

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 0 2 3 5 1 1 7

Company name in full Compass Credit Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) Nicholas James

Surname Timpson

### 3 Liquidator's address

Building name/number 10

Street Fleet Place

Post town London

County/Region

Postcode E C 4 M 7 Q S

Country UK

### 4 Liquidator's name ①

Full forename(s) Stephen John

Surname Absolom

#### ① Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number 10

Street Fleet Place

Post town London

County/Region

Postcode E C 4 M 7 Q S


Country UK

#### ② Other liquidator

Use this section to tell us about  
another liquidator.

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<b>6</b>	<b>Period of progress report</b>															
From date	d	1	d	6	m	1	m	2	y	2	y	0	y	2	y	0
To date	d	1	d	5	m	1	m	2	y	2	y	0	y	2	y	1
<b>7</b>	<b>Progress report</b>															
<input checked="" type="checkbox"/> The progress report is attached																
<b>8</b>	<b>Sign and date</b>															
Liquidator's signature	<div>Signature</div> <div>  </div>															
Signature date	d	1	d	1	m	0	m	2	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 Rebecca Woolston

Company name Interpath Ltd

Address 130 St Vincent St

Post town Glasgow

County/Region

Postcode

G

2

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H

F

Country

UK

DX

Telephone +44(0)20 3989 2855

**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)**

**Compass Credit Limited - in Members' Voluntary Liquidation (the 'Company')**

**Joint Liquidators' annual progress report of the liquidation for the period from 16 December 2020 to 15 December 2021**

Name	Compass Credit Limited
Trading name / Former names	John Paget & Son Limited (until 31 December 1979) and Compass Paget Limited (until 1 July 1982)
Company number	00235117
Registered office prior to liquidation	C/O Welcome Finance Mere Way, Ruddington Fields Business Park Ruddington, Nottingham NG11 6NZ
Present registered office	10 Fleet Place, London EC4M 7QS
Joint Liquidators	Nick Timpson and Steve Absolom (Steve Absolom replaced Mark Orton as Joint Liquidator on 15 June 2021)
Joint Liquidators' address	Interpath Ltd, 10 Fleet Place, London EC4M 7QS
Date of appointment	16 December 2019
Appointed by	Members

## **Sale of KPMG's restructuring turnaround business**

On 4 May 2021, KPMG LLP sold its restructuring turnaround services business to Interpath Ltd ('Interpath'), a new company backed by HIG Capital.

## **Replacement of Liquidator**

On 15 June 2021, an order was made in the High Court appointing Steve Absolom as Joint Liquidator of the Company in place of Mark Orton, following his resignation. In accordance with the order, members were given notice of the replacement of Mark Orton as Joint Liquidator by advertisement in the London Gazette.

## **Receipts and payments**

<b>Declaration of solvency</b>	<b>Receipts and Payments</b>	From 16/12/20 To 15/12/21	From 16/12/19 To 15/12/21
£		£	£
	<b>ASSET REALISATIONS</b>		
96,068	Balance at bank	-	96,551
265,000	Trade debtors	14,849	267,482
	Funds received from Co-Guarantor Deed Administrators	-	60,000
	Bank interest, gross	33	203
		<b>14,882</b>	<b>424,236</b>
	<b>COST OF REALISATIONS</b>		
	Co-Guarantor Deed Administrators' costs (post-liquidation)	-	3,240
	Escrow agency fees	-	3,000
	Bank charges	75	75
		<b>(75)</b>	<b>(6,315)</b>
	<b>CREDITORS</b>		
	Co-Guarantor Deed Administrators' costs (pre-liquidation)	-	3,490
	Guaranteed Creditors – 'shrunk to fit' claims	329,484	329,484
	Guaranteed Creditors – statutory interest	39,591	39,591
	Guaranteed Creditors – returned payments (to be re-issued)	(225,521)	(225,521)
		<b>(143,554)</b>	<b>(147,044)</b>
	<b>DISTRIBUTIONS</b>		
	Ordinary shareholders	-	-
		-	-
<b>361,068</b>		<b>(128,747)</b>	<b>270,877</b>

## **Asset realisations**

The principal assets listed in the Declaration of Solvency (the '**Declaration**'), sworn by the directors prior to the commencement of the liquidation, were cash at bank of approximately £96,068 and trade debtors of £265,000.

Cash at bank totalling £96,551.03 and £250,000 of the trade debtor balance were received in the first year of the liquidation, as previously reported.

### *Trade debtors*

A final dividend of £14,848.92 was received from the liquidation of Cattles Limited during the period.

### *Bank interest*

Gross interest totalling £32.82 on the funds held in the liquidation estate bank account was received during the period. The bank account was subsequently made non-interest bearing.

## **Costs of realisations**

The costs of realisations are disclosed in the receipts and payments account above gross of VAT.

### *Bank charges*

Bank charges totalling £75 were incurred on certain of the distribution payments to Guaranteed Creditors made during the period.

## **Creditors**

A notice to creditors to prove their claims in the liquidation was advertised in the London Gazette on 30 December 2019. No creditors were forthcoming as a result of this advertisement.

As previously reported, the Company is part of the Cattles Group, which on 2 March 2011 announced that its group restructuring scheme had become effective (the '**Co-Guarantor Creditor Scheme**'). As part of the scheme, the Company signed a deed of compromise in relation to the guarantees given by the Company under several bank facility and note agreements (the '**Co-Guarantors Compromise Deed**'). Partners/directors of KPMG LLP (now Interpath) were appointed as Co-Guarantor Deed Administrators of the Company under the terms of the Co-Guarantors Compromise Deed.

The Co-Guarantor Deed Administrators' costs totalling £3,490.13 represented an unsecured claim in the liquidation and were settled in full following the expiry of the creditor claim deadline, as detailed in the Joint Liquidators' first annual progress

report. The Co-Guarantor Deed Administrators waived their right to statutory interest in respect of this claim.

Under the Co-Guarantor Creditor Scheme, the Company's obligations to the claims of the Co-Guarantor Deed creditors ('**Guaranteed Creditors**') are limited to an amount equal to its net assets. The claims of the Guaranteed Creditors are subordinated to the claims of other known creditors (the only other creditor claim was that of the Co-Guarantor Deed Administrators, detailed above).

Consequently, and to enable the Company's liquidation to remain a members' voluntary liquidation (solvent liquidation), the claims of the 33 Guaranteed Creditors totalling £1,303,667,817 were reduced (on a pro-rata basis) such that their total claims, together with the statutory interest of 8% per annum thereon, equate to the surplus cash in the Company's liquidation estate of £375,000. A balance of approximately £45,000 was retained to cover any post-liquidation corporation tax liability and the Joint Liquidators' remuneration and expenses (plus VAT) (see below).

Accordingly, on 3 September 2021, the Joint Liquidators declared a dividend of 100p in the £ plus statutory interest to the Guaranteed Creditors from the total funds to be distributed of £375,000. This constituted:

- £329,484 in respect of the 'shrunk to fit' claims;
- £39,591 of statutory interest; and
- £5,925 of withholding tax ('WHT') in respect of the statutory interest entitlement of 13 of the Guaranteed Creditors' claims. The Joint Liquidators are arranging payment of the WHT to HM Revenue & Customs ('**HMRC**'), on behalf of the relevant Guaranteed Creditors.

In the event, five of the payments to Guaranteed Creditors were returned to the liquidation estate bank account by the beneficiary. These returned payments totalled £225,521 (being £202,868 in 'shrunk to fit' claims and £22,653 in statutory interest) and are being re-processed for payment to the relevant Guaranteed Creditors.

## **Tax**

### *Corporation tax*

All pre-liquidation corporation tax matters were handled by Deloitte who prepared and submitted all outstanding returns up to the date of the commencement of the liquidation to HMRC. At the request of the Joint Liquidators, HMRC subsequently confirmed that the Company had no outstanding pre-liquidation corporation tax returns or liabilities.

The post-liquidation bank interest will be reported to HMRC and the tax liability of approximately £40 paid from the liquidation estate bank account accordingly. Post-liquidation corporation tax clearance will then be requested.

## **VAT/PAYE**

A similar assurance to that outlined above was originally sought from HMRC in respect of PAYE and VAT matters.

The Company was a member of a VAT group which was disbanded with effect from 16 December 2019. The liquidation of the representative member of the Company's VAT group has been concluded, with HMRC's claim in its liquidation settled in full. On this basis, the Joint Liquidators understand that there are no VAT matters outstanding for the Company or the other members of the VAT group.

The Company has never had any employees and was therefore never registered for PAYE.

## ***Withholding tax***

As noted above, withholding tax of £5,925 is due to HMRC in respect of the statutory interest paid to the Guaranteed Creditors. The Joint Liquidators are arranging payment (plus any interest due thereon) accordingly.

## **Distributions**

No distribution was made to shareholders in the period. There will be no surplus funds available to make a distribution to shareholders.

## **Joint Liquidators' remuneration and expenses**

A written resolution was passed on 16 December 2019 that the remuneration of the Joint Liquidators be fixed at their normal charging rates according to the time properly spent by them and members of their staff in attending to matters arising in the winding up of the Company.

During the period of this report, the Joint Liquidators' time costs amounted to 87.35 hours at a total cost of £37,225. Please contact Rebecca Woolston on 0203 989 2855, or by email to [Rebecca.Woolston@interpathadvisory.com](mailto:Rebecca.Woolston@interpathadvisory.com), if you would like a detailed schedule of the Joint Liquidators' costs per grade of staff and activity.

The Joint Liquidators will draw their fee for the liquidation in an amount (inclusive of VAT) equal to the funds remaining in the liquidation estate bank account once the payments to Guaranteed Creditors have been re-issued and any corporation tax liability for the post-liquidation period has been settled. The funds remaining are expected to be approximately £45,000 and the Joint Liquidators will write off the balance of the time costs incurred.



## Schedule of expenses for the period from 16 December 2020 to 15 December 2021


The Joint Liquidators' expenses for the period total £75, as detailed below:

	Paid (£)	Accrued (£)	Total (£)
Bank charges	75	-	75
	75	-	75

In accordance with Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016, members may request further information about the remuneration and expenses of the Joint Liquidators of the Company or apply to court to challenge the Joint Liquidators' remuneration and expenses on the grounds that they are excessive or that the basis fixed for remuneration is inappropriate.

## Closure

Once the distribution payments to the Guaranteed Creditors have been re-issued, the withholding tax paid and the post-liquidation corporation tax position agreed with HMRC, the Joint Liquidators will take steps to bring the liquidation to a conclusion.

Signed   
Nick Timpson  
Joint Liquidator

This progress report has been prepared by Nicholas James Timpson and Stephen John Absolom, the Joint Liquidators of the Company, solely to comply with their statutory duty under Rule 18.7 of the Insolvency (England and Wales) Rules 2016 to provide members with an update on the progress of the liquidation of the estate, and for no other purpose.

This report is not suitable to be relied upon by any other person, or for any other purpose, or in any other context including any investment decision in relation to any debt of or any financial interest in the Company. Any person that chooses to rely on this report for any purpose or in any context other than under Rule 18.7 of the Insolvency (England and Wales) Rules 2016 does so at their own risk. Any estimated outcomes for members included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for members.

Nicholas James Timpson and Stephen John Absolom are authorised to act as Insolvency Practitioners by the Institute of Chartered Accountants in England & Wales.

They are bound by the Insolvency Code of Ethics.

The appointments of the Joint Liquidators are personal to them and, to the fullest extent permitted by law, Interpath Ltd does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the liquidation.

As officeholders, the Joint Liquidators are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – [www.interpathadvisory.com/privacy-insolvency](http://www.interpathadvisory.com/privacy-insolvency).