

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

For further information, please

WEDNESDAY



A19 \*A7GRV10Z\*  
17/10/2018 #407  
COMPANIES HOUSE

Please complete in typescript or in  
bold black capitals.

### 1 Company details

Company number 0 1 5 3 3 0 2 5

Company name in full CitiFinancial Mortgage Corporation

### 2 Liquidator's name

Full forename(s) Malcolm

Surname Cohen

### 3 Liquidator's address

Building name/number 55 Baker Street

Street

Post town London

County/Region

Postcode W 1 U 7 E U

Country

### 4 Liquidator's name

Full forename(s)

Surname

#### Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address

Building name/number

Street

Post town

County/Region

Postcode

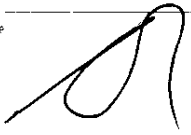
Country

#### Other liquidator

Use this section to tell us about  
another liquidator

LIQ03

Notice of progress report in voluntary winding up

<b>6</b>	<b>Period of progress report</b>															
From date	d	2	d	9	m	0	m	9	y	2	y	0	y	1	y	7
To date	d	2	d	8	m	0	m	9	y	2	y	0	y	1	y	8
<b>7</b>	<b>Progress report</b>															
<input checked="" type="checkbox"/> The progress report is attached																
<b>8</b>	<b>Sign and date</b>															
Liquidator's signature	Signature  X															
Signature date	d	1	d	5	m	1	m	0	y	2	y	0	y	1	y	8

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 **Sharon Bloomfield**

Company name **BDO LLP**

Address **55 Baker Street**

Post town **London**

County/Region

Postcode **W1U 7EU**

Country

Dx

Telephone **0207 893 2905**



**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

**CitiFinancial Mortgage Corporation  
(In Liquidation)  
Liquidator's Summary of Receipts & Payments**

Declaration  
of Solvency  
£

From 29/09/2017  
To 28/09/2018  
£

From 29/09/2017  
To 28/09/2018  
£

REPRESENTED BY

NIL

NIL

NIL



Tel +44 (0)20 7486 5888  
Fax +44 (0)20 7935 3944  
DX 9025 West End W1  
www.bdo.co.uk

Business Restructuring  
London W1U 7EU

To All Shareholders

15 October 2018

Our Ref 00278028/C2/MC/AD

Please ask for Sharon Bloomfield  
Email: sharon.bloomfield@bdo.co.uk  
Telephone: 020 7893 2905

Dear Sir/Madam

**Avco Trust ('AT') - 00721502**  
**CitiFinancial Mortgage Corporation ('CFMC') - 0153302**  
**CitiFinancial Corporation Limited - ('CFCL') - 02008955**  
**Future Mortgages 1 Limited ('FM1L') - 03200878**  
**Associates Capital Limited ('ACL') - 03480565**  
**CitiFinancial Limited ('CFL') - 03558251**  
**('the Companies') - All In Members' Voluntary Liquidation**

This is my first annual progress report for the Companies under Section 92A of the Insolvency Act 1986 ('the Act') and I am pleased to report on the progress of the Liquidations for the period 29 September 2017 to 28 September 2018 (the 'Period').

#### **Statutory Information**

I, Malcolm Cohen (officeholder number: 6825) of BDO LLP, 55 Baker Street, London, W1U 7EU was appointed Liquidator of the Companies on 29 September 2017.

The Companies' registered numbers are shown above. They were incorporated on 13 April 1962, 8 December 1980, 10 April 1986, 20 May 1996, 15 December 1997 and 6 May 1998 respectively with their principal activities being of a financial nature. The Companies have had no former names in the 12 months before Liquidation and are all subsidiaries of Citibank.

Prior to Liquidation the Companies' registered office was at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB. This was also the principle trading address. The registered office was changed to 55 Baker Street, London, W1U 7EU after the winding up resolutions were passed.

#### **Receipts and Payments**

As demonstrated by the enclosed receipts and payments accounts, there have been no transactions in the Period except for a sundry refund of £900 paid to FM1L which was received from Shoosmiths in respect of surplus funds from the sale of an asset. No other realisations are anticipated in the Liquidations.

#### **Creditors**

There were no creditors listed on the statutory declaration of solvency for any of the Companies. No claims have been received to date and none are anticipated.

#### **HM Revenue & Customs**

As a matter of course, clearances are required from both the Corporation Tax office and the Enforcement & Insolvency Service ('EIS') which provides VAT and PAYE clearances and which also issues HMRC's claim in respect of all taxes.

### VAT Group

CFC, CFMC and FM1L were part of a wider VAT group and have now been removed from the group with effect from the date of Liquidation.

### Corporation Tax

The Companies were all dormant for corporation tax purposes with the exception of CFC. I have received clearances from the CT office and EIS for these five companies.

The final pre-liquidation return for CFC has yet to be submitted to HMRC and once it is I will seek final clearances.

### **Distributions**

The statutory declarations of solvency for ACL, AT and CFL stated that there were intercompany debtors of £2 for each of the three companies. The declaration of solvency for FM1L states that there is an intercompany debtor of £538,972 and in addition, I am now holding funds of £900.

There have been no distributions made to date. I will be discussing the timing of the distributions with the shareholder.

### **Outstanding Matters**

By way of background information, the Companies had historically owned mortgage portfolios and the charges all relate to a period of over 20 years ago.

While it was anticipated that there would be enquiries regarding the release of charges over residential properties, it was considered that these enquiries would be infrequent due to the age of the charges.

However, I can confirm that the quantum and complexity of enquiries was significantly higher than originally envisaged and it was subsequently agreed to forward any queries to Citibank who will investigate and confirm whether the charges may be released.

I continue to receive customer enquiries and also queries in relation to PPI, which are forwarded to Citibank's dedicated team for processing. There has yet to be any decline in queries and until a position is reached where it appears that the majority of matters have been resolved, the Liquidations may need to remain open.

### **Liquidator's Remuneration**

The Insolvency Rules provide that a Liquidator is obliged to have their remuneration approved on one of the following basis:

- (1) as a percentage of the assets realised and distributed; and/or
- (2) by reference to the time the Liquidator and their staff have spent attending to matters in the liquidation; and/or
- (3) as a set amount; and/or
- (4) as a combination of the above.

The Liquidator's remuneration has been approved on the basis of time properly spent in dealing with issues in the Liquidations. The costs of the Liquidations are being met by an appropriate member of the Citibank group. To date, I have invoiced the sum of £46,000 plus disbursements and VAT.

I attach a schedule detailing the time costs incurred to date for all the Companies. The schedule covers the whole period of appointment and records time costs of £57,885 which represents 136 hours spent at an average charge out rate of £425 per hour.

For guidance, I enclose a document that outlines the policy of BDO LLP in respect of fees and disbursements.

### **Disbursements**

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. Category 1 disbursements of £2,402 has been incurred in respect of bonding and advertising costs, and legal fees.

Some Liquidators recharge expenses, for example printing, photocopying and telephone costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP in respect of this appointment is not to charge any category 2 disbursements with the exception of mileage on the basis of the mileage scale approved by HMRC, being 45p per mile unless otherwise disclosed to the creditors. No category 2 disbursements have accrued during this period.

Total disbursements of £2,402 have been incurred in the Liquidation of the Companies as detailed below.

	<b>Cat. 1 (£)</b>	<b>Cat. 2 (£)</b>	<b>Total (£)</b>
Legal Fees	1407.00	-	1407.00
Advertising Costs	745.00		745.00
Bonding Costs	250.00	-	250.00
<b>Total</b>	<b>2402.00</b>	<b>-</b>	<b>2402.00</b>

### **Members' Rights**

Members with the concurrence of at least 5% in value of the members may within 21 days of this report request in writing further information regarding the remuneration and expenses set out in this report. In accordance with Rule 18.9(3) of the Rules within 14 days of a request I will provide further information or explain why further information is not being provided.

A member (who need not be the member who asked for the information) may, with the concurrence of at least 5% or more in value of the members (including the member in question), apply to the court within 21 days of my response or the expiry for the period of my response and the court may make such order as it thinks fit (Rule 18.9(6)&(7) of the Rules). Members with the concurrence of at least 10% of the members may apply to the court if they consider that the remuneration of the Liquidator, or the basis fixed for the remuneration of the Liquidator or expenses charged by the Liquidator are excessive (Rule 18.34 of the Rules). Such an application must be made within eight weeks of receiving this report. The text of Rules 18.9 and 18.34 are set out at the end of this report.

If a member wishes to receive future notifications of future documents and reports in respect of this Liquidation via email, please provide details of the email address you want to use, to me in writing to the address at the top of this letter. Reports such as this can be made available via a website. You may subsequently ask that notifications are sent by post, by writing to me to revoke use of your email address.

Tel +44 (0)20 7486 5888  
Fax +44 (0)20 7935 3944  
DX 9025 West End W1  
[www.bdo.co.uk](http://www.bdo.co.uk)

Business Restructuring  
London W1U 7EU

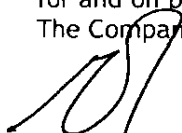
The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency practitioners. In the event that you make a complaint to me but are not satisfied with my response then you should visit [www.gov.uk/complain-about-insolvency-practitioner](http://www.gov.uk/complain-about-insolvency-practitioner) where you will find further information on how you may pursue the complaint.

The Liquidator is bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at [www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d](http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d)

Members may access information setting out the rights in respect of the approval of the Liquidator's remuneration at [www.r3.org.uk/what-we-do/publications/professional/fees](http://www.r3.org.uk/what-we-do/publications/professional/fees).

Please contact me or my colleague Sharon Bloomfield at [Sharon.Bloomfield@bdo.co.uk](mailto:Sharon.Bloomfield@bdo.co.uk) if you require further information.

Yours faithfully  
for and on behalf of  
The Companies



Malcolm Cohen  
Liquidator

Authorised by the Institute of Chartered Accountants in England & Wales in the UK

Enclosures  
Receipts and Payments Account  
SIP 9 Time Cost Report for the Period of Report  
BDO LLP Policy in Respect of Fees and Disbursements  
Statement of Members' Rights in respect of Fees and Disbursements



**Associates Capital Limited  
(In Liquidation)  
Liquidator's Summary of Receipts & Payments**

Declaration of Solvency £		From 29/09/2017 To 28/09/2018 £	From 29/09/2017 To 28/09/2018 £
2.00	ASSET REALISATIONS Intercompany Debtor	NIL NIL	NIL NIL
2.00	REPRESENTED BY	NIL	NIL
			NIL

**CitiFinancial Corporation Limited  
(In Liquidation)  
Liquidator's Summary of Receipts & Payments**

Declaration  
of Solvency  
£

From 29/09/2017  
To 28/09/2018  
£

From 29/09/2017  
To 28/09/2018  
£

REPRESENTED BY

NIL

NIL

NIL

**Avco Trust  
(In Liquidation)  
Liquidator's Summary of Receipts & Payments**

Declaration of Solvency £		From 29/09/2017 To 28/09/2018 £	From 29/09/2017 To 28/09/2018 £
	ASSET REALISATIONS		
2.00	Intercompany Debtor	NIL NIL	NIL NIL
2.00		NIL	NIL
	REPRESENTED BY		NIL

**CitiFinancial Limited**  
**(In Liquidation)**  
**Liquidator's Summary of Receipts & Payments**

Declaration of Solvency £		From 29/09/2017 To 28/09/2018 £	From 29/09/2017 To 28/09/2018 £
	ASSET REALISATIONS		
2.00	Intercompany Debtor	NIL NIL	NIL NIL
2.00		NIL	NIL
	REPRESENTED BY		NIL

**Future Mortgages 1 Limited  
(In Liquidation)  
Liquidator's Summary of Receipts & Payments**

<b>Declaration of Solvency £</b>		<b>From 29/09/2017 To 28/09/2018 £</b>	<b>From 29/09/2017 To 28/09/2018 £</b>
	<b>ASSET REALISATIONS</b>		
538,972.00	Intercompany Debts	NIL	NIL
	Bank Interest Gross	0.36	0.36
	Sundry Refunds	900.63	900.63
		900.99	900.99
<b>538,972.00</b>		<b>900.99</b>	<b>900.99</b>
	<b>REPRESENTED BY</b>		
	Bank 2 Current		900.99
			<b>900.99</b>

**CitiFinancial Mortgage Corporation  
(In Liquidation)  
Liquidator's Summary of Receipts & Payments**

Declaration  
of Solvency  
£

From 29/09/2017  
To 28/09/2018  
£

From 29/09/2017  
To 28/09/2018  
£

REPRESENTED BY

NIL

NIL

NIL



Detail of Time Charged and Rates Applicable for the Period From 29/09/2017 to 28/09/2018

Description	Partner		Director		Assistant Manager		Senior Administrator		Administrator		Other Staff		Grand Total	
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total
sub total -		£		£		£		£		£		£		£
H. Creditor Claims			1.70	886.40	6.15	2,275.50							7.85	3,161.90
I. Reporting														
99. Other Matters			1.00	513.00									1.00	513.00
sub total -														
I. Reporting			1.00	513.00									1.00	513.00

Net Total	136.30	57,884.75
Secretarial Expense		-
Other Disbursements		2,402.00
Billed		(48,152.00)
Grand Total		12,134.75



Avco Trust ('AT') - 00721502  
CitiFinancial Mortgage Corporation ('CFMC') - 0153302  
CitiFinancial Corporation Limited - ('CFCL') - 02008955  
Future Mortgages 1 Limited ('FM1L') - 03200878  
Associates Capital Limited ('ACL') - 03480565  
CitiFinancial Limited ('CFL') - 03558251  
(the Companies') - All In Members' Voluntary Liquidation

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency, follows:

GRADE	£
Partner	760
Manager	336-586
Assistant Manager	302
Senior Administrator	283-302
Administrator	105-255
Other Staff	105

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP are reviewed periodically and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:-

Pre Appointment  
Steps upon Appointment  
Planning and Strategy  
General Administration  
Asset Realisation/Management  
Trading Related Matters  
Employee Matters  
Creditor Claims  
Reporting  
Distribution and Closure  
Other Issues.

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis a periodic report will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

## Other Costs

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

### 1) Category 1

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, couriers, travel (by public transport), land registry searches, fees in respect of swearing legal documents etc. In each case the recharge will be reimbursement of a specific expense incurred.

### 2) Category 2

We propose to recover from the estate the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the HM Revenue & Customs Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Insolvency (England and Wales) Rules 2016 to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP  
15 October 2018

**Statement from the Insolvency (England and Wales) Rules 2016 regarding the rights of members and creditors in respect of the Liquidators' fees and expenses:****Creditors' and members' requests for further information in administration, winding up and bankruptcy**

**18.9.**— (1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14—

- (a) a secured creditor;
  - (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);
  - (c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;
  - (d) any unsecured creditor with the permission of the court; or
  - (e) any member of the company in a members' voluntary winding up with the permission of the court.
- (2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.
- (3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by—
- (a) providing all of the information requested;
  - (b) providing some of the information requested; or
  - (c) declining to provide the information requested.
- (4) The office-holder may respond by providing only some of the information requested or decline to provide the information if—
- (a) the time or cost of preparation of the information would be excessive; or
  - (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
  - (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
  - (d) the office-holder is subject to an obligation of confidentiality in relation to the information.
- (5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.
- (6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—
- (a) the office-holder giving reasons for not providing all of the information requested; or
  - (b) the expiry of the 14 days within which an office-holder must respond to a request.
- (7) The court may make such order as it thinks just on an application under paragraph (6).

**Remuneration and expenses: application to court by a creditor or member on grounds that remuneration or expenses are excessive**

**18.34.**—(1) This rule applies to an application in an administration, a winding-up or a bankruptcy made by a person mentioned in paragraph (2) on the grounds that—

- (a) the remuneration charged by the office-holder is in all the circumstances excessive;
  - (b) the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
  - (c) the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable—
- (a) a secured creditor,
  - (b) an unsecured creditor with either—
    - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
    - (ii) the permission of the court, or
  - (c) in a members' voluntary winding up—
    - (i) members of the company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the company, or
    - (ii) a member of the company with the permission of the court.

(3) The application by a creditor or member must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

**Applications under rules 18.34 and 18.35 where the court has given permission for the application**

**18.36.**—(1) This rule applies to applications made with permission under rules 18.34 and 18.35.

- (2) Where the court has given permission, it must fix a venue for the application to be heard.
- (3) The applicant must, at least 14 days before the hearing, deliver to the office-holder a notice stating the venue and accompanied by a copy of the application and of any evidence on which the applicant intends to rely.
- (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 office-holder is entitled to charge;
  - (b) an order reducing any fixed 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 is not to be treated as expenses of the administration, winding up or bankruptcy;
  - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
    - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
    - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
  - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration, winding up or bankruptcy.

**Applications under rule 18.34 where the court's permission is not required for the application**

**18.37.**—(1) On receipt of an application under rule 18.34 for which the court's permission is not required, the court may, if it is satisfied that no sufficient cause is shown for the application, dismiss it without giving notice to any party other than the applicant.

- (2) Unless the application is dismissed, the court must fix a venue for it to be heard.
- (3) The applicant must, at least 14 days before any hearing, deliver to the office-holder a notice stating the venue with a copy of the application and of any evidence on which the applicant intends to rely.
- (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 office-holder is entitled to charge;
  - (b) an order reducing any fixed 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 administration or winding up or bankruptcy;
  - (e) an order for the payment of the amount of the excess of remuneration or expenses or such part of the excess as the court may specify by —
    - (i) the administrator or liquidator or the administrator's or liquidator's personal representative to the company, or
    - (ii) the trustee or the trustee's personal representative to such person as the court may specify as property comprised in the bankrupt's estate;
  - (f) any other order that it thinks just.
- (5) An order under paragraph (4)(b) or (c) may only be made in respect of periods after the period covered by the relevant report.
- (6) Unless the court orders otherwise the costs of the application must be paid by the applicant, and are not payable as an expense of the administration or as winding up or bankruptcy.