

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

01870796

Name of Company

Metropolis Group Limited

/ We

Frederick Charles Satow, New Bridge Street House, 30 - 34 New Bridge Street, London, EC4V 6BJ

Paul Michael Davis, New Bridge Street House, 30 - 34 New Bridge Street, London, EC4V 6BJ

the liquidator(s) of the company attach a copy of ~~my~~/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 20/05/2015 to 19/05/2016

Signed

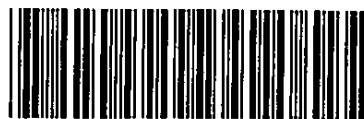
Date

13/7/16

MacIntyre Hudson LLP
New Bridge Street House
30 - 34 New Bridge Street
London
EC4V 6BJ

Ref CR100726/FS/PMD/NDN

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COMPANIES HOUSE

PRIVATE & CONFIDENTIAL

**METROPOLIS GROUP LIMITED
IN CREDITORS' VOLUNTARY LIQUIDATION**

**PROGRESS REPORT
ON THE LIQUIDATION
FOR THE PERIOD 20 MAY 2015 TO 19 MAY 2016**

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**PREPARED BY
FREDERICK CHARLES SATOW AND PAUL MICHAEL DAVIS
JOINT LIQUIDATORS**

Metropolis Group Limited – in Creditors' Voluntary Liquidation
Liquidator's Progress Report to Creditors and Members
For the year ended 19 May 2016

STATUTORY INFORMATION

Company name	Metropolis Group Limited
Registered office	New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ
Former registered office	The Power House Chiswick High Street London W4 1SY
Registered No	01870796
Principal Trading Activity	Sound recording and music publishing activities

APPOINTMENT DETAILS

Joint Liquidators' names	Frederick Charles Satow & Paul Michael Davis
IP Office Holder No	8326 & 7805 respectively
IP Licencing Body	Institute of Chartered Accountants in England & Wales
Joint Liquidators' Address	Same as registered office address above
Date of Appointment	20 May 2014

CREDITORS' RIGHTS

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 Liquidator's remuneration and expenses, within 21 days of 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 creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

STEPS TAKEN DURING THE ADMINISTRATION

On 31 May 2013, Paul Michael Davis and I were appointed Joint Administrators of the Company

Creditors will be aware from previous reports that the business and assets of the business were sold to Metropolis London Music Limited ("MLML") immediately on appointment of administrators in what is referred to as a "pre-packaged" sale of business. Full disclosure in accordance with Statement of Insolvency Practice No16 has been made to creditors and further details on the sale provided in my report and proposals to creditors issued on 25 July 2013 as well as a progress report dated 19 December 2013. Paper copies of these reports are available upon request from this office.

JOINT LIQUIDATORS' ACTIONS SINCE APPOINTMENT

On 20 May 2014, Paul Michael Davis and I were appointed Joint Liquidators of the Company following conversion from Administration to Liquidation.

The Company was placed into Creditors' Voluntary Liquidation to allow book debt collection and other assets to be realised and facilitate distribution of funds held to the unsecured creditors. Non-preferential creditors were given notice of my intention to declare a first and final dividend within two months of Friday 7 August 2015. The first and final dividend of 2.93p in the £ was declared to non-preferential unsecured creditors on 17 September 2015.

I will now take steps to conclude the Liquidation.

RECEIPTS & PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 20 May 2014 to 19 May 2015 and 20 May 2015 to 19 May 2016 is attached at Appendix 1.

The balance of funds total £36,704.62 which are now held in a non-interest bearing estate bank account. Part of these funds remain to be dealt with in the liquidation.

RECEIPTS

Book Debts

Book debts totalling £14,359.63 have been collected since liquidation and £10,252.80 in the year to 19 May 2016.

Utilities Refund

The amount of £7,040.10 has been received in respect of a utilities refund from EDF Energy (nil in the last year).

VAT Refund-Administration Period

The figure of £43,395.89 comprises the refund of VAT on payments in the Administration and VAT Bad Debt Relief on uncollectable book debts, which has been received in the last year.

Cash at Bank

The amount of £20,258.83 has been received following closure of the Company's former bank account held with Barclays Bank plc (nil in the last year).

Transfer from Administration

The amount of £61,697.95 has been transferred over from funds held in the Administration estate bank account (nil in the last year).

Bank Interest

Bank interest totalling £186 11 has been earned on funds held in the liquidation estate bank account, of which £100 56 has been earned in the last year

PAYMENTS

Specific Bond

Marsh Limited has been paid £40 in respect of the Joint Liquidators' statutory bond. This is a legal requirement in all cases and relates to statutory fidelity insurance (nil in the last year)

Joint Administrators' Remuneration and Disbursements

Sufficient funds have been realised to enable the Joint Administrators' outstanding remuneration to be paid, as authorised by the creditors in the Administration. To the date of this report £64,868 58 has been drawn together with £9 80 in disbursements. Details of the time incurred were provided in my reports to creditors in the Administration.

Pegasus Capital

Pegasus Capital were paid £1,500 plus VAT in the last year on account of the preparation of a report on the Company's interest rate hedging product and whether there was any scope for recoveries from the Royal Bank of Scotland plc. They concluded no recoveries were possible.

Peter J Mico

Mr Mico assisted in the collection of debts and was paid £2,148 51 on a commission-only basis in the last year.

Corporation Tax

Corporation Tax of £20 94 was paid on deposit interest earned in the Administration period in the last year.

Hansa World UK

The amount of £56 35 plus VAT has been paid in the last year to Hansa World UK to enable the company's former software system to be re-connected to assist in collection of the outstanding debtors ledger.

Statutory Advertising

Courts Advertising Limited has been paid £169 20 plus VAT for the statutory advertising of notices in the London Gazette in the prior year.

Trade & Expense Creditors

A first and final dividend of 2 93p in the £ totalling £28,081 72 to the non-preferential unsecured creditors was declared and paid on 17 September 2015. There will be no further dividends.

ASSETS

Book Debt Recovery

Following the sale of the Company's business and assets, MLML were instructed to assist with the collection of the Company's outstanding debtor's ledger totalling £208,151. As forewarned in my previous administration progress reports, in January 2014, an independent agent, Peter Mico of PJM Insolvency Debt Collection & Site Services ("PJM") was instructed to take over collection of the

outstanding ledger. The terms under which PJM were to be remunerated for collection of the ledger are 10% of realisations up to £50,000 and 20% of realisations thereafter. This reflects the fact that a significant proportion of the sales ledger relates to overseas debts or those more than a year old, as well as the difficulties experienced by MLML in collecting the ledger, after their initial success. PJM attended site to download the relevant information and we were hopeful that collections would improve. Book debts realised by PJM since he started collection total £14,359.51.

Accumulated Tax Losses

The Company has accumulated substantial capital and trading losses totalling approximately £5,386m. It is possible that these could be transferred and utilised by a group company and the joint administrators have made enquiries in this regard and approached MLML to offer them for sale. MLML are seeking tax advice as it is not yet clear what benefit MLML will be able to derive from them and therefore what value can be attributed to them. The Joint Liquidators have recently approached MLML to obtain confirmation as to whether they intend to pursue the losses but there has been no response. The Joint Liquidators will now cease to making enquiries in this regard and there will be no return to creditors from this source.

Interest Rate Hedging Product

The Company operated a sterling Amortising Base Rate Swap of £1m (an interest rate hedging product) ("IHRP") in respect of borrowings from The Royal Bank of Scotland PLC ("RBS"). Although the lending was fully repaid (after a debt for equity swap) and the hedging product cancelled in March 2010, the Joint Administrators were made aware that the Company might be entitled to compensation for alleged mis-selling of the product. The Joint Administrators made submissions to the RBS review process established in conjunction with the Financial Conduct Authority ("FCA") and requested documentation in order that the claim could be fully reviewed.

RBS have provisionally determined that the sale of this IRHP met the standards agreed by them with the FCA, which they believe to be fair and reasonable and therefore no redress is due. Pegasus Capital LLP have been instructed to prepare a report on the IRHP. Their view is that there is no further action to be taken as the cost of doing so would not be covered by any re-dress payment. This matter has now been concluded.

Administration VAT Refund

I submitted a VAT reclaim for the Administration period which totals £21,232.67 and which has been received in the last reporting period.

Other Assets

In my previous report I advised that there were no other significant assets, although it was possible that the Company might be able to make a claim for VAT bad debt relief. This claim was submitted for £21,963.22 and was received in full into the Estate in the last reporting period.

LIABILITIES

Secured Liabilities

An examination of the Company's mortgage register held by the Registrar of Companies showed that Lloyds TSB Commercial Finance Limited ("LTSBCF") held a fixed and floating charge over the Company's assets. The charge was created on 20 April 2012 and registered at Companies House on 23 April 2012. LTSBCF were owed the sum of £123,428 as at the date of administration, which was paid in full.

Preferential Creditors

There are no known claims that would rank as preferential in the liquidation as employees were transferred to MLML on completion of the sale of business. No preferential claims have been received to

date

Crown Creditors

HMRC have submitted a final claim of £372,845.82 (PAYE/NIC £298,016.11 and VAT £74,784.63). This claim has now been agreed and paid for dividend purposes.

Non-preferential unsecured Creditors

The Company's records reflected 282 creditors (excluding HMRC) with an estimated total liability of £696,621.87. I received claims from 99 unsecured creditors totalling £980,284.18. 94 creditor claims totalling £932,016.46 were adjudicated and admitted for dividend. 181 creditors with estimated claims of £224,057.25 have not claimed in the liquidation.

Upon appointment I was made aware of two claims from former employees that were subject to tribunal proceedings. The administration imposes an automatic stay on legal proceedings against the Company and I have attempted to deal with the claims outside the tribunal process, in the interests of keeping costs to a minimum. These proceedings have now been concluded and a dividend paid to the relevant creditors.

DIVIDEND PROSPECTS

Secured Creditors

LTSBCF has been paid in full from realisations in the administration. There are no other secured creditors in this matter.

Preferential Creditors

As referred to above, there are no preferential claims in the administration as all employees transferred to MLML on completion of the sale of the business.

Non-preferential Unsecured Creditors

A dividend of 2.93 p in the £ was declared to non-preferential unsecured creditors on 17 September 2015 following notice of my intention to declare a first and final dividend within two months of Friday, 7th August 2015. There will be no further dividends.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

There were no matters that justified further investigation in the circumstances of this appointment.

Within six months of my appointment as Liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make him unfit to be concerned with the management of the Company. I confirm that my report has been submitted.

JOINT LIQUIDATORS' REMUNERATION

During the course of the Administration our remuneration was authorised by creditors to be drawn on a time cost basis.

The transitional provisions of Schedule 4 to the Insolvency (Amendment) Rules 2010 state that the basis of the Joint Liquidators' remuneration is treated as being fixed in accordance with the approval

given to the Joint Administrators. These amendments apply where a company goes into voluntary liquidation under paragraph 83 of Schedule B1 to the Act, except where the preceding administration commenced before 6th April 2010. These provisions therefore apply to this Liquidation.

My total time costs from 20 May 2015 to 19 May 2016 amount to £29,021.46, representing 120.09 hours work at an average charge out rate of £241.66 per hour. My total time costs from 20 May 2014 to 19 May 2016 total £51,982.32 at an average charge out rate of £245.58 per hour. The sum of £38,000 plus VAT has been invoiced and paid since 19 May 2016 in respect of the Joint Liquidators' time costs.

A schedule of my time costs incurred to date is attached as Appendix 2.

The Joint Administrators' remuneration has been paid in full.

A description of the routine work undertaken since my appointment as Joint Liquidator is as follows:

1 Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on IPS
- Review and storage
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors
- Convening and holding meetings of members and creditors

2 Cashiering

- Maintaining and managing the Liquidator's cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

3 Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information on IPS
- Reviewing and adjudicating on proofs of debt received from creditors
- Paying a dividend to unsecured creditors,

4 Investigations

- Review and storage of books and records
- Preparing a return pursuant to the Company Directors Disqualification Act
- Conducting investigations into suspicious transactions
- Reviewing books and records to identify any transactions or actions a Liquidator may take against a third party in order to recover funds for the benefit of creditors

5 Realisation of Assets

- Corresponding with debtors and attempting to collect outstanding book debts
- Liaising with the Company's bank regarding the closure of the account
- Pursuing the IRHP claim against RBS

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals, together with an explanatory note which shows MHA MacIntyre Hudson's fee policy are available at the link <http://www.macintyreHUDSON.co.uk/guide-to-fees>. Please note that there are different

versions of the Guidance Notes, and in this case you should refer to the October 2014 version. A hard copy of both documents can be obtained on request from the address above.

JOINT LIQUIDATORS' EXPENSES

I have incurred total expenses of £85.55 since my appointment as Joint Liquidator, none of which has been drawn to date.

Type of Expense	Amount Incurred / Accrued to Date (£)	Amount still to be Paid (£)
Company Searches	6.00	6.00
Joint Liquidators' Bond	65.00	65.00
Joint Liquidators' Expenses	9.55	9.55
Storage	5.00	5.00
Total	85.55	85.55

The following agents or professional advisors have been utilised in this matter:

Professional Advisor	Nature of Work	Fee Arrangement
PJM Insolvency Debt Collection & Site Services	Debt collection	% realisations
Pegasus Capital Limited	Advisors - IRHP	Time costs and fixed fee

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

DISPUTE RESOLUTION

We would also advise you that our Insolvency Practitioners are bound by the Insolvency Code of Ethics, a copy of which can be found at <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/ethics-code> when carrying out all professional work relating to an insolvency appointment. They are also bound by the regulations of their professional bodies which can be found at <http://www.insolvency-practitioners.org.uk/>.

At MHA MacIntyre Hudson we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of Insolvency Proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of this case, then in the first instance you should contact me at the address given in this report.

If you consider that I have not dealt with your comments or complaint appropriately you may then put details of your concerns in writing to our complaints officer Michael Sanders of New Bridge Street House, 30-34 New Bridge Street, London, EC4V 6BJ. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licenses the Insolvency Practitioner concerned. Any such complaints should be addressed to the Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner or you can email insolvency.enquiryline@insolvency.gsi.gov.uk, or you may phone 0300 678 0015-calls are charged at up to 9p per minute from a land line, or for mobiles, between 8p and 40p per minute if you are calling from the UK.

SUMMARY

The Liquidation will remain open until the outstanding assets have been realised and all outstanding costs paid. I estimate that this will take approximately six months and once resolved the Liquidation will be concluded and our files will be closed.

Should you have any queries regarding this report, or the Liquidation in general, please contact Nigel Nutting on 020 7429 3493 or nigel.nutting@mhlp.co.uk



F C Satow
JOINT LIQUIDATOR

Metropolis Group Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 20/05/2015 To 19/05/2016	From 20/05/2014 To 19/05/2016
SECURED ASSETS		
Bank Interest	NIL	NIL
	NIL	NIL
ASSET REALISATIONS		
Book Debts	10,252 80	14,359 63
Utilities Refund	NIL	7,040 10
VAT Refund - Administration Period	43,395 89	43,395 89
Cash at Bank	NIL	20,258 83
Refund of bank charges	NIL	NIL
Transfer from Administration	NIL	61,697 95
Bank Interest Gross	100 56	186 11
	53,749 25	146,938 51
COST OF REALISATIONS		
Specific Bond	NIL	40 00
Joint Administrators remuneration	64,868 58	64,868 58
Joint Administrators disbursements	9 80	9 80
Agent - Pegasus Capital	1,500 00	1,500 00
Agent - Pater J Mico	2,148 51	2,148 51
Corporation Tax - Administration	20 94	20 94
Hansa World UK	NIL	56 35
Storage Costs	15 00	15 00
Statutory Advertising	NIL	169 20
	(68,562 83)	(68,828 38)
UNSECURED CREDITORS		
Trade & Expense Creditors	28,081 72	28,081 72
	(28,081 72)	(28,081 72)
DISTRIBUTIONS		
Ordinary Shareholders	NIL	NIL
	NIL	NIL
	(42,895 30)	50,028.41
REPRESENTED BY		
Vat Receivable		13,323 79
Barclays Bank Plc - NIB		36,704 62
		50,028.41



Frederick Charles Satow
Joint Liquidator

Metropolis Group Limited

(In Creditors' Voluntary Liquidation)

Analysis of Time Costs for the period 20 May 2015 to 19 May 2016

Classification of Work	Partner		Director		Manager		Administrator		Assistant		Cashiering		Total Hours	Time Cost	Average Hourly Rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)			
Administration and Planning	0 00	0 00	3 95	1,441 75	0 30	50 90	23 30	5,184 00	17 15	2,515 00	0 00	0 00	44 70	9,191 65	205 63
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Investigations	0 00	0 00	0 15	54 75	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 15	54 75	365 00
Realisation of Assets	0 00	0 00	2 80	1,022 00	0 00	0 00	2 20	506 00	0 00	0 00	0 00	0 00	5 00	1,528 00	305 60
Creditors	0 00	0 00	15 97	5,827 83	0 00	0 00	25 50	5,865 00	3 40	476 00	0 00	0 00	44 87	12,168 83	271 20
Fixed Charge Creditors	0 00	0 00	0 15	54 75	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 15	54 75	365 00
Fixed Charge Realisations	0 00	0 00	10 37	3,783 83	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	10 37	3,783 83	364 88
Cashiering	0 00	0 00	0 00	0 00	0 70	200 90	2 45	169 75	0 20	29 00	11 50	1,840 00	14 85	2,239 65	150 82
Other	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total	0 00	0 00	33 39	12,184 91	1 00	251 80	53 45	11,724 75	20 75	3,020 00	11 50	1,840 00	120 09	29,021 46	241 66
Average Hourly Rate, £		0 00		364 93		251 80		219 36		145 54		160 00			

Metropolis Group Limited

(In Creditors' Voluntary Liquidation)

Analysis of Time Costs for the period 20 May 2014 to 19 May 2016

Classification of Work	Partner		Director		Manager		Administrator		Assistant		Cashiering		Total Hours		Time Cost		Average Hourly Rate	
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	£	£	£	£
Administration and Planning	0 00	0 00	4 95	1,799 25	0 30	50 90	46 40	10,363 00	21 15	3,098 50	0 00	0 00	72 80	15,311 65	210 32	0 00	210 32	0 00
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Investigations	0 00	0 00	2 65	967 25	0 00	0 00	2 40	528 00	0 00	0 00	0 00	0 00	5 05	1,495 25	296 09	1,495 25	296 09	296 09
Realisation of Assets	0 00	0 00	12 85	4,656 75	0 00	0 00	2 20	506 00	0 00	0 00	0 00	0 00	15 05	5,162 75	343 04	5,162 75	343 04	343 04
Creditors	0 00	0 00	21 50	7,833 79	0 10	29 00	60 00	13,795 00	6 30	883 00	0 00	0 00	87 90	22,540 79	256 44	22,540 79	256 44	256 44
Fixed Charge Creditors	0 00	0 00	0 40	146 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 40	146 00	365 00	146 00	365 00	365 00
Fixed Charge Realisations	0 00	0 00	10 62	3,872 58	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	10 62	3,872 58	364 65	3,872 58	364 65	364 65
Cashiering	0 00	0 00	0 00	0 00	0 70	200 90	2 65	215 75	0 20	29 00	16 30	3,007 65	19 85	3,453 30	173 97	3,453 30	173 97	173 97
Other	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total	0 00	0 00	52 97	19,275 62	1 10	280 80	113 65	25,407 75	27 65	4,010 50	16 30	3,007 65	211 67	51,982 32	245 58	51,982 32	245 58	245 58
Average Hourly Rate, £		0 00		363 90		255 27		223 56		145 05		184 52						