

WU15

Notice of final account prior to dissolution in a winding up by the court



Companies House

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

1 Company details

Company number 1 0 9 6 6 0 9 6

Company name in full Dragon Payments Ltd (formerly London Block Exchange
Limited)

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Paul

Surname Cooper

3 Liquidator's address

Building name/number 29th Floor

Street 40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

Country

4 Liquidator's name ①

Full forename(s) Paul Robert

Surname Appleton

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 29th Floor

Street 40 Bank Street

Post town London

County/Region

Postcode E 1 4 5 N R

Country

② Other liquidator

Use this section to tell us about
another liquidator.

WU15

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6 Liquidator's release

Did any of the creditors object to the liquidator's release?

☐ Yes

☒ No

7 Date of final account

Date

d	0	d	6	m	0	m	6	y	2	y	0	y	2	y	2
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

8 Final account

☒ The final account is attached

9 Sign and date

Liquidator's signature

Signature

X

Paul S

X

Signature date

d	0	d	8	m	0	m	8	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 **Darren Ellis**

Company name **Begbies Traynor (London) LLP**

Address **29th Floor**

40 Bank Street

Post town **London**

County/Region

Postcode **E 1 4 5 N R**

Country

DX

Telephone **020 7400 7900**

**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

Dragon Payments Ltd
(formerly London Block Exchange Limited)
(In Compulsory Liquidation)

THE HIGH COURT OF JUSTICE No. 001356 of 2019

Final report and account of the liquidation

Period: 22 February 2022 to 6 June 2022

Important Notice

This report has been produced solely to comply with our statutory duty to report to creditors pursuant to Section 146 of the Insolvency Act 1986. This report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Dragon Payments Ltd (formerly London Block Exchange Limited) (In Compulsory Liquidation)
"the liquidation"	The appointment of Joint liquidators by the Secretary of State pursuant to Section 137 of the Act on 4 February 2020.
"the Joint Liquidators", "we", "our" and "us"	Paul Cooper and Paul Appleton of Begbies Traynor (London) LLP, 29th Floor, 40 Bank Street, London, E14 5NR
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY AND LIQUIDATORS' DETAILS

Trading name(s)	London Block Exchange
Company registered number:	10966096
Nature of business:	Cryptocurrency Exchange
Registered office address:	c/o Begbies Traynor, 29th Floor, 40 Bank Street, London, E14 5NR
Former trading address:	Kemp House, 160 City Road, London, EC1V 2NX
Date of winding up petition:	29 January 2020
Date of winding up order:	31 January 2020
Date of Joint Liquidators' appointment:	4 February 2020
Changes in liquidator(s) (if any):	None

3. PROGRESS SINCE OUR LAST REPORT

This is our final report and account of the liquidation and should be read in conjunction with the progress reports to creditors dated 16 March 2021 and 21 March 2022.

Receipts and Payments

Attached at Appendix 1 is a summary of our account of receipts and payments account ("R&P") for the period from 4 February 2022 to 6 June 2022 ("the Final Period") and the cumulative total to date.

In general, in a compulsory liquidation, the Insolvency Practitioner is required by statute to hold all the estate funds in an interest-bearing Insolvency Services Account ("ISA"). Also, two fees such as the Administration and General fee will become payable to the Official Receiver ("the OR") who was initially appointed as the officeholder. Accordingly, the ISA was in a debit balance for the General and Administrative fees payable to the OR, prior to our appointment. This debit balance was settled from the petitioner's deposit and post-appointment realisations. For the sake of clarity, all payments to the OR were reflected in the attached R&P.

We confirm that our R&P has been reconciled with the ISA.

Receipts

Bank Interest

Net interest earned on the funds held in the ISA during the Final Period amounted to £5.32.

Payments

Petitioning creditors' costs

The petitioning creditors' costs of £2,320.28 was paid in accordance with Rule 7.108(4)(h)) of the Rules. Further details are provided in section-6 below.

ISA Banking Fees

The Insolvency Service charges a quarterly banking fee of £22 for operating the ISA account. Further charges totalling £44 were accrued in the Final Period.

Cheque Fees

During the Final Period two BACS payments were made incurring a fee of 15p for each payment.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

It should be noted that the details below relate to the work undertaken in the period of the report only. This and the previous reports provide details of the work undertaken since our appointment.

The costs incurred in relation to each heading are set out in the Time Costs Analysis, which is attached at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment.

General case administration and planning

During the Final Period, the following work has been carried out as required either by statute or for the purposes of case management generally. Whilst many of these tasks do not have a direct financial benefit to creditors, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to high professional standards.

- Maintaining our internal case management folders, both digital and paper;
- Updating of case files on the firm's insolvency software called IPS which include company information, creditors, customers and employees details;
- Capturing the Company's data on our internal electronic case management system and maintaining up to date information; and
- Carrying out regular case reviews of the Liquidation to monitor progression.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Practitioners are governed by the Insolvency Act and Rules, together with best practice guidelines known as Statements of Insolvency Practice (SIPs). Certain work is mandatory and must be carried out in every liquidation in order to comply with these guideline. However, many of these tasks do not have a direct financial benefit to creditors.

- Reviewing the Joint Liquidators' bond as required by the Insolvency Practitioners Regulations 2005;
- Preparation and circulation of annual progress reports and Receipts and Payments Account to creditors pursuant to S104A of the Insolvency Act 1986 and submission of same to the Registrar of Companies;
- Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards;
- Carrying out regular bank reconciliations in line with best practice; and
- Carrying out regular case reviews of the Liquidation to monitor case progression
- Preparation of Final Report.

Investigations

No investigation work was carried out during the Final Period.

The investigations carried out to date have not resulted in a financial benefit to the creditors as a whole.

Realisation of Assets

No further recoveries were made during the Final Period.

Although the Joint Liquidators' overall actions resulted in a small recovery for the estate, it was not sufficient enough to provide a financial benefit to the creditors, after costs.

Dealing with all creditors' claims (including employees), correspondence and distributions

During the Final Period, the following work undertaken should be noted:

- Extensive correspondence with CFS-ZIPP Limited ("ZIPP") and Financial Conduct Authority ("FCA") in relation to the return of customer funds;
- Dealing with a large volume of queries from creditors and customers both by correspondence and by telephone; and
- Corresponding with Squire Patton Boggs in respect of their costs associated with the petition.

The above work undertaken was necessary to address the enquiries from the relevant parties but such work has not produced any financial benefit for creditors.

4. UNREALISABLE ASSETS

According to the Official Receiver's observation, there were no realisable assets for the Company. However, we were successful in selling the Company's Domain Name to a third-party Slovakian company, Senza Limiti S.R.O, for £15,000 plus VAT. There are no other known assets for the Company.

5. OUTCOME OF INVESTIGATIONS

A liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of assets. We can confirm that we have discharged our duties in these respects. Further information relating to our investigations can be found in our previous progress reports to creditors.

As reported in our last progress report, customers who believe that ZIPP (Company number 03925386) are holding their funds in GBP should contact them at enquiries.dragonpayments@cfszipp.com.

6. OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our previous progress reports. No additional claims have been received since our last progress report.

In summary, the estimated outcome for each class of the Company's creditors are as follows,

Secured Creditor

There are no known secured claims.

Preferential Creditors

Claims from preferential creditors typically involve employee and occupation pension scheme claims.

Based on current information, there will be insufficient funds, after costs, to enable a dividend to become payable to the Company's preferential creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the Liquidator must make a prescribed part of the company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The prescribed part of the company's net property is calculated by reference to a sliding scale as follows:

- ☐ 50% of the first £10,000 of net property;
- ☐ 20% of net property thereafter;
- ☐ Up to a maximum amount to be made available of £600,000

A Liquidator will not be required to set aside the prescribed part of net property if:

- the net property is less than £10,000 and the Liquidator thinks that the cost of distributing the prescribed part would be disproportionate to the benefit; (Section 176A(3)) or
- the Liquidator applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors

Unsecured creditors

We are required by the Insolvency (England & Wales) Rules 2016 to inform creditors if:

- (a) I intend to declare a final dividend;
- (b) if no dividend will be declared; or
- (c) if no further dividend will be declared.

In this case, no dividend is available for unsecured creditors as the funds realised have already been used or allocated for defraying the expenses of the liquidation. Consequently, we have not taken steps to formally agree the claims of unsecured creditors.

7. REMUNERATION AND EXPENSES

Remuneration

Our remuneration has been fixed by a decision of creditors, via a decision procedure by way of correspondence, on 9 April 2021 by reference to the time properly given by us as Joint Liquidators and the various grades of our staff calculated at the prevailing hourly charge out rates in attending to matters arising in the winding up as set out in our progress report dated 16 March 2021 in the sum of £92,760. We are also authorised to draw disbursements, including expenses for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, which is attached at Appendix 2 of this report.

The time costs incurred by this office for the period 22 March 2022 to 6 June 2022 totalled £19,771.50 which represents 68hours and 42 minutes at an average rate of £287.79 per hour.

The total time costs in the period from commencement of the Liquidation up to 6 June 2022 amount to £173,354.00, which represents 579hours at an average rate of £299.40 per hour.

The following further information in relation to the time costs of the Joint Liquidators' office is set out at Appendix 2:

- ☐ Time Costs Analysis for the period 4 February 2022 to 6 June 2022 and the cumulative period from 4 February 2020 to 6 June 2022
- ☐ Begbies Traynor (London) LLP's charging policy

We have not drawn any remuneration to date. Given the lack of funds in this case, our total time costs will be written off.

As previously advised, we have exceeded our fee estimate because a greater degree of time has been spent for dealing with queries and complaints from the customers of the Company, arranging the return of customer funds and for making enquiries into the affairs of the Company.

Time Costs Analysis

The Time Costs Analysis for the period of this report, attached at Appendix 2, shows the time spent by each grade of staff on the different types of work involved in the case and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached, which details the time costs for the entire period that we have administered from commencement of the Liquidation.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

The information provided in section 3 above relates to the work undertaken during the period of this report. However, it should be noted that further time costs will be incurred between the date of this report and the filing of the Final Report with Court and Companies House, mainly for the following

- Issuing this Final Report to the relevant parties including OR, the Insolvency Service and the creditors of the Company;
- Filing of Final Report at Companies House and with Court
- Updating physical and electronic case records following closure.

What was the anticipated payment for administering the case in full and did the joint liquidators receive that payment?

We estimated that the cost of administering the case would be in the region of £126,252.50, and the creditors provided approval to draw our remuneration up to £92,760. However, there were insufficient funds in the estate to draw any remuneration.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

Category 1 Expenses

Pursuant to the insolvency legislation, no formal approval for Category 1 Disbursements is required from the creditors.

To date, we have discharged expenses in the sum of £45 incurred for the statutory bond.

Category 2 Expenses

The approval to draw Category 2 disbursements in accordance with our firm's published tariff was obtained from creditors via a decision procedure by correspondence on 9 April 2021.

There are accrued expenses incurred in respect of postage and stationery but due to insufficient funds we are unable to re-charge those costs to the Estate.

Subcontractors

To date, no subcontractors have been utilised in this matter.

8. EXPENSES

A statement of the expenses incurred since our last progress report is attached at Appendix 3. A cumulative statement showing the total expenses incurred since the date of our appointment also appears at Appendix 3.

Petitioner's Costs

Petitioning creditor's solicitors Squire Patton Boggs (UK) LLP advised that its time costs for the winding up petition amount to £98,187.50. It also incurred disbursements in excess of £12,000. However, there being insufficient funds in the estate, a payment of £2,320.28 was made in settlement of its costs and the balance remains outstanding.

The petitioning creditors' costs have been paid in accordance with Rule 7.108(4)(h) of the Rules.

Professional Costs

No professional services were used during the Final Period.

Please review our previous reports in respect of professionals used in this case, to date.

Expenses actually incurred compared to those that were anticipated

Creditors are advised that our original estimated expenses for the liquidation have not been exceeded.

9. OTHER RELEVANT INFORMATION

Use of personal information

Please note that although it is our intention to conclude the liquidation, in the course of us continuing to discharge our statutory duties as Joint Liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

10. CLOSURE OF THE LIQUIDATION

We consider that the winding up of the Company is now complete.

Unless creditors object, by giving notice in writing within 8 weeks of the delivery of this report, we will have our release from liability at the same time as vacating office. We will vacate office upon our filing with the court and delivering to the Registrar of Companies our final account. Further information in relation to this has been provided in the notice of our final account.

Should you require further explanation of matters contained in this report, you should contact our office and speak to the case manager, Darren Ellis in the first instance, who will be pleased to assist.

A handwritten signature in black ink, appearing to read 'Paul S', with a stylized flourish at the end.

Paul Cooper
Joint Liquidator

Dated: 6 June 2022

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: For the period 4 February 2022 to 6 June 2022

	<u>Estimated to</u>	<u>Total</u>	<u>Realised</u>
	<u>Realise</u>		<u>6 June 2022</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<u>Receipts</u>			
Domain Name	Nil	15,000.00	
Petitioner's Deposit	Nil	1,600.00	
Bank Interest Net	Nil	12.18	5.32
	Nil	16,612.18	5.32
<u>Payments</u>			
Company Administration Fee - Official Receiver		5,000.00	
General Fee - Official Receiver		6,000.00	
Agents Fees		2,000.00	
Petitioners Costs		2,320.28	2,320.28
legal Fees		1,026.50	
Insolvency Services Banking Fees		220.00	44.00
ISA Cheque Fees		0.60	0.30
Specific Bond		44.80	
		16,612.18	2,364.58
Receipts less Payments		Nil	(2,359.26)
Represented by:-			
Insolvency Services Account		Nil	
		Nil	

COSTS AND EXPENSES

- a. Begbies Traynor (London) LLP's charging policy
- b. Time Costs Analysis for the period from 4 February 2022 to 6 June 2022
- c. Time Costs Analysis for the cumulative period from 4 February 2020 to 6 June 2022

Dragon Payments Ltd SIP9 Report- Time Costs Analysis From 04/02/2022 To 06/06/2022

[illegible]

Dragon Payments Ltd- SIP-9 Report : Time Costs Analysis From 04/02/2020 To 06/06/2022

[illegible]

Charging Policy (Beggies Traynor)

Introduction

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and creditors have approved the office holder to draw remuneration on one or a combination of the bases allowed under The Insolvency (England & Wales) Rules 2016. These bases are:

- As a percentage of the value of the assets realised and/or distributed;
- On a time costs basis; or
- As a set amount.

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. The 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 disbursements (approval not required) - specific expenditure that is directly related to *the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.*
- ❑ Category 2 disbursements (approval required) - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

The following Category 2 expenditures have been approved by Creditors and may be charged to the case:

- ❑ Car mileage is charged at the rate of 45 pence per mile;
- ❑ Storage of books and records: We use a commercial archiving company for storage facilities for *companies' records and papers. This is recharged to the estate at the rate of £10 per box per quarter*, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £50 per hour;
- ❑ Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of 150 per meeting;
- ❑ Headed paper and photocopying at 25p per sheet and 6p per sheet, respectively;
- ❑ Envelopes at 25p each; and
- ❑ Postage at actual cost.

Charge-Out Rates

David Rubin & Partners were acquired by Begbies Traynor on 17 March 2021. In the Period, the following charge-out rates applied, as disclosed to Creditors when seeking approval for Liquidators Remuneration.

	Charge-out rate (£ per hour) 1 March 2019 – until further notice
Grade of staff	
Senior / Managing Partners	550
Partners/Office holders	495
Managers / Senior Managers	350 - 395
Senior Administrators	220 - 295
Administrators	160 - 200
Cashiers and Assistants	150 - 295
Support Staff	120 - 150

Time is recorded in 6 minute units.

STATEMENT OF EXPENSES

For the Final Period

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
None				

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Agent's fees	Williams & Partners Ltd	2,000
Legal fees	Squire Patton Boggs (UK) LLP	1,027
Specific Bond	AXA Insurance	45
Statutory Advertising	Courts Advertising	105