



Grant Thornton

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WEDNESDAY



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COMPANIES HOUSE

Our Ref DAI/NLW/MDV/MEF/M02511/7

To the creditors and members

Recovery and Reorganisation
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29 September 2015

Dear Sirs

M H Carbon Limited - In Liquidation (the Company) High Court of Justice No 8749 of 2013

1 Introduction

1.1 Following my appointment as Liquidator of the Company on 14 August 2014, in accordance with rule 4.49B of the Insolvency Rules 1986, I now report on the progress of the liquidation for the year ended 13 August 2015 (the Year) and attach

- Appendix A, an account of our receipts and payments for the Year,
- Appendix B, a statement of the remuneration charged by the Liquidator in the period and a statement of expenses incurred in the Year,
- Appendix C, an analysis of time costs as required by Statement of Insolvency Practice 9,
- Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator (rule 4.49E),
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive (rule 4.131)

1.2 I am authorised by the Insolvency Practitioners Association to act as an insolvency practitioner

2 Statutory information

2.1 The Company's statutory details are as follows

Registered number 07388433

Registered office 30 Finsbury Square, London, EC2P 2YU

Chartered Accountants

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3 Progress report

3.1 As you may be aware, the Company was wound up by the Court in the public interest as part of a petition with 14 other connected companies

3.2 I am the Liquidator of four of the connected companies. Nedim Ailyan of Abbott Fielding Limited and James Dowels of DDJ Limited have been appointed as liquidators of the remaining companies.

Carbon Credits

3.3 Eco-Synergies Ltd, one of the connected companies, was a wholesaler of Voluntary Emissions Reductions (VERs) carbon credits and supplied them to the Company. The Company marketed and sold the VERs to the public as investments between September 2010 and April 2013. M H Carbon Nominees Limited (MHCN), another connected company, was a non-trading company which held the VERs on trust for investors, as the Registries which held the VERs were not willing to open accounts for individuals to hold VERs because they did not consider VERs to be suitable investments for individuals.

3.4 I am the joint liquidator of MHCN with Nedim Ailyan of Abbott Fielding Limited. I am undertaking further investigations with the Registries as to the location and ownership of the VERs. I will update creditors in due course regarding the outcome of my investigations.

Bank Analysis

3.5 I have obtained and analysed the Company's bank accounts.

3.6 My enquiries are ongoing in this respect and I am liaising with the liquidators of the other connected companies as appropriate. I will update creditors regarding this line of investigation when it becomes appropriate.

Directors

3.7 Jeffery Razaq was the Company's director from October 2012 until the date of liquidation. I am in correspondence with Mr Razaq in relation to the Company's affairs.

3.8 Jonathan Cocks and Gavin Manerowski were the Company's directors from September 2010 to July 2011 and October 2012, respectively. I have received no response to my letters addressed to them and I am considering instructing my solicitors to compel their co-operation.

3.9 Jeffery Razaq has been disqualified from being a director for 14 years (from 6 July 2015 to 5 July 2029) by the Insolvency Service for selling VERs to members of the public as investments when they were not suitable for individual investors.

3.10 Jonathan Cocks has been disqualified from being a director for 11 years (from 12 May 2015 to 11 May 2026) by the Insolvency Service following his conduct as the director for the Company.

4 Creditors

4.1 There are no preferential or secured creditors in this matter.

4.2 I have received unsecured claims totalling £4,246,785.61.

4.3 At this stage, there are no funds available for a distribution to be made to creditors.

5 Liquidator's remuneration and expenses

5.1 On 9 October 2014 the creditors resolved that I draw my remuneration by reference to my time costs with an uplift of 35% plus VAT. You will note from the SIP 9 table attached at Appendix C that my time costs to date are £45,600.21 and, from the receipts and payments account attached at Appendix A, that I have not drawn any fees. Time costs of £45,600.21 incurred in the period but not drawn as remuneration to date are disclosed in Appendix B.

5.2 Time is charged in units of 6 minutes. Background information regarding the fees of liquidators can be found at <http://www.insolvency-practitioners.org.uk> (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively I will supply this information by post on request.


5.3 The hourly charge out rates used in calculating time costs for the Year are as follows:

	£
Partners up to	615
Directors up to	515
Managers up to	470
Other senior professional up to	305
Administrators up to	230
Assistants and support staff up to	175

5.4 In addition, I have incurred expenses of £3,792.12 as indicated in Appendix B. To date these expenses have not been paid.

Should you have any queries, please do not hesitate to contact my colleague Marcus Fairclough by phone 020 7865 2660 or email: marcus.e.fairclough@uk.gt.com

Yours faithfully
for and on behalf of M H Carbon Limited



David Ingram
Liquidator

Enc

M H Carbon Limited - in liquidation
 Receipts and payments account
 from 14 August 2014 to 13 August 2015

	Statement of affairs Per OR £	Total £
Receipts		<u>0 00</u>
Payments		
OR Disbursements		14 47
OR Remuneration		1,235 00
ISA Account Fees		88 00
		<u>1,337 47</u>
Balance - 13 August 2015		<u><u>(1,337 47)</u></u>
Made up as follows		
ISA		(1,337 47)
		<u><u>(1,337 47)</u></u>

B Remuneration charged and expenses incurred by the liquidator in the period

	Charged/Incurred in the Year	Of which paid in the Year
	£	£
Liquidator's fees:	45,600.21	0.00
Liquidator's expenses:		
Bond JLT	10.00	0.00
Land Registry	99.00	0.00
Storage costs	72.74	0.00
Courier	24.86	0.00
Statutory Advertising Courts Advertising	101.52	0.00
Postage	988.00	0.00
Solicitors. Mills & Reeve LLP*	2,496.00	0.00
	<u>3,792.12</u>	<u>0.00</u>

*Mills & Reeve LLP are no longer instructed

C SIP 9 information**M H Carbon Limited - M30202511 - SIP 9 TIME COST ANALYSIS**

Job(s) Liquidator

Transaction period 14/08/2014 to 13/08/2015

Standard	Partner		Manager		Executive		Administrator		Total		Avg. Hrly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning			8.98	3,603.75	9.66	2,597	30.63	5,264.38	49.47	11,465.13	231.76
Creditors			1.68	762.75	2.55	715	31.35	5,740.5	35.58	7,219.25	202.87
Investigations	4.4	2,706	15.9	7,061.88	20	5,600	38.61	7,615.4	78.91	22,983.28	291.26
Realisation of Assets							20.57	3,933.55	20.57	3,933.55	191.23
Total	4.4	2,706	26.56	11,428.38	32.21	8,912	121.36	22,553.83	184.53	45,600.21	247.12

Total fees billed to date (Time) · £ Nil

- Administration & Planning** Includes case planning, statutory obligations (e.g. statutory returns), maintenance of cash and estate records, general correspondence, dealing with tax correspondence
- Investigations** Includes investigation into Company's affairs and assets that may have been held prior to Liquidation, forensic review of the Company's bank accounts, dealing with assets held by the Company
- Legal** Includes dealing with solicitors and agents regarding the carbon credits
- Creditors** Includes correspondence with unsecured creditors, meeting and reporting to the liquidation committee

D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator

Rule 4 49E edited for application to a progress report in a winding-up by the court

- (1) If
 - (a) within the period mentioned in paragraph (2)
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within the period mentioned in paragraph (2), any unsecured creditor makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of a matter which was previously included in a progress report
- (2) The period referred to in paragraph (1)(a) is 21 days of receipt of the progress report
- (3) The liquidator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the liquidator considers that
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information
- (4) Any creditor, who need not be the same as the creditor who requested further information, may apply to the court within 21 days of -
 - (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),
 and the court may make such order as it thinks just
- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 4 131(1B) by such further period as the court thinks just
- (6) This Rule does not apply where the liquidator is the Official Receiver

E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive

Rule 4 131

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application by a creditor may be made on the grounds that -
- (a) the remuneration charged by the liquidator,
 - (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
 - (c) expenses incurred by the liquidator,
- is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate.
- (1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or in a case falling within Rule 4.108, 4 weeks) after receipt by the applicant of the progress report or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss the application; but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice, but which is without notice to any other party.
If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.
- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
- (a) an order reducing the amount of remuneration which the liquidator was entitled to charge
 - (b) an order fixing the basis of remuneration at a reduced rate or amount
 - (c) an order changing the basis of remuneration
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation
 - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify
- and may make any other order that it thinks just; but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation.