

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 | 1 0 9 6 6 0 9 6 |
| Company name in full | Dragon Payments Ltd (formerly London Block Exchange Limited) |
| → Filling in this form Please complete in typescript or in bold black capitals. | |
| 2 Liquidator's name | |
| Full forename(s) | Paul |
| Surname | Cooper |
| 3 Liquidator's address | |
| Building name/number | 29th Floor |
| Street | 40 Bank Street |
| Post town | London |
| County/Region | |
| Postcode | E 1 4 5 N R |
| Country | |
| 4 Liquidator's name ① | |
| Full forename(s) | Paul Robert |
| Surname | Appleton |
| ① Other liquidator Use this section to tell us about another liquidator. | |
| 5 Liquidator's address ② | |
| Building name/number | 29th Floor |
| Street | 40 Bank Street |
| Post town | London |
| County/Region | |
| Postcode | E 1 4 5 N R |
| Country | |
| ② Other liquidator Use this section to tell us about another liquidator. | |

WU07

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

6 Period of progress report

| | | | | | | | | | |
|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--|
| From date | ^d 0 | ^d 4 | ^m 0 | ^m 2 | ^y 2 | ^y 0 | ^y 2 | ^y 1 | |
| To date | ^d 0 | ^d 3 | ^m 0 | ^m 2 | ^y 2 | ^y 0 | ^y 2 | ^y 2 | |

7 Progress report

| | |
|---|--|
| <input checked="" type="checkbox"/> The progress report is attached | |
|---|--|

8 Sign and date

| | | | | | | | | | |
|------------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--|
| Liquidator's signature | <small>Signature</small> X Paul S X | | | | | | | | |
| Signature date | ^d 2 | ^d 1 | ^m 0 | ^m 3 | ^y 2 | ^y 0 | ^y 2 | ^y 2 | |

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 **Darren Ellis**

Company name **Begbies Traynor (London) LLP**

Address **29th Floor**

40 Bank Street

Post town **London**

County/Region

Postcode **E 1 4 5 N R**

Country

DX

Telephone **020 7400 7900**

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

Dragon Payments Ltd (formerly London
Block Exchange Limited) (In Compulsory
Liquidation)

THE HIGH COURT OF JUSTICE No. 001356 of 2019

Progress report

Period: 4 February 2021 to 3 February 2022

Important Notice

This progress report has been produced solely to comply with our 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 Joint Liquidators
- ❑ Progress during the period
- ❑ Estimated outcome for creditors
- ❑ Remuneration & Expenses
- ❑ Liquidation Expenses
- ❑ Assets that remain to be realised and work that remains to be done
- ❑ Other relevant information
- ❑ Creditors' rights
- ❑ Conclusion
- ❑ Appendices
 1. Joint Liquidator's account of receipts and payments
 2. Joint Liquidator's time costs and expenses, together with a fee estimate for future work
 3. Statement of Joint Liquidator's expenses

1. INTERPRETATION

| <u>Expression</u> | <u>Meaning</u> |
|--|--|
| "the Company" | Dragon Payments Ltd (formerly London Block Exchange Limited) (In Compulsory Liquidation) |
| "the liquidation" | The appointment of Joint liquidators by the Secretary of State pursuant to Section 137 of the Act on 4 February 2020. |
| "the Joint liquidators", "we", "our" and "us" | Paul Cooper and Paul Appleton of Begbies Traynor (London) LLP, 29th Floor, 40 Bank Street, London, E14 5NR |
| "the Act" | The Insolvency Act 1986 (as amended) |
| "the Rules" | The Insolvency (England and Wales) Rules 2016 (as amended) |
| "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): | London Block Exchange |
| Company registered number: | 10966096 |
| Company registered office: | C/o Begbies Traynor, 29th Floor, 40 Bank Street, London, E14 5NR |
| Former trading address: | Kemp House, 160 City Road, London, EC1V 2NX |

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

| | |
|---|---|
| Date of winding up order: | 31 January 2020 |
| Date of Joint Liquidators' appointment: | 4 February 2020 |
| Changes in liquidator (if any): | There has not been a change in the Office Holders since the original appointment date. However, it should be noted that, with effect from |

17 March 2021, David Rubin & Partners became part of Begbies Traynor Corporate Recovery and Insolvency Practice. Further information in relation to Begbies Traynor and the Begbies Traynor Group can be accessed at: <http://www.begbies-traynorgroup.com>. The Joint Liquidators are now operating from offices at 29th Floor, 40 Bank Street, London E14 5NR

4. PROGRESS DURING THE PERIOD

This is our second progress report and should be read in conjunction with our previous progress report.

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period 4 February 2021 to 3 February 2022 (“the Review Period”), which is further, explained below.

As previously reported, in a compulsory liquidation, the estate funds are held in an interest-bearing account with Insolvency Services. We have reconciled all Receipts and Payments with the Insolvency Service Account (“ISA”). Our cashbook balance matches with the balance held at this account.

Receipts

Bank Interest

During the Review Period, a net bank interest of £6.69 was received into the ISA account.

Payments

Legal Fees

A payment of £1,026.50 plus VAT was made to solicitors, Squire Patton Boggs (UK) LLP (“SPB”), for providing legal advice in respect of the ownership of the Domain Name and the transfer of the intellectual property to the purchaser. Further details are provided in section-6 below.

ISA Banking Fees

I am required by statute to deposit funds in the Estate account with the Insolvency Service. The Insolvency Service makes quarterly banking charges of £22 for operating the account.

Cheque Fees

This relates to the service fee payable on BACS or cheque payments made from ISA account. During the Review Period a fee of 15p each were incurred for two BACS payments.

Specific Bond

The specific bond is the cost of insurance, based on the level realisation achievable for the preferential and unsecured creditors, as required by the Insolvency Practitioners Regulations 2005. A payment of £44.80 was made in relation to the costs incurred in the previous anniversary period but charged to the estate during the Review Period.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis, which is attached at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment.

The details below relate to the work undertaken in the period of the report only. This and the previous report provide details of the work undertaken since our appointment.

General case administration and planning

During the Review Period, the following work has been carried out as required either by statute or for the purposes of case management generally. Whilst many of these tasks do not have a direct financial benefit to creditors, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to high professional standards.

- Setting up our internal case management folders, both digital and paper;
- IPS set-up - creation and update of case files on the firm's insolvency software which include company information, creditors, customers and employees details;
- Capturing the Company's data on our internal electronic case management system and maintaining up to date information; and
- Carrying out regular case reviews of the Liquidation to monitor progression.

Compliance with the Insolvency Act, Rules and best practice

The Insolvency Practitioners are governed by the Insolvency Act and Rules, together with best practice guidelines known as Statements of Insolvency Practice (SIPs). Certain work is mandatory and must be carried out in every liquidation in order to comply with these guideline. However, many of these tasks do not have a direct financial benefit to creditors.

- Filing the appropriate documents relating to the Liquidation at Companies House;
- Carrying out regular bank reconciliations in line with best practice;
- Applying for, and reviewing, the Joint Liquidator's bond as required by the Insolvency Practitioners Regulations 2005;
- Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards; and

Investigations

It is possible that examination of the Company's statutory records and books of accounts may reveal potential assets of the Company that were not previously disclosed by the Directors and or certain rights of actions against the Directors and other relevant parties. A recovery can subsequently be achieved for the benefit of creditors as whole subject to the merits of the findings. With this in mind, we have reviewed the available books and records of the Company to investigate the affairs of the Company, reasons for the failure of the business and potential rights of actions that can be bought against relevant parties.

It should be noted that we are obliged to carry out only necessary investigations proportionate to the circumstances of the case, taking into account the public interest, potential recoveries, the likely funds available to fund an investigation either from the estate or from other sources, and the costs involved.

We carried out our initial assessment of whether there could be any matters that might lead to recoveries for the estate. This assessment considered information provided by creditors and the Director.

The initial investigation into the affairs of the Company, revealed potential rights of action as detailed in the previous report. As there being insufficient funds in the liquidation estate, creditors and customers were invited to fund the investigation but no funding received to proceed with further investigation.

The affairs of the Company are complex and due to the inability to finalise the investigation and draw conclusion on the merits of various potential claims, our initial investigations did not culminate in seeking appropriate legal advice or approach to a litigation funder for further assistance.

The investigations carried out to date have not resulted in a financial benefit to the creditors as a whole.

Realisation of Assets

In general, Insolvency Practitioners are required to maximise realisations for the benefit of the Company's creditors, and they will seek to realise all the Company's assets.

According to the Official Receiver's observation, there were no assets for the Company. However, having reviewed the books and records, it was noted that the Company's Domain Name 'lhx.com', provided by GoDaddy.com, had a potential value. Subsequently, the Domain Name was sold to a third-party Slovakian company, Senza Limiti S.R.O, for £15,000 plus VAT and realised the sale proceeds in full during the previous reporting period. There are no other known assets for the Company.

As there have been no other assets remaining to realise since the last progress report, no further recoveries were made during the Review Period.

Although the Joint Liquidators' actions resulted in a small recovery for the estate, it was not sufficient enough to provide a financial benefit to the creditors, after costs.

Dealing with all creditors' claims (including employees), correspondence and distributions

Generally correspondence from creditors has been dealt as and when received. Broadly, the time costs involved in this will be proportionate to the number of creditors. However, there will be instances where one creditor will have more queries than another, thereby increasing the time incurred substantially. During the Review Period, the following work undertaken in this respect should be noted:

- Liaising with customers, CFS-ZIPP Limited ("ZIPP") and Financial Conduct Authority ("FCA") in relation to the return of customer funds;
- Dealing with many extensive creditor and customer queries, both by correspondence and by telephone;
- Logging claims received onto our internal case management systems and acknowledging receipt; and
- Assessment of Receipts and Payments to date and review of likely dividend prospects.

The above work undertaken has not produced any financial benefit for creditors to date but has been carried out under best practice guidelines. The work undertaken was necessary to address those enquiries and establish the circumstances of creditor claims in the proceedings.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our previous progress report, and a further update in this regard is provided below.

Secured Creditor

There are no secured creditors in this liquidation.

Preferential Creditors

Claims from preferential creditors typically involve employee and occupation pension scheme claims.

The Company had thirteen employees. A significant element of the preferential amount has been paid by the Redundancy Payments Service ("RPS"), subject to statutory limit. A formal claim from the RPS in respect of its preferential claim has not yet received.

The employees may continue to have a preferential claim for any shortfall owed in respect of preferential element of arrears of wages and holiday pay, which was not paid by the RPS. This residual balance of preferential claim remains to be adjudicated.

It should be noted that outstanding amounts to employees in respect of Arrears of Wages in excess of £800 and Notice Pay entitlements will rank as unsecured claim in the proceedings.

Unsecured Creditors

As referred to in the previous report, the total deficiency to creditors in the proceedings estimated to be in excess of £6.2 million.

During the Review Period, a further claim of £19,270 was received, bringing the total value of claims received to date to £833,691 from 15 creditors. As there are insufficient funds in the estate to enable a dividend to unsecured creditors, the task of agreeing creditors' claims has not been undertaken.

Dividend Prospects

On the basis of realisations to date and estimated future realisations, the estimated outcome for each class of the Company's creditors are as follows:

Secured Creditor

There are no known secured claims.

Preferential Creditors

Based on current information, there will be insufficient funds, after costs, to enable a dividend to become payable to the Company's 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

A 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 our 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

Based on realisations to date and estimated future realisations, there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

6. REMUNERATION & EXPENSES

Remuneration

You will recall that, although an initial fee estimate of £126,252.50 was provided to the creditors, the approval of our remuneration only up to £92,760 was sought from the creditors, due to insufficient funds in the liquidation.

Accordingly, our remuneration has been fixed by a decision of the creditors via a decision procedure by way of correspondence on 9 April 2021 by reference to the time properly given by us as Joint Liquidators and the various grades of our staff calculated at the prevailing hourly charge out rates in attending to matters arising in the winding up as set out in our progress report dated 16 March 2021 in the sum of £92,760. We are also authorised to draw disbursements, including expenses for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, which is attached at Appendix 2 of this report.

The time costs incurred by this office for the year ending 3 February 2022 totalled £60,625, which represents 210 hours and 6 minutes at an average rate of £289 per hour.

The total time costs in the period from commencement of the Liquidation up to 3 February 2022 amount to £153,583, which represents 510 hours and 18 minutes at an average rate of £301 per hour.

The following further information in relation to the time costs of the Joint Liquidators' office is set out at Appendix 2:

- Time Costs Analysis for the period 4 February 2021 to 3 February 2022 and the cumulative period from 4 February 2020 to 3 February 2022
- Each firm's charging policy

Based on the time costs incurred to date, we have exceeded the limit of our approved remuneration but not drawn any remuneration to date and the full amount of our time costs remains outstanding.

We have exceeded our fee estimate because a far degree of time has been spent for dealing with queries and complaints from the customers of the Company, arranging the return of customer funds and also for making enquiries into the affairs of the Company.

Time Costs Analysis

The Time Costs Analysis for the period of this report, attached at Appendix 2, shows the time spent by each grade of staff on the different types of work involved in the case and gives the total costs and average hourly rate charged

for each work type. An additional analysis is also attached, which details the time costs for the entire period that we have administered from commencement of the Liquidation.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

The information provided in section 4 above relates to the work undertaken during the period of this report.

We anticipate that further costs will be incurred before the conclusion of the liquidation and for providing further final reports to creditors and other statutory obligations.

Although our total time costs have exceeded the initial fee estimate provided to creditors of £126,252.50, I have decided not to seek a further approval from creditors for a fee increase due to insufficient funds in the liquidation.

Category 1 Disbursements

Pursuant to the insolvency legislation, no formal approval for Category 1 Disbursements is required from the creditors.

There are accrued expenses incurred to date in respect of Statutory Advertising, which will be recharged to the Estate, in early course.

It should be noted that the following category-1 disbursements were re-charged to the estate during the Review Period:

| | Estimated £ | Incurred £ |
|-------------------------|-------------|------------|
| Joint Liquidators' Bond | 65 | 45 |
| Total | 65 | 45 |

Specific Bond

The specific bond is the cost of insurance, based on the level of realisations by the Joint Liquidators, as required by the Insolvency Practitioners Regulations 2005.

Category 2 Disbursements

The approval to draw Category 2 disbursements in accordance with our firm's published tariff was obtained from creditors via a decision procedure by correspondence on 9 April 2021.

There are accrued expenses incurred during the Review Period in respect of postage and stationery. These are to be quantified in due course and will be recharged to the Estate, as appropriate.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. LIQUIDATION EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement showing the total expenses incurred since the date of our appointment also appears at Appendix 3

Petitioner's Costs

SPB, who is also acting for the petitioning creditor, advised that its time costs for the winding up petition amount to £98,187.50. It also incurred disbursements in excess of £12,000. However, the maximum amount available in the estate to discharge the petitioner's costs will be around £2,360 and as a result no further scrutiny of SPB's costs have been carried out.

The petitioning creditors' costs will be paid in accordance with Rule 7.108(4)(h) of the Rules.

Subcontractors

To 3 February 2022, no subcontractors have been utilised in this matter.

Professional Costs

No professional services were used but the following costs were charged to the estate during the Review Period:

Legal Fees

SPB was instructed to provide legal advice in respect of the ownership of the Domain Name and to entering into correspondence with a third party purporting to hold security over the Company's interest in the same. SPB's also assisted with the legalities of the unlocking of the Domain Name at GoDaddy.com and the transfer of the intellectual property to the purchaser. SPB's fees had been agreed on a time costs basis and its time costs in the sum of £1,026.50 plus VAT was paid out of the estate as an expense of the liquidation.

Expenses actually incurred compared to those that were anticipated

Creditors are advised that our original estimated expenses for the liquidation have not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

The work proposed to be undertaken under this heading before the conclusion of the liquidation includes maintaining contemporaneous documents both on file and electronically of any key decisions materially affecting the case, reviewing, continuously monitoring and progressing the liquidation.

As we proceed with the administration of this case, we will continue to incur further costs for many of the tasks set out in section 4 but these will not have a direct financial benefit to creditors. However, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to the required professional standard.

Compliance with the Insolvency Act, Rules and best practice

Continue to comply with best practice guidelines in accordance with the Act, the Rules and the Statements of Insolvency Practice (SIPs), notwithstanding that many of these tasks do not have a direct financial benefit to creditors.

- Regular compliance and strategy reviews;
- Regular bond reviews;

- Regular bank reconciliations;
- File this progress report with Companies House and
- Prepare final account.

Whilst the above work has no direct financial benefit to creditors, the tasks are statutory and/or regulatory compliance requirements that need to be fulfilled by the Joint Liquidators to ensure the efficient and compliant administration of the matter.

Investigations

Although certain potential rights of action against the Directors or other beneficiaries have been identified, due to a lack of funds in the estate, a detailed further investigation has not been considered or proposed.

It appears that there is no certainty as to whether any financial benefits can be achieved for the creditors, following the completion of various pending investigations, as the costs of further investigation may outweigh any benefits achievable.

Realisation of assets

All known assets of the Company have been either realised or dealt with.

Dealing with all creditors' claims (including employees) and correspondence

During the Review Period, we liaised with the petitioning creditor and was advised that the petitioning costs are in the region of £112,000. Although the petitioning costs appear to be high, there is insufficient funds to defray its costs in full. The balance of funds held in the liquidation estate will be used to settle the petitioning creditor's costs insofar as possible and we will liaise with SPB in this regard.

Although there are no prospects of a dividend distribution to any class of creditor, there are anticipated to be enquires from creditors and claims to be lodged from creditors who have not yet submitted a claim in the proceedings. Additionally, there will be a need to provide final report to creditors to conclude the Liquidation.

How much will this further work cost?

As reported above, additional work is necessary in order that we may complete the Liquidation as envisaged and further costs will be incurred in completing those tasks.

The costs of future work are estimated to be in the region of £5,000, which is in addition to the time costs incurred to date, as reported in section 6 above.

Notwithstanding the anticipated further costs in this liquidation, we do not intend seeking further fee approval from creditors at this juncture, given there are insufficient funds in the estate. However, this would be subject to further consideration should any future realisations become available for the estate.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done are as set out in the estimate of anticipated expenses sent to creditors on 16 March 2021, which included all the expenses that we anticipate being incurred throughout the liquidation.

What is the anticipated payment for administering the case in full?

Based on the current and the future costs, the total costs of administering the liquidation would be in the region of £158,583

At this stage, no remuneration can be drawn from the liquidation estate. However, should there be additional or unexpected asset realisations, we will look to draw our remuneration from those too, capped at the level approved by creditors.

9. OTHER RELEVANT INFORMATION

Customer Funds

As previously reported, ZIPP (Company number 03925386), has been holding customer funds in GBP and we assisted the return of further monies to some customers in the Review Period. We also liaised with the FCA in respect of balance of customers funds held by ZIPP. Following further correspondence, ZIPP has agreed that it will continue to safeguard the balance of funds it is holding pending the return of the same to the relevant customers, even after the dissolution of the Company. Any customers who believe that ZIPP is holding their funds in GBP, they should make contact with ZIPP by emailing at enquiries.dragonpayments@cfszipp.com.

It should be noted that the funds held by ZIPP relates to fiat currency only and that it can return only the balance of funds held in the customer's name, in GBP. It should also be noted that the Joint Liquidators did not realise any of the customers' monies into the liquidation estate, instead attempted to return these funds to customers with the assistance of ZIPP. However, these funds may be less than the original investment made by customers due to subsequent transactions into other investment vehicles through the Company.

Please be advised that neither the Company nor ZIPP holds any crypto assets and, therefore, are unable to deal with any enquires relating to investments in cryptocurrencies.

It may be possible that customers may have made payments through the Company to invest in cryptocurrencies but could ultimately be a customer of Mayan Block Ltd (now known as Solarsteinn Ltd) under the arrangement you have agreed either with the Company or Mayan Block Ltd. As some of the customers' investments are in an unregulated business/market, they should take their own legal advice to recover any cryptocurrencies, as applicable.

Investigations

As advised above, a 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.

Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate.

As detailed under section 4, we are unable to proceed with any further investigation and will proceed with the conclusion of the liquidation in early course.

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

Use of personal information

Please note that in the course of discharging our statutory duties as Joint Liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact me.

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 our remuneration or expenses which have been incurred during the period of 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 during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

We do not anticipate any further realisations to be made in this matter. Also, there is no funding to proceed with any further investigation into the affairs of the Company. Accordingly, we are now proceeding to conclude the liquidation.

We trust you will find this report adequate for your purposes, but should you require any further information, please do not hesitate to contact, in the first instance, either our Senior Manager, Darren Ellis, or his colleague, Riji GopiNathan, at this office.

A handwritten signature in black ink that reads "Paul" followed by a stylized flourish.

Paul Cooper
Joint Liquidator

Dated: 21 March 2022

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 4 February 2021 to 3 February 2022

DRAGON PAYMENTS LTD (FORMERLY LONDON BLOCK EXCHANGE LIMITED)

IN LIQUIDATION

Liquidator's Abstract of Receipts & Payments

For the Period 4 February 2021 to 3 February 2022

| | <u>Estimated to</u> | <u>Total</u> | <u>Realised</u> |
|--|---------------------|------------------|-------------------|
| | <u>Realise</u> | | <u>3 Feb 2022</u> |
| | <u>£</u> | <u>£</u> | <u>£</u> |
| <u>Receipts</u> | | | |
| Domain Name | Nil | 15,000.00 | |
| Petitioner's Deposit | Nil | 1,600.00 | |
| Bank Interest Net | Nil | 6.86 | 6.86 |
| | <u>Nil</u> | <u>16,606.86</u> | <u>6.86</u> |
| <u>Payments</u> | | | |
| Company Administration Fee - Official Receiver | | 5,000.00 | |
| General Fee - Official Receiver | | 6,000.00 | |
| Agents Fees | | 2,000.00 | |
| legal Fees | | 1,026.50 | 1,026.50 |
| Insolvency Services Banking Fees | | 176.00 | 88.00 |
| ISA Cheque Fees | | 0.30 | 0.30 |
| Specific Bond | | 44.80 | 44.80 |
| | | <u>14,247.60</u> | <u>1,159.60</u> |
| Receipts less Payments | | <u>2,359.26</u> | <u>(1,152.74)</u> |
| <u>Represented by:-</u> | | | |
| Insolvency Services Account | | 4,753.96 | (1,358.04) |
| Net VAT Receivable/(Payable) | | (2,394.70) | 205.30 |
| | | <u>2,359.26</u> | <u>(1,152.74)</u> |

COSTS AND EXPENSES

- a. Begbies Traynor (London) LLP's charging policy
- b. Time Costs Analysis for the period from 4 February 2021 to 3 February 2022
- c. Time Costs Analysis for the cumulative period from 4 February 2020 to 3 February 2022

Charging Policy (Begbies Traynor)

Introduction

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and creditors have approved the office holder to draw remuneration on one or a combination of the bases allowed under The Insolvency (England & Wales) Rules 2016. These bases are:

- As a percentage of the value of the assets realised and/or distributed;
- On a time costs basis; or
- As a set amount.

Office holder's fees in respect of the administration of insolvent estates

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

Expenses incurred by Office Holders in respect of the administration of insolvent estates

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 disbursements (approval not required) - specific expenditure that is directly related to the case and referable to an independent external *supplier's invoice*. *All such items are charged to the case as they are incurred.*
- ❑ Category 2 disbursements (approval required) - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

The following Category 2 expenditures have been approved by Creditors and may be charged to the case:

- ❑ Car mileage is charged at the rate of 45 pence per mile;
- ❑ Storage of books and records: We use a commercial archiving company for storage facilities for *companies' records and papers*. *This is recharged to the estate* at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £50 per hour;
- ❑ Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of 150 per meeting;
- ❑ Headed paper and photocopying at 25p per sheet and 6p per sheet, respectively;
- ❑ Envelopes at 25p each; and
- ❑ Postage at actual cost.

Charge-Out Rates

David Rubin & Partners were acquired by Begbies Traynor of 17 March 2021. In the Period, the following charge-out rates applied, as disclosed to Creditors when seeking approval for Liquidators Remuneration.

| | Charge-out rate (£ per hour) 1 March 2019 – until further notice |
|----------------------------|---|
| Grade of staff | |
| Senior / Managing Partners | 550 |
| Partners/Office holders | 495 |
| Managers / Senior Managers | 350 - 395 |
| Senior Administrators | 220 - 295 |
| Administrators | 160 - 200 |
| Cashiers and Assistants | 150 - 295 |
| Support Staff | 120 - 150 |

Time is recorded in 6 minute units.

SIP9 Dragon Payments Ltd - Winding Up Compulsory
Time Costs Analysis From 04/02/2021 To 03/02/2022

| Staff Grade | | Consultant/Partner | Director | Snr Mngr | Mngr | Asst Mngr | Snr Admin | Admin | Jnr Admin | Support | Total Hours | Time Cost £ | Average hourly rate £ |
|---|---|--------------------|-------------|------------------|------------------|-------------|-------------|------------------|-------------|-----------------|--------------|------------------|-----------------------|
| General Case Administration and Planning | Case planning | | | 5.7 | 6.2 | | | 10.9 | | 7.6 | 30.3 | 7,502.50 | 247.61 |
| | Administration | | | 7.6 | 3.0 | | | 7.6 | | | 18.2 | 5,532.00 | 303.96 |
| | Total for General Case Administration and Planning: | | | 13.3 | 9.2 | | | 18.4 | | 7.6 | 48.5 | 13,034.50 | 268.75 |
| Compliance with the Insolvency Act, Rules and best practice | Appointment | | | | | | | | | | | | 0.00 |
| | Banking and Bonding | | | | 0.7 | | | 0.2 | | 2.2 | 3.1 | 653.00 | 210.65 |
| | Case Closure | | | | | | | | | | | | 0.00 |
| | Statutory reporting and statement of affairs | | | | 24.8 | | | 5.6 | | | 30.4 | 10,165.00 | 332.73 |
| | Total for Compliance with the Insolvency Act, Rules and best practice: | | | | 25.5 | | | 5.8 | | 2.2 | 33.5 | 10,768.00 | 321.43 |
| Investigations | CDDA and investigations | | | | 8.3 | | | | | | 8.3 | 2,905.00 | 350.00 |
| | Total for Investigations: | | | | 8.3 | | | | | | 8.3 | 2,905.00 | 350.00 |
| Realisation of assets | Debt collection | | | | | | | | | | | | 0.00 |
| | Property, business and asset sales | | | | | | | 2.1 | | | 2.1 | 336.00 | 160.00 |
| | Retention of Title/Third party assets | | | | | | | | | | | | 0.00 |
| | Total for Realisation of assets: | | | | | | | 2.1 | | | 2.1 | 336.00 | 160.00 |
| Trading | Trading | | | | | | | | | | | | 0.00 |
| | Total for Trading: | | | | | | | | | | | | 0.00 |
| Dealing with all creditors claims (including employees), correspondence and distributions | Secured | | | | | | | 3.1 | | | 3.1 | 620.00 | 200.00 |
| | Others | | | 20.3 | 41.8 | | | 32.7 | | 10.1 | 104.9 | 30,378.00 | 289.59 |
| | Creditors committee | | | | | | | | | | | | 0.00 |
| | Total for Dealing with all creditors claims (including employees), correspondence and distributions: | | | 20.3 | 41.8 | | | 35.8 | | 10.1 | 108.0 | 30,998.00 | 287.02 |
| Other matters which includes meetings, tax, litigation, pensions and travel | Seeking decisions of creditors | | | 1.6 | 1.3 | | | | | | 2.9 | 1,087.00 | 374.83 |
| | Meetings | | | | | | | | | | | | 0.00 |
| | Other | | | | | | | | | | | | 0.00 |
| | Tax | | | 0.7 | | | | 6.1 | | | 6.8 | 1,496.50 | 220.07 |
| | Litigation | | | | | | | | | | | | 0.00 |
| | Total for Other matters: | | | 2.3 | 1.3 | | | 6.1 | | | 9.7 | 2,583.50 | 266.34 |
| Total hours by staff grade: | | | | 35.9 | 86.1 | | | 68.2 | | 19.9 | 210.1 | | |
| Total time cost by staff grade £: | | | | 14,180.50 | 31,111.50 | | | 12,320.00 | | 3,013.00 | | 60,625.00 | |
| Average hourly rate £: | | 0.00 | 0.00 | 395.00 | 361.34 | 0.00 | 0.00 | 180.65 | 0.00 | 151.41 | | | 288.55 |
| Total fees drawn to date £: | | | | | | | | | | | | 0.00 | |

STATEMENT OF EXPENSES

| Type of expense | Name of party with whom expense incurred | Amount incurred £ | Amount discharged £ | Balance (to be discharged) £ |
|-----------------|--|----------------------|------------------------|---------------------------------|
| Specific Bond | AXA Insurance | 44.80 | 44.80 | Nil |

Specific Bond

The specific bond is the cost of insurance, based on the level of realisations by the Joint Liquidators, as required by the Insolvency Practitioners Regulations 2005.

CUMULATIVE STATEMENT OF EXPENSES

| Type of expense | Name of party with whom expense incurred | Amount incurred £ |
|-----------------------|--|----------------------|
| Agent's fees | Williams & Partners Ltd | 2,000 |
| Legal fees | Squire Patton Boggs (UK) LLP | 1,027 |
| Specific Bond | AXA Insurance | 45 |
| Statutory Advertising | Courts Advertising | 105 |

ADDITIONAL EXPENSES ANTICIPATED FOR FUTURE WORK

| Expenses anticipated to be incurred prior to closure of the case | Name of party with whom expense anticipated to be incurred | Amount estimated to cost £ |
|--|--|-------------------------------|
| Stationery & Postage | Begbies Traynor | £25 |

Stationery & Postage

Postage, Stationery and Incidentals represents the recovery of costs for stationery, postage and telephone costs for all correspondence and reports sent to the Company's creditors and also its members. Headed paper and pre-printed envelopes were recharged at 25 pence per unit, whilst photocopying, including paper, was recharged at 6 pence per copy.