

LIQ03

Notice of progress report in voluntary winding up



Companies House



1 Company details

Company number 1 0 9 9 2 1 7 1
Company name in full The Digital Garden Group Ltd.

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Kate
Surname Merry

3 Liquidator's address

Building name/number Salisbury House
Street Station Road
Post town Cambridge CB1 2LA
County/Region
Postcode
Country

4 Liquidator's name ①

Full forename(s) Ben
Surname Dyer

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Salisbury House
Street Station Road
Post town Cambridge CB1 2LA
County/Region
Postcode
Country

② Other liquidator
Use this section to tell us about
another liquidator.

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6 Period of progress report

From date	^d 2	^d 7	^m 0	^m 9	^y 2	^y 0	^y 1	^y 8
To date	^d 2	^d 6	^m 0	^m 9	^y 2	^y 0	^y 2	^y 1

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X

[Handwritten Signature]

X

Signature date

^d 1	^d 6	^m 1	^m 1	^y 2	^y 0	^y 2	^y 1
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**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 **Ben Dyer**Company name **Peters Elworthy & Moore**Address
Salisbury House
Station RoadPost town **Cambridge CB1 2LA**

County/Region

Postcode

Country

DX

Telephone
01223 728222**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

Joint Liquidators Annual Progress Report to Creditors & Members

**The Digital Garden Group Limited
- In Liquidation**

16 November 2021

THE DIGITAL GARDEN GROUP LIMITED - IN LIQUIDATION

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- 6** Creditors' Rights
- 7** Next Report

APPENDICES

- A** Receipts and Payments Account for the Period from 27 September 2020 to 26 September 2021 and cumulative since my appointment
- B** Time Analysis for the Period from the 27 September 2020 to 26 September 2021
- C** Cumulative time Analysis for the period from the 27 September 2018 to 26 September 2021
- D** Additional information in relation to Joint Liquidators Fees and Expenses

THE DIGITAL GARDEN GROUP LIMITED - IN LIQUIDATION

1 Introduction and Statutory Information

- 1.1 We, Kate Merry and Ben Dyer of PEM, Salisbury House, Station Road, Cambridge, CB1 2LA, were appointed as Joint Liquidators of The Digital Garden Group Limited (the **Company**) on 27 September 2018. This progress report covers the period from 27 September 2020 to 26 September 2021 (**the Period**).
- 1.2 Information about the way that we will use, and store personal data on insolvency appointments can be found at https://www.pem.co.uk/wp-content/uploads/2019/04/PEM_Privacy_Notice.pdf. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.3 The principal trading address of the Company was 14 Burlington Road, London, SW6 4NR.
- 1.4 The registered office of the Company has been changed to Salisbury House, Station Road, Cambridge, CB1 2LA and its registered number is 10992171.

2 Receipts and Payments

- 2.1 At Appendix A is my Receipts and Payments Account covering the Period of this report.
- 2.2 In Section 3 below, you will find an update on the progress made during the Period in realising the Company's assets and dealing with its affairs.

3 Progress of the Liquidation

- 3.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period and an explanation of the work done by the Joint Liquidators and their staff.

Administration (including statutory compliance & reporting)

- 3.2 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined to creditors in my initial fees estimate/information.
- 3.3 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidator.
- 3.4 As noted in my initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

Realisation of Assets

Work In Progress/Book Debts

- 3.5 As previously reported the director's estimated statement of affairs detailed work in progress and book debts, totalling £2,520.00 and £235.20, respectively. The largest of these amounts, totalling £1,800.00 is disputed and recovery remains uncertain, a further £144.00 has been paid directly to the director and we are chasing him for payment. The remaining sums are small and are uneconomical to pursue further. I am currently reviewing what further realisations can be made.

Goodwill

- 3.6 A sale was agreed with the director for the goodwill, including the trademark name Jabberwokie and the website domain name digitalgarden.com for £2,500.00 plus VAT. We continue to chase recovery of these sums.

Cash at Bank

- 3.7 The Company held a credit balance with TIDE totalling £4.46 which has been collected in full.

Creditors (claims and distributions)

- 3.8 Further information on the anticipated outcome for creditors in this case can be found at section 4 of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 3.9 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 3.10 The above work will not necessarily bring any financial benefit to creditors generally, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.
- 3.11 I consider the following matters worth noting in my report to creditors at this stage:
- There are approximately 14 unsecured creditor claims in this case with a value per the director(s) statement of affairs of £114,128.86.
 - Dealing with the claims of three employees.

Investigations

- 3.12 Some of the work the Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors.
- 3.13 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 3.14 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account any information provided by creditors. My investigations revealed the following issues:
- A payment made shortly before Liquidation is being reviewed as a potential preference.

THE DIGITAL GARDEN GROUP LIMITED - IN LIQUIDATION

Connected Party Transactions

- 3.15 In accordance with Statement of Insolvency Practice 13, I would advise you that the following assets were sold to a director of the Company during the period covered by this report:

Date of transaction	Assets involved & nature of transaction	Consideration paid & date	Sold to	Relationship
30 November 2019	Goodwill	Nil	Freddie Green	Director

- 3.16 As there was no other interest the Liquidator accepted an offer from the director Freddie Green. To date, no funds have been paid and we continue to pursue the balance.

4 Creditors

Preferential Creditors

- 4.1 Preferential claims are detailed in the statement of affairs, totalling £8,906.45 from 4 employees, as there is unlikely to be a distribution to preferential creditors' claims have not been agreed.

Unsecured Creditors

- 4.2 I have received claims totalling £74,191.32 from 5 creditors. I have yet to receive claims from 7 creditors whose debts total £40,199.78 per the Company's statement of affairs.
- 4.3 I would confirm that it is anticipated there will be insufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors.

5 Joint Liquidators Remuneration

- 5.1 The Creditors approved that the basis of the Joint Liquidators remuneration be fixed by reference to the time properly spent by them and their staff in managing the Liquidation. My fees estimate/information was originally provided to creditors when the basis of my remuneration was approved and was based on information available to me at that time.
- 5.2 A copy of my approved fees estimate is reproduced below:

Category of work	Estimated Number of Hours	Average blended charge out rate £	Estimated cost £
Administration (inc statutory compliance & reporting)	20.00	154.00	3,080.00
Realisation of assets	20.00	119.25	2,385.00
Reporting	14.00	103.57	1,450.00
Creditors (claims & distributions)	18.00	141.11	2,540.00
Investigations	14.00	98.93	1,385.00
Tax/VAT	8.50	136.24	1,158.00
Total estimated fees			£11,998.00

- 5.3 My time costs for the Period are £5,610.70. This represents 22.80 hours at an average rate of £246.08 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during the Period in respect of the costs fixed by reference to time properly spent by me in managing the liquidation. To date no fees have been drawn.
- 5.4 Attached as Appendix C is a cumulative Time Analysis for the period from 27 September 2018 to 26 September 2021 which provides details of my time costs since my appointment. The

THE DIGITAL GARDEN GROUP LIMITED - IN LIQUIDATION

cumulative time costs incurred to date are £21,483.70. This represents 88.75 hours at an average rate of £242.07 per hour.

- 5.5 At the date of this report, I would confirm that my fees estimate for the liquidation remains unchanged. This is because I intend restricting the Liquidators' time costs to be drawn from the estate to the level of my estimate and as a result, any time incurred in excess of this will not be borne by creditors.
- 5.6 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <http://www.pem.co.uk/services/guides-fees>.
- 5.7 Attached as Appendix D is additional information in relation to the Liquidator's fees and expenses, including where relevant, information on the use of subcontractors and professional advisers.

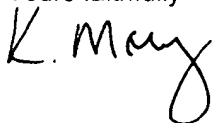
6 Creditors' Rights

- 6.1 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.
- 6.2 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, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

7 Next Report

- 7.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.
- 7.2 If you have any queries in relation to the contents of this report, I can be contacted by telephone on 01223 728 222 or by email at bdyer@pem.co.uk.

Yours faithfully



Kate Merry
Joint Liquidator

**The Digital Garden Group Ltd.
(In Liquidation)**

JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

	From 27/09/2020 To 26/09/2021 £	From 27/09/2018 To 26/09/2021 £
RECEIPTS		
Goodwill	0.00	0.00
Computer Equipment	0.00	0.00
Work In Progress	0.00	0.00
Book Debts	0.00	0.00
Cash at Bank	0.00	4.46
	<u>0.00</u>	<u>4.46</u>
PAYMENTS		
Arrears of Wages and Accrued Holiday	0.00	0.00
Trade & Expense Creditors	0.00	0.00
Connected intercompany balance	0.00	0.00
Director's Loan Account	0.00	0.00
Banks/Institutions	0.00	0.00
HM Revenue and Customs	0.00	0.00
Arrears of Wages (Unsecured)	0.00	0.00
Pay in Lieu of Notice	0.00	0.00
Ordinary Shareholders	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
BALANCE - 26 September 2021		<u><u>4.46</u></u>

Kate Merry
Joint Liquidator

The Digital Garden Group Limited (in Liquidation)
Summary of time costs for the period 27 September 2020 to 26 September 2021

	Partner	Director/Manager	Assistant Manager/ Senior Administrator	Administrators	Total hours	Time Cost	Average Rate
Administration & planning	0.40	10.40	0.30	2.50	13.60	2,593.20	190.68
Asset realisations	-	1.30	-	1.50	2.80	957.00	341.79
Creditors	-	-	-	0.10	0.10	9.50	95.00
HMRC	-	2.00	-	-	2.00	711.00	355.50
Reporting	0.30	3.30	-	0.70	4.30	1,340.00	311.63
Total Costs	278.90	4,592.90	52.50	686.40	-	5,610.70	-
Total Hours	0.70	17.00	0.30	4.80	22.80	-	-

*The charge out rates shown are the average rates for each grade of staff. The total average time cost is £246.08.

Historical charge-out rates

As my firm's fees are based on time costs, Statement of Insolvency Practice 9 requires me to provide you with details of "any material changes in the rates charged for the various grades since the resolution was first passed". I therefore set out below a summary of charge-out rates. You will note that charge-out rates are increased annually. Hourly rates vary depending on market rates, qualifications and experience of various grades of staff. As detailed my firms fees are based on time costs, time is recorded in 6 minute units.

Period commencing	Partner Hourly rate £	Director Hourly/Senior Manager rate £	Manager Hourly rate £	Assistant Manager Hourly rate £	Senior Administrator Hourly rate £	Administrator Hourly rate £	Trainee Administrator (2) Hourly rate £	Insolvency Assistant rate £
October 2019	395.00	350.00	260.00	210.00	N/a	150.00	N/a	95.00
April 2021	407.00	361.00	275.00	225.00	140.00 to 190.00			98.00

The Digital Garden Group Limited (in Liquidation)
Summary of time costs for the period 27 September 2018 to 26 September 2021

	Partner	Director/Manager	Assistant Manager/ Senior Administrator	Administrators	Total hours	Time Cost	Average Rate
Administration & planning	1.80	12.70	11.40	6.35	32.25	8,041.70	249.36
Asset realisations	0.90	4.90	13.70	6.90	26.40	5,548.50	210.17
Creditors	0.60	0.30	3.70	1.40	6.00	1,224.00	204.00
HMRC	-	2.40	-	0.20	2.60	869.00	334.23
Investigations	0.50	1.20	9.60	-	11.30	2,605.50	230.58
Reporting	1.10	7.50	-	1.60	10.20	3,195.00	313.24
Total Costs	1,868.90	10,086.40	8,040.50	1,487.90	-	21,483.70	-
Total Hours	4.90	29.00	38.40	16.45	88.75	-	-

*The charge out rates shown are the average rates for each grade of staff. The total average time cost is £242.07.

Historical charge-out rates

As my firm's fees are based on time costs, Statement of Insolvency Practice 9 requires me to provide you with details of "any material changes in the rates charged for the various grades since the resolution was first passed". I therefore set out below a summary of charge-out rates. You will note that charge-out rates are increased annually. Hourly rates vary depending on market rates, qualifications and experience of various grades of staff. As detailed my firms fees are based on time costs, time is recorded in 6 minute units.

Period commencing	Partner Hourly rate £	Director Hourly/Senior Manager rate £	Manager Hourly rate £	Assistant Manager Hourly rate £	Senior Administrator Hourly rate £	Administrator Hourly rate £	Trainee Administrator (2) Hourly rate £	Insolvency Assistant rate £
October 2016	350.00	320.00	250.00	N/a	N/a	100.00	N/a	75.00
November 2017	350.00	320.00	260.00	N/a	N/a	100.00	N/a	85.00
May 2018	350.00	320.00	250.00	200.00	N/a	100.00	N/a	85.00
October 2018	375.00	335.00	230.00	210.00	N/a	150.00	N/a	90.00
October 2019	395.00	350.00	260.00	210.00	N/a	150.00	N/a	95.00
April 2021	407.00	361.00	275.00	225.00	140.00 to 190.00			98.00

THE DIGITAL GARDEN GROUP LIMITED - IN LIQUIDATION

Appendix D

Additional Information in Relation to the Liquidator's Fees and Expenses

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 We are not proposing to utilise the services of any sub-contractors in this case.

2 Professional Advisors

- 2.1 On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
AUA Insolvency Risk Services Ltd (Bond)	Hourly rate and disbursements

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

3 Joint Liquidators Expenses

- 3.1 The estimate of expenses which were anticipated at the outset of the liquidation was provided to creditors when the basis of my fees were approved, a copy of which is set out below:

Expense	Estimated cost £
Statutory advertising	150.00
Specific penalty bond	30.00
External storage of company's books and records	20.00
Category 2 disbursements charged by the firm:	
Photocopying	15.00

THE DIGITAL GARDEN GROUP LIMITED - IN LIQUIDATION

Current position of Joint Liquidators expenses

- 3.2 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report is provided below:

	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Statutory advertising	-	150.00	150.00
Specific penalty bond	-	30.00	30.00
Postage	-	54.35	60.00
Category 2 disbursements			
Photocopying	-	21.75	21.75

- 3.3 Category 1 expenses do not require approval by creditors. The type of expenses that may be charged as a Category 1 expense to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. These disbursements are included in the tables of expenses above.
- 3.4 Category 2 expenses do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage. Details of Category 2 expenses charged by this firm (where appropriate) were provided at the time the Liquidator's fees were approved by creditors. Any Category 2 expenses incurred are specifically highlighted in the tables of expenses above.
- 3.5 As of April 2021 PEM no longer charge category 2 expenses.

4 Charge-Out Rates

- 4.1 PEM's current charge-out rates effective from 27 September 2018 are detailed in appendix B. Please note this firm records its time in minimum units of 6 minutes.