



Our Ref DAI/IDM/HAD/LKM/F00778/7

To the creditors and members

Recovery and Reorganisation

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21 October 2015

Dear Sirs

**First Capital Wealth Limited - In Liquidation ("the Company")  
In the High Court of Justice, No. 8982 of 2013**

**1 Introduction**

1 1 Following my appointment as liquidator of the Company on 11 September 2014, in accordance with rule 4 49B of the Insolvency Rules 1986 I now report on the progress of the liquidation for the year ended 10 September 2015 and attach

- Appendix A, an account of my receipts and payments for the year ended 10 September 2015
- Appendix B, a statement of the remuneration charged by me in the period 11 September 2014 to 10 September 2015 and a statement of expenses incurred in the period
- Appendix C, an analysis of time costs as required by Statement of Insolvency Practice 9
- Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator (rule 4 49E)
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive (rule 4 131)

1 2 I am authorised by the Insolvency Practitioners Association to act as an insolvency practitioner

**2 Statutory information**

2 1 The Company's statutory details are as follows

Registered number 08293453

Registered office 4 Hardman Square, Spinningfields,  
Manchester, M3 3EB

**3 Progress report**

3 1 According to the Official Receiver's report to creditors dated 13 May 2014, the Company had no known assets with realisable value at the date of liquidation

**Chartered Accountants**

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- 3 2 Following an investigation into the affairs of the Company by the Financial Conduct Authority (FCA), a petition to wind up the Company was presented on 18 December 2013 on the grounds of carrying on regulated activities within the meaning of section 22(1) of the Financial Services and Markets Act 2000 while neither an authorised person nor an exempt person. A winding up order was subsequently made on 18 March 2014.
- 3 3 Following my appointment as liquidator I have been investigating the affairs of the Company and the events leading up to its insolvency. To date the Company's sole director has failed to provide me with any books and records or adequate accounting records. I have obtained and undertaken a detailed review of the documentation used to support the winding up petition presented by the FCA, as well as the Company's bank statements and information requested from creditors of the Company. I have also been liaising with the Official Receiver and the FCA in relation to their continuing investigations.
- 3 4 I have interviewed one individual regarding their involvement in the Company and I am attempting to trace the Company's former director to attend an interview regarding his involvement and role in the Company.
- 3 5 My investigations are on-going in respect of this matter and I hope to be in a position to update creditors further in due course.
- 3 6 To date no dividend payments have been made to the creditors and I am not currently in a position to make a distribution. The timing and quantum of future dividend distributions is dependent on my realisations in the liquidation.

#### **4 Liquidator's remuneration and expenses**

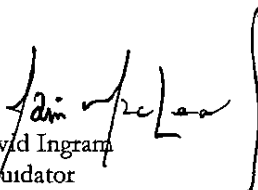
- 4 1 On 11 November 2014 the creditors resolved that I draw my remuneration by reference to my time costs with a 25% uplift. You will note from the SIP 9 table attached at Appendix C that my time costs to date are £38,983 and from the receipts and payments account attached at Appendix A, that I have not yet drawn any fees. Time costs of £38,983 incurred in the period but not drawn as remuneration to date are disclosed in Appendix B.
- 4 2 Time is charged in units of 6 minutes. Background information regarding the fees of liquidators can be found at  
  
[https://www.r3.org.uk/media/documents/publications/professional/Guide\\_to\\_Liquidators\\_Fees\\_Oct\\_2015.pdf](https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees_Oct_2015.pdf)
- 4 3 Alternatively I will supply this information by post on request.

4 4 The hourly charge out rates used in calculating time costs for the period are as follows

	£
Partners up to	615
Directors up to	515
Managers up to	470
Other senior professional up to	305
Administrators up to	230
Assistants and support staff up to	175

4 5 I have not yet drawn any expenses and have expenses to take in due course as set out in Appendix B

Yours faithfully  
for and on behalf of First Capital Wealth Limited

  
David Ingram  
Liquidator

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First Capital Wealth Limited - in liquidation  
 Receipts and payments account  
 from 11 September 2014 to 10 September 2015

	Statement of affairs	Total
	Per OR	
	£	£
<b>Receipts</b>		
		<u>0 00</u>
<b>Payments</b>		
O R Remuneration		1,070 00
ISA Account Fees		88 00
		<u>1,158 00</u>
<b>Balance - 10 September 2015</b>		<u><u>(1,158.00)</u></u>
<b>Made up as follows</b>		
ISA		(1,158 00)
		<u><u>(1,158 00)</u></u>

**B Remuneration charged and expenses incurred by the liquidator in the period**

	Charged/incurred in period 11/09/2014 to 10/09/2015	Of which paid to 10/09/2015
	£	£
<b>Liquidator's Fees</b>		
Time costs	38,983	Nil
<b>Expenses</b>		
Specific Bond	10 00	Nil
JLT		
Statutory Advertising	101 52	Nil
Courts Advertising		
Land Registry Fees	84 00	Nil
HM Land Registry		
Travel Costs	678 00	Nil
Subsistence	19 08	Nil
Miscellaneous	15 00	Nil

## C SIP 9 information

First Capital Wealth Limited- In Liquidation  
SIP9 Analysis to 10 September 2015

Appendix C

SIP 9 WIP ANALYSIS	Partner Hrs	Manager Hrs	Senior Professional Hrs	Admin / Support Hrs	Total Hrs	£	Average Hourly
Administration and Planning	0 20	6 00	2 60	24 10	32 90	6,645.25	£ 201.98
Investigations	7 25	13 90	10 25	112 30	143 70	30,545.75	£ 212.57
Realisation of Assets	0 00	0 00	0 00	0 40	0 40	71.00	£ 177.50
Creditors	0 00	0 00	1 20	8 10	9 30	1,721.00	£ 185.05
<b>Grand Total</b>	<b>7 45</b>	<b>19 90</b>	<b>14 05</b>	<b>144 90</b>	<b>186 30</b>	<b>38,983.00</b>	<b>£ 209.25</b>

Administration & Planning	Includes case planning statutory obligations (e.g. statutory returns), maintenance of cash and estate records, general correspondence, dealing with tax correspondence.
Investigations	Includes investigation into Company's affairs and assets that may have been held prior to Liquidation
Realisation of Assets	Includes, liaising with the Company's bankers
Creditors	Includes correspondence with unsecured creditors

**D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator**

Rule 4 49E edited for application to a progress report in a winding-up by the court

- (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
  - (b) with the permission of the court upon an application made within the period mentioned in paragraph (2), any unsecured creditor makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report, 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 a matter which was previously included in a progress report
- (2) The period referred to in paragraph (1)(a) is 21 days of receipt of the progress report
- (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) Any creditor, who need not be the same as the creditor who requested further 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
- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 4 131(1B) by such further period as the court thinks just
- (6) This Rule does not apply where the liquidator is the Official Receiver

**E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive**

Rule 4 131

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application by a creditor 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
- (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")
- (2) The court may, if it thinks that no 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
- (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) 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
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation