

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

05482197

Name of Company

Citri Wealth Management Limited

± We

Andrew David Haslam, 2 Collingwood Street, Newcastle upon Tyne, NE1 1JF

Gerald Maurice Krasner, 2 Collingwood Street, Newcastle upon Tyne, NE1 1JF

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 04/07/2013 to 03/07/2014

Signed



Date

8/9/14

Begbies Traynor (Central) LLP
2 Collingwood Street
Newcastle upon Tyne
NE1 1JF

Ref CI023CVL/ADH/GMK/GMS/AMD

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Citri Wealth Management Limited (In Creditors' Voluntary Liquidation)

Progress report pursuant to Section 104A of the
Insolvency Act 1986 and Rule 4.49C of the Insolvency
Rules 1986

Period: 4 July 2013 to 3 July 2014

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Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the Liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Citri Wealth Management Limited (In Creditors' Voluntary Liquidation)
"the Liquidation"	The appointment of Liquidators pursuant to Section 98 of the Act on 4 July 2011
"the Liquidators", "we", "our" and "us"	Andrew David Haslam and Gerald Maurice Krasner of Begbies Traynor (Central) LLP, 2 Collingwood Street, Newcastle upon Tyne, NE1 1JF
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	"Secured creditor", in relation to a company, means a creditor of the Company who holds in respect of his debt a security over property of the Company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 of the Act

2. COMPANY INFORMATION

Trading name	None
Company registered number	05482197
Company registered office	Begbies Traynor (Central) LLP, 2 Collingwood Street, Newcastle upon Tyne, NE1 1JF
Former trading address	1 Bankside, The Watermark, Gateshead, NE11 9SY

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced	4 July 2011
Date of Liquidators' appointment	4 July 2011
Changes in Liquidator (if any)	None

4. PROGRESS DURING THE PERIOD

This progress report should be read in conjunction with our report of the S98 meeting of creditors made available on 6 July 2011 and our previous progress reports made available on 6 August 2012 and 20 August 2013

The sole remaining asset is potential litigation income. The Liquidation remains open solely to benefit from potential receipts from this class of asset.

Attached at Appendix 1 is our abstract of receipts and payments for the period from 4 July 2013 to 3 July 2014

RECEIPTS

Potential Litigation Income

Creditors will recall that Mr Keverne Watt, Director and Shareholder of the Company's parent, is undertaking and funding the investigations in return for an assignment of a share of any realisations made. We understand that the investigations have been completed and that action is likely to commence shortly.

Further details are not provided at this time in order that any potential litigation actions are not prejudiced.

Bank Interest Gross

Bank interest in the sum of £0.85 has accrued during the reporting period. Bank interest is usually subject to Corporation Tax; however, due to a working arrangement reached with HM Revenue and Customs there will be no Corporation Tax liability.

PAYMENTS

No payments have been made during the reporting period.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in the Director's Statement of Affairs included within the report sent to creditors further to our appointment as Liquidators.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows:

Secured creditor

There are no known secured creditors.

Preferential creditors

Based upon realisations to date and estimated future realisations, it is anticipated that there will be insufficient funds available to enable a dividend to be paid to preferential creditors

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part for unsecured creditors is calculated were provided in our progress report for the period 4 July 2012 to 3 July 2013

To the best of our knowledge and belief, there are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors

Unsecured creditors

Based upon realisations to date and estimated future realisations it is anticipated there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors

6. LIQUIDATORS' REMUNERATION AND DISBURSEMENTS

Our remuneration has been fixed by a resolution of creditors at the meeting held pursuant to Section 98 of the Act by reference to the time properly given by us (as Liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the Liquidation

We are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our firm's policy, details of which accompanied the Statement of Affairs and other information presented to the meeting of creditors convened pursuant to Section 98 of the Act and which is attached at Appendix 2 of this report

Our time costs for the period from 4 July 2013 to 3 July 2014 amount to £3,117 00 which represents 17 20 hours at an average rate of £181 22 per hour. Our time costs for the whole period of the Liquidation amount to £14,194 00 which represents 83 40 hours at an average rate of £170 19 per hour

To 3 July 2014 we have drawn no fees or Category 2 disbursements

The following further information in relation to our time costs and disbursements is set out at Appendix 2

- ☐ SIP9 tables of time spent and charge-out value for the period 4 July 2013 to 3 July 2014 and for the whole period of the Liquidation
- ☐ Narrative summary of time costs incurred
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

A copy of 'A Creditors' Guide to Liquidators' Fees (E&W) 2010' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy

7. LIQUIDATORS' EXPENSES

No expenses have been incurred during the reporting period

8. ASSETS THAT REMAIN TO BE REALISED

As detailed at Section 4 of this report the sole remaining asset is potential litigation income. No further details are provided here in order that any potential litigation action is not prejudiced.

9. OTHER RELEVANT INFORMATION

Investigations and reporting on Director's conduct

You may be aware that the Liquidators have a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds.

In addition, as explained in the report circulated at the meeting of creditors convened pursuant to Section 98 of the Act, such report having also been sent to creditors following the meeting, the Liquidators are also required to consider the conduct of the Company's Director and to make an appropriate submission to the Department for Business Innovation and Skills.

We can confirm that we have discharged our duties in these respects.

Investigations carried out to date

We have undertaken an initial assessment of the manner in which the business was conducted prior to the Liquidation of the Company and potential recoveries for the estate in this respect. Potential litigation actions as described as Sections 4 and 8 of this report were identified and are currently being pursued.

Connected party transactions

We have not been made aware of any sales of the Company's assets to connected parties.

10. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report.

Right to make an application to court

Pursuant to Rule 4.131 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the Liquidation, whichever is the sooner

A handwritten signature in black ink, appearing to read 'Andrew D Haslam', written in a cursive style.

Andrew D Haslam
Joint Liquidator

Dated 8 September 2014

Citri Wealth Management Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 04/07/2013 To 03/07/2014	From 04/07/2011 To 03/07/2014
	ASSET REALISATIONS		
Uncertain	Future Commissions	NIL	1,599 88
438 73	HSBC Bank plc - Current Account	NIL	NIL
	Bank Interest Gross	0 85	1 86
		<u>0 85</u>	<u>1,601 74</u>
	COST OF REALISATIONS		
	Insolvency Practitioners' Bond	NIL	20 00
	Irrecoverable VAT	NIL	34 60
	Statutory Advertising	NIL	153 00
		<u>NIL</u>	<u>(207 60)</u>
	PREFERENTIAL CREDITORS		
(25,519 46)	Arrears of wages and holiday pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(650,000 00)	Openwork Limited	NIL	NIL
Uncertain	Commission due to contractors	NIL	NIL
Uncertain	Commission Clawbacks	NIL	NIL
(14,000 00)	HM Revenue & Customs - PAYE & NI	NIL	NIL
NIL	HM Revenue & Customs - Corporation	NIL	NIL
(34,708 00)	DBIS & employees - arrears of wages	NIL	NIL
(35,218 00)	DBIS & employees - notice & redunda	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(1 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(759,007.73)		<u>0.85</u>	<u>1,394.14</u>
	REPRESENTED BY		
	Bank 2 Current		1,394 14
			<u>1,394.14</u>

Note

LIQUIDATORS' TIME COSTS AND DISBURSEMENTS

- a SIP9 tables of time spent and charge-out value for the period from 4 July 2013 to 3 July 2014 and for the whole period of the Liquidation,
- b Narrative summary of time costs incurred,
- c Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements, and
- d Begbies Traynor (Central) LLP's charge-out rates

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SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	Citr Wealth Management Limited
CASE TYPE	Creditors' Voluntary Liquidation
OFFICE HOLDERS	Andrew David Haslam and Gerald Maunce Krasner
DATE OF APPOINTMENT	4 July 2011

1 CASE OVERVIEW

- 1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

- 1.2 **Complexity of the case**
The case has not been unusually complex

- 1.3 **Exceptional responsibilities**
There have been no exceptional responsibilities

- 1.4 **The office holders' effectiveness**
The office holders have realised the funds identified at the outset of the Liquidation and also identified further potential litigation claims

- 1.5 **Nature and value of property dealt with by the office holders**
The office holders have realised outstanding commissions payable to the Company and also identified potential litigation actions

- 1.6 **Anticipated return to creditors**
Based upon realisations to date there will be no return to any class of the Company's creditors
This position is highly dependant upon the outcome of the potential litigation action

- 1.7 **Time costs analysis**
Analyses of time costs incurred between 4 July 2013 and 3 July 2014 and for the whole period of the Liquidation prepared in accordance with Statement of Insolvency Practice 9 are attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type

The time costs analysis provides details of work undertaken by the Liquidators and their staff following their appointment only

- 1.8 **Work undertaken prior to appointment**
In addition to the post appointment time costs detailed in the Time Costs Analysis, the costs relating to work undertaken prior to the Liquidators' appointment in summoning, advertising and holding the creditors' meeting and assisting the directors in preparing the Statement of Affairs were approved by the creditors at the Section 98 meeting

- 1.9 **The views of the creditors**
The office holders have kept creditors informed using the report issued following the S98 meeting and also using the annual progress reports

1 10 Approval of fees

A resolution stating "THAT the Joint Liquidators' remuneration be fixed by reference to the time properly given by them (as Liquidators) and the various grades of their staff calculated at the prevailing hourly charge-out rates of Begbies Traynor (Central) LLP for attending to matters arising in the winding up " was obtained at the S98 meeting of creditors

1 11 Approval of Expenses and Disbursements

A resolution stating "THAT the Joint Liquidators be authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with their firm's policy, details of which accompanied the information presented to the creditors meeting " was obtained at the S98 meeting of creditors

1 13 Other professionals employed & their costs

No other professionals have been employed in this matter

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 2

2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 2

BEGBIES TRAYNOR (CENTRAL) LLP**DISBURSEMENTS AND EXPENSES POLICY AND CHARGE OUT RATES****NEWCASTLE UPON TYNE AND TEESSIDE OFFICES****INTRODUCTION**

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 draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis.

Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

Where the office holder's remuneration is proposed to be fixed on an additional or alternative basis, sufficient information will be provided to creditors in order to allow them to consider whether to approve the proposed basis or bases of the office holder's remuneration.

Following approval further information will be provided to creditors regarding the office holder's fees as required by the legislation and best practice guidance.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest.

Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate.

He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level.

There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded, in 6 minute units, at the individual's hourly rate in force at that time, the hourly rates applicable to this case are detailed below.

This is of course only applicable to those cases where the office holder is remunerated on a time cost basis, rather than the additional or alternative bases explained in SIP9.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

- *Category 1 disbursements (where creditor approval is not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. Such expenditure may include Court fees, filing fees, company search fees, ML Regulation ID fees, oath fees, redirection of mail, external storage of books and records, external printing copying and stationary, postages, etc as well as legal fees, property agent fees, security, valuer fees, auctioneer and agent fees, utility costs etc. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (where creditor approval is required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

The following items of expenditure may be charged to the case (subject to creditor approval)

- Internal meeting room usage for the purpose of statutory meetings is charged at the rate of £100 per meeting. The Newcastle upon Tyne and Teesside offices do not at this time make any such charge to the insolvent estate for internal meeting room usage.
 - Car mileage is charged at the rate of 45 pence per mile.
 - Storage of books and records (when not chargeable as a *Category 1 expense*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates. The Newcastle upon Tyne and Teesside offices do not at this time make any such charge to the insolvent estate for the internal storage of books and records.
- *Expenses which should be treated as Category 2 disbursements (creditor approval is required)*

In addition to the 2 Categories referred to above, best practice guidance indicates that where payments are made or are to be made to outside parties in which the office holder or his firm or any associate has an interest, these payments should be treated as Category 2 disbursements.

Such Category 2 disbursements would, for example, include payments made to other entities within the Begbies Traynor Group (BTG) e.g. BTG Asset Consulting, BTG Corporate Finance, BTG Commercial Finance, BTG Global Network (incorporating BTG Forensic, BTN Risk and BTG Intelligence).

BTG Asset Consulting, a division of BTG Consulting LLP which is itself part of BTG, charges £125 per hour for their advice regarding asset appraisal and disposal etc.

BTG Global Network provides a wide range of services, the most likely to be used in an insolvency procedure is in relation to enquiries and investigations into the location of assets or individuals, surveillance and other investigative services, costs range from £100 to £250 per hour.

Where we have used or intend to use other entities within the Begbies Traynor Group, that fact will be disclosed in the report to which this Appendix is attached or in future reports to creditors detailing the reasons for the instruction, the nature of the work undertaken, the basis of remuneration and the costs thereof.

The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*.

- Telephone and facsimile
- Printing and photocopying
- Stationery
- Postages

BEGBIES TRAYNOR (CENTRAL) LLP**CHARGE-OUT RATES****NEWCASTLE UPON TYNE AND TEESSIDE OFFICES**

Begbies Traynor (Central) LLP is a national firm

The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions

The rates applying to the Newcastle upon Tyne and Teesside offices of Begbies Traynor (Central) LLP as at the date of the report to which this Appendix is attached are as follows

Grade of staff	Charge-out Rate (£ per hour)
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Junior Administrator	110
Support	110

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead

Only where a significant amount of time is spent at one time on a case is a charge made for support staff

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units)

LIQUIDATORS' STATEMENT OF EXPENSES

No expenses have been incurred in the reporting period