

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 1 0 1 5 4 3 0 1

Company name in full Cornerstone Tax Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Richard

Surname Simms

3 Liquidator's address

Building name/number Alma Park, Woodway Lane

Street Claybrooke Parva

Post town Lutterworth

County/Region Leicestershire

Postcode L E 1 7 5 F B

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6 Period of progress report

| | | | | | | | | | |
|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--|
| From date | ^d 0 | ^d 8 | ^m 0 | ^m 2 | ^y 2 | ^y 0 | ^y 2 | ^y 1 | |
| To date | ^d 0 | ^d 7 | ^m 0 | ^m 2 | ^y 2 | ^y 0 | ^y 2 | ^y 2 | |

7 Progress report

| | |
|---|--|
| <input checked="" type="checkbox"/> The progress report is attached | |
|---|--|

8 Sign and date

| | | | | | | | | | |
|------------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--|
| Liquidator's signature | <div>Signature</div> <div>X <i>Richard Simms</i> X</div> | | | | | | | | |
| Signature date | ^d 0 | ^d 4 | ^m 0 | ^m 3 | ^y 2 | ^y 0 | ^y 2 | ^y 2 | |

**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 **Georgia Flower**

Company name **F A Simms & Partners Limited**

Address
**Alma Park, Woodway Lane
Claybrooke Parva**

Post town **Lutterworth**

County/Region **Leicestershire**

Postcode **L E 1 7 5 F B**

Country

DX

Telephone
01455 555 444

**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 or email 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

Cornerstone Tax Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

| Statement of Affairs £ | From 08/02/2021 To 07/02/2022 £ | From 08/02/2021 To 07/02/2022 £ |
|------------------------------|---------------------------------------|---------------------------------------|
| | | |
| | ASSET REALISATIONS | |
| | Bank Interest Gross | 3.03 |
| 65,046.75 | Book Debts | 23,996.00 |
| 11,000.00 | Business Equipment & Office furniture | 11,000.00 |
| 18,556.37 | Cash at Bank | 23,262.07 |
| | | 58,261.10 |
| | COST OF REALISATIONS | |
| | Agents/Valuers Fees (1) | 2,299.90 |
| | Insolvency Bond | 680.00 |
| | IT Charges | 55.00 |
| | Office Holders Fees | 20,000.00 |
| | Statutory Advertising | 145.66 |
| | | (23,180.56) |
| | SECONDARY PREFERENTIAL CREDITORS | |
| (4,184.10) | H M Revenue & Customs | NIL |
| | | NIL |
| | UNSECURED CREDITORS | |
| (5,000.00) | Directors | NIL |
| (22,271.00) | H M Revenue & Customs Application f | NIL |
| (63,000.00) | Trade & Expense Creditors | NIL |
| | | NIL |
| | DISTRIBUTIONS | |
| (2.00) | Ordinary Shareholders | NIL |
| | | NIL |
| 146.02 | | 35,080.54 |
| | REPRESENTED BY | |
| | Interest Bearing Current A/C | 36,644.42 |
| | Vat Payable | (6,200.00) |
| | Vat Receivable | 4,636.12 |
| | | 35,080.54 |

CORNERSTONE TAX LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)
LIQUIDATOR'S ANNUAL REPORT TO MEMBERS AND CREDITORS
FOR THE YEAR ENDING 07 FEBRUARY 2022

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- 2 Liquidator's actions since appointment**
- 3 Unrealised assets**
- 4 Investigation into the affairs of the Company**
- 5 Creditors and dividends**
- 6 Pre-appointment remuneration**
- 7 Liquidator's remuneration**
- 8 Liquidator's expenses**
- 9 Further information**
- 10 Conclusion**

APPENDICES

- 1 Liquidator's receipts and payments account**
- 2 Summary of liquidator's time costs**
- 3 F A Simms & Partners Limited fees and expenses information**

CORNERSTONE TAX LIMITED
(IN CREDITORS' VOLUNTARY LIQUIDATION)
LIQUIDATOR'S ANNUAL REPORT TO MEMBERS AND CREDITORS
FOR THE YEAR ENDING 07 FEBRUARY 2022

1 Statutory and general information

Company number: 10154301

Liquidator: Richard Frank Simms of F A Simms & Partners Limited, Alma Park, Woodway Lane, Claybrooke Parva, Lutterworth, Leicestershire, LE17 5FB.

Date of appointment: 8 February, 2021

Creditors wishing to contact the liquidator, should contact Georgia Flower on telephone number 01455 555 444 in the first instance.

2 Liquidator's actions since appointment

2.1 This report should be read in conjunction with my receipts and payments account which is attached as Appendix 1; please note that the figures are shown net of VAT.

2.2 You will see from my receipts and payments account, that the book debts have realised significantly less than the amount included in the estimated in the statement of affairs. Greater detail is provided below.

Asset

2.3 On 21 January 2021, a valuation of the Company assets was completed by independent agents, Eddisons Commercial Limited, an independent firm of valuers who have confirmed that they hold Professional Indemnity Insurance.

Sale to connected party/person

2.4 On 09 February 2021, a sale of the assets of the Company was completed to Cornerstone Tax 2020 Limited who is a Connected Company. Mr David Hannah is the common director of both companies.

2.5 The assets were sold for £11,000.00 plus VAT.

| Asset | Valuation basis & amount (£) | | Realised (£) | Asset category |
|--|------------------------------|---------------------------|--------------|----------------|
| | Market Value (In-Situ) | Market Value (Ex-Situ) | | |
| Business Equipment & Office Furniture | 11,250 | 6,410 | 11,000 | Floating |

Debtors

2.6 On 19 February 2021, a sale of the Company book debts was completed to Cornerstone Tax 2020 Limited who is a Connected Company.

- 2.7 The book debts were sold for £20,000.00 plus VAT.
- 2.8 The liquidator had reservations over some disputed balances and the age of the ledger with no guarantee of collection. The liquidator considered the offer and concluded it was beneficial for creditors as it gave immediate cash realisation, and certainty.
- 2.9 A further sum £3,996.00 was realised in relation to a sum due to the Company on one outstanding matter after my appointment.

Other matters

- 2.10 In addition to my responsibility to realise the Company's assets, I am required to comply with various legislative and best practice obligations and deadlines. These obligations include filing of documents with the Registrar of Companies, ensuring that all receipts and payments are promptly dealt with, and proper accounting records are maintained. In addition, I am required to undertake periodic case reviews to monitor progress, advise creditors of the liquidation and record all claims received. Furthermore, I am obliged to deal with any other day to day matters that may arise during the liquidation.

3 Investigation into the affairs of the Company

- 3.1 One of the responsibilities the liquidator's has is to review the Company's books and records together with any information provided by creditors to establish if there are any areas which may warrant further investigations. The purpose of these investigations is to establish whether there is the possibility of making further recoveries for the benefit of creditors.
- 3.2 After my initial review, I did not identify any matters which I believed required further investigation.
- 3.3 A further responsibility of the liquidator's is to report to the Secretary of State on any matters that come to his attention that could lead him to conclude that any past or present director may be unfit to be involved with managing the affairs of a company in the future. This report is confidential and it is a legal requirement that I do not disclose the content of this report.

4 Creditors and dividend prospects

Secured creditor

- 4.1 A search of Companies House revealed a Fixed and Floating Charge to Barclays Bank Plc. The charge related to a BACS platform that was never utilised. The charge still shows as outstanding and will be left to lapse in due course.

Preferential creditors - secondary

- 4.2 Claims in this category of preferential creditors, being claims from HM Revenue & Customs in respect of outstanding VAT, has been estimated in the order of £30,435.00. A distribution will become payable to this category of preferential creditors.

Floating charge creditor and the prescribed part

- 4.3 As mentioned above, there is a Fixed and Floating Charge to Barclays Bank Plc however this was never utilised therefore, the prescribed part provisions do not apply.

Unsecured creditors

- 4.4 I am in the process of reviewing and agreeing unsecured creditors' claims as I believe that there will be sufficient funds to pay a dividend.
- 4.5 The Company's statement of affairs indicated that unsecured creditors' claims would be in the order of £90,271.00, however this sum was notably understated, and the final number of claims is likely to be in the order of £681,500.00.

5 Pre-appointment remuneration

- 5.1 The fee for preparing the statement of affairs and arranging the deemed consent procedure for creditors to appoint a liquidator were paid by the Company prior to my appointment. The sum of £3,500.00 plus VAT has been paid.

6 Liquidator's remuneration

- 6.1 Changes to charge out rates during the period of this report are detailed in appendix 3.
- 6.2 My remuneration was previously approved by creditors on 9 March 2021 following the passing of a resolution at the creditors' decision procedure convened for the purpose of considering the liquidator's remuneration.
- 6.3 The liquidator's remuneration was approved on a fixed basis and is capped at £20,000.00 plus expenses and VAT, in accordance with the fee request circulated to creditors.
- 6.1 My total time costs to 07 February 2022 amount to £18,936.00, which represents 90 hours at an average charge out rate of £210.40.
- 6.2 Since the date of my appointment I have drawn fees amounting to £20,000.00. A schedule of my time costs incurred to date is attached as Appendix 2.
- 6.3 Owing to matters that have arisen, the approved remuneration will now be insufficient to cover all the costs of dealing with the winding-up.
- 6.4 This report provides details of those circumstances, together with explanations as to the likely further costs that will be incurred.
- 6.5 Attached at appendix 4 is an estimated outcome statement which covers the updated costs, the payments to be made and the distributions anticipated to be made to each class of creditor.
- 6.6 For the benefit of creditors, the Association of Business and Recovery Professionals publish 'A Creditors' Guide to Liquidators' Fees'. This document is available at the following website address, <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/>. A hard copy of this document can be obtained on request from our office.

7 Liquidator's expenses

- 7.1 Details of the expenses that I have paid are shown on the attached receipts and payments account. I wish to make creditors aware that the expenses have exceeded my initial estimate due to a higher Valuers Fees and Insolvency bond value.
- 7.2 Solicitors, Howes Percival LLP, have been instructed to assist with legal advice, representation and assistance to myself as liquidator of the Company. Legal fees of £7,000.00 have been incurred during this period.
- 7.3 No expenses have been incurred which have not yet been paid.
- 7.4 My choice of professionals was based on my knowledge of their experience and ability to perform the type of work required. I have reviewed the fees charged and as they are in line with original estimates, I am satisfied that they are reasonable in the circumstances of this case.

8 Increase to fee estimate

- 8.1 As you will see from the fee information provided above, my total time costs for the period are £18,936.00. You will see from the attachments, appendices 2 and 4, the increase in specific costs that I believe are to be incurred due to the material matters relating to the conduct of the winding-up. I have summarised below the specific areas of costs that I estimate will increase and the reasons for any

such increases.

Administration and Planning including Cashiering

- 8.2 You will note from appendix 2 that my costs incurred during the reporting period regarding this area of the administration of my appointment is £6,290.50.
- 8.3 The reason for the increase is due to the additional costs of planning and amendments to case strategy that have arisen.
- 8.4 In addition, I suspect this case will remain open to see another anniversary due to the Liquidators obligation to fully comply with HMRC, incurring additional time completing bank reconciliations, periodical case reviews and annual reports to creditors.

Realisation of assets

- 8.5 To date we have incurred costs of £984.00 in respect of asset realisations. I do not anticipate any further time being incurred in this area.

Creditors and Distributions

- 8.6 My costs to date of dealing with the claims of creditors are £1,769.00 however, further cost for this area of work, including completing a secondary preferential distribution, will increase.

Investigations

- 8.7 During this reporting period, the costs of carrying out my investigations and assisting HMRC with theirs total £9,793.50. Further costs will be incurred in this area of work as HMRC have an ongoing investigation into the affairs of the Company.

9 Further fee approval

- 9.1 Should recoveries be made in line with those indicated within this report, I anticipate that it will not be necessary to seek approval for a further increase to my fees estimate following this request.

10 Liquidation Committee

- 10.1 I also attach for your attention notice to creditors of invitation to decide whether a liquidation committee should be established. I appreciate that the creditors did not wish to form a committee at the time of the decision procedure to confirm the appointment of the liquidator, but as I am giving notice of a decision procedure, I am also obliged to issue this notice.

11 Decisions by Correspondence

- 11.1 As I am required to convene a creditors' decision procedure to consider the fee increase decisions, I enclose notice of decision by correspondence for your attention. Attached to this notice are the details of the decisions and I ask that you consider the decisions and return this document to me by the date stated on it, indicating your wishes next to each decision. Please note that unless you have already submitted details of your claim, please use the attached proof of debt form and return it to me with the decision form.

12 Further information

- 12.1 Within 21 days of receipt of a progress report a creditor may request that the liquidator provide further information about the fees and expenses set out in this report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors, or the permission of the court.
- 12.2 Any secured or unsecured creditor, if they consider that the liquidator's fees are excessive, or that the

basis of those fees is inappropriate or that the expenses incurred are excessive, may make an application to the court if at least 10% in value of the unsecured creditors agree. An application must be made within 8 weeks of receipt of this report.

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14 Conclusion

- 14.1 I am unable to close my files in this matter due to an ongoing investigation by HMRC into the Company affairs.

If I do not receive any voting instructions from creditors, it will be necessary for me to convene a meeting of creditors to consider the resolution. As this will incur additional costs, I do ask that you consider the resolution and return the voting instruction form indicating your wishes at your earliest convenience.

Should you have any queries regarding this matter please contact Georgia Flower on 01455 555 444.

Richard Simms

Richard Frank Simms

Liquidator

Cornerstone Tax Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

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| | Vat Payable | (6,200.00) |
| | Vat Receivable | 4,636.12 |
| | | 35,080.54 |

Time Entry - SIP9 Time & Cost Summary

11692 - Cornerstone Tax Limited
Project Code: POST
From: 08/02/2021 To: 07/02/2022

| Classification of Work Function | Partner | Manager | Other Senior Professionals | Assistants & Support Staff | Total Hours | Time Cost (£) | Average Hourly Rate (£) |
|---------------------------------|---------|---------|----------------------------|----------------------------|-------------|---------------|-------------------------|
| Administration & Planning | 0.00 | 25.00 | 0.00 | 7.80 | 32.80 | 6,290.50 | 191.78 |
| Case Specific Matters | 0.00 | 0.30 | 0.00 | 0.00 | 0.30 | 72.00 | 240.00 |
| Creditors | 1.00 | 6.60 | 0.00 | 0.00 | 7.60 | 1,796.00 | 236.32 |
| Investigations | 2.20 | 42.50 | 0.00 | 0.50 | 45.20 | 9,793.50 | 216.67 |
| Non Chargeable | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Realisation of Assets | 0.00 | 4.10 | 0.00 | 0.00 | 4.10 | 964.00 | 240.00 |
| Trading | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Hours | 3.20 | 78.50 | 0.00 | 8.30 | 90.00 | 18,936.00 | 210.40 |
| Total Fees Claimed | | | | | | 20,000.00 | |
| Total Disbursements Claimed | | | | | | 880.66 | |