

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

03495288

Name of Company

Magnumhold Limited

I / We

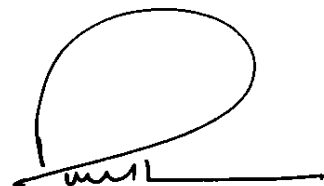
Paul David Williams, The Shard, 32 London Bridge Street, London, SE1 9SG

Geoffrey Wayne Bouchier, The Shard, 32 London Bridge Street, London, SE1 9SG

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 20/10/2014 to 19/10/2015

Signed



Date

11.11.15

Duff & Phelps Ltd
The Shard
32 London Bridge Street
London, SE1 9SG

Ref 53986C/PDW/GWB/PXC/FZT/OS

SATURDAY



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COMPANIES HOUSE

Progress Report to Creditors

12 November 2015

Magnumhold Limited

(In Creditors' Voluntary Liquidation)

**Joint Liquidators' Progress Report to Creditors
For the period from 20 October 2014 to 19 October 2015
Pursuant Section 104A of the Insolvency Act 1986 (as amended)
and Rule 4.49C of the Insolvency Rules 1986 (as amended)**

**Duff & Phelps Ltd
The Shard
32 London Bridge Street
London
SE1 9SG**

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Appointment Date	20 October 2014, being the date of appointment of the Joint Liquidators
Barclays	Barclays Bank plc, with whom the Company banked
Category 1 Disbursements	The Joint Liquidators' external costs and expenses in dealing with the Liquidation
Category 2 Disbursements	The Joint Liquidators' internal costs and expenses in dealing with the Liquidation
the Company	Magnumhold Limited (In Creditors' Voluntary Liquidation) (Company Number 03495288)
DBIS	The Department for Business, Innovation & Skills
the Director	Mark Smillie, the Director of the Company at the Appointment Date
the Director's Report	The First Meeting of Creditors Report dated 20 October 2014
Duff & Phelps	Duff & Phelps Ltd , The Shard, 32 London Bridge Street, London, SE1 9SG
Handlesbanken	Svenska Handelsbanken AB (publ), with whom the Company banked
HMRC	HM Revenue & Customs
the Joint Liquidators	Paul David Williams and Geoffrey Wayne Bouchier of Duff & Phelps
Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors
the Reporting Period	The period from 20 October 2014 to 19 October 2015
the Rules	The Insolvency Rules 1986 (as amended)
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SoA	Statement of Affairs, documentation supplied by the Director outlining the Company's financial position as at the Appointment Date

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- 2 Background
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- 1 Joint Liquidators' Receipts and Payments Account
- 2 Analysis of Time Charged and Expenses Incurred
- 3 Proof of Debt Form

1 Introduction

- 1 1 The Joint Liquidators refer to the creditors' meeting held on 20 October 2014 and the Director's Report
- 1 2 The purpose of this progress report is to detail the Joint Liquidators' acts and dealings together with the conduct of the Liquidation for the Reporting Period

2 Background

- 2 1 The Joint Liquidators were appointed on the Appointment Date by the members and creditors of the Company
- 2 2 The Company's registered office is The Shard, 32 London Bridge Street, London, SE1 9SG
- 2 3 The Company's former registered office, prior to the Liquidation, was 30 Turkey Court, Turkey Mill, Ashford Road, Maidstone, Kent, ME14 5PP
- 2 4 The Company's principal activity was that of financial management
- 2 5 Please see the Director's Report for further information on the events leading up to the Liquidation

3. Joint Liquidators' Receipts and Payments Account

- 3 1 A Receipts and Payments Account for the Reporting Period is shown in Appendix 1 There have been no receipts and payments to date

4 Progress of the Liquidation

- 4 1 The manner in which the affairs and business of the Company have been managed since the Appointment Date are set out as follows

Office Equipment, Fixtures and Fittings

- 4 2 According to the Company's balance sheet, as at 31 December 2011, the Company was in possession of office equipment with a book value of £11,678 and fixtures and fittings with a book value of £4,089
- 4 3 The Company ceased to trade two years prior to the Appointment Date and, therefore, as at the Appointment Date the Company had no fixed assets There will be no asset realisations in this regard

Investments

- 4 4 As per the Company's balance sheet, as at 31 December 2011, the Company's investments in various corporate entities had a book value of £764,766, as follows

Company	Ordinary Shares Held	Book Value £
Grey Wolf Media Limited	4,000	461,078
Platinum Sports Management Limited	60	80,000
ICEX Limited	10,595	10,959
Vyapar Holdings Limited	Uncertain	213,068
Music Video Messages Ltd	25	25
Gilmac Maintenance Limited	4,500	Uncertain
Total		764,766

- 4 5 The Joint Liquidators are investigating whether there is any value in the shares held and enquires are still ongoing
- 4 6 It should be noted that both Music Video Messages Ltd and Gilmac Maintenance Limited were dissolved prior to the Appointment Date and, therefore, the shares in these companies hold no value

Book Debts

- 4 7 As per the Company's balance sheet, as at 31 December 2011, book debts totalled £1,020,028
- 4 8 The majority of these debts, totalling £973,682, relate to loans provided by the Company to various parties. The balance of £46,346 relates to monies owed by trade debtors
- 4 9 The above includes a loan to Magnus Peterson in the sum of £128,766. A bankruptcy order was made against Magnus Peterson on 5 November 2012 and, as per the Joint Trustees' Annual Progress Report, dated 18 December 2014, there may be sufficient realisations to enable a dividend to the non-preferential unsecured creditors. The quantum and timing of any dividend is currently uncertain
- 4 10 The Joint Liquidators' investigations have identified six outstanding book debts totalling £2,004,431, excluding Magnus Peterson and trade debtors. Of this amount, two debtors, with debts totalling £526,245 are in Liquidation and there will be no realisations in this regard
- 4 11 Negotiations are still ongoing in respect of the remaining debtors and, whilst the Joint Liquidators are confident that recoveries will be made, they cannot give an accurate estimate of the quantum of any realisation at this stage
- 4 12 The Joint Liquidators have instructed Jones Day LLP to assist them with pursuing certain of the outstanding debts. A further update will be provided in the Joint Liquidators' next report to creditors

Tax Reclaim

- 4 13 As per the Company's balance sheet, as at 31 December 2011, there was an amount, of £94,676 due to the Company from HMRC in respect of a Corporation Tax reclaim
- 4 14 On 10 April 2015, the Joint Liquidators received a letter from HMRC in respect of the tax reclaim advising that it had been rejected because the Company was not a trading entity

- 4 15 Tax advice has been sought by the Joint Liquidators in this regard and it has been confirmed that, as the Company was an investment business during the relevant period, the Joint Liquidators cannot challenge HMRC's decision and cannot reclaim the tax. Therefore, there will be no asset realisations in this regard.

Cash at Bank

- 4 16 As at 31 December 2011, the Company had cash at bank of £1,891.
- 4 17 The Joint Liquidators have written to both Barclays and Handelsbanken and they have confirmed that the Company's accounts were closed prior to the Appointment Date. Therefore, there will be no asset realisations in this regard.

Prepayments

- 4 18 As at 31 December 2011, prepayments totalled £10,032. Given the time elapsed between the Company ceasing to trade and the Appointment Date no realisations are expected in this regard.

5. Investigations

- 5 1 The Joint Liquidators have complied with their statutory obligation to file a report with DBIS regarding the conduct of all directors of the Company that served in the three years prior to the Appointment Date. The report was submitted to DBIS on 8 April 2015. The content of this report is confidential.
- 5 2 During the Reporting Period and as part of their statutory investigations, the Joint Liquidators have reviewed the Director's questionnaire, completed a detailed bank statement analysis and a review of the Company's audited and management accounts. These investigations resulted in the discovery of a number of the book debts referred to in paragraph 4 10.
- 5 3 The Joint Liquidators' investigations into the Company's affairs are currently ongoing. The Joint Liquidators cannot, at this stage, detail the nature of these investigations as it may hamper any further action that may be required. However, should any of the Company's creditors have information concerning the Company's affairs that they would like to bring to the Joint Liquidators' attention, please contact this office.

6 Dividend Prospects / Prescribed Part

Secured Creditors

- 6 1 The Company does not have any secured creditors.

Preferential Creditors

- 6 2 According to the SoA, the amount due to preferential creditors is nil.
- 6 3 However, a former employee of the Company has submitted a claim of £35,710. Of this amount, £31,660 relates to 10 months of unpaid wages. The preferential element is limited to £800.
- 6 4 It is currently estimated that there will be sufficient asset realisations to enable a distribution to preferential creditors.

Prescribed Part

- 6 5 The Company does not have any secured creditors and, therefore, the Prescribed Part does not apply

Non-Preferential Unsecured Creditors

- 6 6 According to the Director's SoA, non-preferential unsecured creditors total £1,260,001. The non-preferential unsecured creditors can be summarised as follows:

	£
HMRC - VAT	34
Accruals	11,477
HMRC - PAYE	29,774
Long Term Loans	40,849
Trade & Expense Creditors	147,429
Former Director's Loan	<u>1,030,438</u>
	<u>1,260,001</u>

- 6 7 To date, claims of £1,195,207 have been received from the non-preferential unsecured creditors of the Company.
- 6 8 It is currently uncertain whether there will be sufficient asset realisations to enable a distribution to the non-preferential unsecured creditors of the Company as this will depend on book debt realisations and the costs of the Liquidation. Creditors' claims have not yet been adjudicated upon.
- 6 9 If you have not yet submitted your Proof of Debt Form, attached at Appendix 3 is a Proof of Debt Form, which should be completed and submitted as soon as possible.

7. Costs and Expenses

- 7 1 Duff & Phelps has raised an invoice for £10,000 plus VAT in the Reporting Period, in connection with preparing the SoA, convening the meetings of members and creditors and for assisting the Director in the period leading up to the Liquidation. This invoice is still outstanding and will be paid from asset realisations in due course.
- 7 2 The basis of the Joint Liquidators' remuneration was fixed on the basis of time properly charged at the creditors' meeting held on 20 October 2014.
- 7 3 The time costs charged in the Reporting Period total £70,728 and are as analysed at Appendix 2. Time has been charged in six minute units.
- 7 4 The Joint Liquidators have not drawn any fees to date in relation to their time costs incurred during the Reporting Period.
- 7 5 The Joint Liquidators' Category 1 and Category 2 Disbursements are also detailed at Appendix 2. These disbursements are currently outstanding.
- 7 6 The Joint Liquidators have incurred a number of expenses in dealing with the Liquidation of the Company. These are summarised at Appendix 2.

- 7.7 Information regarding the fees and disbursements of liquidators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Liquidators' Fees". This can be viewed and downloaded from the Joint Liquidators' website at <http://www.duffandphelps.com/uk-restructuring/creditor-guides>. Should you require a copy, please contact this office.
- 7.8 Any secured creditor, or any unsecured creditor (with the support of at least 10% in value of the unsecured creditors or the permission of the Court), may apply to the Court on the grounds that the remuneration or basis fixed for the Joint Liquidators' remuneration or the expenses incurred by the Joint Liquidators are considered to be excessive. This application must be made no later than eight weeks after receipt of the progress report, where the charging of the remuneration or the incurring of expenses in question occurs.

8. Further Information

- 8.1 In accordance with Rule 4.49E of the Rules, secured creditors and unsecured creditors (with the concurrence of at least 5% in value of total unsecured claims) may make a request in writing to the Joint Liquidators for further information about the remuneration or expenses set out in this progress report. This should be done within 21 days of receipt of this report.

9 Conclusion

- 9.1 Creditors will receive formal reports annually until the conclusion of the Liquidation. It is currently uncertain when the Liquidation will be closed as this is dependent on book debt realisations.
- 9.2 In the meantime, if you require any further information please contact Olivia Shields of this office.

Yours faithfully
For and on behalf of
Magnumhold Limited



Paul Williams
Joint Liquidator

Appendix 1

Joint Liquidators' Receipts and Payments Account

Magnumhold Limited (In Creditors' Voluntary Liquidation)
Joint Liquidators' Receipts & Payments Account for the Reporting Period

Statement of Affairs	From 20 October 2014 to 19 October 2015
£	£
Asset Realisations	Nil
	Nil
Costs of Realisations	Nil
	Nil
Unsecured Creditors	
(40,849 00) Trade & Expense Creditors	Nil
(11,477 00) Director's Loan Account	Nil
(1,030,438 00) Long Term Loans	Nil
(29,774 00) Wages/PAYE	Nil
(34 00) VAT Liability	Nil
(147,429 00) Accruals	Nil
	Nil
Distributions	
(4 00) Ordinary Shareholders	Nil
	Nil
(1,260,005 00)	Nil

Appendix 2

Analysis of Time Charged and Expenses Incurred

Magnumhold Limited (In Creditors' Voluntary Liquidation)**Analysis of the Joint Liquidators' Time Costs for the Reporting Period**

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning								
Case Review and Case Diary Management	0 50	2 50	5 10	3 20	0 00	11 30	3,570 00	315 93
Cashiering and Accounting	0 00	0 40	0 80	2 50	0 00	3 70	846 50	228 78
Dealings with Directors and Management	0 00	0 10	0 30	2 20	0 00	2 60	454 00	174 62
IPS Set Up and Maintenance	0 00	0 10	0 00	3 90	0 00	4 00	516 00	129 00
Statutory Matters (Meetings and Reports and Notices)	0 00	9 90	8 80	27 50	0 00	46 20	10,907 00	236 08
Strategy Planning and Control	0 00	0 10	24 40	41 50	0 00	66 00	13,294 00	201 42
Tax Compliance / Planning	0 00	3 10	2 40	1 00	0 00	6 50	2,434 00	374 46
Creditors								
Communications with Creditors / Employees	0 00	0 30	1 80	5 30	0 00	7 40	1,384 00	187 03
Non Pref Creditors/Employee Claims Handling	0 00	0 20	0 00	0 00	0 00	0 20	96 00	480 00
Investigations								
CDDA and Reports and Communication	0 90	1 90	12 90	11 70	0 00	27 40	7,309 00	266 75
Financial Review and Investigations (S238/239 etc)	7 10	22 60	3 80	0 60	0 00	34 10	16,396 00	480 82
Forensic Sales Ledger Investigation	0 00	0 00	0 00	0 80	0 00	0 80	96 00	120 00
Realisation of Assets								
Book Debts	0 00	11 20	21 80	0 00	0 00	33 00	12,713 00	385 24
Freehold and Leasehold Property	0 00	0 10	0 80	0 70	0 00	1 60	390 00	243 75
Other Intangible Assets	0 00	0 00	0 10	0 00	0 00	0 10	34 00	340 00
Other Tangible Assets	0 00	0 40	0 00	0 00	0 00	0 40	192 00	480 00
Pre-Appointment Tax Reclaims	0 00	0 20	0 00	0 00	0 00	0 20	96 00	480 00
Total Hours	8 50	53 10	83 00	100 90	0 00	245 50		288 10
Total Fees Claimed	5,100 00	25,162 00	27,904 00	12,561 50	0 00		70,727 50	

Magnumhold Limited (In Creditors' Voluntary Liquidation)
Joint Liquidators' Disbursements

Disbursements	Incurred	Amount Paid
	(£)	(£)
Category 1		
Storage	84 00	Nil
Advertising	481 77	Nil
Travel	7 16	Nil
Bordereau	20 00	Nil
TOTAL	592 93	Nil

No Category 2 Disbursements have been incurred during the Reporting Period

Magnumhold Limited (In Creditors' Voluntary Liquidation)
Joint Liquidators' Expenses

Company	Activity	Fee Basis	Reporting Period	
			Incurring	Amount Paid
			(£)	(£)
Professional Advisors				
Jones Day LLP	Legal Advisors	Time Costs	25,956 04	Nil
TOTAL			<u>£25,956.04</u>	<u>£0 00</u>

The Joint Liquidators' choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and the basis of their fee

Appendix 3

Proof of Debt Form

Proof of Debt – General Form

Magnumhold Limited (In Creditors' Voluntary Liquidation)

Date of resolution for voluntary winding-up 20 October 2014

1	Name of creditor (If a company please also give company registration number)	
2	For correspondence Address of creditor	
	Contact telephone number of creditor	
	Email address of creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation	
4	Details of any documents by reference to which the debt can be substantiated	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	
For Liquidators' Use only		
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Liquidator		Liquidator