

**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

I / 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 20/05/2014 to 19/05/2015

Signed



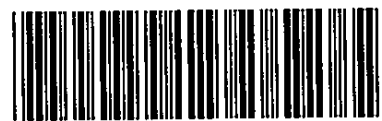
Date

13/7/15

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

Ref CR100726/FS/PMD/JJ

THURSDAY

\*A4BQCF03\*  
A28 16/07/2015 #111  
COMPANIES HOUSE

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

Statement of Affairs	From 20/05/2014 To 19/05/2015
SECURED ASSETS	
Bank Interest	NIL
	NIL
ASSET REALISATIONS	
Book Debts	4,106 83
Utilities Refund	7,040 10
Cash at Bank	20,258 83
Refund of bank charges	NIL
Transfer from Administration	61,697 95
Bank Interest Gross	85 55
	93,189 26
COST OF REALISATIONS	
Specific Bond	40 00
Hansa World UK	56 35
Statutory Advertising	169 20
	(265 55)
	<b>92,923.71</b>
REPRESENTED BY	
Vat Receivable	45 11
Barclays Bank Plc	92,878 60
	<b>92,923 71</b>



Frederick Charles Satow  
Joint Liquidator



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**PRIVATE & CONFIDENTIAL**

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

**PROGRESS REPORT  
ON THE LIQUIDATION  
FOR THE PERIOD 20 MAY 2014 TO 19 MAY 2015**

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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 2015**

**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 2015, 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 collections and other assets to be realised and facilitate distribution of funds held to the unsecured creditors. Non-preferential creditors have been given notice of my intention to declare a first and final dividend within two months of Friday 7 August 2015

Following this, I will take steps to obtain tax clearance from H M Revenue & Customs ("HMRC") and conclude the Liquidation

## **RECEIPTS & PAYMENTS ACCOUNT**

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

The balance of funds held total £92,878 60 which are held in an interest bearing estate bank account

### **RECEIPTS**

#### **Book Debts**

Book debts totalling £4,106 83 have been collected since liquidation

#### **Utilities Refund**

The amount of £7,040 10 has been received in respect of a utilities refund from EDF Energy

#### **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

#### **Transfer from Administration**

The amount of £61,697 95 has been transferred over from funds held in the Administration estate bank account

#### **Bank Interest**

Bank interest totalling £85 55 has been earned on funds held in the liquidation estate bank account

### **PAYMENTS**

#### **Specific Bond**

Marsh Limited have been paid £40 in respect of the Joint Liquidators' statutory bond. This is a legal requirement in all cases and is a statutory fidelity insurance bond

#### **Hansa World UK**

The amount of £56 35 plus VAT has been paid 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 have been paid £169 20 plus VAT for the statutory advertising of notices in



the London Gazette

## **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. MLML were short staffed and unable to devote sufficient time and effort to the debt collection process. Collections have also been hindered by the fact that the Company could no longer access Hansa World UK ("Hansa"), the system which holds some of the debt collection information. 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 £5,851.48 which compares with no collections since November 2013 under MLML.

### **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 continue to make enquiries in this regard and will seek to maximise recoveries where possible.

### **Interest Rate Hedging Product**

The Company operated a sterling Amortising Base Rate Swap of £1m (an interest rate hedging product) ("IRHP") in respect of borrowings from 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. I have however arranged a meeting with RBS' re-dress team which is to take place shortly for further and final clarification.

### **Administration VAT Refund**

I have submitted a VAT reclaim for the Administration period which totals £21,232.67 which I expect to receive shortly.

### **Other Assets**

There are no other significant assets, although it is possible that the Company may be able to make a claim for VAT bad debt relief. However given the Company's significant unpaid VAT liability it is not likely that this will generate a cash recovery for the creditors since HMRC may set off any VAT recoverable against their unpaid VAT debt. It may not therefore be cost effective to pursue this.



## **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 has since been 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 not yet been agreed for dividend purposes pending calculation of the VAT Bad Debt Relief claim which may be offset against HMRC's final claim.

### **Non-preferential unsecured Creditors**

The Company's records reflected 282 creditors (excluding HMRC) with an estimated total liability of £696,621.87. I have received claims from 99 unsecured creditors totalling £903,342.40. 78 creditor claims totalling £346,173.18 have been adjudicated and admitted for dividend. 183 creditors with estimated claims of £224,057.25 have not claimed in the liquidation. 21 creditor claims totalling £184,323.40 are yet to be agreed.

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. The proceedings in respect of one of these individuals has been withdrawn following referral of their claim to the Redundancy Payments Service and the costs of dealing with assessment of their claim has been avoided. I continue to deal with the other claim, admission of which in full would have a material impact on the dividend payable to creditors. I have instructed solicitors to advise in relation to the claim and I hope to be able to resolve this in the near future.

## **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**

It appears likely that a dividend will be declared to non-preferential unsecured creditors and accordingly the Company has been placed into creditors' voluntary liquidation to facilitate the distribution.

Non-preferential have been given notice of my intention to declare a first and final dividend within two months of Friday, 7<sup>th</sup> August 2015. Based on current estimates the dividend is estimated at below 5p per £. This is significantly less than previously forecast due to the lower level of debtor realisations, compared



with previous estimates

## **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 6<sup>th</sup> April 2010. These provisions therefore apply to this Liquidation

My total time costs to 7 May 2015 amount to £22,560.41, representing 91.58 hours work at an average charge out rate of £246.35 per hour. I have not drawn any liquidator's fees to date

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

In addition, as detailed in previous reports, some of the Joint Administrators' remuneration remains unpaid, amounting to £39,765.9

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

#### 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

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 £6.00 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

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.

### **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 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.

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## DISPUTE RESOLUTION

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 letter.

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, 3<sup>rd</sup> 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](http://www.gov.uk/complain-about-insolvency-practitioner) or you can email [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto: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 a dividend paid to the non-preferential unsecured creditors. I estimate that this will take approximately 6 months and once resolved the Liquidation will be finalised and our files will be closed.

Should you have any queries regarding this report, or the Liquidation in general, please contact Jasvanti Jesani on 020 7429 0520 or [jasvanti.jesani@mhlp.co.uk](mailto:jasvanti.jesani@mhlp.co.uk)

**F C Satow**  
**JOINT LIQUIDATOR**

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

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Barclays Bank Plc	92,878 60
	92,923 71



Frederick Charles Satow  
Joint Liquidator

# Metropolis Group Limited

(In Creditors' Voluntary Liquidation)

Analysis of Time Costs for the period 20 May 2014 to 19 May 2015

Classification of Work	Partner		Director		Manager		Administrator		Assistant		Cashing		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	1 00	357 50	0 00	0 00	23 10	5,179 00	4 00	583 50	0 00	0 00	28 10	6,120 00	217 79
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	2 50	912 50	0 00	0 00	2 40	528 00	0 00	0 00	0 00	0 00	4 90	1,440 50	293 98
Realisation of Assets	0 00	0 00	10 05	3,634 75	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	10 05	3,634 75	361 67
Creditors	0 00	0 00	5 53	2,006 16	0 10	29 00	34 50	7,930 00	2 90	406 00	0 00	0 00	43 03	10,371 16	241 02
Fixed Charge Creditors	0 00	0 00	0 25	91 25	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 25	91 25	365 00
Fixed Charge Realisations	0 00	0 00	0 25	88 75	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 25	88 75	355 00
Cashing	0 00	0 00	0 00	0 00	0 00	0 00	0 20	46 00	0 00	0 00	4 80	768 00	5 00	814 00	162 80
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
<b>Total</b>	<b>0 00</b>	<b>0 00</b>	<b>19 58</b>	<b>7,090 91</b>	<b>0 10</b>	<b>29 00</b>	<b>60 20</b>	<b>13,683 00</b>	<b>6 90</b>	<b>989 50</b>	<b>4 80</b>	<b>768 00</b>	<b>91 58</b>	<b>22,560 41</b>	<b>246 35</b>
<b>Average Hourly Rate, £</b>		<b>0 00</b>		<b>362 15</b>		<b>290 00</b>		<b>227 29</b>		<b>143 41</b>		<b>150 00</b>			