

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 07171102

Company name in full Capitan Films Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Lloyd

Surname Hinton

3 Liquidator's address

Building name/number Allan House

Street 10 John Princes Street

Post town London

County/Region

Postcode W1G 0AH

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

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Period of progress report

From date

^d 1 ^d 1 ^m 1 ^m 2 ^y 2 ^y 0 ^y 2 ^y 0

To date

^d 1 ^d 0 ^m 1 ^m 2 ^y 2 ^y 0 ^y 2 ^y 1

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 0 ^d 4 ^m 0 ^m 2 ^y 2 ^y 0 ^y 2 ^y 2

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Layla Marsh

Company name

Insolve Plus Ltd

Address

Allan House

10 John Princes Street

Post town

London

County/Region

Postcode

W 1 G 0 A H

Country

DX

Telephone

020 7495 2348

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Our ref: AD/C091H/3.1

4 February 2022

Capitan Films Limited – In Creditors’ Voluntary Liquidation

Liquidator’s Progress Report to Creditors and Members For the year ending 10 December 2021

1. Introduction

Following my appointment as Liquidator of the Company on 11 December 2018 and in accordance with Section 104A of the Insolvency Act 1986 and all associated provisions of the Insolvency (England & Wales) Rules 2016, I hereby report on the progress of the Liquidation following the third anniversary of my appointment.

2. Statutory Information

Company name:	Capitan Films Limited
Registered office:	Allan House, 10 John Princes Street, London, W1G 0AH
Former registered office:	15 Golden Square, London, W1F 9JG
Registered number:	07171102
Liquidator’s name:	Lloyd Edward Hinton
Liquidator’s address:	Allan House, 10 John Princes Street, London, W1G 0AH
Liquidator’s date of appointment:	11 December 2018

As the Company had its only place of business at premises in the UK, the EC regulations apply, these proceedings are Main Proceedings as defined in Article 3 of the EC Regulation.

3. Liquidator’s actions for the period 11 December 2020 to 10 December 2021

Following the second anniversary of my appointment, I issued my annual report to all known members and creditors on 3 February 2021.

My instruction of Brecher LLP, of 64 N Row, Mayfair, London W1K 7DA has continued throughout the period covered by this report. They have reviewed the loan position and they are corresponding with Disney and Fox in the USA. The matter is being progressed and a further update will be provided in due course.

Regarding the potential ongoing film rights, this matter is also ongoing. I will provide creditors with an update in a subsequent report.

4. Liquidator's Receipts & Payments Account

Attached to this report is a full account of receipts and payments for the period from 11 December 2020 to the third anniversary of my appointment, being the 10 December 2021 and a full account of receipts and payments for the entirety of the Liquidation to 10 December 2021, which should be read in conjunction with the information contained in this report and my previous reports.

Creditors will note that as the Company is not registered for VAT, all transactions are shown inclusive of VAT where applicable. Estate funds are held on an interest bearing account at Metro Bank Plc.

I specifically comment in respect of the matters arising during the last year as follows.

4.1 Receipts

4.1.1 Bank Interest Gross

During the year, bank interest of £27 was received from Metro Bank Plc.

4.2 Assets Remaining to be Realised

As previously reported, the principal activity of the Company was as a corporate member of Down Productions ("the Partnership") a trading Limited Liability Partnership.

The Company's total investment at the date of Liquidation was £22,125,190. As a result of its investment in the Partnership, the Company retains a right to drawings from the Partnership, the majority of which must be used to repay the limited recourse loan received by the Company which financed its investment in the Partnership. The investment is subject to a fixed charge, which is a matter upon which I have sought advice, as detailed above.

In addition, I understand that there may be ongoing film rights and I am liaising with the parent company in this regard.

4.3 Payments

4.3.1 Corporation Tax

£7 has been paid to HMRC in respect of the Corporation Tax payable on the interest received during the course of the second year of the Liquidation.

4.3.2 Legal Fees

An amount of £600 has been paid to Brecher LLP.

5. Liabilities

5.1 Secured Creditors

The Statement of Affairs showed a fixed charge in favour of Twentieth Century Fox Film Corporation in the sum of £22,125,191 against the investment in the Partnership. I have received advice from Keystone Law LLP in this regard.

There are twenty six fixed charges showing as outstanding at Companies House, in favour of the following:-

Fox Searchlight Completions, Inc	3
Fox Searchlight Pictures, Inc	3
Twentieth Century Fox Worldwide Productions, Inc	10
Twentieth Century Fox Film Corporation	10

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

5.2 Preferential Creditors

The Statement of Affairs did not anticipate any preferential creditors and I confirm that no claims have been received.

5.3 Unsecured Creditors

The Statement of Affairs listed two intercompany unsecured creditors with claims totalling £6,866. To date, three intercompany claims have been received totalling £10,574.

6. Dividend Prospects

Once the security, investment and film right positions have been finalised I will be in a position to pay a first and final dividend to unsecured creditors.

In addition, based on current information, I anticipate that there will be funds available to enable a return to the shareholder.

7. Investigation into the affairs of the Company

There were no additional matters arising during the year that justified further investigation.

8. Pre-appointment Remuneration

At a virtual meeting of the Company's creditors held on 11 December 2018, a resolution was passed whereby the fees and disbursements of Insolve Plus Ltd in respect of assisting the Board of Directors in preparing the Statement of Affairs and convening the virtual meeting of creditors amounting to £5,000 plus VAT and disbursements, and £500 plus VAT in respect of the preliminary work completed by Insolve Plus Ltd, be paid from asset realisations as an expense of the liquidation. Accordingly, the sum of £5,500 plus VAT, totalling £6,600, was drawn in a prior period.

9. Liquidator's Remuneration

On 19 February 2020 creditors resolved by correspondence that my fees be approved on a fixed fee basis of £12,000 plus VAT. Accordingly £14,400 was drawn in full in a prior reporting period.

A Creditors Guide to Fees, which provides guidance as to how an insolvency practitioner's remuneration is authorised, may be obtained from the Insolve Plus Ltd website via the following link, www.insolveplus.com/faq. Alternatively, you may telephone this office requesting a copy of the document, and one will be sent to you free of charge.

10. Liquidator's Expenses

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- Category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- Category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

10.1 Category 1 Expenses

During the period covered by this report I have not incurred any Category 1 Expenses.

10.2 Category 2 Expenses

The Creditors will note that during the course of the Liquidation no Category 2 Expenses have been incurred.

A resolution was passed at the virtual meeting of creditors held on 11 December 2018, that the Liquidator be permitted to recover Category 2 expenses as set out in the Insolve Plus Ltd Insolvency Assignment Charging and Disbursement Recovery Policy.

Attached to this report is also a statement of the creditors rights to request further information in accordance with Rule 18.9 of the Insolvency (England & Wales) Rules 2016, and their right to challenge my remuneration and expenses in accordance with Rule 18.34 of The Insolvency (England & Wales) Rules 2016.

A Creditor may, with the permission of the court or with at least 5% of the total voting rights of all the Creditors having the right to vote at general meetings of the company request further details of my remuneration and expenses, within 21 days of receipt of this report.

A Creditor may, with the permission of the court or with at least 10% of the total voting rights of all the Creditors having the right to vote at general meetings of the company, apply to court to challenge the amount and/or basis of my fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report.

10.3 Professional Advisors

I have used the following professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Brechers LLP	Solicitors	Time costs

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 also confirmed that they hold appropriate regulatory authorisations. I have reviewed the fees they have charged and am satisfied that they are reasonable in the circumstances of this case.

11. 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 their 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 unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Insolve Plus Ltd can be found at www.insolveplus.com/privacypolicy/.

12. Summary

The Liquidation will remain open until the security and investment position has been ascertained and also until the position concerning the Company's potential entitlement to ongoing film rights has been fully dealt with. I estimate that this could take approximately 18-24 months and once resolved the Liquidation will be finalised and my files will be closed.

If creditors have any queries regarding the conduct of the Liquidation, or if they require hard copies of any of the documents made available on-line, they should contact Layla Marsh on 020 7495 2348, or by email at laylamarsh@insolveplus.com.

Yours faithfully



Lloyd Hinton FIPA
Liquidator

Rule 18.9 – Creditors’ and members’ requests for further information in administration, winding up and bankruptcy

18.9.—(1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
- (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
- (c) members of the company in a members’ voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
- (d) any unsecured creditor with the permission of the court; or
- (e) any member of the company in a members’ voluntary winding up with the permission of the court.

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—

- (a) providing all of the information requested;
- (b) providing some of the information requested; or
- (c) declining to provide the information requested.

(4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—

- (a) the time or cost of preparation of the information would be excessive; or
- (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
- (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
- (d) the office-holder is subject to an obligation of confidentiality in relation to the information.

(5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

(6) A creditor, and a member of the company in a members’ voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—

- (a) the office-holder giving reasons for not providing all of the information requested; or
- (b) the expiry of the 14 days within which an office-holder must respond to a request.

(7) The court may make such order as it thinks just on an application under paragraph (6).

Rule 18.34 – Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive

18.34.—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
- (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
- (c) the expenses incurred by the office-holder are in all the circumstances excessive.

(2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—

- (a) a secured creditor,
- (b) an unsecured creditor with either—
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court, or
- (c) in a members' voluntary winding up—
 - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
 - (ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

Capitan Films Limited

In Liquidation

Liquidator's Summary of Receipts and Payments (Daybook Basis)

Statement of Affairs £	From 11 December 2020 To 10 December 2021 £	From 11 December 2018 To 10 December 2021 £
SECURED ASSETS		
22,125,190.00 Investments	0.00	0.00
	<hr/> 0.00	<hr/> 0.00
SECURED CREDITORS		
(22,125,191.00) Twentieth Century Fox Film Corporation	0.00	0.00
	<hr/> 0.00	<hr/> 0.00
ASSET REALISATIONS		
59,575.00 Cash at Bank	0.00	59,671.65
Bank Interest Gross	26.74	93.93
	<hr/> 26.74	<hr/> 59,765.58
COST OF REALISATIONS		
Specific Bond	0.00	696.00
Preparation of S. of A.	0.00	6,000.00
Office Holders Fees	0.00	14,400.00
Preliminary work	0.00	600.00
Legal Fees	600.00	6,667.20
Corporation Tax	6.95	12.76
Statutory Advertising	0.00	175.23
	<hr/> (606.95)	<hr/> (28,551.19)
UNSECURED CREDITORS		
(2,999.00) Ingenious Media Investments Limited	0.00	0.00
(3,867.00) Down Productions	0.00	0.00
	<hr/> 0.00	<hr/> 0.00
DISTRIBUTIONS		
(1.00) Ordinary Shareholders	0.00	0.00
	<hr/> 0.00	<hr/> 0.00
<hr/> 52,707.00 <hr/>	<hr/> (580.21) <hr/>	<hr/> 31,214.39 <hr/>
REPRESENTED BY		
Bank 1 Current		31,214.39
		<hr/> 31,214.39 <hr/>