

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 7 7 8 8 5 2 2	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Enigma Digital Limited	
2	Liquidator's name	
Full forename(s)	Richard Paul James	
Surname	Goodwin	
3	Liquidator's address	
Building name/number	79 Caroline Street	
Street	Birmingham	
Post town	B3 1UP	
County/Region		
Postcode		
Country		
4	Liquidator's name ①	
Full forename(s)		① Other liquidator Use this section to tell us about another liquidator.
Surname		
5	Liquidator's address ②	
Building name/number		② Other liquidator Use this section to tell us about another liquidator.
Street		
Post town		
County/Region		
Postcode		
Country		

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

From date	^d 2	^d 6	^m 1	^m 0	^y 2	^y 0	^y 2	^y 2
To date	^d 2	^d 5	^m 1	^m 0	^y 2	^y 0	^y 2	^y 3

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 2	^d 1	^m 1	^m 2	^y 2	^y 0	^y 2	^y 3
-------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------

LIQ03

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	Jon Cole
Company name	Butcher Woods
Address	79 Caroline Street
	Birmingham
Post town	B3 1UP
County/Region	
Postcode	
Country	
DX	
Telephone	0121 236 6001



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

LIQUIDATOR'S PROGRESS REPORT TO CREDITORS AND MEMBERS FOR THE YEAR ENDING 25 OCTOBER 2023

Enigma Digital Limited ("the Company") – In Creditors' Voluntary Liquidation

STATUTORY INFORMATION

Company name:	Enigma Digital Limited
Registration number:	07788522
Registered Office:	79 Caroline Street, Birmingham, B3 1UP
Former Registered Office:	C/O Prime Accountants Group, 3 Caroline Court, 13 Caroline Street, Birmingham, B3 1TR
Principal trading activity:	Production of software
Liquidator's names:	Richard Paul James Goodwin
Liquidator's address:	79 Caroline Street, Birmingham, B3 1UP
Liquidator's contact details:	jon.cole@butcher-woods.co.uk and 0121 236 6001.
Date of appointment:	26 October 2021

LIQUIDATOR'S ACTIONS SINCE THE APPOINTMENT OF THE LIQUIDATOR

There is certain work that I am required by the insolvency legislation to undertake in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since the appointment of the Liquidator is contained in Appendix 1.

RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the period from 26 October 2022 to 25 October 2023 together with the same for the period 26 October 2021 to 25 October 2022 is attached at Appendix 4. All amounts are shown net of VAT. I have reconciled the account against the financial records that I am required to maintain.

The balance of funds are held in a non-interest bearing estate bank account.

ASSETS

Mr James Gregory, of Messrs MGR Appraisals, a firm of professional, independent valuation agents were instructed to provide an independent professional valuation of the Company's tangible and intangible assets for the purposes of the Estimated Statement of Affairs.

Tangible Assets

The Statement of Affairs estimated this asset, representing the Computer Equipment in the possession of the Company at the date of appointment, would realise £830. One of the Company director's, Mr A Porter, expressed interest in making an offer for these assets. On appointment, Mr Porter was requested to make an offer which was received totalling £200.

After discussing the offer with MGR Appraisals and confirming there had been no other offers received, it was decided the offer should be accepted as it was anticipated that incurring costs of recovery, storage and sale would outweigh the potential benefit to creditors.

Book Debts

It was understood the outstanding sales ledger, amounting to £3,882, was due to the Company from 1 customer and that the directors considered it was unlikely this balance could be realised. After investigating the potential for recovery of this balance on appointment, I confirm there was no realistic potential for recovery.

Cash in Client Account

The Statement of Affairs estimated this asset would realise £77,242 and represented funds that had previously been held in the Company's current account. These funds were held in a client account operated by Butcher Woods and transferred to the Liquidation estate account on appointment.

Intellectual Property

During the initial period of the Liquidation, expressions of interest were received in the Intellectual Property owned by the Company which were duly reported to MGR Appraisals to consider suitability for acceptance. An offer was received and recommended for acceptance at £13,000 from Whatto Limited, of which, Mr Aldo Fucelli Pessot Del Bo, a director of the Company in Liquidation, is the sole director.

As can be seen in the enclosed Receipts & Payments Account at Appendix 4, the sale consideration has been received in full.

Sundry Refund

During the course of the period covered by this report a total of £50.93 has been received representing receipt of a refund of charges from the former Bank account provider, HSBC Bank Plc.

LIQUIDATOR'S REMUNERATION

My remuneration was approved by the creditors on 16 November 2021 on a time cost basis based on a fees estimate of £5,000 before an increase in the fee estimate to £17,990 was agreed on 21 November 2022. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. My total time costs to date amount to £14,391, representing 86.55 hours of work at a blended charge out rate of £166.27 per hour.

I have yet to draw any remuneration in this matter.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at www.butcher-woods.co.uk/creditors-information.php. There are different versions of these Guidance Notes, and in this case please refer to the most recent version. Please note that we have also provided further information about an office holder's remuneration and expenses in our practice fee recovery sheet, which can be accessed at www.butcher-woods.co.uk/creditors-information.php.

LIQUIDATOR'S EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

Category 1 expenses

I have incurred the following category 1 expenses in the Liquidation:

Nature of category 1 expense	Amount incurred/ accrued in reporting period	Amount incurred/ accrued in total	Amount unpaid
Agents Fees	£0.00	£600.00	£0.00
Storage Costs	£0.00	£1,400.00	£0.00
Bonding	£0.00	£276.00	£0.00
Statutory Advertising	£321.66	£505.35	£0.00
Postage	£28.60	£185.76	£0.00
Legal Fees	£750.00	£750.00	£0.00
Bank Charges	£1.60	£36.50	£0.00
Total	£1,101.86	£3,753.61	£0.00

I have used the following professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
MGR Appraisals	Valuer/Auctioneer	Fixed fee
Asset Storage Limited	Archive Storage	Volume of boxes held
Courts Advertising Limited	Statutory Advertising	Fixed fee
ERA Solutions Limited	Payroll Services	Time costs

My choice of professional advisors was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment. I also confirmed that they hold appropriate regulatory authorisations. I have reviewed the fees they have charged and am satisfied that they are reasonable in the circumstances of this case and represents value for money.)

Category 2 expenses

I have obtained approval to pay the following category 2 expenses. I have incurred the following category 2 expenses in the Liquidation:

Nature of category 2 expense	Amount incurred/ accrued in reporting period	Amount incurred/ accrued in total	Amount unpaid
Printing & Photocopying	£15.50	£202.50	£0.00
Total	£15.50	£202.50	£0.00

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has no current charges over its assets.

Preferential Creditors

The Statement of Affairs did not anticipate receipt of any claims from employees. Claims totalling £220.69 have been received since the date of appointment and processed accordingly. A full balancing dividend will be paid to this class of creditor.

The Statement of Affairs estimated £1,593 in respect of secondary preferential creditors relating to HMRC's claim. HMRC have submitted a preferential claim amounting to £3,554.03. Liaisons with HMRC are ongoing as agreement is being sought over the correct figure for dividend purposes as it is contested part of their claim is invalid as a result of the period over which they claim tax liabilities have arisen.

Non-preferential unsecured Creditors

The statement of affairs included 11 non-preferential unsecured creditors with an estimated total liability of £329,444. I have received claims from 9 creditors totalling £159,812.11.

DIVIDEND PROSPECTS

Preferential Creditors

After taking into account asset realisations and expenses incurred to date, together with estimated future realisations, expenses and my proposed remuneration, a full balancing distribution will be made to the 1st preferential creditors.

In reference to 2nd preferential creditors, there are sufficient funds to distribute in full to HMRC under their preferential claim, but as discussed above, their claim has yet to be agreed.

Non-preferential unsecured Creditors

After taking into account asset realisations and expenses incurred to date, together with estimated future realisations, expenses and my proposed remuneration, I think that I will be able to pay a small dividend will be paid to non-preferential unsecured creditors.

A proof of debt is enclosed, and if you have not already lodged one you should now complete and return it to me, together with evidence in support of your claim.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Joint Liquidators' remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Joint Liquidators as being excessive, and/or the basis of the Joint Liquidators' remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit. To comply with the Provision of Services Regulations, some general information about Butcher Woods can be found at www.butcher-woods.co.uk/creditors-information.php.

SUMMARY

The Liquidation will remain open until such time as I have been able to agree a claim with HMRC for both their preferential and unsecured claims and recommenced the Dividend distribution process. I estimate that this will take approximately 1-2 months and once resolved the Liquidation will be finalised and my files will be closed. If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies

of any of the documents made available on-line, they should contact Jon Cole on 0121 236 6001, or by email at jon.cole@butcher-woods.co.uk.

A handwritten signature in black ink, appearing to be 'RPG', followed by a short horizontal line.

Richard Paul James Goodwin
LIQUIDATOR

Appendix 1 Details of Work undertaken to date

Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that an office holder must follow.

Case planning - devising an appropriate strategy for dealing with the case and giving instructions to staff to undertake the work on the case.

Setting up physical case files.

Setting up the case on the practice's electronic case management system and entering data.

Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.

Obtaining a specific penalty bond (this is insurance required by statute that every insolvency office holder must obtain for each insolvency appointment).

Convening a decision procedure to seek a decision from creditors to approve the basis of remuneration.

Supervising the work of advisors instructed on the case to assist in dealing with pension schemes; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.

Dealing with all routine correspondence and emails relating to the case.

Opening, maintaining and managing the estate bank account.

Creating, maintaining and managing a cashbook.

Undertaking regular bank reconciliations of the estate bank account.

Reviewing the adequacy of the specific penalty bond on a quarterly basis.

Undertaking periodic reviews of the progress of the case.

Overseeing and controlling the work done on the case by case administrators.

Preparing, reviewing and issuing annual progress reports to creditors and members.

Filing returns at Companies House.

Preparing and filing VAT returns.

Preparing and filing Corporation Tax returns.

Realisation of assets:

This represents the work involved in the protection and realisation of assets, which is undertaken directly for the benefit of creditors.

Corresponding with debtors and attempting to collect outstanding book debts.

Supervising the work of advisors instructed on the case to assist in dealing with the collection of book debts; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.

Liaising with the bank regarding the closure of the account.

Instructing agents to value assets.

Liaising with agents to realise assets.

Instructing solicitors to assist in the realisation of assets.

Creditors

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of their statutory functions

Employees – The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Service. The office holder is required to undertake this work as part of their statutory functions.

Obtaining information from the case records about employee claims.

Completing documentation for submission to the Redundancy Payments Service.

Corresponding with employees regarding their claims.

Supervising the work of advisors instructed on the case to assist in dealing with employee claims; obtaining reports and updates from them on the work done; and checking the adequacy of the work done.

Liaising with the Redundancy Payments Service regarding employee claims.

Dealing with creditor correspondence, emails and telephone conversations regarding their claims.

Maintaining up to date creditor information on the case management system.

Investigations:

The insolvency legislation gives the office holder powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure, and also in respect of matters such as misfeasance and wrongful trading. The office holder is required by the Statements of Insolvency Practice to undertake an initial investigation in all cases to determine whether there are potential recovery actions for the benefit of creditors.

Recovering the books and records for the case.

Listing the books and records recovered.

Submitting an online return on the conduct of the Directors as required by the Company Directors Disqualification Act.

Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors

Enigma Digital Limited
(In Liquidation)
Liquidator's Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 26/10/2021 To 25/10/2022 (£)	From 26/10/2022 To 25/10/2023 (£)	Total (£)
Intellectual Property		13,000.00	0.00	13,000.00
Furniture & Equipment	830.00	200.00	0.00	200.00
Book Debts	NIL	0.00	0.00	0.00
Cash in client account	77,242.00	77,242.00	0.00	77,242.00
Sundry Refund		50.93	0.00	50.93
Vat Payable		2,640.00	0.00	2,640.00
		93,132.93	0.00	93,132.93

PAYMENTS

Agents/Valuers Fees (1)		600.00	0.00	600.00
Legal Fees (1)		0.00	750.00	750.00
Storage Costs		1,400.00	0.00	1,400.00
Statutory Advertising		505.35	321.66	827.01
Bank Charges		34.90	1.60	36.50
HMRC	(1,593.00)	0.00	0.00	0.00
Trade & Expense Creditors	(9,833.00)	0.00	0.00	0.00
Employees	(18,310.00)	0.00	0.00	0.00
Barclays Bank plc	(50,000.00)	0.00	0.00	0.00
Future Fund	(125,000.00)	0.00	0.00	0.00
Mangrove IV Investments S.A.R.L	(62,500.00)	0.00	0.00	0.00
Vitzu Limited	(62,500.00)	0.00	0.00	0.00
HMRC	(1,301.00)	0.00	0.00	0.00
A Ordinary Shareholders	(1,501.00)	0.00	0.00	0.00
Growth Shareholders	(128.00)	0.00	0.00	0.00
Ordinary Shareholders	(778.00)	0.00	0.00	0.00
Vat Receivable		501.07	214.34	715.41
		3,041.32	1,287.60	4,328.92

Net Receipts/(Payments)	90,091.61	(1,287.60)	88,804.01
--------------------------------	------------------	-------------------	------------------

MADE UP AS FOLLOWS

Bank 2 Current	90,091.61	(1,287.60)	88,804.01
	90,091.61	(1,287.60)	88,804.01

Time Entry - SIP9 Time & Cost Summary

2528 - Enigma Digital Limited
All Post Appointment Project Codes
From: 26/10/2022 To: 25/10/2023

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.00	8.75	1.55	1.00	11.30	1,598.50	141.46
Case Specific Matters	0.00	0.00	0.00	0.50	0.50	50.00	100.00
Creditors	0.00	4.75	0.25	0.00	5.00	742.50	148.50
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Chargeable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	0.00	13.50	1.80	1.50	16.80	2,391.00	142.32
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Time Entry - SIP9 Time & Cost Summary

2528 - Enigma Digital Limited
All Post Appointment Project Codes
From: 26/10/2021 To: 25/10/2022

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	1.80	13.80	10.25	2.00	27.85	4,040.00	145.06
Case Specific Matters	0.00	7.50	0.00	4.00	11.50	1,525.00	132.61
Creditors	0.90	4.70	0.50	0.00	6.10	1,035.00	169.67
Investigations	1.40	4.70	0.00	0.00	6.10	1,125.00	184.43
Marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Chargeable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pre Appointment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	8.30	9.90	0.00	0.00	18.20	3,975.00	218.41
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	12.40	40.60	10.75	6.00	69.75	11,700.00	167.74
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	