

The Insolvency Act 1986

Liquidator's Progress Report
Pursuant to Section 192 of
The Insolvency Act 1986**S.192**

To the Registrar of Companies

For Official Use

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| | | |
|--|--|--|

Company Number

06625564

Name of Company

Moko Digital Limited

I / We
Steven Philip Ross
Tenon House
Ferryboat Lane
Sunderland
Tyne and Wear
SR5 3JN

Ian William Kings
Tenon House
Ferryboat Lane
Sunderland
Tyne and Wear
SR5 3JN

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

Signed

Ian Kings

Date

10/6/11

RSM Tenon Recovery
Tenon House
Ferryboat Lane
Sunderland
Tyne and Wear
SR5 3JN

Ref 5509131/SPR/IWK/KA

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Insolvency Sect 192 Part B

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COMPANIES HOUSE

Moko Digital Limited (“the Company”) – In Liquidation

**Joint Liquidators’ First Progress Report
for the Year from Appointment on 25 May 2010 to 24 May 2011**

Issued on: 10 June 2011

Moko Digital Limited ("the Company") – In Liquidation

JOINT LIQUIDATORS' FIRST PROGRESS REPORT AS AT 24 MAY 2011

Steven Philip Ross and Ian William Kings are the Joint Liquidators of the Company and this is their first progress report to the creditors and members of the Company, showing how the liquidation has been conducted. The report covers the period from 25 May 2010 to 24 May 2011.

1. Statutory Information

Statutory information relating to the Company is attached at **Appendix I**.

2 Joint Liquidators' Receipts and Payments Account

A summary of the Joint Liquidators' receipts and payments account relating to the Company from commencement to date is attached at **Appendix II**.

3. Action taken by the Joint Liquidators since Appointment

The Company was wound up on 25 May 2010 and Steven Philip Ross and Ian William Kings were appointed Joint Liquidators at meetings of members and creditors held on 25 May 2010.

4. Plant, machinery and computer equipment

Plant, machinery & computer equipment was sold to the directors of the company prior to our appointment for £1,200. Realisations have been received in full.

5. Book Debts

The company's book debts with a book value of £370,047 had been discounted to £17,105 in order to provide for contra's, counterclaims, doubtful debts, collection costs etc. The value of the debts had been discounted significantly due to a dispute with Monster Travel Limited, a major debtor of the company, who has since been placed into Liquidation although any future realisations are doubtful.

To date, £293.75 has been received and collection activity is still currently ongoing.

6. Scott Meikle – Staff Loan

According to the company's records, a staff loan of £150 remains outstanding. This is currently being disputed by the staff member and any realisations are unlikely in this matter.

7. Intercompany Debt

Dene Communications in Liquidation, a related company, owes Moko Digital Limited £415,002. There is a small possibility of a dividend from the Liquidators, however based on present information it is not possible to quantify the amount or timing.

8. Investigations

The Joint Liquidators' have a duty to submit confidential reports to the Government's Disqualification Unit on the conduct of those persons who acted as directors of the Company in the three year period before the liquidation these have been completed and there are no outstanding lines of enquiry

9. Future Actions of the Joint Liquidators'

The only remaining assets to realise in this case are the outstanding book debt collections and to receive a dividend in respect of the amount due from Dene Communications Limited

10. Liabilities and Dividends

Secured Creditors

There are no secured creditors in this case

Preferential Creditors

The claims so far received are -

| | Statement of Affairs £ | Claim Received £ |
|--|---------------------------|------------------------|
| Redundancy Payments Service - | | |
| Employees claims to arrears of pay and holiday pay | 6,353 00 | 6,370 11 |
| Employees arrears of pay & holiday pay | 820 00 | 819 96 |
| | <u>7,173 00</u> | <u>7,190 07</u> |

Floating Charge Creditors

There are no floating charge creditors in this case

Ordinary Unsecured Creditors

As regards to non-preferential creditors, we have so far received the claims of 20 creditors whose claims total £315,016 against total non preferential claims of £375,966 per the Statement of Affairs

Notice is given that no dividend will be declared to unsecured creditors as the funds realised have already been distributed, used or allocated for defraying the expenses of administration

11. Joint Liquidators' Remuneration, Disbursements and Expenses

Basis of Remuneration and Disbursements

At the initial meeting of creditors held on 25 May 2010 it was resolved that the Joint Liquidators would be remunerated by reference to the time properly spent in dealing with matters in the liquidation and that their disbursements would be drawn in accordance with the tariff outlined at **Appendix III**

Remuneration Charged and Drawn in the Period

The Joint Liquidators' time costs were charged (exc VAT) as follows

| | Incurred | Paid |
|--|-----------|------|
| For this period from appointment -25 May 2010 to 24 May 2011 | £6,251 00 | £nil |

In accordance with Statement of Insolvency Practice 9, attached at **Appendix III** is a breakdown of these time costs

Disbursements Incurred and Drawn

The Joint Liquidators' disbursements incurred and reimbursed are summarised below Details are in the attached **Appendix III**.

| | Incurred | Paid |
|---|----------------|----------------|
| Category 1 disbursements for this period from appointment -25 May 2010 to 24 May 2011 | £310 80 | £151 20 |
| Total | £310.80 | £151.20 |

Details of the costs incurred and paid by the Joint Liquidators' in relation to liquidation expenses for the period are also attached at **Appendix III**

Pre Appointment Costs

At the initial meeting of creditors held on 25 May 2011, it was resolved that the fees of RSM Tenon Recovery for assisting the Directors in convening the statutory meetings to place the Company into liquidation, and for assistance in preparing the Statement of Affairs, would be a set fee of £3,500 plus VAT and disbursements to be paid out of the assets of the Company, of which £1,000 will be paid to RMT Accountants

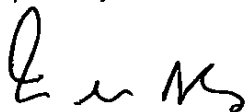
These fees have not yet been drawn in full as sufficient assets have not yet been realised

Creditors' Guide to Fees and Statement of Creditors' Rights

Creditors have a right to request further information from the Joint Liquidators' and additionally have a right to challenge the Joint Liquidators' remuneration and expenses time limits apply Details can be found in the document 'Remuneration Guidelines Liquidation (post 6 April 2010)' which you can access and download at <http://www.rsmtenon.com/creditorsguide> Alternatively a copy is available free of charge upon request from the address above

12. Conclusion of the Liquidation

We hope this report sufficiently updates you on the current position of the Liquidation. However, should you require any further clarification please contact Lisa Bryce of our office.



Ian W Kings & Steven P Ross

Joint Liquidators

Licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales

3. Time and charge out summary

For the period of this report from appointment on 25 May 2010 to 24 May 2011, a total of 40 50 hours have been spent at an average charge out rate of £154 35 bringing the total cost to £6,251 00

The table below shows details of the time costs charged (exc VAT) in the current period

| Classification of work function | Insolvency Practitioner/ Director/ Associate Director | Manager | Hours Other senior professionals | Assistants and support staff | Total | Time cost £ | Average Hourly rate £ |
|---------------------------------|--|---------|--|---------------------------------|-------|-------------|-----------------------------|
| Administration and Planning | | 3 90 | 7 50 | | 11 40 | 1,532 00 | 134 39 |
| Investigations | | 1 40 | 5 30 | | 6 70 | 762 50 | 113 81 |
| Realisation of assets | | 1 00 | 0 30 | | 1 30 | 213 50 | 164 23 |
| Debtors | 7 00 | | 4 10 | | 11 10 | 2,337 00 | 210 54 |
| Creditors | | 4 10 | 5 90 | | 10 00 | 1,406 00 | 140 60 |
| Total hours | 7 00 | 10 40 | 23 10 | | 40 50 | 6,251 00 | 154 35 |
| Total fees claimed £ | | | | | | Nil | |

4 Disbursements

Disbursements incurred and reimbursed from commencement of the liquidation to 24 May 2011 are detailed below

| Disbursements | Incurred £ | Paid £ |
|--|----------------------|----------------------|
| <i>Category 1</i> | | |
| Statutory advertising | 226 80 | 151 20 |
| Travelling Expenses in respect of collecting records | 30 00 | - |
| Bond premium | 54 00 | - |
| Total | <u>310.80</u> | <u>151.20</u> |

The above costs exclude VAT

No Category 2 disbursements have been charged to this matter

5 Professional advisors and expenses

There have been no external professional advisors involved with this case

2. Description of work carried out in the current period

Section 3 of this Appendix outlines the time costs to date in relation to activities undertaken during this period. These can be summarised as follows:

2.1 Administration and planning

The following activities have been undertaken:

- > Statutory duties associated with the appointment,
- > Notification of the appointment to creditors, employees and other interested parties,
- > Setting up case files,
- > Reviewing available information to determine appropriate strategy,
- > Setting up and maintaining bank accounts,
- > Progress reviews of the case.

2.2. Investigations

The time spent includes:

- > Corresponding with the former directors and management,
- > Review of questionnaires and comments provided by interested parties,
- > Review of company documentation,
- > Completion of statutory returns to the Insolvency Service,

2.3. Realisation of assets

Staff of different levels were involved in the above activities depending upon the experience required.

2.4 Trading

The business did not continue to trade in the Liquidation.

2.5 Creditors and distributions

The time spent includes the following matters:

- > Recording and maintaining the list of creditors,
- > Dealing with employee related matters,
- > Recording creditor claims,
- > Reporting to creditors,
- > Dealing with creditor queries,
- > Reviewing and evaluating creditor claims.

Statutory Information

Appendix I

Company Information

| | |
|----------------------------|--|
| Company Name | Moko Digital Limited |
| Previous Name | N/A |
| Company Number | 06625564 |
| Date of Incorporation | 20 June 2008 |
| Trading Address | 146-148 Westmoreland Road, Newcastle Upon Tyne, Tyne & Wear, NE4 7JS |
| Current Registered Office | Tenon House, Ferryboat Lane, Sunderland, SR5 3JN |
| Former Registered Office | 146-148 Westmoreland Road, Newcastle Upon Tyne, Tyne & Wear, NE4 7JS |
| Principal Trading Activity | Other Computer Related Activities |

Appointment Details

| | |
|---|--|
| Joint Liquidators' name and address | Steven Philip Ross of RSM Tenon Recovery, Tenon House, Ferryboat Lane, Sunderland, Tyne and Wear, SR5 3JN and Ian William Kings of RSM Tenon Recovery Tenon House, Ferryboat Lane, Sunderland, Tyne and Wear, SR5 3JN |
| Commencement of liquidation | 25 May 2010 |
| Date of Appointment | 25 May 2010 |
| Appointment made by | Members & Creditors |
| The Joint Liquidators act jointly and severally | |

Moko Digital Limited
(In Liquidation)
Joint Liquidatorss' Abstract of Receipts & Payments
To 24/05/2011

| S of A £ | | £ | £ |
|---------------------|-------------------------------------|----------|-----------------|
| | ASSET REALISATIONS | | |
| 1,200 00 | Plant, Machinery & Computer Equipme | 1,200 00 | |
| 150 00 | Scott Meikle - Staff Loan | NIL | |
| 17,105 00 | Book Debts | 293 75 | |
| 3 00 | Cash at Bank - Yorkshire Bank PLC | NIL | |
| | | | 1,493 75 |
| | COST OF REALISATIONS | | |
| | Statutory Advertising | 151 20 | |
| | | | (151 20) |
| | PREFERENTIAL CREDITORS | | |
| (6,353 00) | RPS - Arrears of Pay & Holiday Pay | NIL | |
| (820 00) | Employee Claims Arrears/Hol Pay | NIL | |
| | | | NIL |
| | UNSECURED CREDITORS | | |
| (20,703 00) | Trade Creditors | NIL | |
| (10,183 00) | RPS - Wages in Lieu of Notice | NIL | |
| (760 00) | RPS - Redundancy Payments | NIL | |
| (5,687 00) | Employee Claims | NIL | |
| (106,733 00) | Intercompany Creditor - Dene Films | NIL | |
| (1,595 00) | Deferred Tax | NIL | |
| (1,279 00) | Stephen Salem - Director Loan | NIL | |
| (92,427 00) | HM Revenue & Customs - PAYE/NIC | NIL | |
| (133,406 00) | HM Revenue & Customs - VAT | NIL | |
| (3,171 00) | Intercompany Creditor - Imagine TX | NIL | |
| | | | NIL |
| | DISTRIBUTIONS | | |
| (950 00) | Ordinary Shareholders | NIL | |
| | | | NIL |
| (365,609.00) | | | 1,342.55 |
| | REPRESENTED BY | | |
| | Vat Receivable | | 26 46 |
| | Bank Current | | 1,526 09 |
| | Vat Payable | | (210 00) |
| | | | 1,342.55 |

Appendix III

Information relating to the Joint Liquidators' Fees and Expenses

Moko Digital Limited**Information relating to the Joint Liquidators' Fees and Expenses****1. Explanation of Liquidators' charging and disbursement recovery policies****1.1. Time recording**

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge-out rates are

| | | From 1 May 2010 £ | From 8 February 2011 £ |
|---|---------|-------------------------|------------------------------|
| Director and licensed Insolvency Practitioner | 225-280 | 225-280 | 225-280 |
| Manager | 160-215 | 160-230 | 200-250 |
| Other senior professionals | 110-205 | 110-220 | 110-230 |
| Assistants and support staff | 50-140 | 50-140 | 50-140 |

Secretarial and support staff are not charged to the cases concerned, being accounted as an overhead of RSM Tenon Recovery.

1 2. Disbursement recovery

Disbursements are categorised as either Category 1 or Category 2.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by RSM Tenon Recovery and then recharged to the case, approval from creditors is not required. The amount recharged is the exact amount incurred.

Examples of Category 1 disbursements include postage, case advertising, specific bond insurance, company search fees, 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.