

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

06054441

Name of Company

Caverswall Castle Limited

I / We

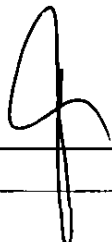
Mustafa Abdulali, 6 Ridge House, Ridgehouse Drive, Festival Park, Stoke-on-Trent, ST1 5TL

Neil Dingley, 6 Ridge House, Ridgehouse Drive, Festival Park, Stoke-on-Trent, ST1 5TL

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 31/03/2015 to 30/03/2016

Signed



Date

6/5/16

Moore Stephens
6 Ridge House
Ridgehouse Drive
Festival Park
Stoke-on-Trent
ST1 5TL

Ref CAV1504/NID/P/RM

MONDAY



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COMPANIES HOUSE

Caverswall Castle Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 31/03/2015 To 30/03/2016	From 31/03/2011 To 30/03/2016
	ASSET REALISATIONS		
1 00	Alterations to rented property	NIL	NIL
16,050 00	Fixtures & Fittings	NIL	25,000 00
	Insurance Refund	NIL	130 13
	Cash at Bank	NIL	435 57
		<u>NIL</u>	<u>25,565 70</u>
	COST OF REALISATIONS		
	Preparation of S of A	NIL	1,000 00
(25,000 00)	Section 98 Fee	NIL	21,478 83
	Liquidator's Fees	NIL	NIL
	Liquidator's Expenses	NIL	478 87
	Agents Fees - Butters John Bee	NIL	2,400 00
	Howsons	NIL	200 00
	Bank Charges	NIL	8 00
		<u>NIL</u>	<u>(25,565 70)</u>
	PREFERENTIAL CREDITORS		
(4,046 00)	Dept of Employment	NIL	NIL
(268 00)	Employees Wage Arrears	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(140,097 00)	Trade & Expense Creditors	NIL	NIL
(130 00)	Employees	NIL	NIL
(3,042 00)	Dept of Employment	NIL	NIL
(166,792 00)	Directors	NIL	NIL
(501,093 00)	Customers	NIL	NIL
(46,603 00)	Inland Revenue	NIL	NIL
(86,105 00)	VAT	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	CAPITAL		
(1 00)	Ordinary Shares	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(957,126 00)		<u>NIL</u>	<u>(0.00)</u>
	REPRESENTED BY		
			<u>NIL</u>

Strictly Private & Confidential

CAVERSWALL CASTLE LIMITED ("THE COMPANY")

Report to the members and creditors in accordance with Rule 4 49C CVL of the Insolvency Rules 1986

6 May 2016

This report contains 8 Pages

Moore Stephens
6 Ridge House
Ridgehouse Drive
Festival Park
Stoke-on-Trent
ST1 5TL

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Contents

- 1 Statutory information
- 2 Progress to date
- 3 Investigations
- 4 Joint liquidators' remuneration
- 5 Joint liquidators' expenses
- 6 Creditors' rights
- 7 Liabilities

Appendices

- | | |
|--------------|-----------------------------------------------------------------------------|
| Appendix I | Receipts and payments account for the period 31 March 2015 to 30 March 2016 |
| Appendix II | Breakdown of time costs |
| Appendix III | Schedule of expenses incurred during the period |

This report is intended for use by those parties entitled to a copy thereof under Rule 4.49C CVL of the Insolvency Rules 1986. It may contain information that is privileged, confidential or exempt from disclosure and any dissemination, distribution or copying of it and its attachments is strictly prohibited. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

Any estimated outcomes for creditors are for illustration only and cannot be relied upon as guidance as to the actual outcome for creditors.

Mustafa Abdulali is authorised in the UK to act as an insolvency practitioner by the ICAEW.
Neil Dingley is authorised in the UK to act as an insolvency practitioner by the ICAEW.

1 Statutory information

Company name	Caverswall Castle Limited
Company number	06054441
Registered office	6 Ridge House, Ridgehouse Drive, Festival Park Stoke -on-Trent, Staffordshire ST1 5TL
Date of appointment	31 March 2011
Joint liquidators	Mustafa Abdulali Neil Dingley
Joint liquidators' address	6 Ridge House Ridgehouse Drive Festival Park Stoke-on-Trent ST1 5TL

2 Progress to date

2 1 The receipts and payments account attached in Appendix I details the asset realisations to date

As creditors will be aware from previous progress reports issued, the Joint Liquidators have issued proceedings against Robin MacDonald, director of the Company, pursuant to Sections 212 (Misfeasance) and 239 (Preference Payments) of the Insolvency Act 1986

These claims arise respectively from the receipt of customer deposits at a time when the Joint Liquidators consider Mr MacDonald knew there was a risk that the services could not lawfully be provided, and the reduction in the director's loan account whilst the company was insolvent

At an initial hearing on 1 July 2015, both parties were ordered to file and serve witness statements in respect of the application made by the Liquidators

Additionally, it was recommended by the Court that a form of Alternative Dispute Resolution was undertaken by the parties in an attempt to narrow the issues and negotiate a potential settlement. Whilst numerous attempts were made to arrange mediation, it ultimately did not proceed

In the event that no settlement was reached, the parties were also ordered to disclose any documentation on which they wished to rely upon as part of the legal proceedings. This involved further work on both the Liquidators and the Solicitors part as copies of all records were made to ensure the original documents were retained by the Liquidator/their Solicitors

A further directions hearing was heard on 8 March 2016 at which dates were agreed for final witness statements and thereafter a trial date is to be listed for the first available date after 4 July 2016. The trial estimate is 4 days, and it will be listed at the Court's discretion and availability. It is anticipated that this will take place between July and December 2016

3 Investigations

3 1 An appropriate report/return on the actions of the directors has been forwarded to the Disqualification Unit of the Department for Business Innovation & Skills in accordance with the joint liquidators' statutory duties. Please note that the content of this report/return are of a privileged and confidential nature and so cannot be disclosed to third parties

4 Joint liquidators' remuneration

4 1 At the initial meeting of creditors held on 31 March 2011, the following resolutions were passed

- That the fee for convening the meeting of creditors and preparing the Statement of Affairs, to be paid from the assets of the Company, be fixed at £10,000 plus VAT and disbursements as follows

Rule 4 38

Preparation of statement of affairs in statutory form by Moore Stephens	£5,000
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Assistance given by Howsons in respect of the preparation of the Statement of Affairs	£1,000
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Rule 4 62

Summoning, advertising and holding of creditors' meeting by Moore Stephens	£2,500
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General advice pre-liquidation by Moore Stephens	£1,500
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Total	£10,000
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At the board meeting held on 7 March 2011, it was resolved that Moore Stephens be paid the sum of £9,000 plus VAT and disbursements under Rules 4 38 and 4 62 of the Insolvency Rules 1986, in respect of summoning, advertising and holding meetings of members and creditors in addition to providing general advice in connection with the liquidation proceedings. In addition, under Rule 4 38 it was resolved that the sum of £1,000 plus VAT be paid to Howsons for their assistance in the preparation of the Statement of Affairs in statutory form and providing various information to assist with the liquidation proceedings.

It was resolved at the meeting on 31 March 2011, that Moore Stephens be authorised to draw a further sum of £14,145 50 plus VAT and disbursements, in respect of pre-appointment work carried out between 7 March 2011 to 30 March 2011, for dealing with matters leading up to the creditors meeting, including dealing with deposit creditors inquiries, agents and employee matters.

It was further resolved at the meeting on 31 March 2011 that the remuneration of the Joint Liquidators be fixed by reference to the time properly given by the joint liquidators and their staff in attending to matters arising in the liquidation in accordance with Rule 4 127(2)(b) of the Insolvency Rules 1986.

4 2 An explanation setting out the basis of the time costs incurred to date appears at Appendix II

4 3 A detailed breakdown of joint liquidators' time costs, together with current charge out rates is attached in Appendix II

Statement of affairs fees of £21,478 83 have been drawn in total

To date, no further fees have been drawn

4 4 Should you wish to receive a copy of "A Creditors' Guide to Liquidators' Fees" this is available on the Moore Stephens website <http://www.moorestephens.co.uk/corporaterecovery.aspx> or by requesting a copy from this office in writing or by telephone

5 Joint liquidators' expenses

5 1 A schedule of all expenses incurred in the period have been detailed in Appendix III

6 Creditors' rights

6 1 Within 21 days of receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) or any unsecured creditor with the permission of the court may request in writing that the joint liquidators provide further information about their remuneration or expenses which have been itemised in the progress report

Within 14 days of receipt of the request, we must provide all of the information asked for, except so far as we consider that

- the time or cost of preparation of the information would be excessive, or
- disclosure of the information would be prejudicial to the conduct of the liquidation it might reasonably be expected to lead to violence against any person, or
- we are subject to an obligation of confidentiality in respect of the information

We are also required to give reasons for not providing all of the requested information

6 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may, within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for

the joint liquidators' remuneration, the remuneration charged, or the expenses incurred by the joint liquidators as set out in the progress report are excessive

7 Liabilities

7.1 Secured creditors

There are no secured creditors

7.2 Preferential creditors

The Redundancy Payments Office has submitted a preferential claim for the sum of £2,432.60 in respect of arrears of wage and holiday pay claims paid to employees

7.3 Unsecured creditors

The Statement of Affairs listed the unsecured creditor claims as £940,452.75

This figure is subject to final quantification, the final figure is likely to be made up of (but not limited to) deposits paid by customers, trade and expense creditors, insurance claims, employee claims, banks, local authority claims and HMRC

The Joint Liquidators are not able to confirm the likelihood, quantum, or timing of any dividend



Mustafa Abdulali
Joint Liquidator

Appendix I

Receipts and payments account for the period 31 March 2015 to 30 March 2016

Joint Liquidators' receipts and payments account

Caverswall Castle Limited (In Liquidation)

	Statement of affairs £	From 31/03/2015 To 30/03/2016 £	From 31/03/2011 To 30/03/2016 £
RECEIPTS			
Alterations to rented property	1 00	0 00	0 00
Fixtures & Fittings	16,050 00	0 00	25,000 00
Insurance Refund		0 00	130 13
Cash at Bank		0 00	435 57
		<u>0 00</u>	<u>25,565 70</u>
PAYMENTS			
Preparation of S of A		0 00	1,000 00
Section 98 Fee		0 00	21,478 83
Liquidator's Expenses		0 00	478 87
Agents Fees - Butters John Bee		0 00	2,400 00
Howsons		0 00	200 00
Bank Charges		0 00	8 00
		<u>0 00</u>	<u>25,565 70</u>
Net Receipts/(Payments)		<u>0 00</u>	<u>0 00</u>

MADE UP AS FOLLOWS

0 00



Mustafa Abdulali
Joint Liquidator

Breakdown of time costs

Summary of Moore Stephens' time-costs from 31 March 2015 to 30 March 2016

	Partner / Associate	Director / Manager	Administrator	Support staff	Total hours	Time cost (£)	Av rate £/h
Statutory compliance administration and planning	2 90	0 00	6 50	2 95	12 35	2 186 25	177 02
Investigations	13 40	0 00	2 70	0 00	16 10	5 652 00	351 06
Realisation of assets	25 40	0 00	44 10	0 00	69 50	17 028 00	245 01
Trading	0 00	0 30	0 00	0 00	0 30	46 50	155 00
Creditors	0 00	0 00	2 10	0 00	2 10	369 50	175 95
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total hours	41 70	0 30	55 40	2 95	100 35		
Total time costs £	15,563 00	46 50	9 473 50	199 25		25,282 25	251 94

Summary of Moore Stephens' time-costs from 31 March 2011 to 30 March 2016

	Partner / Associate	Director / Manager	Administrator	Support staff	Total hours	Time cost (£)	Av rate £/h
Statutory compliance, administration and planning	10 50	0 00	123 90	52 15	186 55	21,953 85	117 68
Investigations	143 50	0 00	502 35	59 80	705 65	120,930 50	171 37
Realisation of assets	101 20	0 00	149 50	2 70	253 40	57,834 10	228 23
Trading	0 50	0 50	6 00	0 30	7 30	1 092 20	149 62
Creditors	1 00	0 00	51 90	14 40	67 30	8 104 60	120 42
Case specific matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total hours	256 70	0 50	833 65	129 35	1220 20		
Total time costs £	87,056 00	73 50	112 859 30	9,926 45		209,915 25	172 03

Total remuneration drawn on account

0 00

Charge out rates -

See attached document

Time charged in 6 minute units or multiples thereof

Examples of work generally undertaken but not limited to

Statutory compliance, administration and planning

- Statutory file reviews
- Compiling and sending annual progress reports
- General Filing
- Financial Accounting
- HMRC Tax Returns
- Bonding review

Realisation of assets

- Discussions with Solicitors regarding application for After the Event Insurance
- Review of Land Registry documentation
- Correspondence with Solicitors regarding claim, witness statements, applications to Court, mediation, disclosure)
- Analysis of creditor claims for litigation purposes
- Review of claim documentation (including witness statements and applications to Court)

Creditors

- Inputting/amending creditor details on Insolvency Practitioner System
- Producing and sending committee reports on a six-monthly basis
- Corresponding with creditors

Investigations

- Correspondence with Company Director
- Correspondence with the Company's pre appointment bankers
- Further review of company's bank statements for litigation purposes
- Preparation of financial accounts schedules for witness statements

Schedule of Office Holders' Disbursements & Charge-out Rates

The table detailed below sets out the current charge-out rates utilised by Moore Stephens in the Staffordshire and Shropshire offices for charging staff time

Partner 1	£390 00 per hour
Partner 2	£330 00 per hour
Administrator	£110 00-£195 00 per hour
Cashier	£100 00 per hour
Secretarial	£100 00 per hour
Support Staff	£75 00-£95 00 per hour

Time charged in 6 minute units or multiples thereof

The table detailed below sets out the basis on which this office charges internal disbursements

Internal disbursements are charged where appropriate by Moore Stephens as follows

Storage	Charged at cost
Archiving Files & Closure	Charged at cost
Postage, Photocopying + Fax	Charged at cost

It should be noted that the above rates increase from time to time over the period of the administration of each insolvency case. These rates apply from 01 September 2015

Summary of accrued and drawn costs

Cost Description	Undrawn costs brought forward from previous period(s) £	This period 31 March 2015 to 30 March 2016 Costs incurred Costs drawn £ £		Cumulative 31 March 2011 to 30 March 2016 Costs incurred Costs drawn £ £	
High Peak Borough Council	455 10	0 00	0 00	455 10	0 00
Statutory advertising	187 50	0 00	0 00	187 50	2 81
Specific penalty bond	80 00	340 00	0 00	420 00	0 00
Travel	66 84	0 00	0 00	66 84	0 00
Land registry & company search fees	18 00	18 00	0 00	36 00	0 00
Storage costs	298 70	26 68	0 00	325 38	0 00
Couner fee	0 00	65 00	0 00	65 00	0 00
Total	1,106 14	449 68	0 00	1,555 82	2 81
Total undrawn costs to carry forward					1,553 01