In accordance with Rule 18.8 of the Insolvency (England & Wales) Rules 2016.

WU07

Notice of progress report in a winding-up by the court

Companies House

WEDNESDAY

A8DR9L68

A28 11/09/2019 #71

COMPANIES HOUSE

1 Company details

Company number	7 3 7 9 9 4 2
Company name in full	Lux Finance Limited

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

2 Liquidator's name

Full forename(s)	David A
Surname	Ingram

3 Liquidator's address

Building name/number	30 Finsbury Square
Street	
Post town	London
County/Region	
Postcode	E C 2 P 2 Y U
Country	

4 Liquidator's name ❶

Full forename(s)	Michael T
Surname	Leeds

❶ **Other liquidator**
Use this section to tell us about another liquidator.

5 Liquidator's address ❷

Building name/number	30 Finsbury Square
Street	
Post town	London
County/Region	
Postcode	E C 2 P 2 Y U
Country	

❷ **Other liquidator**
Use this section to tell us about another liquidator.

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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 Tevin H Rodrigues

Company name Grant Thornton UK LLP

Address 30 Finsbury Square

London

Post town EC2P 2YU

County/Region

Postcode

Country

DX

Telephone 020 7184 4300

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

WU07
Notice of progress report in a winding-up by the court

6 Period of progress report

From date	19 07 2018
To date	18 07 2019

7 Progress report

☑ The progress report is attached

8 Sign and date

Liquidator's signature	Signature X X
Signature date	10 09 2019

Grant Thornton

Our ref: L30200890/DAI/IDM/HAD/LKG/PF/7

To the creditors and members

Insolvency and asset recovery
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

T +44 (0)20 7383 5100
F +44 (0)20 7184 4301

4 September 2019

Dear Sir / Madam,

Lux Finance Limited - In Liquidation (the Company)
High Court of Justice No 2199 of 2016

1 Introduction

1.1 Following my appointment as joint liquidator of the Company with Michael Leeds on 19 July 2016, in accordance with Part 18 of the Insolvency (England and Wales) Rules 2016 I now report on the progress of the liquidation for the year ended 18 July 2019 and attach:

- Appendix A, an account of our receipts and payments for the year ended 18 July 2019 and also for the whole liquidation to that date
- Appendix B, Statement of Insolvency Practice 9 disclosure.

1.2 Please note that we are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners. We are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

2 Statutory information

The Company's registered number is:	07379942
The Company's registered office address is:	30 Finsbury Square, London, EC2P 2YU
The Company's former trading address is:	One Eleven Edmund Street, Birmingham, B3 2HJ

3 Progress report

3.1 Former director – Massimiliano Muzzi

3.2 As previously advised according to media reports the former director of the Company, Massimiliano Muzzi (Mr Muzzi), was arrested last year following an investigation by the Italian authorities. It is understood that Mr Muzzi remains in custody awaiting trial.

3.3 I have been in correspondence with Commissione Nazionale per le Società e la Borsa (CONSOB), the Italian equivalent of the Financial Conduct Authority, to obtain further information regarding the investigations undertaken by the Italian authorities that may assist my own investigations.

3.4 Following my correspondence with CONSOB I have engaged Italian solicitors to contact the Italian public prosecutor to obtain information regarding the ongoing Italian proceedings. My initial enquiries relate to whether the Italian authorities have identified any assets on behalf of the Company and if so whether it is possible for the liquidators to join the Italian proceedings.

3.5 My Italian solicitors have submitted the necessary application to obtain the information from the Italian public prosecutor. However, due to the summer recess in Italy, I anticipate the earliest I may receive a response is September.

3.6 Third parties

3.7 As per my previous report I have been in correspondence with various banks, financial institutes, associated entities and advisors of the Company. I have also written to various investment funds and financial institutions in international jurisdictions. These lines of enquiry are yet to identify any assets. I am hopeful that the Italian public prosecutor may hold further information regarding these entities that will assist my ongoing investigations.

4 Creditors

4.1 There are no preferential creditors in this matter.

4.2 We have received unsecured claims totalling €11,045,336.

4.3 Unfortunately, there are insufficient funds available for a distribution to be made to creditors. The timing and quantum of future dividend distributions is dependent on the outcome of my ongoing investigations.

5 Investigations into the affairs of the Company

5.1 My investigations into the affairs of the Company continue and I shall be pleased to receive from any creditor any useful information concerning the Company, its dealings or conduct which may assist in my investigations.

5.2 I have applied for and received internal funding to support my aforementioned investigation efforts, primarily for the legal costs of the investigation into Mr Muzzi and liaising with the Italian public prosecutor. I anticipate that should I enter the legal proceedings in Italy I shall require further funding to support this, which may be obtained internally and by any creditor who wishes to support this course of action.

6 Remuneration and expenses

6.1 On 1 December 2017 the creditors resolved that the remuneration of the joint liquidators be calculated according to the time properly spent by them and their staff in attending to matters arising in the liquidation, with an uplift of 50%. You will note from the SIP 9 table attached at Appendix B that time recorded during the period is £86,702.50, represented by 266.50 hours at an average charge-out rate of £325.34 per hour and from the receipts and payments account attached at Appendix A, that we have not drawn any fees as there have been no realisations and no payments made to date.

6.2 Total time costs to date are £602,271.25, represented by 2,044.93 hours at an average charge-out rate of £294.52 per hour.

6.3 Please see Appendix B for further details of our remuneration, expenses and payments made to associates in accordance with Statement of Insolvency Practice.

7 Contact from third parties

7.1 Please be aware fraudsters have been known to masquerade as legitimate liquidators. The fraudster will contact creditors asking for an upfront fee or tax. The joint liquidators would never ask for such a payment nor instruct a third party to make such a request.

8 Data Protection

8.1 Any personal information held by the Company will continue to be processed in accordance with completing the liquidation of the Company and in accordance with meeting our requirements under applicable Data Protection Legislation/law in the United Kingdom.

Should you have queries please contact Tevin Rodrigues on 020 7184 4685 or via email at Tevin.H.Rodrigues@uk.gt.com.

Yours faithfully
for and on behalf of Lux Finance Limited

David Ingram
Joint Liquidator

Enc.

Appendix A

Lux Finance Limited - in liquidation
Summary of receipts and payments
from 19 July 2016 to 18 July 2019

	Statement of Affairs Per OR £	From 19/07/2016 to 18/07/2018 £	From 19/07/2018 to 18/07/2019 £	Total £
Receipts				
OR Balance Transferred		1,350.00	0.00	1,350.00
Bank/ISA InterestGross		0.01	1.48	1.49
		1,350.01	**1.48**	**1,351.49**
Payments				
O.R. Disbursments		2,520.00	0.00	2,520.00
ISA Account Fees		176.00	88.00	264.00
DTI Cheque Fees		10.30	10.30	20.60
Sundry Payments		15.00	0.00	15.00
Legal Fees (1)		0.00	2,497.43	2,497.43
Professional Fees		22,152.99	0.00	22,152.99
Searches		2,535.72	0.00	2,535.72
Statutory Advertising		101.52	0.00	101.52
Tax on Interest		0.00	0.30	0.30
		27,511.53	**2,596.03**	**30,107.56**
Net Receipts/(Payments)		**(26,161.52)**	**(2,594.55)**	**(28,756.07)**
Made up as follows				
ISA		(1,346.00)	(88.00)	(1,434.00)
Grant Thornton Suspense Account		27.02	497.64	524.66
Grant Thornton Loan Account		(24,842.54)	(3,004.19)	(27,846.73)
		(26,161.52)	**(2,594.55)**	**(28,756.07)**

Note:
Note that, as there have been insufficient realisations into the estate, Grant Thornton UK LLP has funded payment of the estate's expenses necessary to progress the case and to comply with statute. This is now shown by way of a loan account in the receipts and payments account, rather than as part of the liquidator's disbursements as in previous reports. This change in accounting policy has occurred during the reporting period, therefore the initial loan account entry appears in the column for the period and includes the cumulative transactions funded by the loan account as at the period end for which an analysis is shown below. This is simply a change in accounting policy and does not affect the estate funds available. The loan account will be repayable as an expense of the liquidation in the same priority as attaches to the respective expenses comprising the loan. In the event there are insufficient realisations to repay the loan, Grant Thornton UK LLP will write-off the final balance when the liquidation is closed but reserves its right to recover such balance should circumstances subsequently permit.

Payments, remuneration and expenses to the joint liquidators or their associates

Statement of Insolvency Practice 9 disclosure

Lux Finance Limited – In Liquidation

This appendix has been prepared in conjunction with the requirements of the Insolvency Act 1986, the Insolvency (England and Wales) Rules 2016 (the Rules) and Statement of Insolvency Practice 9 (SIP9). In summary, it covers:

- fee basis
- work done by the joint liquidators and their team during the period
- hourly charge out rates
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

Fee basis of the joint liquidators

On 1 December 2017 the creditors resolved that due to the contingent nature of the investigations required, the unknown likelihood of recoveries and the potential time frame for any monies being received into the estate, the remuneration of the joint liquidators be calculated according to the time properly spent by them and their staff in attending to matters arising in the liquidation, with an uplift of 50% and a fees estimate of £617,827.50 and an expenses estimate of £80,384.22.

During the period from 19 July 2018 to 18 July 2019 (the Period) time costs were incurred totalling £86,703 represented by 266.50 hours at an average charge out rate of £325 per hour. Description of the work done is provided in the respective section below.

As at Period end, as shown in the 'Work done' section below, we anticipate that cumulative recorded time costs will exceed the time costs in the fees estimate and we anticipate that expenses will roughly be the same as the expenses estimate, both of which were provided to the creditors prior to the determination of our fee basis.

The reasons for the anticipated excess are as follows:

- Investigations into foreign jurisdictions
- Investigation, consultation and preparation as regards to the Italian judicial proceedings against Mr Muzzi.
- Liaising with creditors to obtain information to assist investigations.

Under r18.30 of the Rules, we are not permitted to draw remuneration in excess of the total amount set out in the fees estimate, £617,827.50, without approval. At present we are not seeking approval to draw remuneration in excess of our fees estimate, however we reserve our right to do so in the future.

Work done by the joint liquidators and their team during the Period

We are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, as against any fees estimate provided. Our fees estimate was included within our letter to creditors dated 9 November 2017. We are also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the joint liquidators' fees incurred together with a numerical fees estimate variance analysis. Reasons for any anticipated excess of the fees estimate are included in the 'Fee basis' section above. Details of expenses incurred in connection with work done are provided in the 'Disbursements and expenses' section below.

Area of work	Work done	Why the work was necessary	Financial benefit to creditors	Fees incurred		
Investigations				184.15 hrs	£63,848.00	346.72 £/hr
Other assets	• Correspondence with third party entities who have a connection to the Company.	• To obtain information that will lead to potential assets and provide information to support potential claim action.	• This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available			
General	• Liaising with UK and Italian solicitors regarding ongoing Italian proceedings against the Company director	• To prepare the groundwork to engage with the Italian public prosecutor in order to obtain information to assist investigations to identify assets and consider the required steps of entering the Italian judicial process.	• This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available			
	• Correspondence with CONSOB and Italian authorities regarding Italian judicial processes.	• To prepare the groundwork to engage with the Italian public prosecutor in order to obtain information to assist investigations to identify assets and consider the required steps of entering the Italian judicial process.	• This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available			
Creditors				15.70 hrs	£5,247.50	334.24 £/hr
Unsecured	• Dealing with creditor queries and providing updates to creditors on the progress of the liquidation.	• To provide updates on the administration of the liquidation and answer creditor queries in line with statutory duties	• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to creditors			
Administration				66.65 hrs	£17,607.00	264.17£/hr
Treasury, billing & funding	• Update cashbook and ensure all relevant receipts and payments are being processed.	• Ensure ledgers are up to date and accurate during the liquidation process.	• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to creditors			
Tax	• Deal with post appointment tax matters, such as VAT, PAYE and Corporation tax liabilities	• A statutory requirement to minimise the tax liabilities to the liquidation estate.	• This work was completed solely for the purpose of complying with statutory			

	and any tax due to the estate.		requirements and had no direct financial benefit to creditors			
General	• Regularly review the case strategy and level of costs incurred.	• To identify the most effective route to assets • To ensure that there is appropriate understanding of the commerciality of proceeding with the case.	• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to creditors			
Total fees incurred in the Period				**266.50 hrs**	**£86,702.50**	**325.24 £/hr**

Detailed SIP9 time cost analysis for the period and cumulatively including fee estimate variance analysis

Detailed SIP9 time cost analysis for the period

Period from 19/07/2018 to 18/07/2019

Area of work	Partner		Manager		Executive		Administrator		Period total			Cumulative total as at period end			Fees estimate			Variance	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	£/hr	Hrs	£	£/hr	Hrs	£	£/hr	Hrs	£
Investigations:									184.15	63,848.00	346.72	1,636.55	490,788.25	299.89	1,727.50	506,799.25	293.37	90.95	16,011.00
Other assets	-	-	-	-	1.00	325.00	2.70	648.00	3.70	973.00	262.97	30.05	5,320.75	177.06					
General	1.15	747.50	100.70	44,841.50	2.10	695.00	76.50	16,791.00	180.45	62,875.00	348.43	1,670.45	479,192.00	305.13					
Director/senior employees	-	-	-	-	-	-	-	-	-	-	-	36.05	6,276.50	174.08					
Creditors:									15.70	5,247.50	334.24	131.80	37,763.00	286.52	164.00	39,101.00	238.42	32.20	1,338.00
Secured	-	-	-	-	-	-	-	-	-	-	-	0.30	99.00	330.00					
Employees & pensions	-	-	-	-	-	-	-	-	-	-	-	1.50	495.00	330.00					
Unsecured	-	-	8.50	3,607.50	0.60	147.00	6.60	1,493.00	15.70	5,247.50	334.24	130.00	37,169.00	285.92					
Administration:									66.65	17,607.00	264.17	276.58	73,720.00	266.54	289.33	71,927.25	248.60	12.75	- 1,792.75
Treasury, billing & funding	-	-	-	-	0.40	78.50	2.40	427.00	2.80	505.50	180.54	19.20	4,052.00	211.04					
Tax	-	-	0.30	123.00	-	-	1.00	171.00	1.30	294.00	226.15	24.30	6,612.50	272.12					
Pensions	-	-	-	-	-	-	-	-	-	-	-	0.60	312.00	520.00					
General	0.45	238.50	14.00	5,660.50	1.40	423.00	46.70	10,485.50	62.55	16,807.50	268.71	232.48	62,743.50	269.89					
Total	1.60	986.00	123.50	54,032.50	5.50	1,668.50	135.90	30,015.50	266.50	86,702.50	325.34	2,044.93	602,271.25	294.52	2,180.83	617,827.50	283.30	135.90	15,556.25

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant managers and executives
- Due to enhancements to our SIP9 reporting systems, allocation of time against areas of work may differ to previous periods, however this does not affect overall total time costs
- The uplift included in the agreed fee basis is in addition to the amounts included under £ and £/hr
- Total time costs paid to date: £Nil

Summary SIP9 time cost analysis for the period

Period from 19 July 2016 to 18 July 2019

Area of work	Partner		Manager		Executive		Administrator		Cummulative total as at period end		
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	£/hr
Realisation of assets	-	-	28.90	13,214.00	19.40	6,402.00	14.40	3,193.50	62.70	22,809.50	363.79
Investigations	24.20	15,026.50	557.95	236,283.00	293.55	97,577.25	698.15	119,092.00	1,573.85	467,978.75	297.35
Creditors	0.80	492.00	52.70	21,732.50	13.40	4,361.00	64.90	11,177.50	131.80	37,763.00	286.52
Administration	0.45	238.50	96.50	38,171.00	39.78	10,510.00	139.85	24,800.50	276.58	73,720.00	266.54
Total	**25.45**	**15,757.00**	**736.05**	**309,400.50**	**366.13**	**118,850.25**	**917.30**	**158,263.50**	**2,044.93**	**602,271.25**	**294.52**

Hourly charge out rates

Time is charged in units of 6 minutes for each grade of staff used. The hourly charge out rates applied during the Period are as follows:

Grade	From 19 July 2018 to current	
	Insolvency £/hr	Pensions & Tax £/hr
Partner	650	745
Director	485 - 545	595
Associate director	445 - 495	485
Manager	340 - 420	410
Assistant manager	300 - 350	340
Executive	245 - 325	315
Administrator	165 - 240	170 - 235
Treasury	180	n/a
Support	150 - 155	n/a

The current charge out rates have applied since 1 October 2017. We reserve the right to amend our charge out rates in the future. Any amendments will be detailed within the next report following such an amendment.

Statement of expenses and disbursements incurred in the Period

This table provides details of expenses and disbursements incurred in the Period in connection with the work done by the joint liquidators, description of which is provided in the 'Work done' section above.

Category	Incurred in the Period (£)	Cumulatively incurred as at Period end (£)	Of which paid by the estate as at Period end (£)
Category 1 disbursements			
Bonding: JLT	-	20.00	-
Land Registry	-	65.00	-
Statutory Advertising	-	101.52	101.52
Research costs including Italian land registry searches.	-	2,713.08	2,550.72
Relativity electronic document review platform	276.81	276.81	-
Category 2 disbursements			
None	-	-	-
Expenses			
Legal Fees: Gemma & Partners	2,497.43	2,497.43	2,497.43
PCB Litigation LLP	9,246.39	51,524.85	-
Artemis Risk Consulting	-	22,000.00	22,000.00
Financial services authority	-	152.99	152.99
Total expenses and disbursements	**12,020.63**	**79,351.68**	**27,302.66**

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

They also include expenses which have been paid using a Grant Thornton UK LLP Loan, the balance of which (if any) can be seen on the joint liquidators' receipts and payment account at Appendix A.

Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration. To the extent that recovery of category 2 disbursements is sought, this will be for mileage only. Mileage is charged at 45p a mile. VAT is added as appropriate. Details of these costs are also provided in the table above.

Sub-contracted out work

We confirm that, in the Period, we have not sub-contracted out any work that could otherwise have been carried out by us or our team.

Payments to associates

Where we have enlisted the services of others we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has a business or personal relationship:

Service provider	Services enlisted	Cost of service
Grant Thornton UK LLP	Tax work/advice (narrative is included within the above narrative of work done)	Costs are included within the above SIP9 time cost analysis

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the joint liquidators' fee basis, or who provide services to us as joint liquidators, which may give rise to a potential conflict.

Information for creditors

Information to help creditors to understand their rights in insolvency and regarding officeholders' (ie administrators, liquidators or trustees in bankruptcy) fees, and the roles and functions of committees is available via Grant Thornton UK LLP's website:

https://www.grantthornton.co.uk/portal

Alternatively, we will supply this information by post, free of charge, on request.