

WU07

Notice of progress report 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 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 A 1 A G

Country

4 Liquidator's name ①

Full forename(s) Michael T

Surname Leeds

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 30 Finsbury Square

Street

Post town London

County/Region

Postcode E C 2 A 1 A G

Country

② Other liquidator

Use this section to tell us about
another liquidator.

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6 Period of progress report

From date	^d	1	^d	9	^m	0	^m	7	^y	2	^y	0	^y	1	^y	9
To date	^d	1	^d	8	^m	0	^m	7	^y	2	^y	0	^y	2	^y	0

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X 

X

Signature date

^d		^d		^m		^m		^y		^y		^y		^y	
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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 **EC2A 1AG**

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

Lux Finance Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 19/07/2019 To 18/07/2020 £	From 19/07/2016 To 18/07/2020 £
	ASSET REALISATIONS		
1.49	Bank/ISA InterestGross	NIL	1.49
1,350.00	OR Balance Transferred	NIL	1,350.00
		NIL	1,351.49
	COST OF REALISATIONS		
(20.60)	DTI Cheque Fees	0.15	20.75
(242.00)	ISA Account Fees	88.00	352.00
(2,497.43)	Legal Fees (1)	(1,324.61)	1,172.82
(2,520.00)	O.R. Disbursements	NIL	2,520.00
(22,152.99)	Professional Fees	NIL	22,652.99
(2,535.72)	Searches	NIL	2,535.72
(101.52)	Statutory Advertising	NIL	101.52
(15.00)	Sundry Payments	NIL	15.00
(0.30)	Tax on Interest	NIL	0.30
	VAT Irrecoverable	NIL	100.00
		1,236.46	(29,471.10)
(28,734.07)		1,236.46	(28,119.61)
	REPRESENTED BY		
	Grant Thornton Loan Account		(27,922.22)
	Grant Thornton Suspense Account		1,324.61
	ISA		(1,522.00)
			(28,119.61)

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 shown by way of a loan account in the receipts and payments account. The loan will be repayable as an expense of the bankruptcy 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 bankruptcy is closed but reserves its right to recover such balance should circumstances subsequently permit.

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 shown by way of a loan account in the receipts and payments account. The loan 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.

David A Ingram
Joint Liquidator

Our ref: L30200890/DAI/IDM/KBF/LKG/A6

To the creditors and members

Insolvency and asset recovery

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

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F +44 (0)20 7184 4301

16 September 2020

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 2020 and attach:
- Appendix A, an account of our receipts and payments for the year ended 18 July 2020 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 and 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 7379942.

3 Progress report

Former director – Massimiliano Muzzi

- 3.1 As previously advised, following an investigation by the Italian authorities (the Investigation), the former director of the Company, Massimiliano Muzzi (Mr Muzzi) was arrested in Italy. From our last reports it is understood that Mr Muzzi remains in custody awaiting trial.
- 3.2 I have engaged lawyers in Italy to act on behalf of the liquidators' and liaise with the Italian authorities (the investigation) in order to obtain documentation they may hold.

My solicitors' correspondence, including the request for information from the authorities has been delayed due to COVID-19. Initially the authorities requested further information regarding the liquidation process and the role of the liquidators. I have subsequently provided the authorities with details of the liquidators' role, the liquidation and the reasons for requesting copies of the documentation held by the authorities in relation to Mr Muzzi and the Company.

The authorities have responded positively to the information provided and I am hopeful that copies of the documentation relating to the Investigation will be received in due course.

4 Creditors

- 4.1 There are no preferential creditors in this matter.
- 4.2 I have received unsecured claims totalling £11,045,336
- 4.3 At this time there are insufficient funds available for a distribution to be made to creditors. Any future distribution will be dependent upon any realisations.

5 Investigations into the affairs of the Company

- 5.1 I continue my investigations into the affairs of the Company and I shall be pleased to receive from any creditor any useful information concerning the Company, its dealing or conduct which may assist my investigations into the Company's affairs.
- 5.2 As per my previous report I have now received internal funding in order to cover legal costs of my investigation which will focus on Mr Muzzi and liaising with the Italian authorities to obtain information. If legal proceedings are required in Italy further funding will be required which may be obtained internally, via a third party or through any creditor who wishes to support this course of action.

6 Remuneration and expenses

- 6.1 My remuneration is being charged on a time cost basis with an uplift of 50% as agreed by the creditors on 1 December 2017
- 6.2 I have incurred remuneration and expenses in the year amounting to £44,333 and £500 respectively. The cumulative totals at year end are £646,604 and £26,987.
- 6.3 Further details about remuneration and expenses are provided in Appendix B to this report.

7 Contact from third parties

- 7.1 Please be aware fraudsters have been known to masquerade as the legitimate liquidator. The fraudster will contact creditors asking for an upfront fee or tax to release an investment or pay a dividend/ to enable release of money payable to the creditor. A liquidator 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. Our privacy notice on our website (www.granthornton.co.uk/en/privacy) contains further details as to how we may use, process and store personal data.

9 Covid-19

- 9.1 This report has been produced during the Covid-19 restrictions. I have taken every reasonable step to ensure that the information is accurate, but if anything is incorrect or incomplete, I will provide an explanation and corrected information in the next progress report.

Should you have queries please contact Kieran Foley on 0117 305 7781 or using the telephone number above.

Please be advised that our offices are currently closed and there is no access to mail. please respond by email to kieran.b.foley@uk.gt.com .

Yours faithfully
for and on behalf of Lux Finance Limited

A handwritten signature in black ink, appearing to read 'D Ingram', with a long horizontal flourish extending to the right.

David Ingram
Joint Liquidator

Lux Finance Limited - in liquidation
Summary of receipts and payments
from 19 July 2016 to 18 July 2020

Statement of Affairs Per OR £	From 19/07/2016 to 18/07/2019 £	From 19/07/2019 to 18/07/2020 £	Total £
Receipts			
OR Balance Transferred	1,350.00	0.00	1,350.00
Bank/ISA InterestGross	1.49	0.00	1.49
	1,351.49	0.00	1,351.49
Payments			
O.R. Disbursements	2,520.00	0.00	2,520.00
ISA Account Fees	264.00	88.00	352.00
DTI Cheque Fees	20.60	0.15	20.75
VAT Irrecoverable	0.00	100.00	100.00
Sundry Payments	15.00	0.00	15.00
Legal Fees (1)	2,497.43	(1,324.61)	1,172.82
Professional Fees	22,152.99	500.00	22,652.99
Searches	2,535.72	0.00	2,535.72
Statutory Advertising	101.52	0.00	101.52
Tax on Interest	0.30	0.00	0.30
	30,107.56	(636.46)	29,471.10
Net Receipts/(Payments)	(28,756.07)	636.46	(28,119.61)
Made up as follows			
ISA	(1,434.00)	(88.00)	(1,522.00)
Grant Thornton Suspense Account	524.66	799.95	1,324.61
Grant Thornton Loan Account	(27,846.73)	(75.49)	(27,922.22)
	(28,756.07)	636.46	(28,119.61)

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

This appendix has been prepared in accordance 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
- 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 2019 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%, a fees estimate of 617,827.50 and an expenses estimate of £80,384.22.

During the period from 19 July 2019 to 18 July 2020 (the Period) time costs were incurred totalling £44,333.25 represented by 126.55 hrs at an average of £350.32/hr (as shown in the 'Work done' section below) This brings cumulative time costs at the Period end to £646,604.50 of which £Nil has been paid. Description of the work done in the Period is provided in the respective section below.

It is noted that the current time costs exceed the fee estimate approved by the creditors on 1 December 2017. Primarily this is due to the protracted negotiations with the Italian authorities which remain ongoing. At the same time, the creditors also approved an uplift of 50% based on the fee estimate provided. The liquidators do not intend to seek a revised fee resolution from the creditors until the likelihood of realisations is more certain.

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. 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. 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				53.40 hrs	£24,294.10	£454.95/hr
Debtor/ directors/ senior employees	<ul style="list-style-type: none"> Investigation into the former director's affairs and liaising with my solicitor to compile information. 	<ul style="list-style-type: none"> To obtain information that will lead to identifying potential assets due to the liquidation estate. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Correspondence with solicitors in UK and Italy to obtain information from the Public prosecutor 	<ul style="list-style-type: none"> As noted by various Italian news publications, it is highly likely the Public prosecutor has information relevant to my investigations and this may help identify assets. 	<ul style="list-style-type: none"> 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 			
Bank statements & analyses	<ul style="list-style-type: none"> Review of transactions identified in the Company's bank statements. 	<ul style="list-style-type: none"> To identify transactions from third parties that require further investigation and identify a flow of money in and out of the Company. 	<ul style="list-style-type: none"> 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 			
Claims	<ul style="list-style-type: none"> Liaising with our solicitors in the UK and Italy regarding possibility of a claim to join legal proceedings in Italy 	<ul style="list-style-type: none"> The purpose of this was to ascertain the commerciality and viability of the Company pursuing a claim in the ongoing Italian proceedings against Mr Muzzi. 	<ul style="list-style-type: none"> 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				25.00 hrs	£6,932.50	£277.30/hr
Unsecured	<ul style="list-style-type: none"> Dealing with creditor queries and providing updates to creditors on the progress of the liquidation. 	<ul style="list-style-type: none"> To provide updates on the administration of the liquidation and answer creditor queries in line with statutory duties. 	<ul style="list-style-type: none"> This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate 			
Administration				48.15 hrs	£13,106.65	£272.20/hr
Case management	<ul style="list-style-type: none"> Regularly review the case strategy and level of commerciality. Managing the case file and ensuring this is kept updated. 	<ul style="list-style-type: none"> To identify the most effective route to assets To ensure that there is appropriate understanding of the commerciality of proceeding with the case. 	<ul style="list-style-type: none"> This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate 			
General	<ul style="list-style-type: none"> Regularly review the case strategy and level of commerciality. 	<ul style="list-style-type: none"> To identify the most effective route to assets 	<ul style="list-style-type: none"> 			

- Managing the case file and ensuring this is kept updated.
- To ensure that there is appropriate understanding of the commerciality of proceeding with the case.

Note: We have changed our accounting system in the period, therefore 'case management, time was previously categorised as 'general'.

Reports, circulars notices & decisions	<ul style="list-style-type: none">• Update stakeholders on the progression in liquidation.• Notify creditors of decision process regarding the liquidation estate.	<ul style="list-style-type: none">• This is a statutory requirement to ensure stakeholders are updated on the progress of the liquidation and it is also necessary for decisions to be made.	<ul style="list-style-type: none">• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate
Treasury, billing & funding	<ul style="list-style-type: none">• Update the cashbook and ensure all relevant receipts and payments are being processed	<ul style="list-style-type: none">• Ensure ledgers are up to date and accurate during the liquidation process	<ul style="list-style-type: none">• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate
Tax	<ul style="list-style-type: none">• Deal with post appointment tax matters, such as Corporation tax liabilities	<ul style="list-style-type: none">• A statutory requirement to minimise the tax liabilities to the liquidation estate.	<ul style="list-style-type: none">• This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate
Total fees incurred in the Period			126.55 hrs £44,333.25 £350.32/hr

Detailed SIP9 time cost analysis for the period and fee estimate variance analysis as at period end

Period from 19/07/2019 to 18/07/2020

Area of work	Partner		Manager		Executive		Administrator		Period total			Cumulative total as at period end		
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	£/hr	Hrs	£	£/hr
Investigations:									53.40	24,294.10	454.95	1,689.95	515,082.35	304.79
Debtor / director / senior employees	-	-	0.30	174.00	-	-	-	-	0.30	174.00	580.00	36.35	6,449.50	177.43
Bank statements & analysis	-	-	0.10	58.00	-	-	0.50	90.00	0.60	148.00	246.67	0.60	148.00	246.67
Claims	0.70	339.50	28.20	12,561.00	-	-	1.40	289.80	30.30	13,190.30	435.32	30.30	13,190.30	435.32
General	-	-	19.80	10,268.50	-	-	2.40	513.30	22.20	10,781.80	485.67	1,622.70	495,294.55	305.23
Creditors:									25.00	6,932.50	277.30	156.80	44,695.50	285.05
Secured	-	-	-	-	-	-	-	-	-	-	-	0.30	99.00	330.00
Employees & pensions	-	-	-	-	-	-	-	-	-	-	-	1.50	495.00	330.00
Unsecured	-	-	8.40	3,456.00	4.80	1,176.00	11.80	2,300.50	25.00	6,932.50	277.30	155.00	44,101.50	284.53
Administration:									48.15	13,106.65	272.20	324.73	86,826.65	267.38
Case management	0.20	80.00	5.45	2,294.45	-	-	17.80	3,669.50	23.45	6,043.95	257.74	23.45	6,043.95	257.74
Reports to creditors, notices & decisions	-	-	-	-	-	-	0.20	37.80	0.20	37.80	189.00	0.20	37.80	189.00
Treasury, billing & funding	-	-	-	-	0.80	144.00	1.90	347.40	2.70	491.40	182.00	21.90	4,543.40	207.46
Tax	-	-	0.20	82.00	-	-	0.50	175.00	0.70	257.00	367.14	25.00	6,869.50	274.78
Pensions	-	-	-	-	-	-	-	-	-	-	-	0.60	312.00	520.00
General	-	-	6.25	2,788.00	0.50	122.50	14.35	3,366.00	21.10	6,276.50	297.46	253.58	69,020.00	272.18
Total	0.90	419.50	68.45	31,601.95	6.10	1,442.50	50.85	10,789.30	126.55	44,333.25	350.32	2,171.48	646,604.50	297.77

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- The uplift included in the agreed fee basis is in addition to the amounts included under £ and £/hr

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			
Land Registry Searches	0.00	65.00	0.00
Bonding JLT	0.00	20.00	0.00
Relativity electronic platform	0.00	276.81	0.00
Foreign Searches	0.00	30.98	0.00
Professional Fees	500.00	22,652.99	22,652.99
Searches	0.00	2,535.72	2,535.72
Statutory Advertising	0.00	101.52	101.52
Category 2 disbursements			
N/A			
Expenses			
Legal Fees Gemma & Partners:	1,172.82	1,172.82	1,172.82
Legal Fees Legance Italy:	3,072.89	3,072.89	-
Legal Fees PCB litigation	4,261.00	55,754.89	-
Total expenses and disbursements	9,006.71	85,683.62	26,463.05

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 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	<ul style="list-style-type: none">Tax work/advice (narrative is included within the above narrative of work done)	<ul style="list-style-type: none">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 and members

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

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

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