



No. S210184  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF BRYN GWYRDD HOLDNGS INC. and  
Mynyddoedd Holdings Inc.

PETITIONERS

**SECOND REPORT OF LIQUIDATOR WITH RESPECT TO THE LIQUIDATION OF  
BRYN GWYRDD HOLDINGS INC. AND Mynyddoedd Holdings Inc.**

**DATED FOR REFERENCE JULY 11, 2022  
("LIQUIDATOR'S SECOND REPORT")**

## INTRODUCTION AND BACKGROUND

1. Pursuant to an Order pronounced by Master Cameron of the Supreme Court of British Columbia (the “**Court**”) on March 4, 2021 (the “**Liquidation Order**”), it was ordered that Bryn Gwyrd Holdings Inc. (“**BGHI**”) and Mynyddoedd Holdings Inc. (“**MHI**”) and, together with BGHI, the “**Petitioners**”), be liquidated pursuant to s. 324 of the *Business Corporations Act*, SBC 2002, c. 57 (the “**BCA**”) and dissolved, and MNP Ltd. was appointed as Liquidator (the “**Liquidator**”) of the Petitioners.
2. These proceedings arise from an action in the United Kingdom against a Dr. Gerald Martin Smith (“**Smith**”). On or about November 13, 2007 (the “**November 2007 Order**”), the Crown Court of England and Wales pronounced a confiscation order against Smith and he was ordered to pay £40,956,911.
3. Smith did not satisfy the November 2007 Order, and the High Court of England and Wales appointed Finbarr O’Connell and Jeremy Outen of KPMG LLP as Enforcement Receivers pursuant to the terms of an order pronounced on April 7, 2008 (the “**April 2008 Order**”). The Enforcement Receivers were subsequently replaced by David Standish and John Milsom (hereinafter referred to as the “**Receivers**”) by way of order pronounced on May 29, 2013.
4. The April 2008 Order was varied in December 2017 to extend the Receivers’ appointment over the shares, securities, and membership rights in numerous companies, including the Petitioners.
5. In May 2021, KPMG LLP completed the sale of its UK restructuring practice, which is now known as Interpath Advisory.
6. BGHI’s shares are wholly owned by PR Realisations 1 Limited (“**PR Realisations**”), a company registered in the British Virgin Islands. PR Realisations’ shares are wholly owned by the Receivers. The Receivers are also the directors of BGHI.
7. MHI’s shares are also wholly owned by PR Realisations, and the Receivers are the directors of MHI.
8. Pursuant to the terms of the Liquidation Order, the Liquidator was empowered, among other things, to:
  - a. take possession of and exercise control over the Petitioners’ assets, property and undertakings, including the Petitioners’ bank accounts (the “**Property**”);
  - b. determine, approve the payment of, or compromise any or all of the Petitioners’ liabilities, and to determine the adequacy of the Property for discharging such liabilities; and

- c. in the Liquidator's own discretion, realize the assets of the Petitioners and distribute those assets among the Petitioners' creditors and then to John Milsom and David Standish as Receivers of Smith.
9. The Liquidator has brought an application for an order that, among other things: (a) approves the dissolution of MHI upon the expiry of three (3) months from the date the Liquidator issues its notice under section 341(1)(c) of the BCA; and (c) authorizes the discharge of the Liquidator of MHI upon completion of the remaining activities in relation to these liquidation proceedings (the "**Liquidation**") as detailed herein and on the dissolution of MHI.
10. This is the Liquidator's second report to the Court (the "**Liquidator's Second Report**"). The Liquidator prepared one prior report dated February 14, 2022 (the "**Liquidator's First Report**"). This report should be read in conjunction with the Liquidator's First Report.
11. In preparing the Liquidator's Second Report and making comments herein, the Liquidator has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information of the Petitioners, certain books and records of the Petitioners, and information from other third-party sources (collectively, the "**Information**"). The Liquidator has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada.
12. All amounts included herein are in Canadian dollars unless otherwise stated.
13. The purpose of the Liquidator's Second Report is to advise the Court with respect to the following matters:
  - Outline of Liquidator's administration from February 14, 2022 to date;
  - Fees and Disbursements of the Liquidator and of its legal counsel;
  - Dissolution of BGHI;
  - Dissolution of MHI; and
  - Discharge as Liquidator of MHI.

#### **OUTLINE OF LIQUIDATOR'S ADMINISTRATION FROM FEBRUARY 14, 2022 TO DATE**

14. Pursuant to an Order granted by the Court on February 18, 2022 in the Liquidation, (the "**BGHI Approval Order**"), the Court authorized and directed the Liquidator to pay \$35,474.12 from funds held in trust for BGHI to those parties set out in Appendix "A" of the Liquidator's First Report (the "**BGHI Claims**").
15. On March 2, 2022, the Liquidator paid the BGHI Claims.

16. The Liquidator had previously arranged for the vast majority of funds held in the MHI trust account to be deposited into a Guaranteed Investment Certificate (“GIC”) in order to earn interest income. The Liquidator redeemed the GIC, and the principal balance and interest earned from it were deposited to the MHI liquidation account.
17. The Liquidator maintained and updated the Liquidator’s website for the Liquidation. Copies of relevant documents relating to these proceedings are available on the Liquidator’s website at:  
  
<https://mnpdebt.ca/en/corporate/corporate-engagements/bryn-gwyrdd-holdings-inc-and-mynyddoedd-holdings-inc>
18. The Liquidator participated in discussions with an external accountant to BGHI, reviewed historical financial information and tax returns, and provided instructions in respect of certain tax filings.
19. The Liquidator prepared and filed a (NIL) corporate income tax return on behalf of MHI for the fiscal year ending May 31, 2022.
20. The Liquidator received and responded to certain creditor inquiries in respect of the BGHI Claims.
21. The Liquidator had ongoing discussions and correspondence with the Receivers regarding the Petitioners and the Liquidation.

#### **LIQUIDATOR’S ACCOUNTS AND LIQUIDATOR’S COUNSEL’S ACCOUNTS**

22. Pursuant to the Liquidation Order, unless the Petitioners’ otherwise consent, the Liquidator and its legal counsel, are to pass their accounts, and for that purpose are referred to a judge of the Supreme Court of British Columbia on a summary basis.
23. The Receivers have consented to the Liquidator and its legal counsel dispensing with the passing of their accounts rendered in respect of both BGHI and MHI.

#### **DISSOLUTION OF BGHI**

24. Pursuant to the terms of the BGHI Approval Order, the Court approved the dissolution of BGHI by the Liquidator following the 3-month notice period referred to in section 341(2) of the BCA without further order of the Court.
25. The Liquidator paid the BGHI Claims, distributed the balance of funds held by the Liquidator and prepared the final accounts of BGHI referred to in section 341(1) of the BCA. The Liquidator issued a Notice to Shareholder of Final Accounts on May 12, 2022. Copies of the Statement of Final Accounts dated May 12, 2022, and Notice to

Shareholder of Final Accounts dated May 12, 2022, are attached to this report as **Appendix "A"** and **Appendix "B"** respectively.

### **DISSOLUTION OF MHI**

26. As set out in the Liquidator's First Report, the Liquidator received the sum of approximately \$2.8MM from the Receivers, who had held the funds in trust for MHI. The Liquidator is not aware of any other assets of MHI.
27. Also as reported in the Liquidator's First Report, the Liquidator did not receive any written notices from any claimants within the two-month period (or at any time) after publication of the notice in the Gazette.
28. The Liquidator conducted a review of MHI's records, and the Liquidator is unaware of any creditors of MHI.
29. On July 5, 2022, the Liquidator distributed the balance of funds held in trust and prepared the final accounts of MHI referred to in section 341(1) of the BCA. A copy of the Statement of Final Accounts dated July 6, 2022, is attached as **Appendix "C"** to this report. The Liquidator issued a Notice to Shareholder of Final Accounts on July 6, 2022, a copy of which is attached as **Appendix "D"** to this report.
30. Accordingly, the Liquidator's administration of MHI has been substantially finalized, with the exception of preparing and filing the final corporation income tax return to date of dissolution.
31. The Liquidator of MHI respectfully requests that the Court grant an Order authorizing the dissolution of MHI upon completion of the matters set out above, and upon the expiry of three (3) months from the date the Liquidator issues its notice under section 341(1)(c) of the BCA.

### **DISCHARGE OF LIQUIDATOR OF MHI**

32. Should this Honourable Court grant an order approving the dissolution of MHI, the Liquidator also respectfully requests that the Court grant the Liquidator its discharge upon the dissolution of MHI.

### **COURT APPROVAL SOUGHT**

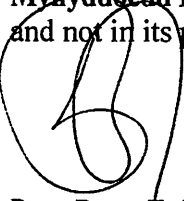
33. Based on the foregoing, the Liquidator seeks a Court Order for the following relief:
  - (a) approving the activities of the Liquidator, as set out in the Liquidator's Second Report;

- (b) approving the dissolution of MHI, upon the expiry of three (3) months from the date the Liquidator issued its notice under section 341(1)(c) of the BCA; and
- (c) discharging the Liquidator upon dissolution of MHI.

DATED AT Vancouver, British Columbia, this 11<sup>th</sup> day of July, 2022.

**MNP Ltd.**

**In its capacity as Liquidator of  
Bryn Gwyrdd Holdings Inc. and  
Mynyddoedd Holdings Inc.  
and not in its personal capacity**



Per: Patty E. Wood CPA, CGA, CIRP, LIT  
Senior Vice President

# **Appendix A**

**BRYN GWYRDD HOLDINGS INC. - IN LIQUIDATION**  
**STATEMENT OF FINAL ACCOUNTS DATED MAY 12, 2022**

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**RECEIPTS**

|                                 |                        |                        |
|---------------------------------|------------------------|------------------------|
| Funds Held In Trust by Receiver | <u>\$ 3,708,282.92</u> |                        |
|                                 |                        | <b>\$ 3,708,282.92</b> |

**DISBURSEMENTS**

|                                     |                     |                               |
|-------------------------------------|---------------------|-------------------------------|
| Accounting Fees                     | \$ 1,500.00         |                               |
| Bank Service Charges                | 309.50              |                               |
| Creditor Claims                     | 35,474.12           |                               |
| Fees of Legal Counsel to Liquidator | 21,227.23           |                               |
| Filing fee paid to Registrar        | 80.00               |                               |
| GST paid on disbursements           | 4,321.57            |                               |
| Legal Notices                       | 616.78              |                               |
| Liquidator's Fees                   | 64,181.40           |                               |
| Miscellaneous Disbursements         | 181.90              |                               |
| Payment to Receivers                | <u>3,580,390.42</u> |                               |
|                                     |                     | <u><b>\$ 3,708,282.92</b></u> |

**FINAL BALANCE**

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# **Appendix B**

IN THE MATTER OF THE LIQUIDATION OF  
BRYN GWYRDD HOLDINGS INC.  
("BGHI")

**NOTICE TO SHAREHOLDER OF FINAL ACCOUNTS**

TAKE NOTICE THAT MNP Ltd. in its capacity as Liquidator of BGHI (the "**Liquidator**") has prepared the final accounts, which have been deposited in the liquidation records office. The liquidation records office is located at:

Suite 2200, MNP Tower  
1021 West Hastings Street  
Vancouver, BC V6E 0C3

Pursuant to Section 341 of the *Business Corporations Act*, SBC 2002, c. 57, the final accounts will be open for inspection at the liquidation records office during statutory business hours for a period of at least three (3) months after the date of this notice.

TAKE NOTICE THAT a shareholder of BGHI is entitled, on making a request within the three (3) -month period and without charge, to receive a copy of the final accounts from the Liquidator.

FURTHER TAKE NOTICE THAT the Liquidator intends to apply for the dissolution of BGHI under section 343 upon the expiration of the three (3)-month period.

DATED at Vancouver, British Columbia, this 12<sup>th</sup> day of May, 2022.

**MNP**  
LTD

MNP LTD. – Liquidator  
Attention: Patty Wood  
Suite 2200, MNP Tower  
1021 West Hastings Street  
Vancouver, BC V6E 0C3  
Tel: 604-637-1535  
Fax: 604-904-8628

# **Appendix C**

**MYNYDDOEDD HOLDINGS INC. - IN LIQUIDATION**  
**STATEMENT OF FINAL ACCOUNTS DATED JULY 6, 2022**

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**RECEIPTS**

|                                 |    |                 |                        |
|---------------------------------|----|-----------------|------------------------|
| Funds Held In Trust by Receiver | \$ | 2,807,904.57    |                        |
| Interest Income                 |    | <u>4,084.12</u> |                        |
|                                 |    |                 | <b>\$ 2,811,988.69</b> |

**DISBURSEMENTS**

|                                     |    |                     |                        |
|-------------------------------------|----|---------------------|------------------------|
| Bank Service Charges                | \$ | 67.00               |                        |
| Fees of Legal Counsel to Liquidator |    | 21,324.94           |                        |
| Filing fee paid to Registrar        |    | 80.00               |                        |
| GST paid on disbursements           |    | 3,633.45            |                        |
| Legal Notices                       |    | 616.78              |                        |
| Liquidator's Fees                   |    | 51,991.60           |                        |
| Miscellaneous Disbursements         |    | 6.25                |                        |
| Payment to Receivers                |    | <u>2,734,268.67</u> |                        |
|                                     |    |                     | <b>\$ 2,811,988.69</b> |

**FINAL BALANCE**

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# **Appendix D**

IN THE MATTER OF THE LIQUIDATION OF  
MYNYDDOEDD HOLDINGS INC.  
("MHI")

NOTICE TO SHAREHOLDER OF FINAL ACCOUNTS

TAKE NOTICE THAT MNP Ltd. in its capacity as Liquidator of MHI (the "Liquidator") has prepared the final accounts, which have been deposited in the liquidation records office. The liquidation records office is located at:

Suite 2200, MNP Tower  
1021 West Hastings Street  
Vancouver, BC V6E 0C3

Pursuant to Section 341 of the *Business Corporations Act*, SBC 2002, c. 57, the final accounts will be open for inspection at the liquidation records office during statutory business hours for a period of at least three (3) months after the date of this notice.

TAKE NOTICE THAT a shareholder of MHI is entitled, on making a request within the three (3)-month period and without charge, to receive a copy of the final accounts from the Liquidator.

FURTHER TAKE NOTICE THAT the Liquidator intends to apply for the dissolution of MHI under section 343 upon the expiration of the three (3)-month period.

DATED at Vancouver, British Columbia, this 6<sup>th</sup> day of July, 2022.



MNP LTD. – Liquidator  
Attention: Patty Wood  
Suite 2200, MNP Tower  
1021 West Hastings Street  
Vancouver, BC V6E 0C3  
Tel: 604-637-1535  
Fax: 604-904-8628