

Return of Final Meeting in a Creditors' Voluntary Winding Up

S.106

Pursuant to Section 106 of the Insolvency Act 1986

To the Registrar of Companies

Company Number

03196343

Name of Company

(a) Insert full name of
company

(a) MACHIAVELLI LIMITED /

(b) Insert full name(s) and
address(es)

I (b)

Bijal Shah of RE10 (South East) Limited, 27 Church Street, Rickmansworth, Hertfordshire, WD3 1DE

(c) Delete as applicable

(d) Insert date

(e) The copy account
must be authenticated by
the written signature(s) of
the liquidator(s)

(f) Insert venue of the
meeting

1. give notice that a general meeting of the company was duly (c) ~~held on~~ [summoned for] (d) 17 July 2015 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached (e)) laid before it showing how the winding up of the company has been conducted and the property of the company has been disposed of and (c) ~~[that the same was done accordingly]~~ [no quorum was present at the meeting]

2. give notice that a meeting of the creditors of the company was duly (c) ~~held on~~ [summoned for] (d) 17 July 2015 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having the said account laid before it showing how the winding up of the company has been conducted and the property of the company has been disposed of and (c) ~~[that the same was done accordingly]~~ [no quorum was present at the meeting]

The meeting was held at (f) 27 Church Street, Rickmansworth, Hertfordshire, WD3 1DE

The winding up covers the period from (d) 6 October 2014 (opening of winding up) to the final meeting (close of winding up)

There was no quorum present

Signed



Date 17/7/15

Presenter's name,
address and reference (if
any)

Bijal Shah
RE10 (South East) Limited
27 Church Street
Rickmansworth
Hertfordshire
WD3 1DE

SATURDAY



A4BVGX02

A14

18/07/2015

#323

COMPANIES HOUSE

MACHIAVELLI LIMITED - IN CREDITORS' VOLUNTARY LIQUIDATION

FINAL REPORT

**FILED IN ACCORDANCE WITH RULE 4.49D OF THE INSOLVENCY RULES 1986,
AS AMENDED**

17 July 2015

CONTENTS

- 1 Introduction
- 2 Background
- 3 Asset Realisations
- 4 Investigations
- 5 Creditors' claims
- 6 Dividend prospects
- 7 Costs and Expenses
- 8 Conclusion

APPENDICES

- 1 Receipts and Payments Account
- 2 Analysis of Time Costs

1. INTRODUCTION

I would advise you that I am now in a position to conclude this liquidation

The final meetings of shareholders and creditors have been called on 17 July 2015 at 10 00am and 10 15 am respectively at 27 Church Street, Rickmansworth, Hertfordshire WD3 1DE, pursuant to Section 106 of the Insolvency Act 1986. The purpose of the meetings is to consider the release of the liquidator and to approve this report and the final Receipts and Payments accounts attached with the report.

This is my final report to creditors and members of the company. The report details the acts and dealing of the Liquidator and it should be read in conjunction with previous correspondence to Creditors.

2. BACKGROUND

Company Information

Company Number:	03196343
Date of Incorporation:	9 May 1996
Nature of Business:	Importer and distributor
Registered Office:	Formerly Machiavelli House 102-104 Stewarts Road London SW8 4UF It has now been changed to 27 Church Street Rickmansworth Hertfordshire WD3 1DE
Trading Address:	102-108 Stewarts Road London SW8 4UY

The members' and creditors' meetings were held on 6 October 2014 and I, Bijal Shah of Re10 (South East) Limited, 27 Church Street, Rickmansworth, Hertfordshire, WD3 1DE was appointed Liquidator of the company on the same day.

The company started trading in 1995 as an importer and distributor of artisan Italian food products. The Company was funded by an overdraft of £90,000 from Lloyds Bank and a loan of £450,000, which was secured by a debenture against the assets of the Company and by the director's personal guarantees.

The Company was the first of its kind and managed to make inroads into many important London restaurants and stores. One of the largest customers was the store Selfridges and their turnover grew rapidly. Originally all of the prices were calculated from the Italian Lire exchange rate but when the Euro was adopted the prices were calculated on the Euro rate at the time.

The Euro rate was fairly stable for a short while but during a period the exchange rate which was originally around 1.6 dropped down to almost parity. The company had a constant fight

trying to increase its prices in view of this disastrous change in the exchange rate and its margins were greatly reduced

This combined with the recession in the UK and the inability to get any sort of additional bank facility, left Machiavelli struggling, and although the directors injected further capital, eventually the lack of capital meant that the suppliers refused to send goods and subsequently the sales fell and the Company could not meet its liabilities

In order to try and reduce the cost of invoice financing, which was excessive, the company decided to sell the lease of the Long Acre site and instructed Savills to act on its behalf. An offer of £400,000 was received and the money was spent getting the landlords consent for the sale but the day before the exchange they withdrew leaving the company out of pocket. Eventually a second buyer was found at a reduced price of £300,000, being Lease £150,000, Fixtures £35,000, Chattels £14,999, Goodwill £100,000 and Premises license £1. In addition there was the release of the rent deposit by the landlord of some £100,000. This was recommended to be accepted by the agents and the sale was exchanged in July and completed at the end of August. The money was used to pay the costs of the sale and the remainder some £358,200 went to Lloyds Bank who had a debenture over the assets of the company

3 ASSET REALISATIONS

The Liquidator's Receipts and Payments account for the period from appointment to the date of this report is attached at appendix 1

As set out in the director's estimated Statement of Affairs, there were no assets

I have reviewed the books and records of the company for the possible realisation of any assets that may belong to the company. I advise that I am unable to locate any additional assets for the benefit of the creditors

4. INVESTIGATION

Under the Company Directors' Disqualification Act 1986, it is the statutory duty of the liquidator to investigate the conduct of the directors of the company in the three years prior to the insolvency of the company

I report that no specific concerns have been raised by the creditors of the company regarding the conduct of the directors. However, I have reviewed the books and records of the company available to me to investigate the affairs of the company and the reasons for the failure of the business

I can confirm that an appropriate report on the conduct of the directors has been prepared and submitted to the Insolvency Service. The content of this report is confidential and cannot be disclosed to any third party

5 CREDITORS' CLAIMS

Secured creditors

There are no known secured creditors in this liquidation

Preferential creditors

I have received preferential claims from the former employees in respect of their arrears of wages and holiday pay. These were forwarded to the Insolvency Service to advance a payment from the National Insurance Fund

There are preferential claims totalling £20,333 in the liquidation. I have not undertaken the task of agreeing claims due to the unlikelihood of any dividend to unsecured creditors

Unsecured creditors

The unsecured creditors, as per the statement of affairs totalled £978,404 and I have received claims for £1,501,137.52 from 27 creditors. I have not undertaken the task of agreeing claims due to there being no likelihood of any dividend to unsecured creditors.

6. DIVIDEND PROSPECTS

As previously advised, after taking into account the expenses of the liquidation, the assets realised are not sufficient to pay a dividend to the unsecured creditors.

7. COSTS AND EXPENSES

The payments shown on the summary of Receipts and Payments account at Appendix 1 are self-explanatory.

Statement of Affairs Fee

The fees in connection with preparing the statement of affairs, convening the meetings of members and creditors and for assisting the director in the period leading up to the liquidation have been approved in the sum of £15,000 plus VAT and disbursements at the creditors meeting held at 6 October 2014. This fee has been paid, limited to the funds available.

Liquidators' Remuneration

My remuneration, as liquidator of the company, was previously authorised by creditors at a meeting held on 6 October 2014 in accordance with the following resolution:

"That the Liquidator is authorised to draw his remuneration on the basis of his time costs with such remuneration to be drawn on account from time to time as funds permit."

"That the Liquidator also be authorised to recover his disbursements and expenses which may include an element of shared or allocated costs (known as category 2 disbursements) and which are set out in the creditors guide to fees and/or RE10 (South East) Limited's disbursements policy."

The Liquidators' time costs for the period to date total £12,926 representing 63.40 hours at an average hourly rate of £203.88. Time costs are detailed at Appendix 2.

As you can see from the receipts and payments account, no funds are available for payment of these costs and they will be written off accordingly.

Liquidators' Disbursements

The Liquidators' category 1 disbursements total £406.80 and represent the simple reimbursement of actual out of pocket payments made on behalf of the assignment. As you can see from the receipts and payments account, no funds are available for payment of these costs and they will be written off accordingly.

Charge out rates

The Statement of Insolvency Practice 9 "A Creditors Guide to Insolvency Practitioners' Fees" can be downloaded from www.r3org.uk/publications. Click on statements of insolvency practice number 9. A copy of our charge out rates and disbursement details is attached.

8 CONCLUSION

The final meetings have been convened to close this liquidation. The liquidation of the company is now concluded.

I will be released upon giving notice to the Registrar of Companies. This report will be filed at Companies House as my final report to members and creditors of the company and no further report will be sent in respect of this assignment.

I confirm that the Company's centre of main interest is in the UK. Accordingly the Council Regulations (EC) No 1346/2000 of 29 May 2000 on insolvency proceedings will apply. These proceedings will be main proceedings as defined in Article 3 of the EC Regulations.

There are no other exceptional points to note.



Bijal Shah
Liquidator

Machiavelli Limited T/A Machiavelli - In Creditors Voluntary Liquidation
Liquidator's Abstract of Receipts & Payments

From 6 October 2014 to 17 July 2015

S of A £		£
RECEIPTS		
NIL	Director's payment	9,000 00
	Cash at bank	3,703 40
	VAT	2,540 78
	Interest	0 51
<hr/>		<hr/>
NIL		15,244 69
PAYMENTS		
	Statement of affairs fee	12,703 91
	VAT	2,540 78
		<hr/>
		15,244 69
 CASH IN HAND		
		<hr/>
		NIL

Liquidator's Remuneration Schedule
Machiavelli Limited
Between 06 October 2014 and 17 July 2015

Classification of work function	Partner/Director	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost	Average Hourly Rate
Administration & Planning	0 70	1 80	4 50	16 80	23 80	4,118 00	173 03
Investigations	0 80	6 90	0 30	0 10	8 10	2,460 00	303 70
Realisation of Assets	1 50	0 00	0 00	0 20	1 70	603 00	354 71
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Creditors	0 00	0 80	11 50	7 30	19 60	3,673 00	187 40
Case Specific Matters	0 00	0 00	0 00	2 40	2 40	218 00	90 83
Statutory and compliance	0 00	3 90	3 00	0 90	7 80	1,854 00	237 69
Total hours	3 00	13 40	19 30	27 70	63 40		
Time costs	1,170 00	3,890 00	3,868 00	3,998 00	12,926 00		
Average hourly rate	390 00	290 30	200 41	144 33	203 88		

RE10 (SOUTH EAST) LIMITED CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance requires that such information should be disclosed to those who are responsible for approving remuneration.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. This time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- Category 1 expenses (approval not required) – specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- Category 2 expenses (approval required) – items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of creditors is charged at the rate of £100
- Car Mileage is charged at the rate of 40 pence per mile
- Storage of books & records (when not chargeable as a Category 1 expense) is charged on the basis that the number of standard archive boxes for all such cases in respect of the period for which the storage charge relates.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 Expense.

Telephone & Facsimile, Printing & Photocopying, Stationery

RE10 (SOUTH EAST) LTD CHARGE-OUT RATES

Grade of Staff	Hourly Charge –out rate
Partner	£390
Manager	£300
Senior Administrator	£240
Administrator	£180
Assistant	£90

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units)