

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

TUESDAY



A20 \*A73JXMBC\* 10/04/2018 #352  
COMPANIES HOUSE

### 1 Company details

Company number 0 9 0 4 5 2 3 5

Company name in full Castlemaine Fiduciary Services Limited

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Alan Peter

Surname Whalley

### 3 Liquidator's address

Building name/number 1 Fetter Lane

Street

Post town London

County/Region

Postcode E C 4 A 1 B R

Country

### 4 Liquidator's name ①

Full forename(s) Sandra Lillian

Surname Mundy

① Other liquidator  
Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number 1 Fetter Lane

Street

Post town London

County/Region

Postcode E C 4 A 1 B R

Country

② Other liquidator  
Use this section to tell us about  
another liquidator.

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**6** Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 7
To date	<sup>d</sup> 1	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8

**7** Progress report

☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X 

X

Signature date	<sup>d</sup> 0	<sup>d</sup> 9	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
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**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	Andrea Terraneo
Company name	James Cowper Kreston
Address	1 Fetter Lane
Post town	London
County/Region	
Postcode	E C 4 A 1 B R
Country	
DX	
Telephone	023 8022 1222



**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)**

**Castlemaine Fiduciary Services Limited**  
**(In Liquidation)**  
**Joint Liquidators' Summary of Receipts & Payments**

Statement of Affairs £		From 14/02/2017 To 13/02/2018 £	From 14/02/2017 To 13/02/2018 £
	<b>ASSET REALISATIONS</b>		
29,429.30	Cash at Bank	2,012,579.92	2,012,579.92
	Bank Interest Gross Trust	1,837.08	1,837.08
	Bank Interest Gross Fiduciary	23.90	23.90
		<u>2,014,440.90</u>	<u>2,014,440.90</u>
	<b>COST OF REALISATIONS</b>		
	Specific Bond	1,120.00	1,120.00
	Web Portal	10.00	10.00
	Statutory Advertising	332.59	332.59
		<u>(1,462.59)</u>	<u>(1,462.59)</u>
	<b>UNSECURED CREDITORS</b>		
(7,755,000.00)	Deficit re: The Castlemaine Trust	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	<b>DISTRIBUTIONS</b>		
(1.00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(7,725,571.70)</u>		<u><u>2,012,978.31</u></u>	<u><u>2,012,978.31</u></u>
	<b>REPRESENTED BY</b>		
	Vat Receivable		2.00
	Interest Bearing Current Account		27,988.61
	Deposit Account		1,984,987.70
			<u><u>2,012,978.31</u></u>



Alan Peter Whalley  
Joint Liquidator

**Castlermaine Fiduciary Services Limited  
In Liquidation**

Annual Progress Report  
Pursuant to Part 18 of the Insolvency Rules 2016



**Castlemaine Fiduciary Services Limited in Liquidation**  
**Annual Progress Report dated 13 February 2018**

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**Summary Information**

<b>The Company</b>	Castlemaine Fiduciary Services Limited
<b>Registered Number</b>	09045235
<b>Registered Address</b>	c/o James Cowper Kreston The White Building 1-4 Cumberland Place Southampton SO15 2NP
<b>Trading Address</b>	2 Rutland Gate Mews Rutland Gate Mews London SW7 1PH
<b>Activity of the Company</b>	Corporate trustee of the Castlemaine Trust
<b>Date of the Liquidation</b>	14 February 2017
<b>Liquidator Details</b>	Alan Peter Whalley and Sandra Lillian Mundy James Cowper Kreston 5 Chancery Lane London EC4A 1BL
<b>Date of Liquidators' Appointment</b>	14 February 2017
<b>Changes to Office Holders</b>	N/A
<b>Dividend Prospect</b>	A dividend to unsecured creditors is likely although the quantum and timing is uncertain.

## **Introduction**

This progress report has been prepared to provide creditors and members with an update for the work undertaken by the joint liquidators during the first year of the liquidation.

The following attachments accompany this report:

Appendix A	Receipts and Payments account
Appendix B	Statement of Remuneration and Expenses
Appendix C	Summary of Disbursements

## **Assets**

The Company is the corporate trustee of the Castlemaine Trust ("the Trust"). The Company's statement of affairs stated that its only asset was cash at bank of approximately £29,000 which we have collected. Bank interest of £26 has been earned in the period.

The Trust's statement of affairs identified the following three assets:

### **Employee Loans – 2015/16**

The Trust made loans totalling approximately £16m to 230 employees of the Trust in 2015/6 as part of a tax mitigation scheme. As a result in changes in legislation any loans in schemes such as these outstanding in April 2019 will result in a tax charge on the recipient. Save in relation to the deduction of bond contributions referred to below, however, it is likely that in some instances the former employees will either not have the means to repay the loans, or may prove difficult to contact, or both.

As the only significant creditor we have sought HMRC's view on what action to take in respect of the outstanding loans. We have discussed the possibility of reaching a tripartite settlement between the employee, HMRC and the Trust. We understand, however, that HMRC may prefer to strike settlements in relation to the tax consequences with former employees directly – in which case it may be preferable for the liquidators not to pursue any recovery of the loans. Discussions with HMRC continue.

### **Bond contribution**

It was a condition of each employee loan that the Trust retained 10% of the advance to purchase a bond. In due course, the bond would be applied to repay the loan in each case. At the date of liquidation, we took custody of £1,608,200 which represents £1,586,370 in respect of the entirety of the 2015/16 bond contributions which remained in the Trust at the time of our appointment along with £21,730 remaining from previous periods.

It was not apparent whether the retained bond contributions formed part of the property of the Company or whether they are subject to a trust in favour of the former employees. Accordingly, we made an application to the court for directions. An initial hearing was held on 6 December 2017 following which an order was made instructing us to circulate details of the application to the former employees and give notice of a second hearing on 6 March 2018. At that hearing the Court ordered that a final hearing to determine the issue should take place on 29 June 2018.

The funds remain intact pending the outcome of the hearing. Bank interest of £1,989 has been earned on these balances.

### **Cash at bank**

We have collected £374,950 cash at bank which was estimated in the statement of affairs to be £379,000.

## **Creditors**

### **Preferential, Secured creditors and the Prescribed Part**

There are no preferential or secured creditors. The prescribed part will not apply.

### **Unsecured creditors**

There are two unsecured creditors, HMRC who have claimed for approximately £23m and Mint Accounting who are owed £1,600. A resolution of creditors is sought so that Mint Accounting's claim can be paid in full as an expense of the liquidation. This will result in HMRC being the sole creditor which will simplify future decision making.

### **Dividends**

A dividend to HMRC is likely but the quantum of the dividend will be dependent resolution with HMRC in relation to what steps the liquidators should take to try to collect the loans and on the outcome of the direction hearing in respect of the 2015/16 bond contribution.

### **Liquidators' Remuneration and Disbursements**

The basis of our remuneration has not as yet been fixed and we have not drawn any remuneration. We are seeking a decision of the creditors to set the basis of our remuneration at the same time as distributing this report. The outcome of the decision will be reported in subsequent reports.

We have incurred but not drawn disbursements totalling £354.55 in respect of travel and postage. A summary of our disbursements is set out at Appendix C. We have sought approval of the creditors in respect of drawing category 2 disbursement as part of the decision procedure referred to above.

## **Compliance**

We have, during the period since our appointment, complied with the requirement to notify interested parties of our appointment and filed the necessary documents with both the Registrar of Companies and the London Gazette. We have also notified HMRC. In addition, we have attended to case maintenance including set-up, banking, record collection and periodic file reviews.

### **What remains to be done**

It remains for us to deal with the following

- Resolve with HMRC what steps, if any, we should take in relation to recovery of the loans to the former employees and undertake such work, if any, as is required in that regard.
- Resolve the status of the 2015/16 bond contributions and apply the funds appropriately.
- Submit tax returns for the period of the liquidation.
- Pay the costs of the liquidation.
- Declare and pay one or more dividends.
- Obtain our release and close the case.



## **Statutory Rights**

Rule 18.9 of the Insolvency Rules 2016 entitles 5% in value of the unsecured creditors or any unsecured creditor with the permission of the court to make a written request to the liquidators for further information about remuneration or expenses. In response to such a request the liquidators must respond within 14 days:-

- a) Providing all of the information requested;
- b) Providing some of the information requested; or
- c) Declining to provide the information requested.

The liquidators may provide only some of the information or decline the request if:

- a) The time or cost of preparing the information would be excessive;
- b) Disclosure of the information would be prejudicial to the conduct of the case;
- c) Disclosure might reasonably be expected to lead to violence against any person; or
- d) The liquidators are subject to an obligation of confidentiality in relation to the information.

If the liquidators do not provide all of the information or decline to provide any of the information they must inform the person or persons making the request of their reasons for so doing. A creditor, who need not be the same creditor(s) who requested the information may then apply to Court within 21 days of the following.

- a) The liquidators giving reasons for not providing all of the information requested; or
- b) The expiry of the 14 days in which the liquidators must respond.

The court may then make such order as it thinks just.

Rule 18.34 provides that an unsecured creditor with the concurrence of at least 10% of the total value of the unsecured creditors of the Company (or any unsecured creditor with the permission of the court) may apply to the court on the grounds that liquidators' remuneration or expenses are excessive or the basis fixed for the remuneration is inappropriate. Such application must be made no later than eight weeks after receipt by the applicant creditor(s) of this progress report.

## **Further assistance**

Should any member have any queries regarding this report, please do not hesitate to contact my colleague, Tom Russell, or me.



**Peter Whalley**  
**Joint Liquidator**

**9 April 2018**

**Appendix A**

**Joint Liquidators' Abstract of Receipts and Payments  
From 14 February 2017 to 13 February 2018**

Statement of Affairs 14-Feb-17 £		14 Feb 2017 to 13 Feb 2018		Total 13 Feb 2018 £
		Company £	Trust £	
	<b>RECEIPTS</b>			
408,000.00	Cash at Bank	29,429.30	374,950.31	404,379.61
1,608,000.00	Bond Contributions	-	1,608,200.31	1,608,200.31
		29,429.30	1,983,150.62	2,012,579.92
15,990,000.00	Employee Loans	-	-	-
-	Bank Interest Gross	26.05	1,989.35	2,015.40
<b>18,006,000.00</b>		<b>29,455.35</b>	<b>1,985,139.97</b>	<b>2,014,595.32</b>
	<b>PAYMENTS</b>			
	Specific Bond	1,120.00	-	1,120.00
	Web Portal	10.00	-	10.00
	Statutory Advertising	332.59	-	332.59
		<b>1,462.59</b>	<b>-</b>	<b>1,462.59</b>
	<b>Net Receipts/(Payments)</b>	<b>27,992.76</b>	<b>1,985,139.97</b>	<b>2,013,132.73</b>
	<b>MADE UP AS FOLLOWS</b>			
	Interest Bearing Current Account	27,990.76	1,985,139.97	2,013,130.73
	VAT Receivable / (Payable)	2.00	-	2.00
		<b>27,992.76</b>	<b>1,985,139.97</b>	<b>2,013,132.73</b>

## Appendix B

### Joint Liquidators' Statement of Remuneration and Expenses From 14 February 2017 to 13 February 2018

Account	Incurred In Period £	Accrued In Period £	Total In Period £
Liquidators' Disbursements	-	354.55	354.55
Legal Fees	-	24,400.00	24,400.00
Legal Disbursements	-	2,480.00	2,480.00
Statutory Bond	1,120.00	-	1,120.00
Statutory Advertising	332.59	-	332.59
Web Portal Fee	10.00	-	10.00
	1,462.59	27,234.55	28,697.14

**Note**

The basis of the joint liquidators remuneration is yet to be agreed

**Appendix C**

**Joint Liquidators' Summary of Disbursements  
From 14 February 2017 to 13 February 2018**

Transaction Date	Type and Purpose	£
17/03/2017	Travel - Taxi	18.00
17/03/2017	Travel - Train	137.60
27/01/2018	Postage	198.95
		<hr/> 354.55 <hr/>