

LIQ03

Notice of progress report in voluntary winding up



Companies House

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17/08/2017

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COMPANIES HOUSE

1 Company details

Company number 0 7 3 7 0 8 2 1

Company name in full Tagstar UK Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Anthony John

Surname Wright

3 Liquidator's address

Building name/number 2nd Floor

Street 110 Cannon Street

Post town London

County/Region

Postcode E C 4 N 6 E U

Country

4 Liquidator's name

Full forename(s) Paul David

Surname Allen

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address

Building name/number 2nd Floor

Street 110 Cannon Street

Post town London

County/Region

Postcode E C 4 N 6 E U

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report																
From date	^d	2	^d	0	^m	0	^m	6	^y	2	^y	0	^y	1	^y	6	
To date	^d	2	^d	1	^m	0	^m	6	^y	2	^y	0	^y	1	^y	7	
7	Progress report																
☒ The progress report is attached																	
8	Sign and date																
Liquidator's signature	Signature X <i>A Wright</i> X																
Signature date	^d	1	^d	4	^m	0	^m	8	^y	2	^y	0	^y	1	^y	7	

LIQ03

Notice of progress report in voluntary winding up

**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	Matthew Kesek
Company name	FRP Advisory LLP
Address	2nd Floor 110 Cannon Street
Post town	London
County/Region	
Postcode	E C 4 N 6 E U
Country	
DX	
Telephone	020 3005 4000

**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

Taggstar UK Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs		From 22/06/2016	From 22/06/2016
£		To 21/06/2017	To 21/06/2017
		£	£
	ASSET REALISATIONS		
Uncertain	Office Plant & Equipment	NIL	NIL
		NIL	NIL
	PREFERENTIAL CREDITORS		
(3,000.00)	Employees	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(252,123.65)	Trade & expense creditors	NIL	NIL
(30,268.00)	HSBC overdraft	NIL	NIL
(267,363.00)	Digital Media Technologies Limited	NIL	NIL
(155,761.97)	HM Revenue & Customs	NIL	NIL
(193,253.00)	Investor creditors	NIL	NIL
(22,571.00)	Employees	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(924,440.62)		NIL	NIL
	REPRESENTED BY		
			NIL



Anthony John Wright
Joint Liquidator

Taggstar UK Limited (In Liquidation) (“The Company”)

The Liquidators’ Progress Report for the period 22 June 2016 to 21 June 2017 pursuant to section 104A of the Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016

14 August 2017

Contents and abbreviations



Section	Content
1.	Progress of the liquidation
2.	Estimated outcome for the creditors
3.	Liquidators' remuneration, disbursements and expenses
Appendix	Content
A.	A schedule of work
B.	Liquidators' receipts & payments account for the Period
C.	Statement of expenses incurred in the Period
D.	Statutory information about the Company and the liquidation

The following abbreviations may be used in this report:

FRP	FRP Advisory LLP
The Company / Taggstar	Taggstar UK Limited (In Liquidation)
The Liquidators	Anthony John Wright and Paul David Allen of FRP Advisory LLP
The Period	The reporting period 20 June 2016 to 21 June 2017
CVL	Creditors' Voluntary Liquidation
SIP	Statement of Insolvency Practice
QFCH	Qualifying floating charge holder
HMRC	HM Revenue & Customs

1. Progress of the liquidation

Work undertaken during the Period and work yet to be completed

I attach at **Appendix A** a schedule of work undertaken during the Period together with a summary of work still to be completed.

As advised in the Director's report provided to the meeting of creditors, it is alleged that during Julie Meyer's tenure as Taggstar's sole director, Company funds and advances provided by Digital Media Technologies Limited ("DMT") were misappropriated and used to fund Ariadne Capital Limited ("Ariadne").

Demand was made by DMT to Ariadne to repay the money apparently misappropriated and the shareholder subsequently issued a Lien Enforcement Notice in an attempt to recover the misappropriated DMT shareholder funds.

It was further alleged that Julie Meyer as a director of DMT, instructed potential DMT investors to pay subscription monies into the Taggstar bank account in contravention of the DMT subscription agreement resulting in potential investors not receiving the DMT shares they were expecting. It would appear that once funds were received by Taggstar they were immediately transferred to Ariadne.

As a result of these allegations, DMT issued legal proceedings in Gibraltar with a view to recovering the shares held by Ariadne which in turn would be sold pursuant to the shareholder agreement with the funds received becoming due to Taggstar.

The Liquidators have not been a party to these proceedings and the value of any potential recoveries remains uncertain at this time.

It is unclear at this stage whether there will be any realisations in this case.

Receipts and payments account

Attached at **Appendix B** is a receipts and payments account detailing transactions for the Period. There have been no realisations or payments made since appointment.

Investigations

Part of my duties include carrying out proportionate investigations into what assets the Company has, including any potential claims that could be brought by the Company or by me in my capacity as Liquidator against any party which could result in a benefit to the estate. I have reviewed the Company's books and records and accounting information, requested further information from the directors, and invited creditors to provide information on any concerns they have concerning the way in which the Company's business has been conducted.

Further details of the conduct of my investigations are set out in the schedule of work attached.

Certain matters continue to be reviewed although the contents and ultimate findings will remain confidential so as not to prejudice any potential remedial actions that may be initiated in the future.

2. Estimated outcome for the creditors

Outcome for secured creditors

There were no secured creditors in this case,

Preferential Creditors

Preferential claims received to date total £4k being former employees' preferential elements for arrears of pay, unpaid pension contributions and holiday pay as calculated in accordance with legislation.

Dividend prospects for preferential creditors are uncertain at this time, pending any realisations into the estate.

Unsecured creditors

I have received claims totalling £406k from unsecured creditors who have proved their debts in these proceedings.

The dividend prospects for unsecured creditors are dependent on any realisations being made in the liquidation proceedings.

The Prescribed Part

In accordance with the Insolvency Act 1986, the prescribed part is an element of net realisations due to the floating charge holder which is made available for unsecured creditors (subject to the floating charge post-dating 15 September 2003).

As there is no floating charge the prescribed part does not apply in this instance.

3. Liquidators' remuneration, disbursements and expenses

Liquidators' remuneration

Due to the uncertainty of realisations in this case, the Liquidators are yet to seek consent to the basis of their fees from creditors.

A resolution to fix the basis of the Liquidators' fees will be sought from creditors in due course in accordance with the Insolvency (England and Wales) Rules 2016.

Liquidators' disbursements

The Liquidator's disbursements are a recharge of actual costs incurred by the Liquidator in dealing with this matter. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP at the HMRC approved mileage rate prevailing at the time the mileage was incurred.

Expenses of the liquidation

I attach at **Appendix C** a statement of expenses that have been incurred during the Period.

Creditors have a right to request further information from the Liquidator and further have a right to challenge the Liquidator's remuneration and other expenses, which are first disclosed in this report, under the Insolvency (England and Wales) Rules. (For ease of reference these are the expenses incurred in the Period as set out in **Appendix C** only). Further details of these rights can be found in the Creditors' Guide to Fees which you can access using the following link <http://creditors.frpadvisory.com/feesguide.htm> and select the one for liquidation. Alternatively, a hard copy of the relevant guide will be sent to you on request. Please note there is a time limit for requesting information being 21 days following the receipt of this progress report. There is a time limit of 8 weeks following the receipt of this report for a Court application that the remuneration or expenses are excessive.

Appendix A

A Schedule of Work

Note	Category	
1	ADMINISTRATION AND PLANNING Work undertaken during the reporting period	ADMINISTRATION AND PLANNING Future work to be undertaken
	Regulatory Requirements	
	Necessary administrative and strategic work. Correspond with 3rd parties and other advisors to request further information to assist in general enquiries. Assisting with preparation of pre and post appointment documentation and complete internal procedures. Completion of money laundering risk assessment procedures and know your client checks in accordance with Money Laundering Regulations. Completion of take on procedures which include consideration of professional and ethical matters and other legislation such as Bribery Act 2010 and the Data Protection Act 1998. Arranging for an insolvency bond to protect the assets available for preferential and unsecured creditors. Dealing with tax and VAT matters arising following appointment. Setting up and administering bank accounts.	Regular reviews of the case and the on-going strategy as required under legislation and by the Joint Liquidators' Regulatory Professional Bodies ("RPBS") to ensure that all compliance and statutory matters are attended to and that the case is progressed in a timely manner. Necessary administrative and strategic work.
	Case Management Requirements	
	Determine case strategy and documenting.	Continuing to update the case strategy document as the liquidation progresses.

Appendix A

A Schedule of Work

	Regularly reviewing the case as required by the regulatory bodies to ensure all statutory matters are adhered to and the case is progressing. Setting up case specific paper and electronic files to be updated and maintained for the duration of the appointment. Filing all papers and correspondence received and maintaining a diary system to ensure all matters are discharged in accordance with legislation	Periodic reviews of the working files to ensure that all compliance matters are attended to. Compiling a forecast of the work that has been or is anticipated will be undertaken throughout the duration of the case, circulating to creditors together with other such documentation as required to enable the relevant approving creditors to assess and vote on the fee basis proposed. Case accounting work to process all receipts and payments including associated adjustments to ensure bank reconciliations and production of reports can be achieved at all times. Continued updating and maintenance of records on the IPS system.
2	ASSET REALISATION Work undertaken during the reporting period	ASSET REALISATION Future work to be undertaken As advised in the body of the attached report, the only potential realisation in this case is the realisation of the DMT shares which is subject to ongoing litigation in the Gibraltar courts. The Liquidators have received periodic updates from DMT and provided information to assist there claim where available.
3	CREDITORS Work undertaken during the reporting period Notifying creditors of the appointment of the Joint Liquidators and lodging claims received on the case management system.	CREDITORS Future work to be undertaken Continue to respond to ad-hoc queries and provide progress reports in line with statute. To continue to liaise with and provide reports and oral updates to the creditors as required.

Appendix A

A Schedule of Work

	Dealing with all queries and correspondence received from creditors on an on-going basis. Reviewing Company records to establish potential creditors.	Dealing with all queries and correspondence received from creditors on an on-going basis
4	INVESTIGATIONS Work undertaken during the reporting period Conducting initial enquires into the conduct of the Company and if appropriate associated parties. All directors of the Company, both current and those holding office within 3 years of the appointment, were requested to complete a questionnaire to assist in preparing the statutory return to the Department of Business Innovation and Skills ("DBIS") in accordance with the Company Directors Disqualification Act 1986 ("CDDA"). A review of all bank transactions within the last three years to ascertain whether there are any payments to third parties that require further investigation with a view to considering any antecedent transactions and remedies for the estate. Review and consider information provided by past and present directors and shareholders, with a view to considering whether any further investigations are required or warranted.	INVESTIGATIONS Future work to be undertaken Investigate and follow up on queries received from various stakeholders. Potential formal interview of directors to ascertain whether any actions or proceedings to be taken which may result in a financial benefit to the liquidation estate. To review and consider any further information provided to creditors or other parties that might identify further assets or lines of enquiry against the officers of the Company and progressing those to a conclusion.

Appendix A

A Schedule of Work

5	STATUTORY COMPLIANCE AND REPORTING Work undertaken during the reporting period	STATUTORY COMPLIANCE AND REPORTING Future work to be undertaken
	Deal with tax and VAT matters arising following appointment. Dealing with all appointment formalities including notification to relevant parties, filings with the Registrar of Companies and statutory advertising. Statutory reporting to all relevant parties and filing of those reports in accordance with the legislation.	Notifying creditors of their right to set up a creditors' committee. Deal with tax and VAT matters arising following appointment. Convening meeting of creditors by correspondence as required by legislation. Statutory reporting to all relevant parties and filing of those reports in accordance with the legislation. Obtaining approval to the basis of the Insolvency Practitioners fees from the unsecured creditors. The Joint Liquidators will continue to circulate reports following each anniversary of the liquidation until all outstanding matters are dealt with and the Company can be dissolved. To provide updating reports to all known creditors and members as prescribed under the Insolvency Act 1986. To place legal advertisements as prescribed under the Insolvency Act 1986 which may include formal meetings of creditors and notice to submit claims, as applicable. Bringing the conduct of the Liquidation to a close when all matters are complete in accordance with the relevant requirements.

Appendix B

Liquidators' Receipts & Payments Account for the Period

**Tagstar UK Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £	From 22/06/2016 To 21/06/2017 £	From 22/06/2016 To 21/06/2017 £
ASSET REALISATIONS		
Uncertain	<u>NIL</u>	<u>NIL</u>
	<u>NIL</u>	<u>NIL</u>
PREFERENTIAL CREDITORS		
(3,000.00) Employees	<u>NIL</u>	<u>NIL</u>
	<u>NIL</u>	<u>NIL</u>
UNSECURED CREDITORS		
(252,123.65) Trade & expense creditors	<u>NIL</u>	<u>NIL</u>
(30,268.00) HSBC overdraft	<u>NIL</u>	<u>NIL</u>
(267,363.00) Digital Media Technologies Limited	<u>NIL</u>	<u>NIL</u>
(155,761.97) HM Revenue & Customs	<u>NIL</u>	<u>NIL</u>
(193,253.00) Investor creditors	<u>NIL</u>	<u>NIL</u>
(22,571.00) Employees	<u>NIL</u>	<u>NIL</u>
	<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS		
(100.00) Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
	<u>NIL</u>	<u>NIL</u>
(924,440.62)	<u><u>NIL</u></u>	<u><u>NIL</u></u>
REPRESENTED BY		
	<u><u>NIL</u></u>	<u><u>NIL</u></u>
	<u><u>NIL</u></u>	<u><u>NIL</u></u>

Tagstar UK Limited (In Liquidation)
The Liquidators' Progress Report

Appendix C

Statement of expenses incurred in the Period

Taggstar UK Limited (in Liquidation) Statement of expenses for the period ended 21 June 2017	
Expenses	Period to 21 June 2017 £
Office Holders' remuneration (Time costs)	21,126
Office Holders' disbursements	307
Total	21,433

Appendix D

Statutory information about the Company and the liquidation

COMPANY INFORMATION:

Other trading names:	None
Date of incorporation:	09/09/2010
Company number:	07370821
Registered office:	2 Old Brompton Road, London, SW7 3DQ
Previous registered office:	Ariadne Capital Limited, 17-19 Cockspur Street, London, SW1Y 5BL
Business address:	17 Grosvenor St, Mayfair, London, W1K 4QG

LIQUIDATION DETAILS:

Liquidator(s):	Anthony John Wright & Paul David Allen
Address of Liquidator(s):	FRP Advisory LLP 2nd Floor, 110 Cannon Street, London, EC4N 6EU
Date of appointment of Liquidator(s):	22 June 2016
Court in which Liquidation proceedings were brought:	N/A
Court reference number:	N/A