

**In the Matter of N.M. Digital Services Limited
And in the Matter of the Insolvency Act and Rules 1986**

Company Number: 05545884
Trading As: N.M. Digital Services
Formerly: No previous names
Registered Office: C12 Marquis Court, Marquisway, Team Valley, Gateshead, NE11 0RU
Trading Address: 14-30 City Business Centre, Hyde Street, Winchester, SO23 7TA

In accordance with Rule 4.106, I, Eric Walls and Wayne Harrison of KSA Group Limited, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, give notice that on 10 August 2010 we were appointed joint liquidators of N.M. Digital Services Limited by resolutions of members and creditors.

Notice is hereby given that the creditors of the above named company, which is being voluntarily wound up, are required, on or before 31 October 2010 to send in their full forenames and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned E Walls (IP No. 9113) and W Harrison (IP No. 9703) of KSA Group Limited, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, Alternative Contact: E Walls, insolvency@ksagroup.co.uk, 0191 482 3343, the liquidators of the said company, and, if so required by notice in writing from the said liquidators, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution.

Dated: 20 August 2010

E Walls
Joint Liquidator of N.M. Digital Services Ltd



**Report To a Meeting Of Creditors Held Pursuant To Section 98 Of The Insolvency Act 1986
At the offices of KSA, Level 7 Tower 42, 25 Old Broad Street, London, EC2N 1HN
On 10 August 2010 at 10.30 am**

1. Statutory Information

1.1 Detailed below is information extracted either from the statutory books of the company or from records held by the Registrar of Companies.

Previous Names: N.M. Digital Services Limited

Company Number: 05545884

Date of Incorporation: 25/08/2005

Registered Office: was 14-30 City Business Centre, Hyde Street, Winchester, SO23 7TA but recently changed to C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU

Shareholdings: 2 Ordinary Shares of £1, both of which have been issued and fully paid.

Shareholders:	Nicholas Roger Millis	£1 Ordinary Share 2
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Directors in the last 3 years: Nicholas Roger Millis

Company Secretary: Carole Millis

Nature of Business:

Trading Address: 14-30 City Business Centre, Hyde Street, Winchester, SO23 7TA

2. History of the Company

2.1 The company was incorporated on 25 August 2005 and began trading shortly thereafter. The company operated as a provider of UNIX and software consultancy within the investment banking and financial sector.

2.2 The director has previous experience of operating in this area and following the identification of a gap in the market, the director decided to set up his own company. The company successfully secured a 6 month contract with Credit Suisse Bank in 2005 which was later renewed until September 2006.

2.3 Unfortunately the company's contract with Credit Suisse Bank was not renewed as the client found that the work could be outsourced to India and Singapore at a cheaper rate. From October 2006, the company secured a contract to assist Lehman Brothers in a major disaster recovery project which was to be renewed on a 6 monthly basis. The contract lasted until July 2008 however, due to the current economic climate the contract was not renewed.

2.4 The company suffered a significant drop in income and subsequently began to experience financial difficulties. At the same time the company's financial reporting began to suffer and this made it difficult to assess the company's financial position. As a result of the drop in income the company began to accrue liabilities and in particular Crown liabilities. With no future income forthcoming the director took the decision to cease trading.

2.5 A meeting was arranged with representatives of KSA Group Ltd. Based on financial information provided by the director it was evident that the company was insolvent. After consulting further with representatives of KSA Group Ltd the director felt he had no option but to call the meetings of shareholders and members necessary to place the company into voluntary liquidation.

2.6 The director considers that the main reasons for the company's failure were as follows:

1. The loss of income as a result of cost cutting by the company's client; and
2. Poor financial reporting of the business which led to increased

3. Meetings of Members and Creditors

3.1 At a meeting of the board of directors held on 27 July 2010 it was agreed that meetings of members and creditors should be summoned for the purposes of placing the company into Creditors Voluntary Liquidation. Notices were signed summoning the meetings for 10 August 2010. The notices were issued to shareholders and creditors on 27 July 2010.

3.2 Accordingly, on 10 August 2010 at a meeting of the shareholders, duly convened at the offices of KSA Group Limited, Level 7 Tower 42, 25 Old Broad Street, London, EC2N 1HN resolutions were passed placing the company into Voluntary Liquidation and appointing E Walls and W Harrison, who are licensed in the UK to act as an insolvency practitioner by the Insolvency Practitioners Association, joint liquidators.

3.3 Prior to being asked to advise the directors on the affairs of the company the partners and staff of KSA Group Limited had had no material professional relationship with the company, its directors or shareholders.

4. Transactions with Associated Companies or Trading Organisations

4.1 There are no associated companies or trading organisations.

5. Extracts from Accounts and other Financial Information

5.1 A summary of the company's recent financial history is attached at Appendix 1 to this report. Creditors should note that these accounts are draft management accounts and are subject to amendment.

6. Statement of Affairs

6.1 A statement of affairs of the company as at 10 August 2010 has been prepared by the directors. A summary of the statement of affairs is attached to this report, along with accompanying notes, and an estimated deficiency account in respect of the period of trading.

6.2 As a result of The Enterprise Act 2002 the preferential creditor status of HM Revenue and Customs in respect of PAYE, NIC and VAT, was abolished. This change in legislation also introduced provisions for the liquidator to set aside a certain proportion of the company's net property to deal with the claims of unsecured creditors in advance of the claims of the holder of a floating charge. This is known as the Prescribed Part. **These provisions only apply if a floating charge was created after implementation of The Enterprise Act on 15 September 2003.** The company has no floating chargeholder and therefore the prescribed part rules do not apply.

6.3 The statement of affairs takes no account of the cost and expenses of the liquidation or of realising the company's assets.

7. Business conducted at the meeting

7.1 No creditors attended the meeting other than the director. One proxy had been received in favour of the chairman.

7.2 The chairman opened the meeting and W Harrison of KSA Group Ltd, who had been appointed joint liquidator of the company by the shareholders of N.M. Digital Services Limited, presented a brief report to the meeting and reviewed the statement of affairs of the company which had been drawn up to the date of liquidation on his behalf.

7.3 There being no further issues raised by the creditors the chairman moved to the formal business of the meeting. Accordingly, creditors approved the following resolutions:

- the appointment of E Walls and W Harrison of KSA Group Ltd, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, was confirmed.
- a creditors' committee was not established.

In the absence of a creditors committee:

- The meeting was informed that an agreed fee of £4,000 plus VAT plus disbursements will be paid to KSA Group Limited in respect of the costs of assisting the directors in preparing the statement of affairs and summoning and holding the meetings of members and creditors. The meeting was also informed that KSA Group Ltd had received funds of £2,350.00 from third party funds.
- it was agreed that liquidators' remuneration would be calculated by reference to time costs incurred by the liquidators and their staff and authorisation was given for the liquidators to draw remuneration on account of those time costs when they felt it was appropriate.
- The liquidator informed the meeting that the current charge out rates for staff likely to deal with matters pertaining to this liquidation were as follows:

	£ per hour
Administrators	40 – 100
Managers	100 – 175
Partners	175 – 300

- It was agreed that all disbursements incurred by the liquidators' firm should be reimbursed at direct cost save in the case of postage, stationery and telephone for which a charge of £7.50 per creditor would be levied, and motor travel where a charge of 50p per mile would be made.
- it was agreed that the level of the liquidators' specific performance bond should be set at £10,000

	Book Value £	Estimated to Realise £
ASSETS		NIL
LIABILITIES		
PREFERENTIAL CREDITORS:-		NIL
		NIL
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003		NIL
		NIL
Estimated prescribed part of net property where applicable (to carry forward)		NIL
		NIL
DEBTS SECURED BY FLOATING CHARGE		NIL
		NIL
Estimated prescribed part of net property where applicable (brought down)		NIL
		NIL
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors	55,841.49	
Employees Claim - Redundancy Pay	800.00	
		56,641.49
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		(56,641.49)
		(56,641.49)
Issued and called up capital		
Ordinary Shareholders	2.00	
		2.00
TOTAL SURPLUS/(DEFICIENCY)		(56,643.49)

1. Chattel assets

1.1 The company holds no chattel assets.

2. Trade and Expense Creditors

2.1 Details of amounts due to creditors have been taken from the books and records of the company. Inclusion in the statement of affairs of the company does not constitute agreement that these amounts are, or were at any time, owed by the company and does not entitle a creditor to participate in any future distribution.

3. Amounts Due to Employees

3.1 In some instances it has been necessary to estimate the amounts due to employees in respect of arrears of wages, holiday pay, pay in lieu of notice and redundancy.

4. Costs and Expenses of Liquidation and Asset Realisation

4.1 The statement of affairs takes no account of the costs and expenses of the liquidation or realising the assets of the company.

**Estimated Deficiency Account
For the period from 1 September 2008 to 10 August 2010.**

	£	£
Reserves Balance at 31 August 2008		46
Amounts written off for the purposes of the statement		
Office & Computer Equipment	707	(707)
	<hr/>	<hr/>
		(661)
Extraordinary Items		
Redundancy Pay		(800)
		<hr/>
		(1,461)
ASSUMED TRADING PROFIT/(LOSS) FOR THE PERIOD		<hr/>
		(55,180)
CREDITORS DEFICIENCY PER STATEMENT OF AFFAIRS		<hr/>
		(56,641)