

LIQ03

Notice of progress report in voluntary winding up



Companies House

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

1 Company details

Company number 0 4 4 4 1 3 8 2

Company name in full Magic Hat Solutions Limited

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

2 Liquidator's name

Full forename(s) Andrew

Surname Davenport

3 Liquidator's address

Building name/number Maxim

Street Omega Court

358 Cemetery Road

Post town Sheffield

County/Region South Yorkshire

Postcode S 1 1 8 F T

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region


Postcode

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	0	d	7	m	1	m	0	y	2	y	0	y	1	y	9
To date	d	0	d	6	m	1	m	0	y	2	y	0	y	2	y	0
7	Progress report															
<input checked="" type="checkbox"/> The progress report is attached																
8	Sign and date															
Liquidator's signature	<div>Signature</div> <div>X  X</div>															
Signature date	d	2	d	5	m	1	m	0	y	2	y	0	y	2	y	2

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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 Jonathan Cutts

Company name Maxim

Address Omega Court

358 Cemetery Road

Post town Sheffield

County/Region South Yorkshire

Postcode S 1 1 8 F T

Country

DX

Telephone 0114 349 6927

**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

Magic Hat Solutions Limited (in Creditors' Voluntary Liquidation)

Progress report pursuant to Section 104A of the
Insolvency Act 1986 and Rule 18.3 of the
Insolvency Rules 2016

Period: 7 October 2019 to 6 October 2020

Important Notice

This progress report has been produced solely to comply with my statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them or by any other person for any purpose whatsoever.

Contents

- ❑ Interpretation
- ❑ Company information
- ❑ Details of appointment of the Liquidator
- ❑ Progress during the period
- ❑ Estimated outcome for creditors
- ❑ Remuneration and disbursements
- ❑ Liquidator's expenses
- ❑ Assets that remain to be realised and other matters to be dealt with
- ❑ Other relevant information
- ❑ Creditors' rights
- ❑ Conclusion
- ❑ Appendices
 - 1. Liquidator's account of receipts and payments
 - 2. Statement of Liquidator's expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Magic Hat Solutions Limited (in Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of a liquidator on 7 October 2019 via the deemed consent procedure
"the Liquidator"	Andrew Davenport of Maxim, Omega Court, 358 Cemetery Road, Sheffield S11 8FT
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s):	Magic Hat Solutions Limited
Company registered number:	04441382
Company registered office:	Maxim, Omega Court, 358 Cemetery Road, Sheffield S11 8FT
Former trading address:	12 Cobcar Street, Elsecar, Barnsley, South Yorkshire S74 8DA

3. DETAILS OF APPOINTMENT OF THE LIQUIDATOR

Date winding up commenced:	7 October 2019
Date of liquidator's appointment:	7 October 2019
Changes in liquidator (if any):	N/a

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is my abstract of receipts and payments for the period from 7 October 2019 to 6 October 2020.

Receipts

- **Office Equipment**

It was anticipated on the director's Statement of Affairs that funds totalling £950.00 would be realised in respect of the Company's office equipment. An offer of £1,500.00 was received from Talbot Industries Limited, an associated company, in respect of the office equipment. After seeking advice from BPI Asset Advisory, a professional firm of valuers and auctioneers (RICS qualified surveyors) and in the absence of any other interested parties, I deemed the offer to be acceptable. Funds of £1,500.00 were subsequently received, this being higher than previously anticipated.

- **Book Debt**

I received an amount of £9,501.03 from Santander Bank plc in respect of a book debt that was paid into the Company's bank account shortly prior to my appointment as liquidator. As the bank was overdrawn, the director of the Company made a request to the bank to reject this payment and the bank confirmed this request would be actioned. However, the bank allowed the payment to go into the overdrawn account and I had to request the funds back from them following my appointment. These funds were not anticipated to be received on the Statement of Affairs.

- **Cash in Client Account**

Funds totalling £4,178.97 were transferred from the Company's bank account to a client account administered by my firm, Maxim, prior to liquidation. These funds were subsequently transferred to the case account upon my appointment as Liquidator.

- **Bank Interest**

Bank interest of £8.78 has been earned on the funds held.

Payments

- **Solicitor's Costs**

I paid £1,055.00 to MD Law LLP, a local firm of solicitors, for their assistance in realising the book debt from Santander Bank plc (see above) and for general legal advice in relation to the case.

- **Statutory Advertising**

The sum of £147.10 was paid to Gazette Direct for advertising both the initial meeting of members and my appointment as liquidator. This is a requirement of the Insolvency Act 1986.

5. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of my appointment (as detailed in the Company's Statement of Affairs) are as follows:

Secured creditors

There are no secured creditors.

Preferential creditors

There are no preferential creditors.

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

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

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

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

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

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

Unsecured creditors

Unsecured creditors were estimated at £51,428.37.

Based upon realisations to date and estimated future realisations, it is uncertain whether there will be sufficient funds available to enable a dividend to be paid to unsecured creditors.

6. REMUNERATION & DISBURSEMENTS

I have not taken steps to fix the basis of my remuneration within the period contained within this report.

However, a notice of resolutions being sought to be passed by correspondence in relation to my remuneration was sent to creditors on 25 November 2020.

7. LIQUIDATOR'S EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 2.

8. ASSETS THAT REMAIN TO BE REALISED AND OTHER MATTERS TO BE DEALT WITH

I have established that the director of the Company, Nicholas Talbot, has an overdrawn director's loan account of £97,442.29.

Mr Talbot entered an Individual Voluntary Arrangement ("IVA") on 3 January 2020 and I have submitted an unsecured claim of £97,442.29 to his Supervisor. It is estimated that an overall dividend of 30.1 pence in the pound will be paid to Mr Talbot's unsecured creditors, via annual dividends, over a period of 5 years. I will not be able to conclude the winding up process until the IVA has concluded.

In addition, I have instructed BPI Asset Advisory to market and sell a domain name owned by the Company (findthebestroute.com). This matter is ongoing as a suitable buyer has yet to be sourced.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on director's conduct

You may be aware that the Liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds. In addition, the Liquidator is also required to consider the conduct of the Company's director and to make an appropriate submission to the Secretary of State (formerly submitted to the Department for Business, Energy and Industrial Strategy). I can confirm that I have discharged my duties in these respects.

Investigations carried out to date

I made an initial assessment as to whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate, and this led to me investigating the following matters:

Fixed asset

The Company's most recent financial statements (y/e 31 August 2017) detailed that the Company owned a fixed asset in the amount of £12,221.00. Nicholas Talbot confirmed to me that this was in relation to a domain name owned by the Company (findthebestroute.com). As detailed previously in this report, I have instructed BPI Asset Advisory to market and sell this asset.

Sale of wholly owned subsidiary

The Company held 100% of the shares in Speedy Route Limited. I was informed by the director of the Company, Nicholas Talbot, that this wholly owned subsidiary had been sold to Talbot Industries Limited, an associated company, for £100.00, shortly prior to the commencement of the liquidation process. After fully investigating this transaction, I concluded that the Company had not suffered any loss from it as Speedy Route Limited as a whole had no value at the time of the transaction, nor did it have any value in the subsequent period running up to the date it was dissolved by Mr Talbot (6 October 2020).

Overdrawn director's loan account

As at the date of the most recent financial statements filed by the Company (31 August 2017), Mr Talbot had an overdrawn director's loan account of £46,341.00. I reviewed the Company's bank statements and established that the loan account had increased to £239,730.39 as at the date of liquidation.

After informing Mr Talbot of the position concerning his loan account, he instructed the Company's former accountants to compile overdue financial statements for the years ending 31 August 2018 and 31 August 2019. These were completed in February 2020 and provided to me. Using both the balance sheet figure as at 31 August 2019 and bank transactions running from this date until the date of liquidation, I was able to establish that the overdrawn director's loan account was £97,442.29.

No further investigations were carried out in relation to the case.

Connected party transactions

In accordance with Statement of Insolvency Practice 13, I confirm that the following assets were sold to Talbot Industries Limited, an associated company:

Date of sale	Asset sold and nature of transaction	Consideration paid and dates	Name of Purchaser	Relationship with the Company
11/10/2019	Computer equipment (paid via direct bank transfer to Maxim)	£1,800.00 (£1,500.00 plus VAT) – received by Maxim as follows: 28/10/2019: £1,800.00	Talbot Industries Limited	Associated company (common director/shareholder)

10. CREDITORS' RIGHTS

Right to request further information

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

Right to make an application to court

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

However, I would reiterate to creditors that while expenses have been incurred throughout the period of this report, I have not yet sought to approve of my remuneration in relation to this matter.

11. CONCLUSION

I will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.

A handwritten signature in black ink, appearing to read 'Andrew Davenport', with a long, sweeping horizontal stroke extending to the right.

Andrew Davenport
Liquidator

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 7 October 2019 to 6 October 2020

Magic Hat Solutions Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments
To 06/10/2020

S of A £		£	£
	ASSET REALISATIONS		
950.00	Office Equipment	1,500.00	
	Book Debts	9,501.03	
4,178.00	Cash in Client Account	4,178.97	
Uncertain	Director's Loan Account	NIL	
	Bank Interest	8.78	
			15,188.78
	COST OF REALISATIONS		
	Solicitor's Costs	1,055.00	
	Statutory Advertising	147.10	
			(1,202.10)
	UNSECURED CREDITORS		
(29,951.00)	Trade & Expense Creditors	NIL	
(717.00)	HM Revenue & Customs (PAYE/NIC)	NIL	
(5,000.00)	HM Revenue & Customs (VAT)	NIL	
(15,761.00)	HM Revenue & Customs (Corp Tax)	NIL	
			NIL
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	
			NIL
(46,303.00)			13,986.68
	REPRESENTED BY		
	Vat Receivable		240.42
	Bank 1 Current		14,046.26
	Vat Payable		(300.00)
			13,986.68

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Postage	Royal Mail	19.30	0.00	19.30
Bonding	Marsh Limited	190.00	0.00	190.00
Solicitor's Costs	MD Law LLP	1,055.00	1,055.00	0.00
Statutory Advertising	Gazette Direct	147.10	147.10	0.00
Category 2 disbursements (for further details see Maxim's charging policy)				
Stationery & Copies	Maxim	63.00	0.00	63.00