

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	0	4	8	6	9	3	7	3
Company name in full	Castle Finance Direct Limited							

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

2 Liquidator's name

Full forename(s)	Gareth
Surname	Prince

3 Liquidator's address

Building name/number	8th Floor
Street	One Temple Row
Post town	Birmingham
County/Region	
Postcode	B 2 5 L G
Country	

4 Liquidator's name ①

Full forename(s)	Mark
Surname	Malone

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

5 Liquidator's address ②

Building name/number	8th Floor
Street	One Temple Row
Post town	Birmingham
County/Region	
Postcode	B 2 5 L G
Country	


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

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6	Period of progress report											
From date	^d 1	^d 8	^m 0	^m 7	^y 2	^y 0	^y 2	^y 2				
To date	^d 1	^d 7	^m 0	^m 7	^y 2	^y 0	^y 2	^y 3				

7	Progress report											
<input checked="" type="checkbox"/> The progress report is attached												

8	Sign and date											
Liquidator's signature	Signature 								X			
Signature date	^d 0	^d 4	^m 0	^m 9	^y 2	^y 0	^y 2	^y 3				

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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 Sukh Somal

Company name Begbies Traynor (Central) LLP

Address 8th Floor

One Temple Row

Post town Birmingham

County/Region

Postcode B 2 5 L G

Country

DX

Telephone 0121 200 8150



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

Castle Finance Direct Limited (In **Creditors' Voluntary Liquidation**)

Progress report

Period: 18 July 2022 to 17 July 2023

Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors and members for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Castle Finance Direct Limited (In Creditors' Voluntary Liquidation)
"the liquidation"	The appointment of liquidators on 18 July 2022
"the liquidators", "we", "our" and "us"	Gareth Prince of Begbies Traynor (Central) LLP, 8th Floor, One Temple Row, Birmingham, B2 5LG and Mark Malone of Begbies Traynor (Central) LLP, 8th Floor, One Temple Row, Birmingham, B2 5LG
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name(s):	N/A
Company registered number:	04869373
Company registered office:	8th Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG
Former trading address:	Office 261, 51 Pinfold Street, Birmingham, B2 4AY

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date winding up commenced:	18 July 2022
Date of liquidators' appointment:	18 July 2022
Changes in liquidator (if any):	None

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 18 July 2022 to 17 July 2023 ("the Period").

There have been no receipts or payments during the period. As noted below, Begbies Traynor's costs of assisting with the preparation of the statement of affairs and convening the necessary decisions of creditors prior to appointment are to be met by the director personally. These costs have been partly paid but the payment was made in error to the liquidation bank account and it was therefore subsequently transferred to Begbies Traynor. This is not reflected in the attached receipt and payments account as it did not form part of the liquidation estate.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the SIP 9 analysis which is attached at Appendix 2.

The details below relate to the work undertaken in the Period of this report only.

General case administration and planning

General case administration incorporates different categories such as cashiering, general case administration (filing, creditor correspondence) and dealing with sundry issues as and when they arise. This time cost also comprises maintenance of case files, undertaking case reviews incorporating compliance checks and dealing with general theories. These items are not necessarily financially beneficial to any class of creditor but are requirements of the statutory regulators and the Insolvency Act and Rules.

Compliance with the Insolvency Act, Rules and best practice

Other work undertaken during the Period includes complying with our statutory obligations and best practice guidance. These include filing the appointment notifications and other statutory documentation at Companies House and with the Financial Conduct Authority together with ensuring there is sufficient bond insurance in place and undertaking regular reviews. These items are not necessarily financially beneficial to any class of creditor but are requirements of the Statutory Regulations and the Insolvency Act and Rules.

Investigations

Part of my duties include carrying out proportionate investigations into what assets the Company has, including any potential recoveries against the Director or other parties, and what recoveries could be made. I have requested the Company's books and records and accounting information and invited creditors to provide information on any concerns they have regarding the way in which the Company's business has been conducted.

I can confirm that no further investigations or actions were required.

Dealing with all creditors' claims (including employees), correspondence and distributions

We have continued to liaise with the creditors when required throughout the insolvency process. We have dealt with all creditor correspondence as and when we have received it.

Other matters which include seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedures, tax, litigation, pensions and travel

We have continued to liaise with HM Revenue and Customs ("HMRC") regarding the submission of tax returns as and when applicable. There has been no financial benefit to this work which this is a statutory requirement of the liquidation.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals. Based on the information currently available, I set out the latest anticipated outcome for creditors:

Secured creditors

There are no known secured creditors.

Preferential creditors

Preferential claims of employees for arrears of wages and holiday pay were estimated at £6,386.

We consider that there will be insufficient funds for a dividend to be paid to preferential creditors.

Secondary preferential creditors

Further to the changes to the Finance Act 2020, HMRC are now able to claim secondary preferential status for certain liabilities. Taxes owed by the business to HMRC comprising of VAT, PAYE Income Tax, Employee National Insurance Contributions, Student loan deductions and Construction Industry Scheme deductions fall under the secondary preferential status.

The secondary preferential claim of HMRC is nil as no claim has been received to date.

Unsecured creditors

Unsecured creditors were estimated at £302,654.

Based upon realisations to date and estimated future realisations it is anticipated that there will be insufficient funds available to enable a dividend to be paid to unsecured creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the liquidator must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. Net property means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets).

There are no unsatisfied floating charges created or registered on or after 15 September 2003 and, consequently, there is no net property as defined in Section 176A(6) of the Act and, therefore, no prescribed part of net property is available for distribution to the unsecured creditors.

6. REMUNERATION AND EXPENSES

Remuneration

Creditors will recall that we have not yet sought post appointment fee approval on this matter as there have been no recoveries in to the estate to cover such costs. For information purposes only, our time costs incurred are as follows:

Our time costs for the period from 18 July 2022 to 17 July 2023 amount to £11,970 which represents 45.4 hours at an average rate of £264 per hour. The following further information in relation to our time costs and expenses is set out at Appendix 2:

- ❑ Begbies Traynor (Central) LLP's charging policy; and
- ❑ Time Costs Analysis for the Period 18 July 2022 to 17 July 2023

For the avoidance of doubt, we have not drawn any fees against the total time costs incurred since the date of our appointment.

Time Costs Analysis

The time costs analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type.

Please note that the analysis provides details of the work undertaken by us and our staff following our appointment only.

Work undertaken prior to appointment

In addition to the post appointment time costs detailed above, the costs relating to the work undertaken prior to our appointment in assisting with the preparation of the statement of affairs and seeking the decisions of creditors on the nomination of liquidators are to be met by the director personally under the terms of our initial engagement letter.

Expenses

We have not drawn any expenses during the Period.

Why have subcontractors been used?

To date, we have not used any subcontractors.

Category 2 Expenses

In accordance with the resolution obtained in relation to expenses, the following Category 2 expenses have been charged to the case since the date of our appointment. To date, we have not incurred any category 2 expenses.

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

7. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the Period is attached at Appendix 3.

8. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

General case administration incorporates different categories such as cashiering, general case administration (file setup, filing, creditor correspondence) and dealing with sundry issues as and when they arise. Whilst not of direct financial benefit to creditors these activities are required to maintain records and ensure the correct administration of the case.

Compliance with the Insolvency Act, Rules and best practice

It will be necessary to prepare additional progress reports and ensure all other matters in relation to statutory compliance are dealt with. Whilst not of direct financial benefit to creditors, these activities are necessary in accordance with Insolvency legislation.

Investigations

No further investigations are required.

Realisation of assets

There are no further assets to realise in this matter.

The Company's books and records indicated that there was a loan due from an associated company valued at £52,850. The loan was due from Excite Fashions Limited ("the Associated Company"). As per the Statement of Affairs, the Director indicated that the estimated to realise value was nil. Following a review of the most recent accounts, the Associated Company has minimal assets and is balance sheet insolvent. Therefore, no realisations will be made from this source.

Dealing with all creditors' claims (including employees), correspondence and distributions

We will continue to liaise with all classes of creditors on this case and deal with correspondence and queries as they arise.

Other matters which include seeking decisions from creditors (via Deemed Consent Procedure and/or Decision Procedure, tax, litigation, pensions and travel)

We will continue to submit returns to HMRC as and when required.

How much will this further work cost?

The 'further work' detailed above has always been anticipated, but at this point in the proceedings, it has not yet been completed. As you know, this work is necessary in order that I may complete the administration as envisaged. The cost of completing this work will not exceed any amounts approved by creditors previously.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the Statement of Affairs. Expenses that we anticipate that we will incur throughout the liquidation provided in Appendix 3.

What is the anticipated payment for administering the case in full?

Due to the fact that there are limited assets, the remuneration that we can draw is limited to the amount that is realised for the assets, (less any costs incurred in realising those assets). It is highly unlikely that our post-appointment costs will be paid.

9. OTHER RELEVANT INFORMATION

Connected party transactions

We are not aware of any sales of the Company's assets to any connected parties.

Use of personal information

Please note that in the course of discharging our statutory duties as liquidators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

10. CREDITORS' RIGHTS

Right to request further information

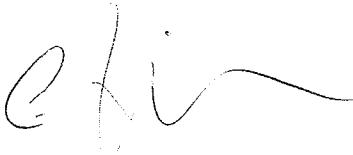
Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been incurred during the Period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the Period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

11. CONCLUSION

We will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner.

A handwritten signature in black ink, appearing to read 'G Prince', with a long horizontal flourish extending to the right.

Gareth Prince
Joint Liquidator

Dated: 4 September 2023

LIQUIDATORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 18 July 2022 to 17 July 2023

Castle Finance Direct Limited (In Liquidation) Joint Liquidators' Summary of Receipts & Payments To 17/07/2023

S of A £		£	£
	ASSET REALISATIONS		
NIL	Loans to Associates	NIL	NIL
	PREFERENTIAL CREDITORS		
(6,835.80)	Employees re Arrears/Hol Pay	NIL	NIL
	UNSECURED CREDITORS		
(102,100.00)	Trade Creditors	NIL	
(44,588.34)	Employees	NIL	
(155,966.00)	Directors	NIL	NIL
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
(309,492.14)			NIL
	REPRESENTED BY		NIL

Note:

LIQUIDATORS' TIME COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 18 July 2022 to 17 July 2023.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This policy applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. Within our fee estimate creditors can see how we propose to be remunerated.

In addition, this policy applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance* indicates that such charges should be disclosed to those who are responsible for approving the basis of the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of their staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded in 6 minute units at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- ☐ Category 1 expenses (approval not required) - Specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ☐ Category 2 expenses (approval required) - Items of expenditure that are directly related to the case and either:
 - (i) include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party; or
 - (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

General Office Overheads.

The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 expense:

- ☐ Telephone and facsimile
- ☐ Printing and photocopying
- ☐ Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Birmingham office as at the date of this report are as follows:

Grade of staff	Charge-out rate range (£ per hour) 10 th July 2023 until further notice
Appointment taker/partner	560-640
Managers/directors	415-540
Other professional	215-300
Junior professional/support	170

Prior to 10th July 2023, the following rates applied:

Grade of staff	Charge-out rate (£ per hour)
Partner	545
Director	490
Senior Manager	435
Manager	380
Assistant Manager	275
Senior Administrator	240
Administrator	195
Junior Administrator	155
Cashier	155
Secretarial	155

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

As detailed above, time is recorded in 6 minute units.

SIP9 Castle Finance Direct Limited - Creditors Voluntary Liquidation - 60CA02F.CVL : Time Costs Analysis From 18/07/2022 To 17/07/2023

Staff Grade		Consultant/Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning			0.3				0.4			0.7	208.50	297.85
	Administration	1.2		4.0				16.4	0.6	1.7	23.9	5,948.50	248.89
	Total for General Case Administration and Planning:	1.2		4.3				16.8	0.6	1.7	24.6	6,157.00	250.28
Compliance with the Insolvency Act, Rules and best practice	Appointment	0.7		1.2				0.9			2.8	1,079.00	385.35
	Banking and Bonding			0.4				0.2		1.0	1.6	368.00	230.00
	Case Closure												0.00
	Statutory reporting and statement of affairs	0.6									0.6	327.00	545.00
	Total for Compliance with the Insolvency Act, Rules and best practice:	1.3		1.6				1.1		1.0	5.0	1,774.00	354.80
Investigations	CDDA and investigations	0.9		2.0	0.1			10.0			13.0	3,348.50	257.58
	Total for Investigations:	0.9		2.0	0.1			10.0			13.0	3,348.50	257.58
Realisation of assets	Debt collection												0.00
	Property, business and asset sales												0.00
	Retention of Title/Third party assets												0.00
	Total for Realisation of assets:												0.00
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured												0.00
	Others			0.5				1.3			1.8	471.00	261.67
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:			0.5				1.3			1.8	471.00	261.67
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors												0.00
	Meetings												0.00
	Other							0.6			0.6	117.00	195.00
	Tax			0.1				0.3			0.4	102.00	255.00
	Litigation												0.00
	Total for Other matters:			0.1				0.9			1.0	219.00	219.00
	Total hours by staff grade:	3.4		8.5	0.1			30.1	0.6	2.7	45.4		
	Total time cost by staff grade £:	1,853.00		3,897.50	38.00			5,865.50	93.00	418.50		11,969.50	
	Average hourly rate £:	545.00	0.00	435.00	380.00	0.00	0.00	195.00	155.00	155.00			263.65
	Total fees drawn to date £:											0.00	

STATEMENT OF LIQUIDATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Statutory Advertising	Courts Advertising	207.00	Nil	207.00
Bordereau	Insolvency Risk Services	18.00	Nil	18.00
Stationary and Postage	Postworks	12.45	Nil	12.45