

**04495554 Limited
(formerly Multisystems International Limited)
In Compulsory Liquidation**

**Liquidator's annual progress report to members and creditors
for the year ended 13 March 2014**



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1. Introduction

I was appointed Liquidator of 04495554 Limited ("the Company") on 14 March 2013 by the Secretary of State following the restoration of the Company to the Companies Register and a winding up order made in the High Court of Justice, Chancery Division on 25 February 2013 as a result of a petition presented by a trade creditor on 17 December 2012

The Company was restored to the Register in order to allow us to investigate the affairs of the Company. When the Company was restored to the Register, it was not possible to restore under its previous name.

This report provides an update on the progress in the liquidation for the year ended 13 March 2014 in accordance with Rule 4.49B of the Insolvency Rules 1986. Additionally a meeting of creditors is being convened and a resolution has been proposed in order to fix the basis of the Liquidator's remuneration.

2. Statutory information

The Liquidator is required to provide certain statutory information, pursuant to Rule 4.49B(1)(a) to (c) of the Insolvency Rules 1986, which is as follows:

Company Name	04495554 Limited (In Compulsory Liquidation)
Previous Name(s)	Multisystems International Limited
Trading Name	Multisystems International
Court and Reference	High Court of Justice, Chancery Division Number 9589 of 2012
Company Registered Number	04495554
Registered Office	Tavistock House South, Tavistock Square London WC1H 9LG
Former Trading Address	Gainborough House, Sheen Road Richmond, Surrey TW8 1AE
Liquidators name and address	Stephen Hunt Griffins Tavistock House South Tavistock Square London WC1H 9LG

3. Receipts and payments account

The abstract receipts and payments account for the period 14 March 2013 to 13 March 2014 is at Appendix A

4. Realisation of assets and cost of realisations

I refer you to my previous reports and comment below on the asset realisations which have occurred in the period under review together with details of costs incurred

Receipts

There have been no asset realisations in the period under review

There is a balance of some £24,780 held at the First Curacao International Bank ("FCIB") I remain hopeful that funds from the account will be recovered in due course

The bank was based in Curacao (part of Netherlands Antilles) and suspected of being involved in money laundering and VAT fraud It was subject to an Emergency Measure under the Supervision of Banks and Credit Institution 1994, whereby its banking licence was revoked on 9 October 2006, and its management powers devolved to Bank van de Nederlandse Antillen ("BNA") As such, all the accounts in the FCIB were frozen

FCIB were initially refusing to release the funds in the account but towards the second half of 2008, a Protocol was agreed between BNA, the Dutch Criminal Authorities, FCIB and HM Revenue & Customs ("HMRC") This process required the Liquidator to undertake a detailed review of the Company's records and provide HMRC, amongst other details, information relating to

- the Company's purchases and sales
- the pricing and margin analysis on the products
- analysis of all known Company bank accounts
- the Company's financial position, including changes in turnover
- reports on any due diligence conducted by the Company with traders

Up until recently, we would submit the Protocol to HMRC for the release of the balance in the Company's FCIB account, and would receive 75% of the cash balance in due course, subject to approval of the Protocol by HMRC, with the remaining held over until such time as the solvency and liquidity issues of FCIB are resolved by FCIB and BNA

In July 2013, following the conclusion of Dutch criminal proceedings brought against the beneficial owner of FCIB and FCIB, the bank stopped remitting any funds from accounts, whether or not Protocol approved

Subsequently, the Curators of FCIB made further announcements on the FCIB website and in correspondence that led us to conclude that the bank was possibly seeking to avoid paying any further funds to account holders. A significant settlement was purportedly paid to the Dutch authorities, but I have been unable to determine if FCIB financed any part of that.

As a consequence a meeting was held with a Curator and a legal advisor to FCIB/the Central Bank of Curacao in late February 2014 to try and overcome any resistance in Curacao to paying account holders. That dialogue is continuing and significant efforts are being made to ensure that FCIB meets its obligations to creditors.

The company's director, Richard Dawson, has instructed lawyers, namely Freeth Cartwright, to act on his behalf. The Liquidator also has lawyers instructed, namely Blake Lapthorn. Over the course of the last 12 months there has been, and continues to be, substantial correspondence between the lawyers acting for both parties concerning the company director.

Payments

The O R remuneration is the case administration charge of £2,235 by the Insolvency Service and this is partly discharged by the deposit paid on the petition.

The petitioner's deposit of £1,165 is the amount paid by the petitioner on the presentation of the winding up petition, which is forwarded to the Insolvency Services Account. This is shown on the receipts & payments account as a deduction from payments.

Bank charges of £88 relate to charges on the Insolvency Services Account, which are levied on a quarterly basis.

As there are no funds in the liquidation, payment of the specific bond premium of £12.50 has been borne by my firm. This is a mandatory requirement relating to insurance cover required by each office holder and is based on the level of asset realisations envisaged, as required by the Insolvency Practitioners Regulations 2005.

Also, Land Registry costs of £9 have also been incurred in the period in relation to my investigations into the affairs of the Company. These were paid by Griffins directly and will be repaid from the liquidation when funds became available.

No other expenses have been paid or incurred in the period under review.

5. Investigations

Our investigations in relation to the Company's trading activity established the Company was involved in Missing Trader Intra Community Fraud (MTIC) also known as Carousel (VAT) Fraud, and a detailed review of the Company's FCIB account statements and KYC documents has been undertaken

The Liquidator has not been able to recover any of the Company's books and records. Subsequent to the annual reporting period, on 27 March 2014 a copy of the completed director's questionnaire was received in which the director stated that none of the Company's trading records are currently available. Enquiries regarding the existence of any trading records remain ongoing.

I am continuing with my investigation into the Company's affairs to establish whether potential causes of action exist against various parties, and enquiries continue into potential links to other failed companies trading within the same business sector.

6. Creditors' claims and dividend prospects

There are no secured creditors.

No preferential creditors' claims were anticipated and none have been received.

To date I have not received any claims from unsecured creditors, although it is anticipated that a claim may be received from the petitioning creditor in the sum of £24,780.

As there is uncertainty as regards asset realisations, presently it is unknown whether a dividend will be payable to creditors.

7. Liquidator's remuneration

The time costs recorded by myself and my staff from 14 March 2013 to 13 March 2014 totals £34,048.49, which represents 99 hours at an average charge out rate of £343.92 per hour.

I have not drawn any fees in this matter, as there are currently insufficient funds in the liquidation.

The time costs analysis is at Appendix B and this provides details of the activity costs, incurred by staff grade to date, together with details of our current charge out rates provided in accordance with Statement of Insolvency Practice 9.

Please be advised that Griffins chargeout rates have increased, with effect from 1st October 2013, details of which are attached to the SIP 9 schedule at Appendix B.

No steps were taken during the period to fix the basis of my remuneration. In accordance with Rule 4 127 the Liquidator is entitled to receive remuneration for his services. It is for the liquidation committee, if one is appointed, to fix the Liquidator's remuneration. In the absence of a liquidation committee, Rule 4 127(5) applies and the Liquidator's remuneration can be fixed by a resolution of a meeting of creditors.

I therefore advise that I am convening a general meeting of creditors in accordance with Rule 4 54 of the Insolvency Rules 1986, for the purpose of agreeing the basis of my remuneration, and, if requested, to appoint a liquidation committee.

I attach a Notice convening the meeting together with a form of proxy and proof of debt (Appendices C, D and E). The form of proxy must be lodged at the office of Griffins, Tavistock House South, Tavistock Square, London WC1H 9LG, no later than 12 noon on the last business day prior to the date of the meeting.

If you have already provided a proof of debt form to the Official Receiver, that will be forwarded to me by him. However, if you wish to vote at this meeting, you must return the proxy form fully completed and signed. A creditor entitled to attend and vote at the above meeting may appoint a proxy to attend and vote in his place, and such proxy need not be a creditor.

The meeting is purely formal and unless you have a query that cannot be satisfied through correspondence, your attendance at the meeting is not specifically required. If you wish to attend the meeting, I should be grateful if you would notify my office no later than noon on the business day preceding the meeting.

The following resolutions will be proposed at the meeting.-

- 1 That a liquidation committee be formed if there are sufficient creditors willing to act.
- 2 That the Liquidator be authorised to draw remuneration by reference to time properly given by him and his staff in attending to matters arising in the liquidation, and that the Liquidator be authorised to draw such remuneration on account for costs incurred as and when funds permit.

Further information regarding remuneration can be found in "A Creditors' Guide to Liquidators' Remuneration", which is available for download at <http://www.griffins.net/technical/>

8. Creditors' rights

With reference to Rule 4 49E of the Insolvency Rules 1986 (as amended), 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 the creditor in question), or any unsecured creditor with less than 5% in value of the unsecured creditors, but with permission of the court, may request in writing to the Liquidator for further information about the remuneration or expenses set out in this progress report

With reference to Rule 4 131 of the Insolvency Rules 1986 (as amended), any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or permission of the court, may within eight weeks of receipt of the relevant progress report make an application to court on the grounds that the remuneration charged and the expenses incurred are excessive, and/or the basis fixed for the Liquidator's remuneration is inappropriate. The relevant progress report is the first report in which the remuneration and expense are reported

Unless the court orders otherwise, the costs of any such application shall be paid by the applicant, and are not payable as an expense of the liquidation

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports

9. Meeting of creditors

As noted above, a general meeting of creditors is being convened and held on Thursday, 26 June 2014 pursuant to Rule 4 54 of the Act in order to consider a resolution to approve the basis of Liquidator's remuneration. A formal notice of that meeting is attached at Appendix C

10. Next report

I trust the contents of this report are self-explanatory. However, if you require any further information, please do not hesitate to contact Raymond Khan of my office

I will report again following the next anniversary or sooner if I am able to conclude this liquidation

Yours faithfully


Stephen Hunt
Liquidator
12 May 2014



Appendix A

**04495554 Limited
(formerly Multisystems International Limited)
In Liquidation**

Liquidator's receipts and payments account for the period 14 March 2013 to 13
March 2014



04495554 Limited (Formerly Multisystems International Limited)
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs	From 14/03/2013 To 13/03/2014	From 14/03/2013 To 13/03/2014
COST OF REALISATIONS		
O R Remuneration	2,235 00	2,235 00
Petitioners Deposit	(1,165 00)	(1,165 00)
Bank Charges	88 00	88 00
	<u>(1,158 00)</u>	<u>(1,158 00)</u>
	<u><u>(1,158.00)</u></u>	<u><u>(1,158.00)</u></u>
REPRESENTED BY ISA NIB		(1,158 00)
		<u><u>(1,158.00)</u></u>

Appendix B

**04495554 Limited
(formerly Multisystems International Limited)
In Liquidation**

Liquidator's time analysis for the period 14 March 2013 to 13 March 2014 together
with details of charge out rates provided in accordance with Statement of
Insolvency Practice 9



Time Entry - Detailed SIP9 Time & Cost Summary

MULTI08 - 04495554 Limited (Formerly Multisystems International Limited)
From 14/03/2013 To 13/03/2014
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
ADMIN Administration Work	0.00	2.83	18.92	13.08	34.83	11,429.84	328.13
CASG Cashing Functions	0.00	0.17	0.00	0.92	1.08	255.00	235.38
DIARY Case Diary	0.00	0.00	0.00	2.00	2.00	499.94	249.97
EMAIL Emailing	0.00	0.00	0.50	0.00	0.50	191.67	383.34
MTGS Meetings	0.00	0.25	0.33	0.00	0.58	224.99	385.70
SPECBOND Specific Bond	0.00	0.17	0.00	1.17	1.33	358.66	267.50
STAT Statutory	0.00	0.08	0.00	0.42	0.42	157.92	379.01
TAX Tax	0.00	0.08	0.00	0.08	0.08	29.58	354.96
TELS Telephone calls	0.00	0.00	1.25	0.00	1.25	461.66	369.33
VAT Vat Returns	0.00	0.00	0.00	0.08	0.08	20.83	249.96
REVIEWS Case Reviews	0.00	0.17	3.50	1.17	4.83	1,545.82	319.82
Administration & Planning	0.17	3.75	24.50	18.58	47.00	15,173.91	322.85
PRORREPORT Progress Report	0.00	0.00	0.00	0.42	0.42	104.17	250.01
CLMS Creditor Claims	0.00	0.00	0.00	0.17	0.17	41.67	250.02
CRED Creditor Related Work	0.00	0.08	0.92	0.00	1.00	377.91	377.91
CREDITORS Creditors	0.17	0.00	0.00	0.33	0.50	174.16	348.32
Creditors	0.17	0.08	0.92	0.92	2.08	697.91	335.00
FCIB FCIB Investigations	0.00	0.00	10.67	0.00	10.67	4,054.17	380.08
INV Investigation	0.00	0.08	0.00	0.00	0.08	29.58	354.96
PROTOCOL MTIC Protocols	0.00	0.08	0.50	0.00	0.58	219.58	376.42
SIP2 Investigation into Affairs	0.00	0.17	22.75	1.67	24.58	8,348.75	339.61
Investigations	0.00	0.33	33.92	1.67	35.92	12,652.08	352.26
MTICLEGAL MTIC Legal	0.00	0.00	8.83	0.17	9.00	3,407.08	378.57
LEGL Legal Issues	1.33	1.42	2.25	0.00	5.00	2,117.50	423.50
Legal & Litigation	1.33	1.42	11.08	0.17	14.00	5,524.59	394.61
Total Hours	1.67	5.58	70.42	21.33	99.00	34,048.49	343.92
Total Fees Claimed						0.00	



GRIFFINS POLICY ON CHARGEOUT RATES AND DISBURSEMENTS

SCHEDULE OF STANDARD CHARGEOUT RATES IN RESPECT OF GRIFFINS PARTNERS AND STAFF AS AT 1 OCTOBER 2013.

In accordance with Statement of Insolvency Practice 9 "Remuneration of Insolvency Office Holders" the following hourly charge-out rates will be applied when fixing the Officeholders Remuneration

Grade of staff	Hourly Rate
Partners	£495 - £565
Managers	£300 - £400
Senior Investigators	£325 - £385
Administrators/Investigators	£200 - £310
Junior Administrators/Junior Investigators	£150 - £250
Support Team Leader/Support Staff	£70 - £220

The above rates are reviewed annually on 1 October

It is not our policy to charge for support staff (secretarial, filing, reception) unless such staff are working on an individual matter for more than 7 hours in which case the rate for an Administrator may be applied if considered appropriate

Time is charged in minimum units of 5 minutes for all staff

Further information regarding remuneration can be found in "A Creditors' Guide to Liquidators' Remuneration", which is available for download at <http://www.griffins.net/technical/> A hard copy can be provided upon request

DISBURSEMENTS

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance¹ requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at

DEFINITIONS

Practice guidance¹ classifies expenses into two broad categories

- *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is

referable against an independent external suppliers' invoice or published tariff of charges, Mileage is charged at the approved HM Revenue & Customs rates

- *Category 2 expenses* Griffins' policy is not to charge for Category 2 disbursements

CHARGING POLICY

- *Category 1 expenses (approval not required)* – all such items are re-charged to the case as they are incurred

GRIFFINS POLICY ON CHARGEOUT RATES AND DISBURSEMENTS

SCHEDULE OF STANDARD CHARGEOUT RATES IN RESPECT OF GRIFFINS PARTNERS AND STAFF AS AT 1 OCTOBER 2012.

In accordance with Statement of Insolvency Practice 9 "Remuneration of Insolvency Office Holders" the following hourly charge-out rates will be applied when fixing the Officeholders Remuneration

Grade of staff	Hourly Rate
Partners	£495 - £545
Managers	£300 - £395
Senior Investigators	£325 - £380
Administrators/Investigators	£200 - £300
Junior Administrators/Junior Investigators	£145 - £250
Support Staff	£70 - £180

The above rates are reviewed annually on 1 October

It is not our policy to charge for support staff (secretarial, filing, reception) unless such staff are working on an individual matter for more than 7 hours in which case the rate for an Administrator may be applied

Time is charged in minimum units of 5 minutes for all staff

DISBURSEMENTS

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance¹ requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.

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- *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external suppliers' invoice or published tariff of charges; Mileage is charged at the approved HM Revenue & Customs rates
- *Category 2 expenses* – Griffins' policy is not to charge for Category 2 disbursements

CHARGING POLICY

- *Category 1 expenses (approval not required)* – all such items are re-charged to the case as they are incurred

¹ Statement of Insolvency Practice 9 (England and Wales)

Appendix C

**04495554 Limited
(formerly Multisystems International Limited)
In Liquidation**

Notice of meeting



Notice to Creditors of Meeting of Creditors

Pursuant to Rule 4.54 of the Insolvency Rules 1986

**IN THE MATTER OF 04495554 LIMITED (FORMERLY MULTISYSTEMS
INTERNATIONAL LIMITED) – IN LIQUIDATION**

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

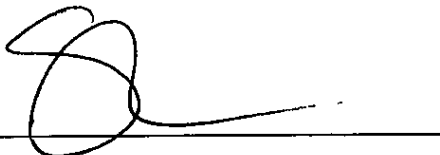
NOTICE IS HEREBY GIVEN, that a General Meeting of the Creditors of the above-named company has been summoned by the liquidator. The meeting will be held at the offices of Griffins, Tavistock House South, Tavistock Square, London, WC1H 9LG at 10 30 a.m. on Thursday 26 June 2014.

Resolutions will be proposed at that meeting in order to fix the basis of my remuneration.

A creditor entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a creditor.

Proxies to be used at the meeting should be lodged at the offices of Griffins, Tavistock House South, Tavistock Square, London, WC1H 9LG no later than 12 noon on the working day immediately before the meeting.

Signed _____



Stephen Hunt
Liquidator

Date 12 May 2014

Appendix D

**04495554 Limited
(formerly Multisystems International Limited)
In Liquidation**

Proxy form



Proxy (Winding up by the Court)

04495554 Limited (formerly Multisystems International Limited)

Please give full
name and
address for
communication

Name of Creditor _____

Address of Creditor _____

Please insert name
of person (who must
be 18 or over) or the
"chairman of the
meeting" (see note
below) If you wish
to provide for
alternative proxy-
holders in the
circumstances that
your first choice is
unable to attend
please state the
name(s) of the
alternatives as well

Name of Proxy Holder

1 _____

2 _____

3 _____

Please delete words
in brackets if the
proxy-holder is only
to vote as directed
i.e. he has no
discretion

I appoint the above person to be my/the creditor's/proxy-holder at the meeting of creditors to be held on Thursday 26 June 2014, or at any adjournment of that meeting. The proxy-holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion)

Any resolutions
which the proxy-
holder is to propose
or vote in favour of
or against should be
set out on the
reverse side of this
form

Voting Instructions for resolutions

- 1 That a liquidation committee be formed if there are sufficient creditors willing to act

FOR/AGAINST

- 2 That the Liquidator be authorised to draw remuneration by reference to time properly given by him and his staff in attending to matters arising in the Liquidation, and that the Liquidator be authorised to draw such remuneration on account for costs incurred as and when funds permit

FOR/AGAINST

This form must be
signed

Signature _____ Date _____

Name in CAPITAL LETTERS _____

Position with creditor or relationship to creditor or other authority for signature _____

Only to be completed if the creditor has not signed in person

Appendix E

**04495554 Limited
(formerly Multisystems International Limited)
In Liquidation**

Proof of debt

3/1

PROOF OF DEBT - GENERAL FORM

**In the matter of 04495554 Limited (formerly Multisystems International Limited) - In Liquidation
and in the matter of The Insolvency Act 1986**

Date of Winding up Order – 25 February 2013

1	Name of Creditor (If a company please also give company registration number)	
2	Address of Creditor for correspondence	Creditor ref
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date of the bankruptcy order	
4	Details of any documents by reference to which the debt can be substantiated [Note there is no need to attach them now but the trustee may call for any document or evidence to substantiate the claim at his discretion as may the official receiver whilst acting as receiver and manager, or the chairman or convenor of any meeting]	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Official Receiver/Liquidator		Liquidator