

**In the Matter of The Ideas Studio Limited
And in the Matter of the Insolvency Act and Rules 1986**

Company Number: 03445906
Trading As: The Ideas Studio Limited
Formerly: No previous names
Registered Office: Unit 3F, Sparrow Way, Lakesview Business Park, Hersden,
Canterbury, CT3 4JH
Trading Address: Stourside Place, 35-41 Station Road, Ashford, TN23 1PP

In accordance with Rule 4.106, we, Eric Walls and Wayne Harrison of KSA Group Limited, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, give notice that on 14 October 2011 we were appointed joint liquidators of The Ideas Studio 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 January 2012 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 joint 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: 19 October 2011

E Walls
Joint Liquidator of The Ideas Studio Ltd

Insolvency Act 1986

The Ideas Studio Limited
Estimated Statement Of Affairs as at 14 October 2011



	Book Value £	Estimated to Realise £
ASSETS		
Tangible Assets	2,678.00	4,200.00
Specialised Equipment	5,000.00	1.00
Software	3,000.00	3,000.00
Stock	1,500.00	2,000.00
Cash at Bank	12,000.00	12,000.00
Book Debts	947.22	947.22
Intellectual property / Patents	1.00	1.00
Corporation Tax Refund - Estimated	3,500.00	3,500.00
Petty Cash	51.04	51.04
		<u>25,700.26</u>
LIABILITIES		
PREFERENTIAL CREDITORS:-		
Employees - Arrears of Pay & Holiday Pay		2,797.30
		<u>2,797.30</u>
		22,902.96
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003		
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS		
		NIL
		<u>22,902.96</u>
Estimated prescribed part of net property where applicable (to carry forward)		
		NIL
		<u>22,902.96</u>
DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003		
		NIL
		<u>22,902.96</u>
Estimated prescribed part of net property where applicable (brought down)		
		NIL
		<u>22,902.96</u>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors		63,086.71
Employees - Redundancy & Notice Pay		25,273.53
Director's Loan		15,200.00
		<u>103,560.24</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		
		(80,657.28)
		<u>(80,657.28)</u>
Issued and called up capital		
Ordinary Shareholders		102.00
		<u>102.00</u>
TOTAL SURPLUS/(DEFICIENCY)		<u><u>(80,759.28)</u></u>

The Ideas Studio Limited – In Liquidation
Notes to the Estimated Statement of Affairs

1. Tangible Assets

- 1.1 The tangible assets of the company consist of some office and IT equipment, software and some specialised equipment. Book values attributed to those assets in the statement of affairs have been taken from the company's most recent set of annual accounts for the period ended 31 October 2010 except in respect of the software and specialised equipment where the values have been provided by the directors. The estimated to realise values have been provided by the directors.

2. Book Debts

- 2.1 The book value figure for debtors has been taken from the books and records of the company as at the date of liquidation. The directors believe the debts are fully recoverable. Following liquidation the liquidators will endeavour to collect all amounts due to the company.

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. Trade and Expense Creditors

- 4.1 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.

5. Costs and Expenses of Liquidation and Asset Realisation

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

The Ideas Studio Limited – In Liquidation

Report To a Meeting Of Creditors Held Pursuant To Section 98 Of The Insolvency Act 1986
At the offices of KSA Group Ltd, Tower 42, 25 Old Broad Street, London, EC2N 1HN
On 14 October 2011 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:	None Known						
Company Number:	03445906						
Date of Incorporation:	7 October 1997						
Registered Office:	Was Unit 3F Sparrow Way, Lakesview Business Park, Hersden, Canterbury, CT3 4JH but recently changed to C12 Marquis Court, Marquisway, Team Valley, Gateshead, NE11 0RU						
Shareholdings:	102 Ordinary Shares of £1, all of which have been issued and fully paid.						
Shareholders:	<table><thead><tr><th></th><th>£1 Ordinary Share</th></tr></thead><tbody><tr><td>Mark John Watson</td><td>51</td></tr><tr><td>Jason Reece</td><td>51</td></tr></tbody></table>		£1 Ordinary Share	Mark John Watson	51	Jason Reece	51
	£1 Ordinary Share						
Mark John Watson	51						
Jason Reece	51						
Directors in the last 3 years:	Mark John Watson Jason Reece						
Company Secretary:	Mark John Watson						
Nature of Business:	Specialist design, development and low volume manufacture of scientific, laboratory and medical equipment						
Trading Address:	Stourside Place, 35-41 Station Road, Ashford, TN23 1PP						

2. History of the Company

2.1 The company was incorporated on 7 October 1997 and began trading shortly thereafter. The company operated as a specialised consultancy with the aim of providing R&D and engineering design services to the scientific, laboratory and medical industries.

2.2 Since incorporation the company steadily increased its activities, client base and was very successful in securing repeat business. The expertise offered by the company was valued and long term relationships were built up with both small companies and large multinational organisations.

2.3 The company's turnover throughout this period increased, although not always steadily due to a significant bad debt in 2006 and some disruption to the business as a result of one of the director's family health problems. Nevertheless, the company increased activity until 2008 when a review of the business model concluded that the company could capitalise more on its R&D activities.

2.4 The move to this business model was progressively followed in the autumn of 2010 and the directors believed the company was well placed to benefit from a number of activities,

including: follow on work from Pfizer Global R&D, Cambridge University and a Spanish academic institution. In addition, the company gained follow on work from RAFT and commenced a production for an aerosol sampling instrument and 7 pre-production units.



- 2.5 A number of events then proceeded to take place, which in combination created unprecedented difficult conditions for the company. In late November 2010, the managing director's son was diagnosed with acute myeloid leukaemia. The director was therefore absent from the business for over 5 months in which time some projects were slipping, there were inefficiencies and additional labour costs.
- 2.6 In February 2011 Pfizer announced its decision to close the R&D facility thereby eliminating this income source for the company. The Japanese Tsunami which occurred in March 2011 led to delays in some critical components for the Cambridge University contract and staffing levels had to be maintained, at significant cost to the business, in order to complete the work in accordance with the specified delivery times.
- 2.7 The repeat business from one client was delayed due to an unsuccessful grant bid and there were technical issues, encountered by the client of the aerosol sampling systems. Although these issues were overcome, delivery times slowed which led to an eventual stop in orders from this client. The above difficulties combined to leave the company in a much poorer financial position than had been anticipated and liabilities had built up. It was necessary to reduce costs by reducing staff numbers.
- 2.8 Finally, when potential new grant funded projects did not materialise, the company, for the first time in its 14 years of trading had no future income stream. Accordingly, a meeting was arranged with representatives of KSA Group Ltd. Based on financial information provided by the directors it was evident that the company was insolvent. After consulting further with representatives of KSA Group Ltd the directors felt they had no option but to call the meetings of shareholders and members necessary to place the company into voluntary liquidation.
- 2.9 The directors consider that the main reasons for the company's failure were as follows:
 1. A decline in the level of contracts; and
 2. Inability to gain contracts going forward.

3. Meetings of Members and Creditors

- 3.1 At a meeting of the board of directors held on 19 September 2011 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 14 October 2011. The notices were issued to shareholders and creditors on 21 September 2011.
- 3.2 Accordingly, on 14 October 2011 at a meeting of the shareholders, duly convened at the offices of KSA Group Ltd, 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 insolvency practitioners 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 known 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 to this report.

6. Statement of Affairs

- 6.1 A statement of affairs of the company as at 14 October 2011 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 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 and a number of proxies were 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 along with W Harrison by the shareholders of The Ideas Studio 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 £4,500 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, were holding funds of £5,400 made up from the company's cash at bank.
- 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 liquidators 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 45p per mile would be made.
- it was agreed that the level of the liquidators' specific performance bond should be set at £25,000

The Ideas Studio Limited
Summary of Recent Financial History

Accounting Information

The following information has been extracted from the company's annual accounts for the years ended 31 October 2008, 31 October 2009 and 31 October 2010

	Annual Accounts 31 October 2010 £	Annual Accounts 31 October 2009 £	Annual Accounts 31 October 2008 £
Profit and Loss Account			
Turnover	377,131	351,728	135,216
Gross Profit	158,636	136,970	72,376
Gross Profit Percentage	42.1%	38.9%	53.5%
Directors' Remuneration	49,742	22,947	29,262
Dividends	Nil	Nil	Nil
Net profit before Taxation & Dividends	(21,610)	12,427	(16,663)
	<u> </u>	<u> </u>	<u> </u>
Balance Sheet			
Fixed Assets	2,678	3,103	686
Current Assets	84,251	50,358	10,924
Liabilities	(124,405)	(69,327)	(39,903)
Total Assets Less Liabilities	<u>(37,476)</u>	<u>(15,866)</u>	<u>(28,293)</u>
Issued Share Capital	102	102	102
Reserves	(37,578)	(15,968)	(28,395)
Shareholders Reserves	<u>(37,476)</u>	<u>(15,866)</u>	<u>(28,293)</u>

B - List of Creditors

Unsecured Creditors

Name	Address	£
Air Products	2 Millenium Gate, Westmere Drive, Crewe, Cheshire, CW1 6AP	125.52
Ancon Technologies Ltd	Canterbury Innovation Centre, University Road, Canterbury, Kent, CT2 7FG	939.60
Applied Thermal Control	Garden Court, Gee Road, Whitwick, Leicestershire, LE67 4NB UK	1,062.00
Ashford Precision Engineering Ltd	Unit 3, New Farm Street, Great Chart, Ashford, Kent, TN23 3DL	86.40
Barclaycard Commercial	PO Box 3000, Teesdale Business Park, Stockton on Tees, TS17 6YG	4,158.12
Bribar Engineering Services	Unit 12, Stafford Close, Ashford, Kent, TN23 4TT	4,231.20
Bridle Intellectual Property Ltd	6F Thomas Way, Lakesview Int Bus Park, Hersden, Canterbury, CT3 4JZ	392.00
Canterbury City Council (Rates)	Military Road, Canterbury, CT1 1YW	178.68
Canterbury Couriers Ltd	Unit 12 Broadlands, Blean, Canterbury, Kent, CT2 9JJ	864.00
Dartford Engraving & Screenprinting	Unit 4 Power Works Ind Est, Slade Green Road, Erith, Kent, DA8 2HY	211.20
Demon (THUS) Ltd	1-2 Berkeley Square, 99 Berkeley Street, Glasgow, G3 7HR	18.00
Dreamtek	The Orchard, Elvetham Estate, Harley Wintney, Hampshire, RG27 8AJ	65.55
DVR LTd	Unit 4, Bentalls Business Park, Pippis Hill, Basildon, Essex, SS14 3BN	3,711.84
Federal Express	PO Box 19, Coventry, CV1 4QD	33.04
Gardener Denver Alton Ltd	Waterbrook Estate, Waterbrook Road, Alton, Hampshire, GU34 2UD	1,912.94
Geary Partnership	Chuch Hill Farm, Elmstone, Canterbury, Kent, CT3 1HN	1,344.00
HM Revenue and Customs	Bradford, BD98 1YY	2,904.38
HM Revenue and Customs	Insolvency Operations, Queen's Dock, Liverpool, L74 4AF	3,806.49
Independent Circuit Design	52 North Street, Biddenden, Kent, TN2 8AS	600.00
Independent Insurance	Church House, 136 Sandgate Road, Folkestone, Kent, CT20 2BN	59.01
Leonard Gould	Union park, Bircholt Road, Maidstone, Kent, ME15 9XT	150.00
M&J Pension Fund	Unit 3F, Sparrow Way, Lakesview Int Bus Park, Hersden, Canterbury, CT3 4JH	600.00
Materialise	Advance Manufacturing Park, Brunel Way, Sheffield, S60 5WG	224.40
Metroline Security Ltd	2 Canterbury Road, Folkestone, Kent, CT19 5NG	190.00
Minnitron Ltd	20 Leigh Road, Haine Ind Park, Ramsgate, Kent, CT12 5EU	179.64
Mr F.J. Watson	14 Glebe Way, Kennington, Ashford, Kent	5,366.76
National Instruments	Measurement House, London Road, Newbury, Berkshire, RG14 2PS	3,911.77
Particle Measuring Systems	21571, Network Place, Chicago, IL 60673 -1215	487.83
PC World Busines	DSG Retail Ltd, Waterfold Park, Rochdale Road, Bury, BL9 7BJ	66.61
Pegasus Precision Ltd	Pegasus House, Old Surrenden Manor, Ashford, Kent, TN26 3DL	27,853.55
PG Merlin	Unit 4H, Lakesview International Business Park, Canterbury, Kent, CT3 4JH	7.78
Proto Labs Ltd	Halesfield 8, Telford, TF7 4QN	116.40
RS Components Ltd	PO Box 99, Corby, Northamptonshire, NN17 9RS	166.36
Schurter Electronic Components	Unit 8, Clock Park, Shripney Road, Bognor Regis, West Sussex, PO22 9NH	281.99
Sennet Insurance Services Ltd	1 Oaten Hill Place, Canterbury, Kent, CT1 3HJ	0.00
T- Mobile (UK) Ltd	PO Box 719, Camberley, Surrey, GU15 3WS	191.28
TDK - Lambda	Kingsley Avenue, Ilfracombe, Devon, EC34 8ES	308.70
Veolia Environmental Services	Veolia House, 8th Floor, 210 Pentonville Road, London, N1 9JY	86.16
	Total	66,893.20

Signature _____ Date _____

Estimated Deficiency Account
For the period from 1 November 2010 to 14 October 2011.

	£	£
Reserves Balance at 31 October 2010		(37,578)
Amounts written off for the purposes of the statement		
Plant & Machinery	1,522	
Stock	500	
	2,022	2,022
		(35,556)
Extraordinary Items		
Employees Claims - Redundancy & Notice Pay		(25,274)
		(60,830)
ASSUMED TRADING PROFIT/(LOSS) FOR THE PERIOD		(19,828)
CREDITORS DEFICIENCY PER STATEMENT OF AFFAIRS		(80,657)