

# 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](http://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.

WU07

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**6** Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 9	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0
To date	<sup>d</sup> 1	<sup>d</sup> 8	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1

**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X

*slap*

X

Signature date

<sup>d</sup> 0	<sup>d</sup> 1	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
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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 **David A Ingram**

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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

Our ref: L30200890/DAI/HAD/SAF/LKG/7

To the creditors and members

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**Insolvency and asset recovery**

Grant Thornton UK LLP  
30 Finsbury Square  
London  
EC2A 1AG

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

01 September 2021

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 2021 and attach:
- Appendix A, an account of our receipts and payments for the year ended 18 July 2021 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 7379942.

**3 Progress report**

- 3.1 As previously reported, I engaged Italian lawyers to liaise with the Italian Public Prosecutor (PP) and to request a copy of the case file relating to their investigation into the Company and Massimiliano Muzzi, a director of the Company. I subsequently received a copy of the file from the PP in August 2020.
- 3.2 The file consisted of approximately 400 pdf documents, over 17,000 pages (the Documents) all of which were in Italian. Due to limited funds available to the liquidation estate and in order to reduce the translation costs, a basic machine translation has been used to review the Documents.
- 3.3 The Documentation was subsequently uploaded to a review platform for further analysis. Given the number of documents involved, it has taken some time to carry out a review of the Documentation. I subsequently undertook a high-level review of the Documentation to identify any relevant information to assist my investigation and identify any assets due to the liquidation estate.

- 3.4 Whilst the Documentation was helpful in assisting my investigation, the potential asset position remains inconclusive. Following my review of the Documentation I have agreed with both my UK and Italian legal advisors, that it would be helpful to arrange a remote meeting with the PP. In the main the meeting would be to obtain a further understanding of the recovery action taken to date and the asset position, which is not immediately obvious from the Documentation. Additionally, it would be helpful to obtain further details of the ongoing criminal proceedings and to discuss a possible recovery strategy.
- 3.5 I have subsequently written to the PP requesting a meeting and await their response.

#### **4 Creditors**

- 4.1 There are no preferential creditors in this matter.
- 4.2 I have received unsecured claims totalling £11,045,336. Further claims totalling £9,497,033 are anticipated.
- 4.3 Unfortunately, there are insufficient funds available for a distribution to be made to creditors at this time. Any future distribution will be dependent upon any realisations to the liquidation estate.

#### **5 Investigations into the affairs of the Company**

- 5.1 Based on the outcome of our investigations into the affairs of the Company to date there are no matters identified that need to be reported to the creditors.

#### **6 Remuneration and expenses**

- 6.1 Our 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 charged remuneration and incurred expenses in the year amounting to £101,540 and £12,388, bringing the cumulative totals at year end to £748,144 and £94,963 of which no remuneration and £34,868.49 expenses have been paid. The expenses have been paid by way of a loan from Grant Thornton in the absence of asset realisations as shown in Appendix A.
- 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. Fraudsters may contact creditors asking for an upfront fee or tax to release an investment or to enable payment of a dividend / the 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](http://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, however if any material inaccuracies are identified I will provide an explanation and corrected information in the next progress report.

**10 Contact details**

Should you have queries please contact Tevin H Rodrigues on [Tevin.H.Rodrigues@uk.gt.com](mailto:Tevin.H.Rodrigues@uk.gt.com) or call 0207 184 4685.

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)  
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs OR £	From 19/07/2020 To 18/07/2021 £	From 19/07/2016 To 18/07/2021 £
ASSET REALISATIONS		
Bank/ISA InterestGross	NIL	1.49
OR Balance Transferred	NIL	1,350.00
	NIL	1,351.49
COST OF REALISATIONS		
DTI Cheque Fees	20.60	41.35
ISA Account Fees	88.00	440.00
Legal Fees (1)	8,572.44	9,745.26
O.R. Disbursements	NIL	2,520.00
Professional Fees	NIL	22,652.99
Searches	NIL	2,535.72
Statutory Advertising	NIL	101.52
Sundry Payments	NIL	15.00
Tax on Interest	NIL	0.30
VAT Irrecoverable	NIL	100.00
	(8,681.04)	(38,152.14)
	(8,681.04)	(36,800.65)
REPRESENTED BY		
Grant Thornton Loan Account		(35,373.07)
Grant Thornton Suspense Account		182.42
ISA		(1,610.00)
		(36,800.65)

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 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.

The official receiver has not requested the directors to provide an SOA and therefore a comparison by category cannot be made.

## Payments to the joint liquidators and 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
- 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 time costs were incurred totalling £101,540 represented by 287 hrs at an average charge out rate of £353 per hour (as shown in the 'Work done' section below) plus an uplift of £50,770 (£101,540 x 50%). This brings cumulative recorded time costs at the Period end to £748,144. A 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.

Recorded time costs exceed the time costs in the fees estimate and expenses fall short of the expense estimate, both of which were provided to the creditors prior to the determination of our fee basis. The reasons for the excess are as follows:

- Liaising with solicitors in Italy to obtain details from the Italian Authorities regarding their investigation and ongoing litigation against Mr Muzzi
- Translation and forensic analysis of the documentation provided by the Italian Public Prosecutor

As at Period end, no payment from the estate totalling has been made towards our remuneration.

At present we do not expect to seek 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 report to creditors dated 9 November 2011. 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 excess of the fees estimate are included in the 'Fee basis' section above. Note, however, that the level of fees eventually paid may be less depending on the value of asset recoveries or successful claims, for example. Details of expenses incurred in connection with work done are provided in the 'Expenses' section below.

Please note, the uplift included in our agreed fee basis is in addition to the £ fees included in the table below.

Area of work	Work done	Why the work was necessary	Financial benefit to creditors	Fees (time costs) incurred		
<b>Investigations</b>				<b>150.55hrs</b>	<b>£61,383.75</b>	<b>£407.73/hr</b>
<b>Debtor/ directors/ senior employees</b>	<ul style="list-style-type: none"> <li>Investigation into the former directors affairs</li> <li>Working with solicitor in UK and Italy to liaise with PP</li> </ul>	<ul style="list-style-type: none"> <li>To obtain information that will lead to potential assets due to the liquidation estate</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become availableThis work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available</li> </ul>			
<b>Books &amp; records</b>	<ul style="list-style-type: none"> <li>Translation of books and records provided by PP</li> <li>Forensic analysis of books and records provided by PP</li> </ul>	<ul style="list-style-type: none"> <li>To obtain information that will lead to potential assets/claims for the benefit of the liquidation estate</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become availableThis work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available</li> </ul>			
<b>Claims</b>	<ul style="list-style-type: none"> <li>Liaising with our solicitors in the UK and Italy regarding possibility of a claim to join legal proceedings in Italy</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become availableThis work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available</li> </ul>			
<b>Bank Statements &amp; analysis</b>	<ul style="list-style-type: none"> <li>Forensic analysis of the bank statements and various transactions</li> </ul>	<ul style="list-style-type: none"> <li>To identify transactions from third parties that require further investigation, theflow of money in and out of the Company, potential assets and potential claims</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become availableThis work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available</li> </ul>			

<b>Creditors</b>				<b>5.70hrs</b>	<b>£2,322.00</b>	<b>£407.37/hr</b>
<b>Unsecured</b>	<ul style="list-style-type: none"> <li>Dealing with creditor queries and providing updates to creditors on the progress of the liquidation.</li> </ul>	<ul style="list-style-type: none"> <li>To provide updates on the administration of the liquidation and answer creditor queries in line with statutory duties.</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate. This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate.</li> </ul>			
<b>Administration</b>				<b>131.05hrs</b>	<b>£37,834.00</b>	<b>£288.70/h</b>
<b>Case management</b>	<ul style="list-style-type: none"> <li>Regularly review the case strategy and level of commerciality.</li> <li>Managing the case file and ensuring this is kept updated.</li> </ul>	<ul style="list-style-type: none"> <li>To identify the most effective route to assets</li> <li>To ensure that there is appropriate understanding of the commerciality of proceeding with the case.</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate.</li> </ul>			
<b>Reports to creditors, notices &amp; decisions</b>	<ul style="list-style-type: none"> <li>Update stakeholders on the progression of the liquidation.</li> <li>Notify creditors of decision process regarding the liquidation estate.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate.</li> </ul>			
<b>Treasury, billing &amp; funding</b>	<ul style="list-style-type: none"> <li>Update the cashbook and ensure all relevant receipts and payments are being processed.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure ledgers are up to date and accurate during the liquidation process.</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate.</li> </ul>			
<b>Tax</b>	<ul style="list-style-type: none"> <li>Deal with post appointment tax matters, such as Corporation tax liabilities</li> </ul>	<ul style="list-style-type: none"> <li>A statutory requirement to minimise the tax liabilities to the liquidation estate.</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process.</li> </ul>			
<b>Total fees incurred in the Period</b>				<b>287.30hrs</b>	<b>£101,539.75</b>	<b>£353.43/hr</b>

**Detailed SIP9 time cost analysis for the period and fee estimate variance analysis as at period end****Period from 19/07/2020 to 18/07/2021**

Area of work	Partner		Manager		Executive		Administrator		Period total			Cumulative total as at period end		
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	£/hr	Hrs	£	£/hr
<b>Realisation of assets:</b>									-	-	-	68.00	25,529.50	375.43
Insurance	-	-	-	-	-	-	-	-	-	-	-	0.30	99.00	330.00
Debtors	-	-	-	-	-	-	-	-	-	-	-	0.50	235.00	470.00
Other assets	-	-	-	-	-	-	-	-	-	-	-	0.20	116.00	580.00
General	-	-	-	-	-	-	-	-	-	-	-	67.00	25,079.50	374.32
<b>Investigations:</b>									150.55	61,383.75	407.73	1,771.10	550,254.60	310.69
Debtor / director / senior employees	-	-	-	-	2.50	862.50	-	-	2.50	862.50	345.00	38.85	7,312.00	188.21
Books & records	-	-	1.20	613.50	1.00	425.00	30.30	6,324.00	32.50	7,362.50	226.54	39.10	11,190.50	286.20
Claims	-	-	98.90	48,668.00	0.65	224.25	-	-	99.55	48,892.25	491.13	129.85	62,082.55	478.11
General	-	-	-	-	-	-	-	-	-	-	-	1,544.80	464,861.75	300.92
Bank statements & analysis	-	-	0.30	142.50	-	-	15.70	4,124.00	16.00	4,266.50	266.66	18.50	4,807.80	259.88
<b>Creditors:</b>									5.70	2,322.00	407.37	162.50	47,017.50	289.34
Secured	-	-	-	-	-	-	-	-	-	-	-	0.30	99.00	330.00
Employees & pensions	-	-	-	-	-	-	-	-	-	-	-	1.50	495.00	330.00
Unsecured	-	-	3.60	1,710.00	0.50	180.00	1.60	432.00	5.70	2,322.00	407.37	160.70	46,423.50	288.88
<b>Administration:</b>									131.05	37,834.00	288.70	457.18	125,342.65	274.16
Case management	1.10	582.00	44.45	15,203.25	0.50	150.00	51.05	13,128.80	97.10	29,064.05	299.32	121.95	35,790.00	293.48
Reports to creditors, notices & decisions	-	-	7.60	3,414.50	-	-	18.80	3,553.20	26.40	6,967.70	263.93	26.60	7,005.50	263.36
Treasury, billing & funding	-	-	-	-	1.35	267.25	2.70	486.00	4.05	753.25	185.99	25.95	5,296.65	204.11
Tax	-	-	0.40	198.00	-	-	3.10	851.00	3.50	1,049.00	299.71	28.50	7,918.50	277.84
Pensions	-	-	-	-	-	-	-	-	-	-	-	0.60	312.00	520.00
General	-	-	-	-	-	-	-	-	-	-	-	253.58	69,020.00	272.18
<b>Total</b>	<b>1.10</b>	<b>582.00</b>	<b>156.45</b>	<b>69,949.75</b>	<b>6.50</b>	<b>2,109.00</b>	<b>123.25</b>	<b>28,899.00</b>	<b>287.30</b>	<b>101,539.75</b>	<b>353.43</b>	<b>2,458.78</b>	<b>748,144.25</b>	<b>304.27</b>

**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
- Total time costs paid to date: £Nil

## Statement of expenses incurred in the Period

This table provides details of expenses incurred in the Period in connection with the work done by the joint liquidators, description of which is provided in work done in the Period' 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 expenses			
Land Registry	21.00	86.00	0.00
Searches	0.00	2,535.72	2,535.72
Statutory advertising	0.00	101.52	101.52
Sundry Payments	15.00	15.00	15.00
Professional Fees: Cheesewrights LLP	0.00	22,652.99	22,652.99
JLT Bond	0.00	20.00	0.00
Foreign searches	113.38	144.36	0.00
Relativity Electronic platform	0.00	276.81	0.00
Legal Fees: Massimiliano Masucci	942.74	942.74	942.74
Legance Currency difference	179.75	179.75	179.75
Legance – Avvocati Associati	4,377.06	7,449.95	7,449.95
Gemma & Partners	0.00	1,172.82	1,172.82
PCB Litigation	2,362.50	58,117.39	0.00
Category 2 expenses			
Digital forensics	1,450.00	1,450.00	0.00
Total expenses	9,461.43	95,145.05	35,050.49

Expenses are any payments from the estate which are neither the joint liquidators' remuneration nor a distribution to a creditor or member, but they may include disbursements which are payments first met by and then reimbursed to the joint liquidators from the estate. Expenses fall into two categories:

### Category 1 expenses

These are also known as 'out of pocket expenses' and are payments to third parties not associated with the joint liquidators where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval from creditors.

**Category 2 expenses**

These are expenses directly referable to the insolvent estate but payments that are either to an associate, or that include shared or allocated costs that may be incurred by the joint liquidators or their firm and that can be allocated to the appointment on a proper and reasonable basis. Category 2 expenses require approval in the same manner as the joint liquidators' remuneration.

**Sub-contracted work**

We confirm that, in the Period, we have not sub-contracted 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 an association:

Service provider	Services enlisted	Cost of service
Grant Thornton UK LLP	<ul style="list-style-type: none"><li>• Tax work/advice (narrative is included within the above narrative of work done)</li><li>•</li></ul>	<ul style="list-style-type: none"><li>• Costs are included within the above SIP9 time cost analysis</li></ul>

**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.