

4620924

**C A Components Limited
In Compulsory Liquidation**

**In the High Court of Justice
No. 413 of 2011**

**Liquidator's annual progress report to members and creditors
for the year ending 21 March 2017**

TUESDAY



A63MI3NM

A10

04/04/2017

#217

COMPANIES HOUSE



Contents

1. Introduction
2. Receipts and payments accounts
3. Realisation of assets
4. Investigations
5. Creditors
6. Liquidator's remuneration
7. Liquidator's disbursements
8. Creditors' rights
9. Next report

Appendices

- A Statutory information
- B Receipts and payments account for the period 22 March 2016 to 21 March 2017, together with a cumulative account for the entire period of the appointment
- C Griffins' time analysis for the period 22 March 2016 to 21 March 2017, and for the entire period of the appointment, together with details of charge out rates, provided in accordance with the Statement of Insolvency Practice 9
- D Creditors' rights - Rules 4.49E and 4.131 of the Insolvency Rules 1986



1 Introduction

This report provides an update on the progress of the liquidation during the period and should be read in conjunction with previous reports.

Additional information in respect of the company and office holder, as required pursuant to Rule 4.49B Insolvency Rules 1986 ("IR1986"), is attached at Appendix A.

2 Receipts and payments accounts

An account of my receipts and payments for the period 22 March 2016 to 21 March 2017 is at Appendix B, together with a cumulative account for the entire period of the appointment and a comparison with the Official Receiver's Report.

Bank Charges

During the period of the liquidation Insolvency Service bank charges of £88.00 have been incurred.

3 Realisation of assets

During the last 12 months no assets have been realised.

4 Investigations

Our investigations in relation to the Company's trading activity established that the Company was involved in Missing Trader Intra-Community ('MTIC') fraud (also known as Carousel (VAT) Fraud) and a detailed review of the Company's books and records was undertaken.

There are no areas of investigations currently being actively pursued. If any creditor is aware of any particular matters which they consider require investigation, please send details to this office.

During the course of my investigations it was found that the Company had operated an account with First Curacao International Bank ('FCIB'), based in Curacao although no balance for recovery was identified. The banking licence of FCIB was removed in 2006 as a result of prosecution action by the Dutch authorities in respect of money laundering and banking regulation irregularities. The bank has been administered under 'Emergency Measures' since 2006 and remains so currently. As a result of separate investigations a UK registered company that formed a part of the same trading group as FCIB was identified as having undertaken the sourcing of new accounts for FCIB, the administration of account applications and due diligence on applicants. The activities of FCIB and the UK company appear indivisible.



Following identification that the Company opened its account through the UK business acting for FCIB, a proof of debt of £310,216 was been submitted in the liquidation of the UK company. I am also the Liquidator of that UK company.

In February 2016 a Letter before Action was issued to FCIB on behalf of the UK company advising of claims and seeking a contribution from FCIB. It is alleged that FCIB was knowingly a party to the facilitation of MTIC fraud. The claim made by the Company against the UK formed a part of the sum towards which a contribution is being sought from FCIB.

As a consequence of that Letter before Action those currently in control of FCIB have issued a Petition in Curacao seeking substantial daily fines from any entity named as a party to the Letter before Action and other settlement agreements previously reached with FCIB. The Company is therefore at risk if the court in Curacao finds in favour of FCIB and the Letter before Action is not withdrawn as FCIB demands.

Those proceedings brought by FCIB in Curacao are the subject of on-going litigation. In the event that the court in Curacao rejects the Motion in reply to the Petition of FCIB on the grounds of legal principle it will become necessary to submit a substantial body of evidence regarding the conduct of FCIB and its' alleged facilitation of MTIC fraud. I have taken legal advice and am satisfied that the Petition of FCIB can be successfully challenged.

To avoid the imposition of substantial fines against the Company, it is necessary to fund the legal costs of defending the action brought by FCIB. The Company is without funds to pay for that defence. Therefore I am in the process of taking legal advice on whether, and the possible commercial terms of, funding being provided to defendants of the action in Curacao by co-defendants who do have the necessary funding. Without such funding the Company will be unable to fund its defence. This is akin to a group action. I will report to creditors in due course if the decision is made to enter into an agreement for funding.



5 Creditors

Secured creditors

There is a Charge of Deposit registered in favour of National Westminster Bank Plc relating to a deposit of £5,000 given by the company secured against any liability due to the bank. The charge is still showing as outstanding at Companies House.

Preferential creditors

No preferential claims have been received in the liquidation to date and none are expected.

Unsecured creditors

The unsecured claims received to date amount to £356,360.50 as against the initial estimated figure of £191,100.72. The claim submitted by HM Revenue & Customs was considerably greater than originally envisaged.

If you have not already submitted your claim in the liquidation then please do so now.

I would, however, comment that I am currently unable to confirm whether unsecured creditors will receive a dividend as it is uncertain whether action against FCIB will be successful and whether any recovery will be sufficient to meet the legal costs of the Company in the event that a decision is made to enter into a funding agreement.

6 Liquidator's remuneration

Please note that as of 6 April 2015, Griffins introduced a new time recording analysis, which provides a more comprehensive breakdown of time recorded by my staff and I in the administration of this case. This has resulted in additional time recording categories being utilised. Should you require any further clarification, please contact me.

The time recorded by my staff and I incurred for the period 22 March 2016 to 21 March 2017 totals £4,704.99, which represents 15.08 hours at an average charge out rate of £311.93 per hour.

The time recorded by my staff and I incurred for the entire period of my appointment totals £104,199.96, which represents 383.92 hours at an average charge out rate of £271.41 per hour.

The time incurred is recorded in my time analysis report attached at Appendix C, under the following classifications:

- Administration and Planning
- Creditors
- Investigations



- Legal & Litigation
- Realisation of Assets

The report also provides details of the activity costs incurred by staff grade to date, together with details of charge out rates.

It is my firm's policy to use the most junior grade of staff compatible with the efficient conduct of a matter, in order to ensure that costs are kept to a minimum. The majority of the investigation work has been undertaken by a senior investigator.

It was approved at the meeting of creditors held on 26 June 2012 that the Liquidator be authorised to draw remuneration by reference to the time properly given by him and his staff in attending to matters arising in the liquidation and that the Liquidator be authorised to draw such remuneration on account for costs incurred as and when funds permit. To date, I have not drawn any fees for acting as Liquidator.

Further information regarding remuneration can be found in "A Creditors' Guide to Liquidators' Remuneration", which is available for download at <http://www.griffins.net/technical/>. A hard copy can be provided upon request.

In addition, creditors can find more information on the insolvency process at <http://www.creditorinsolvencyguide.co.uk/>.

7 Liquidator's disbursements

No disbursements have been incurred or paid during the reporting period.

Please note that direct costs totalling £63.50 have been incurred during the period of my appointment in relation to my specific bond and Land Registry fees and are not shown on the receipts and payments account below. These costs have been paid by Griffins and will be recharged to the liquidation estate as and when funds become available.

8 Creditors' rights

Creditors are advised that Rule 4.49E IR1986 provides the right to request the Liquidator for further information about remuneration or expenses which have been itemised in this report.

Further, Rule 4.131 IR1986 provides creditors with a right to challenge the Liquidator's remuneration and expenses.

Extracts of these Rules are attached at Appendix D, for your information.



9 Next report

I will report again following the next anniversary of the liquidation, or sooner if the administration of the liquidation is complete.



Stephen Hunt
Liquidator

Date: 31 March 2017



**C A Components Limited
In Compulsory Liquidation**

Statutory information



Company information

Company name	C A Components Limited
Trading name	As above
Company registration number	04620924
Nature of business	Financial leasing
Registered office	Tavistock House South, Tavistock Square, London WC1H 9LG
Previous registered office	Lacey House, St Clare Business Park, Holly Road, Hampton Hill, Middlesex, TW12 1QQ
Trading address	Lacey House, St Clare Business Park, Holly Road, Hampton Hill, Middlesex, TW12 1QQ

Liquidator's details

Name	Stephen Hunt
IP number	9183
Name of firm	Griffins
Firm's address	Tavistock House South, Tavistock Square, London WC1H 9LG
Date of appointment	22 March 2011




**C A Components Limited
In Compulsory Liquidation**

Receipts and payments account for the period 22 March 2016 to 21 March 2017,
together with a cumulative account for the entire period of the appointment



C A Components Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £	From 22/03/2016 To 21/03/2017 £	From 22/03/2011 To 21/03/2017 £
COST OF REALISATIONS		
O.R. Remuneration	NIL	2,235.00
Petitioners Deposit	NIL	(1,000.00)
Third Party Bank Charges	NIL	590.80
Statutory Advertising	NIL	69.75
Other Property Expenses	NIL	28.00
Bank Charges	88.00	522.00
	(88.00)	(2,445.55)
UNSECURED CREDITORS		
(21,699.43) Trade & Expense Creditors	NIL	NIL
(169,401.29) Customs & Excise	NIL	NIL
	NIL	NIL
DISTRIBUTIONS		
(100,000.00) Ordinary Shareholders	NIL	NIL
	NIL	NIL
(291,100.72)	(88.00)	(2,445.55)
REPRESENTED BY		
No.2 Account		(97.75)
ISA NIB		(1,739.00)
Expenses Borne by Griffins		(608.80)
		(2,445.55)


Stephen Hunt
Liquidator

**C A Components Limited
In Compulsory Liquidation**

Griffins' time analysis for the period 22 March 2016 to 21 March 2017, and for the entire period of the appointment, together with details of charge out rates, provided in accordance with the Statement of Insolvency Practice 9



Time Entry - Detailed SIP9 Time & Cost Summary

CACOM01 - C A Components Limited
From: 22/03/2016 To: 21/03/2017
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Administrators	Total Hours	Time Cost (£)	Average Hourly Rate (£)
STATUTORY Salutory Duties	0.33	1.58	2.33	0.83	3.75	8.83	2,508.74	284.01
Administration & Planning	0.33	1.58	2.33	0.83	3.75	8.83	2,608.74	284.01
CREDITOR Creditor Related Work	0.00	0.00	0.92	0.00	0.08	1.00	312.92	312.92
Creditors	0.00	0.00	0.92	0.00	0.08	1.00	312.92	312.92
INV-FURTH Further Investigations	0.00	0.00	5.17	0.00	0.00	5.17	1,860.00	360.00
Investigations	0.00	0.00	5.17	0.00	0.00	5.17	1,860.00	360.00
ASS-CASH Cash at Bank	0.00	0.00	0.08	0.00	0.00	0.08	23.33	279.86
Realisations of Assets	0.00	0.00	0.08	0.00	0.00	0.08	23.33	279.86
Total Hours	0.33	1.58	8.50	0.83	3.83	15.08	4,704.89	311.93
Total Fees Claimed							0.00	



Time Entry - Detailed SIP9 Time & Cost Summary

CACOM01 - C A Components Limited
From: 22/03/2011 To: 21/03/2017
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Administrators	Total Hours	Time Cost (£)	Average Hourly Rate (£)
CASG Cashiering Functions	0.00	1.00	0.00	0.42	4.17	5.58	1,237.48	221.64
CASHER Cashiering Functions	0.00	0.00	0.00	0.08	0.17	0.25	28.33	189.98
DIARY Case Diary	0.00	0.00	0.00	0.00	3.17	0.25	748.33	236.31
EMAIL Emailing	0.00	0.00	0.25	0.00	0.00	0.25	87.50	350.00
ADMIN Administration Work	0.08	2.25	2.00	0.00	19.83	24.17	5,450.43	225.54
MTGS Meetings	0.00	0.00	0.00	0.00	0.08	0.08	15.00	180.00
REVIEWS Case Reviews	0.00	3.92	17.67	0.00	18.59	40.67	11,236.25	276.30
SIP12 Records of Meetings	0.08	0.00	0.00	0.00	0.00	0.08	45.42	545.04
SPECBOND Specific Bond	0.00	0.00	0.08	0.00	0.67	0.92	253.75	276.82
STAT Statutory	0.25	0.25	0.00	0.00	0.17	0.67	264.17	396.26
STATUTORY Statutory Duties	0.75	2.83	3.75	1.17	8.08	16.58	4,810.00	290.05
TAX Tax	0.17	0.58	0.17	0.00	3.08	4.00	1,016.23	254.06
VAT Vat Returns	0.08	0.00	0.00	0.00	0.42	0.50	147.06	294.16
Administration & Planning	1.92	11.00	23.92	1.67	58.33	96.83	25,338.97	261.69
PROREPORT Progress Report	0.25	0.58	0.00	0.00	10.42	11.25	2,913.34	258.86
CLMS Creditor Claims	0.00	0.00	0.00	0.00	1.58	1.58	314.17	198.42
CMETG Creditors Meetings	0.08	0.00	0.00	0.00	1.17	1.25	260.42	208.34
COMM Creditor Committees	0.00	0.00	0.00	0.00	0.33	0.33	100.00	300.00
CRED Creditor Related Work	0.17	1.00	0.00	0.00	0.92	2.08	622.50	288.80
CREDITOR Creditor Related Work	0.00	0.08	1.25	0.00	0.33	1.67	539.17	323.50
CREDITORS Creditors	0.00	0.42	0.00	0.00	0.00	0.42	137.91	330.98
Creditors	0.60	2.08	1.25	0.00	14.75	18.68	4,887.61	263.01
INTERVIEWS Interviews	0.00	0.00	2.67	0.00	5.33	8.00	2,106.67	263.33
INV Investigation	0.17	0.17	0.75	0.00	7.17	8.25	1,641.68	198.99
INV-FURTHER Further Investigations	0.00	0.00	5.17	0.00	0.00	5.17	1,860.00	360.00
INVMTGS Internal Meetings	0.00	0.00	0.25	0.00	0.00	0.25	75.83	303.32
PROTOCOL MTIC Protocols	0.00	0.00	2.67	0.00	0.00	2.67	800.00	300.00
SIP2 Investigation into Affairs	0.17	3.42	194.17	0.75	41.42	239.92	66,294.97	276.32
Investigations	0.33	3.68	205.67	0.75	53.92	264.26	72,778.16	275.42
LEGAL Legal Issues	0.00	0.00	0.08	0.00	0.00	0.08	25.93	309.96
MTICLEGAL MTIC Legal	0.00	0.00	3.83	0.00	0.00	3.83	1,054.17	275.00
Legal & Litigation	0.00	0.00	3.92	0.00	0.00	3.92	1,080.00	275.74
ASS-CASH Cash at Bank	0.00	0.00	0.08	0.00	0.00	0.08	23.33	279.86
ASS-OTHER Other Assets	0.00	0.00	0.25	0.00	0.00	0.25	90.00	360.00
Realisations of Assets	0.00	0.00	0.33	0.00	0.00	0.33	113.33	339.99
Total Hours	2.75	16.67	235.08	2.42	127.00	383.92	104,199.86	271.41
Total Fees Claimed							0.00	



Time Entry - Detailed SIP9 Time & Cost Summary

CACOM01 - C A Components Limited
From: 22/03/2011 To: 21/03/2017
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Administrators	Total Hours	Time Cost (£)	Average Hourly Rate (£)
---------------------------------	---------	---------	----------------------------	----------------------------	----------------	-------------	---------------	-------------------------



GRIFFINS POLICY ON CHARGEOUT RATES AND DISBURSEMENTS SCHEDULE OF STANDARD CHARGEOUT RATES IN RESPECT OF GRIFFINS PARTNERS AND STAFF AS AT 1 OCTOBER 2016

In accordance with Statement of Insolvency Practice 9 "Payments to insolvency office holders and their associates" the following hourly charge-out rates will be applied when fixing the Officeholders Remuneration:

Grade of staff	Hourly Rate
Partners	£400 - £565
Senior Managers	£420 - £450
Managers	£325 - £410
Investigators	£245 - £390
Administrators	£150 - £325
Cashiering	£100 - £275
Support & Other Specialists	£ 70 - £200

The above rates are reviewed annually on 1 October.

It is not our policy to charge for support staff (secretarial, filing, reception) unless such staff are working on an individual matter for more than 7 hours in which case the rate for an Administrator may be applied.

Time is charged in minimum units of 5 minutes for all staff.

DISBURSEMENTS

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance¹ requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at.

DEFINITIONS

Practice guidance¹ classifies expenses into two broad categories:

- Category 1 expenses (approval not required) – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external suppliers' invoice or published tariff of charges; mileage is charged at the appropriate H M Revenue & Customs rate.
- Category 2 expenses: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to an appointment on a proper and reasonable basis.

CHARGING POLICY

- Category 1 expenses (approval not required) – all such items are re-charged to the case as they are incurred.
- Category 2 expenses (approval required) – resolutions to be sought from creditors if these category of expenses arise.

1 - Statement of Insolvency Practice 9 (England and Wales)

GRIFFINS HISTORIC CHARGEOUT RATES SINCE 1 OCTOBER 2010

STAFF GRADE	1 October 2010	1 October 2011	1 October 2012
	£	£	£
Partners	495	495-545	495-545
Managers	300-350	300-395	300-395
Senior Investigators	300-350	325-380	325-380
Administrators/Investigators	180-280	200-300	200-300
Junior Administrators/Junior Investigators	140-190	145-190	145-250
Support Staff	70-170	70-180	70-180

STAFF GRADE	1 October 2013	1 May 2014
	£	£
Partners	495-565	450-565
Managers	300-400	300-450
Senior Investigators	325-385	325-425
Administrators/Investigators	200-310	200-360
Junior Administrators/Junior Investigators	150-250	150-250
Support Staff	70-220	70-220

STAFF GRADE	1 October 2014
	£
Partners	450-565
Managers	325-450
Investigators	285-380
Administrators	150-310
Support/Cashier Managers	220-275
Support/Cashier Staff	70-180

STAFF GRADE	1 October 2015
	£
Partners	450-565
Senior Manager	400-450
Managers	325-390
Investigators	280-390
Administrators	150-325
Cashiering	100-275
Support	70-200

The above rates are reviewed annually on 1 October, however following the appointment of a new partner on the 1 May 2014 a rate review took place. It is not our policy to charge for support staff (secretarial, filing, reception) unless such staff are working on an individual matter for more than 7 hours in which case the rate for an Administrator may be applied. Time is charged in minimum units of 5 minutes for all staff.



**C A Components Limited
In Compulsory Liquidation**

Creditors' rights - Rules 4.49E and 4.131 of the Insolvency Rules 1986



Rule 4.49E Creditors' and members' request for further information

4.49E(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
 - (iii) 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,
- or

(b) with the permission of the court upon an application made within the period mentioned in paragraph (2)—

- (i) any unsecured creditor, or
- (ii) any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report in accordance with Rule 4.49B(1)(e) or (f) (including by virtue of Rule 4.49C(5)) or in a draft report under Rule 4.49D, 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 matter in a draft report under Rule 4.49D or a progress report required by Rule 4.108 which (in either case) was previously included in a progress report not required by Rule 4.108.

4.49E(2) The period referred to in paragraph (1)(a) and (b) is—

- (a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4.108, and
- (b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case.

4.49E(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.

4.49E(4) Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the 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.

4.49E(5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4.131(1B) or 4.148C(2) by such further period as the court thinks just.

4.49E(6) This Rule does not apply where the liquidator is the official receiver.

Rule 4.131 Creditors' claim that remuneration is or other expenses are excessive

4.131(1) Any secured creditor, or any unsecured creditor, with the concurrence of at least 10 per cent. in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more orders in paragraph (4).

4.131(1A) Application 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.

4.131(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").

4.131(2) The court may, if it thinks that no sufficient 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.

4.131(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.

4.131(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."

4.131(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable out of the assets.