

In accordance with  
Rule 18.7 of the  
Insolvency (England &  
Wales) Rules 2016 and  
Sections 92A, 104A and  
192 of the Insolvency  
Act 1986.

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

TUESDAY



\*A94F50LN\*

A14

05/05/2020

#234

COMPANIES HOUSE

### 1 Company details

Company number 0 3 6 0 7 3 5 7

Company name in full Weston Castle Limited

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

### 2 Liquidator's name

Full forename(s) Stuart

Surname Rathmell

### 3 Liquidator's address

Building name/number Egyptian Mill

Street Egyptian Street

Post town Bolton

County/Region

Postcode B L 1 2 H S

Country

### 4 Liquidator's name

Full forename(s)

Surname

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

### 5 Liquidator's address

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

<b>6</b>	<b>Period of progress report</b>																
From date	<sup>d</sup>	2	<sup>d</sup>	9	<sup>m</sup>	0	<sup>m</sup>	3	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	1	<sup>y</sup>	9	
To date	<sup>d</sup>	2	<sup>d</sup>	8	<sup>m</sup>	0	<sup>m</sup>	3	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	0	
<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>X</div> <div>X</div>																
Signature date	<sup>d</sup>	0	<sup>d</sup>	5	<sup>m</sup>	0	<sup>m</sup>	5	<sup>y</sup>	2	<sup>y</sup>	0	<sup>y</sup>	2	<sup>y</sup>	0	

LIQ03

Notice of progress report in voluntary winding up



**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 **Stuart Rathmell**

Company name **Stuart Rathmell Insolvency**

Address **Egyptian Mill**

**Egyptian Street**

Post town **Bolton**

County/Region

Postcode **B L 1 2 H S**

Country

DX

Telephone **01204 867615**



**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)

**Weston Castle Limited**  
**(In Liquidation)**  
**Liquidator's Summary of Receipts & Payments**

Statement of Affairs £	From 29/03/2019 To 28/03/2020 £	From 29/03/2018 To 28/03/2020 £
ASSET REALISATIONS		
Bank Interest Net of Tax	7.59	7.95
Furniture & Equipment	27,000.00	37,000.00
Other Refunds	1,070.00	1,070.00
	<u>28,077.59</u>	<u>38,077.95</u>
COST OF REALISATIONS		
Office Holders Fees	22,050.00	22,550.00
Preparation of S. of A.	NIL	8,000.00
Professional Fees	1,227.60	1,227.60
	<u>(23,277.60)</u>	<u>(31,777.60)</u>
	<u>4,799.99</u>	<u>6,300.35</u>
REPRESENTED BY		
Bank 1 Current		6,300.35
		<u>6,300.35</u>

Note:



Stuart Rathmell  
Liquidator

# STUART RATHMELL INSOLVENCY

## TO ALL MEMBERS AND CREDITORS

5 May 2020

Dear Sirs

### **WESTON CASTLE LIMITED LIQUIDATOR'S PROGRESS REPORT TO CREDITORS**

**29 MARCH 2019 TO 28 MARCH 2020**

#### **1 INTRODUCTION**

- 1.1 I refer to my appointment as Liquidator in this matter on the 29 March 2018 by the resolutions of members and creditors. I am now able to issue my second progress report.
- 1.2 I have provided previous reports to creditors, before and immediately subsequent to liquidation and I do not propose to cover the information again. The information provided in those reports was
- Full history of the business
  - Statement of affairs
  - Full asset details
  - Work done by Insolvency Practitioner leading up to creditors meeting
- 1.3 I am an Insolvency Practitioner, licensed and regulated by the Insolvency Practitioners' Association of Valiant House, 4-10 Heneage Lane, London EC3A 5DQ. I am bound by the insolvency Code of Ethics, information about which can be found as follows:  
**<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>**
- 1.4 Prior to this assignment, I and my firm / associates have had no involvement with the company and its directors or shareholders. I identified no threats to compliance with the fundamental principles of the Insolvency Code of Ethics, and the safeguards applied to mitigate those threats.
- 1.5 I carry professional indemnity insurance held with Marsh Omega and it provides worldwide coverage excluding the USA and Canada.
- 1.6 I have a complaints procedure, a copy of which is available on request, and any complaints should be addressed to me at this office. Complaints can also be made via the Complaints Gateway as follows:
- Calling the Insolvency Service Enquiry Line on 0300 678 0015 (Monday to Friday 9am to 5pm),
  - Completing and emailing the online complaints form on the Insolvency Service website **<https://www.gov.uk/complain-about-insolvency-practitioner>**
  - Completing the online complaints form and posting it to: IP Complaints, Insolvency Service, 3rd Floor, 1 City Walk, Leeds, LS11 9DA.

Stuart Rathmell is Licensed as an Insolvency Practitioner by The Insolvency Practitioners' Association  
Egyptian Mill, Egyptian Street, BL1 2HS  
(t) 01204 867615 (f) 01204 441287 (e) [stuart\\_rathmell@hotmail.co.uk](mailto:stuart_rathmell@hotmail.co.uk)

- 1.7 The centre of main interest of the Company is the United Kingdom. Therefore, the EC regulations on Insolvency Proceedings 2000 apply to the liquidation. The proceedings are main proceedings as defined by Article 3 of those regulations.
- 1.8 This report includes information required to be provided to creditors pursuant the Insolvency (England and Wales) Rules 2016 (as amended) ("the Rules") and the Act, in relation to the Company and is the progress report into the liquidation for the period 29 March 2019 to 28 March 2020 ("the Period").
- 1.9 No creditors committee has been formed in the liquidation.
- 1.10 **Creditors' right to challenge remuneration and/or expenses** - Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), challenging the amount or the basis of the remuneration which the Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred. Such applications must be made within eight weeks of receipt by the applicant(s) of the report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34 of the Rules.
- 1.11 **Creditors' right to request information** - Any secured creditor or unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with leave of the Court, may, in writing, request the Administrators to provide additional information regarding remuneration or expenses to that already supplied with this document. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.
- 1.13 I enclose further information in relation to creditors' rights at Appendix 4.

## **2 BACKGROUND TO THE LIQUIDATION**

- 1.1. The Company operated "wet-led" public houses in Northern England and was formed in 1998 after acquiring 8 underperforming public houses from Honeycombe Leisure by a previous Shareholder and Director.
- 1.2. During the early part of Weston's life the mission of the company was to acquire run down houses, carry out a refurbishment programme then seek to acquire a buyer for a parcel of the newly refurbished houses. Running of the outlets other than on a short-term basis was not core business. Funding for the business model was provided by National Westminster Bank.
- 1.3. The above was a successful strategy until the financial crisis of 2008. The fall in property prices and the lack of availability of finance made this a very difficult period.
- 1.4. The company looked to dispose of the entire estate again and discussions with potential purchasers had taken place. Unfortunately, no deal could be done as Weston owed the bank circa £5m and the funding model required did not fit lenders' criteria. The directors readjusted the mission and began to operate the houses as wet led community pubs with an Operations manager in situ.
- 1.5. As it was apparent during this time that no funds could be raised and selling of the properties was not going to happen, so in 2010 two previous Directors entered a deferred purchase arrangement with another pub company in order to grow the estate. This arrangement was to acquire 6 properties for £1.2m within a 3-year time period,
-

but Weston could operate them on a leasehold basis until such time they could raise the funds and acquire the assets.

- 1.6. This ultimately did not occur, as finance houses were still reluctant to lend money. Weston asked for an extension of the arrangement for a further 3 years, this was granted. In March 2016, the £1.2m was due to the pub company, again this did not materialise, and an open-ended extension was negotiated, however the pub company doubled the rents in order for this to be passed, depressing both cashflow and profits.
  - 1.7. The company then entered a further deferred arrangement with another pub company, again the deal was similar, a 3-year arrangement, 6 houses for £1.2m. Weston would operate the houses under a leased arrangement until such time finance could be raised to acquire the assets. As with the first arrangement finance was limited and the deal was not concluded in March 2016. Weston managed to obtain a 6-month extension and again failed to make the payment, this resulted in a penalty of £115k so legal action would not take place.
  - 1.8. During the last 5 years, Weston managed to sell 3 of the freehold properties to repay some of the bank debt, leaving an outstanding balance of £4.6m to Nat West. In 2012, the loan was renewed however it became clear at the end of the financial year of 2013 the company forecasted a breach in their covenant and the company bank relationship was moved into the Global Restructuring Group team. Grant Thornton were asked to monitor and report on the company for the Bank. Discussions were conducted to try to refinance the debt with the same bank, however due to the collapse of the banks it became clear that the bank did not want to support Weston, feeling that it did not fit in with their lending portfolio. Property valuations had to be carried out twice within 12 months resulting in a huge shortfall between what the company owed the bank and the valuations.
  - 1.9. The Bank requested that the directors appointed an accountancy firm to assist with the raising of finance and an intermediary to negotiate a settlement figure with the bank. Besides this being extremely expensive (circa £300k) it has been time consuming for the Director involved, who was managing the day-to-day operations and raising finance. This resulted in a downturn of profits and cash generation. During late 2016, arrears began to accumulate to HMRC as the company came under increasing cashflow pressure. The directors decided that a restructuring was needed and approached their Bank.
  - 1.10. Following protracted discussions, the Bank agreed to sell the properties charged to them under their debenture. The properties were acquired by a new company (Leo Taverns Limited) at a value of £1,200,000. This was provided entirely by group-founded capital. This resulted in the Bank writing off some £3,000,000. As a result of the arrangement, the Bank closed the company's overdraft facility which it had used to meet exceptional cashflow demands such as VAT quarterly payments.
  - 1.11. Because of the above, a further tax liability on the debt-forgiveness, of £600,000 crystallized. The total debt to HMRC now stood at some £1,500,000. Although capital losses could be set against this, it was a far larger debt than the company could deal with informally.
  - 1.12. The company was unable to complete the deferred purchase deals on the properties owned by Thwaites plc. As these were required to generate cashflow for a restructuring
-

and repayment plan, the directors commenced discussions with Thwaites. Following discussions, Thwaites agreed to continue to lease the properties to the Group

- 1.13. The company was also unable to complete the purchase options on the Admiral leases or to pay a fee to extend the option period. Again, these were required to generate cashflow to fund repayment. Following discussions, Admiral agreed to allow the company to continue to trade the outlets on ongoing lease terms.
- 1.14. Two directors have now left the company; a further 6 outlets owned by Star Inns were acquired by one of the directors. These had expired leases and were not profitable for the company.
- 1.15. On 8 March 2017 the company entered into a CVA, the company initially traded successfully enough during this period to make contributions to the arrangement. However, the company was restricted in suppliers as a result of its credit status. Supplies were arranged through a new trading company and personal guarantees were required.
- 1.16. As a result of the CVA, the company had higher operating costs and struggled to meet property rental costs. A decision was made to liquidate.

### **3 ADMINISTRATION AND PLANNING**

#### **Statutory information**

- 3.1 Statutory information pertaining to the Company as required by the Rules is set out in Appendix 1.
- 3.2 The Liquidators is required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to high professional standards. A detailed list of these tasks may be found in Appendix 3.

#### **Reporting**

- 3.3 The Liquidator has met their statutory and regulatory duties to report to creditors, as listed below. In consideration of the need for transparency and engagement with creditors, care has been taken to ensure that reports and other communications with creditors have provided useful details of the strategies pursued and the outcomes anticipated.
- 3.4 During the review period, the following key documents have been issued:
  - Post appointment report
  - This progress report;

#### **Other administration tasks**

- 3.5 During the review period, the following material tasks in this category were carried out:
  - Case reviews, etc.
  - Review of books and records and confidential disposal of non-financial material

#### **Receipts & Payments**

- 3.6 Attached at Appendix 2 are the receipts and payments accounts of the Company for the Period.



#### 4 REALISATION OF ASSETS

##### Fixtures

- 4.1 The assets of the business had been transferred to Toasties Taverns Limited.
- 4.2 The liquidator had the assets valued and an agreement to pay £60,000 was made at the rate of £3,000 per month.
- 4.3 A rates refund of £1,070 was received

#### 5 STATUTORY INVESTIGATION

- 5.1 No issues have arisen during the period which have led to any action being taken. Various issues are still under consideration.

#### 6 LIQUIDATOR'S FEES & COSTS OF LIQUIDATION

##### Statement of Affairs Fee

- 6.1 Agreed and paid at £8,000.
- 6.2 The liquidator's remuneration was fixed at the meeting of creditors appointing the liquidator. The basis was the time properly spent by the liquidator and his staff in attending to matters arising. The following estimate was provided

	Office holder		Support		Total		Average rate
	Hours	Cost	Hours	Cost	Hours	Cost	
Administration	28.00	11,200.00	14.00	2,450.00	42.00	13,650.00	325.00
Creditor communication	21.00	8,400.00	7.00	1,225.00	28.00	9,625.00	343.75
Investigation	22.00	8,800.00	13.00	2,275.00	35.00	11,075.00	316.43
Realisation of assets	31.00	12,400.00	11.00	1,925.00	42.00	14,325.00	341.07
	102.00	40,800.00	45.00	7,875.00	147.00	48,675.00	331.12

- 6.3 Liquidator's time costs to date are as follows.

	Office holder		Support		Total		Average rate
	Hours	Cost	Hours	Cost	Hours	Cost	
Administration	11.24	4,496.00	9.00	1,575.00	20.24	6,071.00	299.95
Creditor communication	13.00	5,200.00	11.00	1,925.00	24.00	7,125.00	296.88
Investigation	8.00	3,200.00	7.00	1,365.00	15.00	4,565.00	304.33
Realisation of assets	15.20	6,080.00	11.00	1,925.00	26.20	8,005.00	305.53
	47.44	18,976.00	38.00	6,790.00	85.44	25,766.00	301.57

**Professional advisors**

- 6.4 On this assignment, the liquidator has used the following professional advisors during the period

Name	Nature of advice	Basis of fee	Paid
Ford & Warren	Legal advice	Timecosts	£1,227 o/s £5,000
Walker Singleton	Valuation/ advice	Costs & commission	

- 6.5 The liquidator's choice of professional advisors was based upon his perception of the advisors' experience and ability to perform the type of work; the complexity and nature of the assignment and the basis of the fee arrangement with them.

**Other payments**

- 6.6 Other disbursements were met from the liquidator's office account and were in accordance with the agreed rates.

**7 OUTCOME FOR CREDITORS****Secured creditors**

- 7.1 None

**Prescribed Part**

- 7.2 The prescribed part only applies where the company has granted a floating charge to a creditor after 15 September 2003. Where a floating charge over the company's assets has been given a prescribed amount of the company's net property after paying the preferential creditors must be made available to the unsecured creditors and the basis of this calculation is detailed below:-

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property up to a maximum of £600,000.

This did not apply

**Preferential creditors**

- 7.3 Under the Act the main classes of preferential creditor are employees in respect of certain claims in relation to arrears of wages, holiday and pensions contributions. There were no employees at the date of liquidation
- 7.4 The Liquidator does not believe funds will become available for a distribution to be made to preferential creditors.

**Unsecured creditors**

- 7.5 Unsecured creditors rank behind both secured and preferential creditors.
- 7.6 Under Section 176A of the Act where after 15 September 2003 the Company has granted a creditor a floating charge, as is the case for the Company, a proportion of the net property of the company achieved from floating charge asset realisations must be made available for the unsecured creditors ("the Prescribed Part").

7.7 No claims have yet been agreed.

7.8 No funds will become available for a distribution to be made to unsecured creditors.

## **8 REMAINING WORK**

8.1 Finalisation of the realisations and investigations.

8.2 Collection of sales proceeds

8.3 Closure will be on within 20 months.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact me by email at [stuart.rathmell.insolvency@outlook.com](mailto:stuart.rathmell.insolvency@outlook.com), or by telephone on 01204 867615, before my release.

Yours faithfully

A handwritten signature in black ink, consisting of a stylized 'S' followed by a series of loops and a final upward stroke.

Stuart Rathmell  
Liquidator  
5 May 2020

## APPENDIX 1

### WESTON CASTLE LIMITED

#### STATUTORY INFORMATION

<b>Appointment as liquidator</b>	29 March 2018
<b>Appointed by</b>	Members & creditors
<b>Company number:</b>	<b>03607357</b>
<b>Date of Incorporation;</b>	The Company was incorporated 30 July 1998.
<b>Registered Office:</b>	The registered office is 17 Victoria Road East, Thornton Cleveleys, Lancashire, FY5 5HT
<b>Share Capital:</b>	The Company's authorised share capital is 850,000 shares of £1 per share held as follows:.

<b>Name</b>	<b>Class</b>	<b>Number</b>
Lesley Humphrys	£1	850,000
<b>Directors:</b>	<b>Appt date</b>	<b>Resign date</b>
Stephie Brice	18.09.17	to date
Lesley Humphrys	21.08.13	15.01.18
Christopher Tulloch	21.08.13	12.01.17
Kenneth Turner	24.11.99	13.12.16

**Weston Castle Limited  
(In Liquidation)**

**Income and Expenditure Account  
29 March 2018 to 28 March 2020**

<b>INCOME</b>	<b>Total (£)</b>
Furniture & Equipment	37,000.00
Other Refunds	1,070.00
Bank Interest Net of Tax	7.95
	<hr/>
	<b>38,077.95</b>
	<hr/>
<b>EXPENDITURE</b>	
Professional Fees	1,227.60
Preparation of S. of A.	8,000.00
Office Holders Fees	22,550.00
	<hr/>
	<b>31,777.60</b>
	<hr/>
<b>Balance</b>	<b>6,300.35</b>
	<hr/>
<b>MADE UP AS FOLLOWS</b>	
Bank 1 Current	6,300.35
	<hr/>
	<b>6,300.35</b>
	<hr/>

**APPENDIX 3**

**RE: WESTON CASTLE LIMITED- IN LIQUIDATION**

**DETAILED LIST OF WORK UNDERTAKEN**

<b>General Description</b>	<b>Includes</b>
<b>Statutory and General Administration</b>	
Statutory/advertising	Filing of documents to meet statutory requirements including annual receipts and payments accounts Advertising in accordance with statutory requirements Bonding the case for the value of the assets
Document maintenance/file review/checklist	Filing of documents Periodic file reviews documenting strategy
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Maintenance of the estate cash book
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Pension scheme	Identifying whether there is a pension scheme Submitting the relevant notices if a pension scheme is identified Instructing agents to wind up any pension scheme Liaising and providing information to be able to finalise winding up the pension scheme
Reports	Circulating initial report to creditors Preparing annual progress report Preparing closing report
Creditors' decisions	Preparation of decision procedure notices, proxies/voting forms and advertisements Notice of decision procedure to all known creditors Collate and examine proofs and proxies/votes to conclude decisions Preparation of meeting file, including agenda, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting Responding to queries and questions following decisions
<b>Investigations</b>	
SIP 2 Review	Correspondence to request information on the company's dealings, making further enquiries of third parties Preparation of deficiency statement Review of specific transactions Liaising with the creditors about further action to be taken
Statutory reporting on conduct of directors	Preparing statutory investigation reports Liaising with Insolvency Service Submission of report with the Insolvency Service Preparation and submission of supplementary information if required Assisting the Insolvency Service with its investigations
<b>Realisation of Assets</b>	
Fixtures	COLLECTING DEBTORS

General Description	Includes
	Instructing agents FORMULATING SALE STRATEGY Discussion of conduct of sale
<b>Creditors and Distributions</b>	
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post

**Current Charge-out Rates for the firm**

1. Support staff charge their time to each case.
2. Support staff include cashier, secretarial and administration support.
3. The minimum unit of time recorded is 6 minutes.

Staff	Charge out rates £
Insolvency Practitioners	400
Support	200-250