is intended to be sub-contracted out that could otherwise be carried out by the office holders or their staff will be provided in any report which incorporates a request for approval of the basis upon which remuneration may be charged.

**Professional Advisors**

Details of any professional advisor(s) used will be given in reports to creditors. Unless otherwise indicated the fee arrangement for each is 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 is 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**

- a) Category 1 disbursements. These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the office holder or his or her staff. Category 1 disbursements may be drawn without prior approval.
- b) Category 2 disbursements. These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage. In the event of charging for category 2 disbursements 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
Storage of office files (6 years)	£66.09 per box
Business mileage	45p per mile

Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration.