

LIQ03

Notice of progress report in voluntary winding up



Companies House

FRIDAY



A19 01/09/2017 #341
COMPANIES HOUSE

se
e

1 Company details

Company number 0 6 7 4 2 0 5 0

Company name in full Cherish Wealth Management Limited

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

2 Liquidator's name

Full forename(s) Matthew Douglas

Surname Hardy

3 Liquidator's address

Building name/number 30 St. Paul's Square

Street Birmingham

Post town West Midlands

County/Region

Postcode B 3 1 Q Z

Country

4 Liquidator's name

Full forename(s) Andrew

Surname Turpin

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

5 Liquidator's address

Building name/number 30 St. Paul's Square

Street Birmingham

Post town West Midlands

County/Region

Postcode B 3 1 Q Z

Country

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

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Notice of progress report in voluntary winding up

| | | | | | | | | | | | | |
|---|--------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--|--|--|--|
| 6 | Period of progress report | | | | | | | | | | | |
| From date | ^d 0 | ^d 5 | ^m 0 | ^m 7 | ^y 2 | ^y 0 | ^y 1 | ^y 6 | | | | |
| To date | ^d 0 | ^d 4 | ^m 0 | ^m 7 | ^y 2 | ^y 0 | ^y 1 | ^y 7 | | | | |
| 7 | Progress report | | | | | | | | | | | |
| <input checked="" type="checkbox"/> The progress report is attached | | | | | | | | | | | | |
| 8 | Sign and date | | | | | | | | | | | |
| Liquidator's signature | Signature X <i>M. D. Harvey</i> X | | | | | | | | | | | |
| Signature date | ^d 3 | ^d 1 | ^m 0 | ^m 8 | ^y 2 | ^y 0 | ^y 1 | ^y 7 | | | | |

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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 | Sharon Hill |
| Company name | Poppleton & Appleby |
| Address | 30 St. Paul's Square Birmingham |
| Post town | West Midlands |
| County/Region | |
| Postcode | B 3 1 Q Z |
| Country | |
| DX | |
| Telephone | 0121 200 2962 |

**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

Cherish Wealth Management Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

| Statement of Affairs £ | From 05/07/2016 To 05/07/2017 £ | From 05/07/2016 To 05/07/2017 £ |
|------------------------------|---------------------------------------|---------------------------------------|
| | | |
| | ASSETS NOT PLEDGED | |
| | Completion Monies - Client Database | 45,000.00 |
| 115.96 | Cash at Bank | 4,763.37 |
| | Trail Income | 14,952.00 |
| | Sale of Client Database | 5,000.00 |
| | Contribution to Legal Costs | 600.00 |
| | | 70,315.37 |
| | COST OF REALISATIONS | |
| | Agents Costs | 1,000.00 |
| | Solicitors Fees | 9,010.60 |
| | Statutory Advertising | 316.00 |
| | Statement of Affairs Fee | 5,000.00 |
| | Stationery, Printing & Carriage | 23.32 |
| | Specific Bond | 61.25 |
| | Purchases | 6.66 |
| | Computer Assistance | 2,500.00 |
| | Liquidators Fees | 30,895.00 |
| | Irrecoverable VAT | 7,720.45 |
| | | (56,533.28) |
| | UNSECURED CREDITORS | |
| (64,107.98) | Trade & Expense Creditors | NIL |
| (1.00) | Contingent Claims | NIL |
| (277,519.00) | Associated Companies | NIL |
| | | NIL |
| | DISTRIBUTIONS | |
| (120.00) | Ordinary Shareholders | NIL |
| | | NIL |
| (341,632.02) | | 13,782.09 |
| | REPRESENTED BY | |
| | Estate Bank A/c Non Interest Bearing | 13,782.09 |
| | | 13,782.09 |

Note:

M. D. Hardy

Matthew Douglas Hardy
Joint Liquidator

TO ALL KNOWN MEMBERS AND CREDITORS

Our Ref: MDH/AT/TJL/SLH/JS/LG/C10S/CVLIR161500
31 August 2017

Dear Sirs

Cherish Wealth Management Limited ("the Company") – In Creditors' Voluntary Liquidation

I am pleased to provide the Annual Progress Report in the above matter. Creditors will recall that due to retirement, M T Coyne, the appointed Liquidator, was replaced by the remaining members of this Firm, A Turpin and myself, M D Hardy, by Order of the Court dated 29 November 2016.

I attach at **Appendix A** statutory information that I am obliged to provide.

Creditors should note, that the Liquidation is linked with a Liquidation of another company, Shah Wealth Management Limited, ("SWM") as both Companies traded as one operation. Myself and A Turpin are also the Joint Liquidators of SWM.

Executive Summary

The Company, was the authorised representative of SWM, a firm regulated by the Financial Conduct Authority ("FCA"). It provided pensions and investments advice to people across the United Kingdom. It effectively ceased to trade once SWM was placed into Liquidation and following the resignation of its Director who subsequently petitioned for his own Bankruptcy. Following a review of the current client bank by the incoming Director(s), attempts to sell the Company's clients to another firm of Independent Financial Advisers failed and the Company was placed into Liquidation.

Liquidators' Actions Since Appointment

Following Mr Coyne's appointment as Liquidator, he and his staff undertook to communicate details of his appointment to all stakeholders. This included, but was not limited to, contacting all known Creditors, the Company's Bank, various claims management companies ("CMCs") and solicitors, as well as filing notice of the appointment at Companies House and advertising the same in the London Gazette.

As Creditors will recall, the Company had, prior to the Liquidation meeting, received notifications of certain claims which were received on behalf of a large number of clients, issued by various CMCs. Following the appointment, Mr Coyne was notified that the Company had also received a large number of Freedom of Information requests ("FOIs") from various other CMCs and solicitors. Mr Coyne was provided with a database of documents by the Director and the requests were responded to. These requests centred around allegations of the mis-selling of various financial products, amongst other things.

In the meantime, Mr Coyne was contacted by a number of parties interested in certain aspects of the business. A sales pack was issued to those parties. However, following the release of this preliminary information, interest centred on the Company's client bank and data held about its current and past clients.

Continued



A number of offers were received and Mr Coyne engaged with James Acton, MRICS of Gordon Brothers Europe, an international firm of Valuers and Agents regulated by the Royal Institute of Chartered Surveyors, who reviewed the final offers. Copies of the offers were also provided to the instructed Solicitors, Sydney Mitchell LLP, a firm regulated by the Solicitors Regulation Authority, in order for them to advise on the feasibility of the offers. Once the best offer was identified and a sales agreement drafted, a copy was also provided to the FCA, the Financial Services Compensation Scheme ("FSCS") and the Information Commissioner's Office, in order to ensure that none of these bodies raised any issues with the proposed sale.

Mr Coyne and his staff met with the proposed purchasers to discuss the sale in more detail and to ensure that the sale was achievable for all parties. An upfront payment was made amounting to £50,000 and it was agreed that deferred payments would be made once the purchaser had secured compensation from the FSCS for any client that instructed them. These deferred payments would constitute a percentage of the purchaser's own fee with the client.

It was a part of the sale agreement that the deferred consideration would be paid for the next six years, unless it was agreed by both parties to conclude the agreement earlier.

Since Mr Coyne's retirement, my staff and I have spent considerable time reviewing the Company's documents, collating those documents where necessary and providing them to GCA on a weekly basis, as and when they have obtained specific authorisation from individual clients. We have responded to more than 400 requests, with each request taking up considerable time, as strict client verification checks are performed for each request. Furthermore, searching for and collating the documentation and information being requested can take up extensive time.

We have received many other requests from more than ten different claims companies, solicitors, IFAs and accountants, representing more than 300 clients. Again, the same protocols regarding the verification of requests has been adhered to and the same amount of time has been taken to ensure that all documents relating to the individuals are provided where available.

We have also been contacted by a number of individuals acting for themselves. Considerable time has been taken to ensure that these individuals are provided with pertinent and helpful information regarding the Company and their claims, as well as providing them with copies of all of their documentation.

New requests are being received weekly and, to date, we have processed nearly 1,000 requests. It is believed that there are many more clients who have not yet instructed any party to act for them or are, as yet, unaware of the Company's position. It is expected that once these clients are aware of the position with the Company, they too, will make requests for information pursuant to a claim for compensation.

In addition to the work done in relation to the clients detailed above, enquiries have been undertaken into the affairs of Company to establish any potential asset recoveries or conduct matters that may justify further investigation, taking into account relevant factors including public interest, the presence and / or value of any potential recoveries, the costs involved and the likelihood of available funds to support an investigation. These investigations remain ongoing and, as such we are unable to comment further at this time.

Receipts and Payments

I attach my Receipts and Payments Account for the current reporting period from 5 July 2016 to 4 July 2017. The balance of funds are held in a non-interest bearing estate bank account.

For the purposes of this report, all costs are recorded as net of VAT. However, as the Company was not registered for VAT, all VAT on Professional Fees and Costs is irrecoverable, as identified on the attached Receipts and Payments Account.

Continued

Unencumbered Assets

There were no charges registered and, therefore, all assets were deemed unencumbered.

Sale of Client Database and Contribution towards Legal Costs

As detailed above, the client database has been sold. It was difficult to consider the true value of the asset to both the Company and SWM. It was, therefore, agreed that the sale price upon completion, being £100,000, be split equally between the Company and SWM. Prior to completion, a non-refundable deposit of £10,000 was paid, which was also split equally between the two Companies and the remaining funds were paid in December 2016.

As part of the sale agreement, the purchaser made a contribution amounting to £1,000 plus VAT (£1,200) towards the legal costs. These funds were also split equally between the Company and SWM. £600 has been received in this respect and no further funds are expected.

Furthermore, a contribution of £5,000 was agreed with the purchaser for the work they had done to extract and collate the data pertinent to the sale. This was deducted from the sale proceeds. Detailed below is the total value of the consideration received and the costs incurred in that respect:

| | Cherish Wealth Management Limited | Shah Wealth Management Limited | Total |
|--|--|---|---------------|
| | £ | £ | £ |
| Assets realisations | | | |
| Deposit Paid | 5,000 | 5,000 | 10,000 |
| Contribution towards Solicitors' Fees | 600 | 600 | 1,200 |
| Sale of Client Database | 45,000 | 45,000 | 90,000 |
| Costs Paid | | | |
| Get Claims Advice Limited re collation of data | (2,500) | (2,500) | (5,000) |
| Net proceeds of sale | 48,100 | 48,100 | 96,200 |

Cash at Bank/Trial Income

Creditors will recall that, although the Company operated its own Bank account, the Directors utilised the account of SWM to receive trail income that was then re-allocated to the Company at the end of each month of trading. Following the appointment of M T Coyne as Liquidator, £4,665 was received from the SWM.

A further payment from SWM in relation to trail income was received from SWM in September 2016 amounting to £14,952.

We have also received the sum of £99 from the Company's own Bank account. It is unlikely that any further funds will be received.

Assets Still to be Realised

Deferred Consideration from Sale of Client Database

As detailed above, claims against the FSCS by GCA are now being processed. We have been advised by GCA that they will pay over to the Company the first monies in respect of the 5% of each compensation claim fee that it is entitled to following a successful Compensation claim shortly.

Continued



Investigation

We would confirm that enquiries into the affairs of the Company have been undertaken to establish any potential asset recoveries or conduct matters that may justify further investigation, taking into account relevant factors including public interest, the presence and / or value of any potential recoveries, the costs involved and the likelihood of available funds to support an investigation.

In accordance with statutory duties and within three months of the appointment of a Liquidator, a confidential report to the Secretary of State in relation to the conduct of any past or present Director was submitted in satisfaction of the requirement to do so and we continue to assist the Insolvency Service and other agencies with their enquiries. Enquiries continue in this regard, as concerns have been raised by a number of Stakeholders in relation to the Company's focus on promoting non-regulated investments to its clients, as evidenced by the volume of complaints received. As enquiries develop, Creditors will be advised accordingly.

However, any action considered will only proceed if there is a direct benefit to the Company's Creditors.

Costs of Liquidation

Professional Fees

Professional Advisors have been engaged to provide assistance during the course of the Liquidation.

A summary setting out further details including the scope of their engagement, fees paid and future costs anticipated is attached at **Appendix B**.

Gordon Brothers, a firm of Chartered Surveyors regulated by the Royal Institute of Chartered Surveyors, were instructed to assist with the valuation of the Company's assets, in particular the database of information. They are a firm experienced in the valuation and sale of distressed companies' assets. They were able to provide advice as to the assets we were able to sell and also gave guidance on potential interested parties. This ultimately concluded with the sale of some of the Company's intellectual property.

Sydney Mitchell LLP, a firm experienced in all aspects of insolvency, have undertaken significant work in respect of the Liquidation, advising on the initial offers, drafting the sale agreement, liaising with the purchasers solicitors and also advising on the antecedent transactions of the Directors. They have also offered advice as to the Data Protection aspects of the case and also ongoing actions.

As detailed in the last report, a payment of £2,500 was agreed with GCA for the work they had done to extract and collate the data pertinent to the sale, which was deducted from the sale proceeds.

Finally, we also now anticipate that we may have to instruct Counsel to obtain advice in respect of antecedent transactions and other breaches of the Insolvency Act 1986. The estimated extra cost is likely to be £4,000 plus VAT.

The choice of professionals used is based on their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they have been reasonable in the circumstances of the case.

Pre-Appointment Remuneration

The Liquidation Committee authorised the payment of a fixed fee of £5,000 for my assistance with preparing the Statement of Affairs and arranging the meeting of Creditors to appoint a Liquidator at the first meeting of the Committee held on 16 August 2016.

The fee for preparing the Statement of Affairs and arranging meeting of Creditors to appoint a Liquidator was paid from first realisations on appointment and is shown in the enclosed Receipts and Payments account.

Continued



Joint Liquidators' Expenses - Category 1 disbursements

These are costs where there is specific expenditure directly referable both to the Liquidation and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the Liquidator or their staff.

Joint Liquidators' Expenses - Category 2 disbursements

These are costs that are directly referable to the Liquidation but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the Liquidation on a proper and reasonable basis, for example, business mileage. No resolution has been obtained from the Creditors' Committee to draw these expenses to date.

The expenses incurred in this matter to the anniversary of the Liquidation are summarised at **Appendix C** and in the Receipts and Payments account enclosed.

As at 4 July 2017, we do not anticipate that the expenses incurred in this matter will exceed the total expenses that we estimated we would incur when the first request in respect of remuneration was circulated to the Liquidation Committee. As stated above, no resolution was obtained at that time and we will seek to obtain approval from the Committee to draw Category 2 disbursements in this matter shortly.

Joint Liquidators' Remuneration

The Joint Liquidators' remuneration for the period from 5 July 2016 to 31 December 2016 was approved by the Committee on 16 March 2017, as a fixed fee of £20,895 plus VAT for all of the work done in respect of the Liquidation up until 31 December 2016. Furthermore, the remuneration for the period beginning on 1 January 2017 and onwards, was also approved by the Committee on a fixed fee of £10,000 plus VAT for all of the work done and to be done in respect of the Liquidation. We have, accordingly, drawn fees amounting to £30,895 plus VAT to 4 July 2017 in respect of work done for which our fees were approved as a fixed fee.

However, as detailed above, we have undertaken substantial additional work that was not envisaged when we issued our fees estimate, namely the number of requests for information in respect of the Company's clients from a number of claims companies, solicitors, IFAs and the FSCS, is substantially more than anticipated. Furthermore, it was not envisaged that all of the work done for GCA and other parties would have to be duplicated for the FSCS.

Also, we have assisted a number of government agencies in additional investigations above and beyond our own statutory requirements. This work will continue for the foreseeable future.

We anticipate that this work will result in additional realisations being made for the Creditors of the Company from the deferred consideration paid following successful claims.

The extra work will also mean that clients will be able to make successful claims from the FSCS. However, at this time, we are unable to give an estimate of the increased funds it will generate. Although, as a result of these additional realisations it is envisaged that the Liquidation will be able to pay a small dividend to Unsecured Creditors.

However, some of this additional work does not give direct financial benefit to the Creditors, but we have to undertake it in order to meet requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that we must follow.

Having reviewed our past time records for undertaking such work, and after taking into account the complexity of the case, we will shortly seek an additional fixed fee of £10,000 for undertaking this further work, such that our total fixed fee will be £40,895. We believe that this report demonstrates why the increased fixed fee is expected to produce a fair and reasonable reflection of the work that we anticipate will be necessarily and properly undertaken.

Continued



There is certain work that we are required by the insolvency legislation to undertake in connection with the Liquidation that provides no financial benefit for the Creditors. A description of the routine work undertaken since my appointment as Liquidator is contained in **Appendix D**.

Whilst the time costs include specific tasks that every Liquidator has to undertake and have no direct benefit to the Company's Creditors, we have provided further details of the work that has already been undertaken and the benefit gained for Creditors, which should be read in conjunction with the section under "Joint Liquidators' Actions Since Appointment".

Proposed Joint Liquidators' Percentage of Realisations and Increase to Fixed Fee Subject to Creditor Committee Approval

As detailed above, we will shortly look to obtain an increase in the fixed fee position with regards to the Liquidation from the Creditors' Committee. We will also look to obtain a resolution to enable us to draw Category 2 disbursements and a resolution in respect of drawing a percentage of future realisations. This latter resolution was put to the Committee previously, although insufficient resolutions were received from the Members of the Committee to pass it.

It is our intention therefore, to again propose a fee of twenty five percent (25%) of realisations resulting from any of the work on realisation of the deferred consideration that we will undertake. We have written to the Committee in this respect separately. A copy of this report is available for Creditors to download from our website, details of which are provided in the covering letter to Creditors.

Further information about Creditors' rights can be obtained by visiting the Creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.

For further information with regards to this Firm's policy on fees and disbursements as well as general guidance regarding a Liquidators' fees, Creditors may also download Creditors' Guide to Fees on our website at www.poppletonandappleby.co.uk and choose the following options: Creditors Login, Creditors' Guidance Notes, Effective from October 2015 and also the Guidance Notes Effective from April 2017.

Hard copies of any of these documents are available from this Office upon written request.

Outcome for Creditors

Fixed Charge and Preferential Creditors

There were no Fixed Charge or Preferential Creditors expected in this matter and no claims have been received.

Outcome for Floating Charge Creditor and The Prescribed Part

Provisions within the insolvency legislation require a Liquidator to set aside a percentage of any amounts available to a Floating Charge holder, for the benefit of the Unsecured Creditors, in cases where the Company granted the Floating Charge on or after 15 September 2003. This is known as the "Prescribed Part" of the net property.

A Company's "net property" is that left after paying the Preferential Creditors, but before paying the lender who holds a Floating Charge (after deducting the associated Liquidation costs). As there has been no security granted by the Company, these provisions do not apply in this matter.

Continued

Unsecured Creditors

The position as regards Unsecured Creditors can be summarised as follows:

| Creditor | Estimated Statement of Affairs Value of Unsecured Claims (£) | Number of Claims Received to Date | Value of Unsecured Creditor Claims To Date (£) |
|--------------------|--|-----------------------------------|--|
| Trade Creditors | 64,108 | 3 | 1,671 |
| Contingent Claims | 1 | 96 | 2,819,357 |
| Associated Parties | 277,519 | 1 | 277,519 |
| Totals | 341,628 | 100 | 3,376,066 |

The likelihood of a return to Creditors depends upon the quantum of realisations in respect of the deferred consideration and also the level of Creditor claims received. It should also be noted that the contingent claims are expected to be quantified during the term of the Liquidation as claims are presented to either the Company's insurers or the FSCS.

Creditors should note, that an interim claim has been lodged by the FSCS in the Liquidation of SWM, amounting to £3,498,056. This is in relation 76 completed claims of the approximately 900 they were processing in July 2017. It may be that some of the claims made by the FSCS, replicate claims made by the contingent Creditors. Once we are in a position to adjudicate on claims, we will ensure that there are no duplications. Furthermore, it should be noted that the claims received from the FSCS will be treated as the joint and several liabilities of both the Company and SWM, as the Company was an authorised representative of SWM. There will also be claims that rest solely with the Company.

At this stage, it is likely that there will be a return to Creditors. However, the quantum and timing are unknown but it is probable that any dividend will not occur until the latter stages of the Liquidation.

There have been no returns to Shareholders.

Conclusion

As described herein, there are a number of matters which remain ongoing at the time of this report. I will continue to progress those matters and to satisfy my statutory functions with a view to bringing the Liquidation to a close upon resolution of the same. Further information will be circulated to Creditors in due course.

I have attach at **Appendix E**, a Statement of Creditors rights in relation to these proceedings.

If you should require any further information concerning this Liquidation then please do not hesitate to contact me or my Case Manager, T J Lozano.

Yours faithfully
For and on behalf of
Cherish Wealth Management Limited

M. D. Hardy
MD Hardy
Joint Liquidator

Encs

APPENDIX A

STATUTORY INFORMATION

| | |
|---|---|
| Company Name: | Cherish Wealth Management Limited |
| Registered Office: | 30 St. Paul's Square Birmingham West Midlands B3 1QZ |
| Former Registered Office: | Suite 4-5 Malvern House New Road Solihull B91 3DL |
| Registered Number: | 06742050 |
| Joint Liquidators' Names: | Matthew Douglas Hardy Andrew Turpin |
| Joint Liquidators' Address: | 30 St. Paul's Square, Birmingham, West Midlands, B3 1QZ |
| Joint Liquidators' Date of Appointment: | 29 November 2016 |
| Former Liquidator: | Martin Thomas Coyne |
| Liquidators' Date of Appointment: | 5 July 2016 |
| Liquidator's Address: | 35 Ludgate Hill, Birmingham, B3 1EH |

APPENDIX B

SUMMARY OF PROFESSIONAL COSTS

| Firm Name | Scope of Work | Agreed Fee Structure | Budgeted Costs b/f (£) | Fees Incurred in current period (£) | Fees paid in current period (£) | Estimated Future Costs (£) | Budgeted Costs c/f (£) |
|------------------------|---|------------------------------|------------------------|-------------------------------------|---------------------------------|----------------------------|------------------------|
| Gordon Brothers Europe | Initial consideration of value to Company's assets. Advice on offers received. | Fixed fee | 1,000 | 1,000 | 1,000 | Nil | 1,000 |
| Sydney Mitchell LLP | Providing ad hoc advice and assistance re negotiated sale agreements as well as advice in respect of actions of the Directors and associated parties. | Time costs and disbursements | 25,000 | 12,710 | 7,711 | 12,290 | 25,000 |
| Counsel - TBC | Providing advice on antecedent and other transactions. | Fixed fee | Nil | Nil | Nil | Nil | 4,000 |
| Get Claims Advice | Providing assistance with the collation of the Company's client database. | Fixed fee | 2,500 | 2,500 | 2,500 | Nil | 2,500 |
| Totals | | | 28,500 | 16,210 | 11,211 | 12,290 | 32,500 |

Notes:

The choice of professional engaged is based on their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they have been reasonable in the circumstances of the case.

ROUTINE WORK ORDINARILY UNDERTAKEN IN CREDITORS' VOLUNTARY LIQUIDATIONS

1. Administration & Planning

- Preparing the documentation
 - Preparing schedules of work done to date and work proposed and explaining them to creditors in the report.
 - Assessing the possible action that might be required to recover assets and considering the likely cost of that action.
 - Complete internal compliance documentation following appointment.
- Preparing documentation required.
 - Review of Statements of Insolvency Practice checklists.
 - Preparation and continued review of case checklist to ensure compliance on all statutory and best practice matters.
 - Preparation, completion and periodical review of independence, ethics, bribery and anti-money laundering checklists.
 - Consideration of completion of relevant post Liquidation Corporation Tax Forms for HM Revenue & Customs.
- Dealing with all routine correspondence, e-mails and telephone calls.
 - Includes correspondence with Creditors, Shareholders and other Stakeholders.
 - Internal correspondence between Insolvency Practitioner, managers and case administrators.
 - Deal with correspondence from Companies House.
 - Dealing with correspondence from HM Revenue & Customs.
 - Ensuring that a member of staff is generally available to deal with telephone queries.
 - Ensuring that email correspondence is dealt with within the Firm's response policy.
- Maintaining physical case files and electronic case details in our computerised systems.
 - Data input of details pertaining to assets and liabilities onto bespoke software system.
 - Input and management of case diary onto bespoke software system.
 - Filing and scanning of electronic and written correspondence to relevant files.
- Review and storage.
 - Prepare and complete periodic case reviews, to include review on progression, ethics and independence checks.
 - Liaise with external review agencies to ensure progression and compliance of case.
 - Case bordereau reviews and maintenance.
 - Adjust bordereau requirements as assets are sold and realised.
- Case planning and administration.
 - Hold internal meetings to discuss case strategy and progression.
 - Drafting case notes to ensure strategy remains appropriate.
 - Overseeing and managing work conducted by case administrators.
- Preparing reports to interested parties.
 - Progress reports to Creditors, Members and Stakeholders (where appropriate).
 - Convening and holding meetings of Creditors, if requested.
 - Dealing with voting formalities for meetings of Creditors convened, if requested.
 - Notify Creditors on outcome of Meetings.

2. Cashiering

- Maintaining and managing the Joint Liquidators' cashbook and bank account(s).
 - Preparation and maintenance of cashier file.
 - Review level of turnover on bank account.
 - Consider investment of funds into deposit accounts, if appropriate.
 - Input of transactional data during the Liquidation.
 - Completion of journals where appropriate.
 - Review bank statements and complete bank reconciliations.
 - Physical banking of cheques to account.
 - Paying costs and expenses from the case account.
- Ensuring statutory lodgements and taxation affair obligations are met.
 - Preparation of relevant Corporation Tax Forms to HM Revenue & Customs.
 - Preparation of statutory forms to Companies House, to include progress reports.

3. Creditors

- Dealing with Creditor correspondence, emails and telephone calls.
 - Attendance to queries within Firm policy timescales.
 - Lodging of Creditor claims.
 - Reviewing and adjudicating upon proofs of debt received from Creditors.
 - Maintaining Creditor information within our computerised systems.
- Dealing with the Creditors' Committee
 - Convening and holding Committee meetings as and when required.
 - Preparing reports to the Committee.
 - Dealing with Committee enquiries.
- Preparing reports to Creditors and other interested parties.
 - Preparation and circulation of statutory reports to Creditors, Members and Stakeholders.

4. Investigations

- Review and storage of books and records.
 - Review bank statements for material/suspicious transactions.
 - Analyse and reconcile transactions with Company's accounting system.
 - Review transactions with associated companies or connected persons.
 - Conduct investigations into suspicious transactions.
 - Liaise with Company's former and current accountants to obtain detailed accounting information.
 - Reconcile movements from last prepared accounts to date of Liquidation.
 - Request information from Creditors, Members and Stakeholders regarding Company's affairs and accuracy of claims.
 - Enquiries of current and former officers and key employees of the Company.
 - Liaise with HM Revenue & Customs departments to reconcile transactions and accuracy of claims.
 - Make enquiries with other Crown departments as part of standard enquiries into assets and previous conduct.
- Preparing a report pursuant to the Company Directors Disqualification Act
 - Liaise with insolvency Service following submission of online report.

- Reviewing books and records to identify any transactions or actions a Liquidator may take against a third party in order to recover funds for the benefit of Creditors.
 - Matters that could bring rise to a summary remedy for misfeasance and misapplication of property.
 - Consider wrongful and/or fraudulent trading.
 - Consider Transactions at and Undervalue.
 - Consider Preferences.
 - Consider all other statutory remedies.

STATUTORY DISCLOSURE REQUIREMENTS

Legislative requirements state that when an Insolvency Practitioner reports to Members and Creditors, there are certain statutory statements he must make. In order to fully comply with these conditions, we have set out below the statements which apply in these proceedings in this Appendix, rather than in the report itself, with the intention of keeping the report informative for Members and Creditors who are more likely to be interested in the practical points arising in the insolvency.

The statement which forms part of this statutory report which also need to be considered along with it is as follows:-

- Please note that no funds have been held with the Insolvency Services Account at any time during the Liquidation, therefore, it has been neither possible nor necessary to reconcile this account with the Secretary of State.

Comments as Regards Liquidator's Remuneration:-

- For further information with regards to this firm's policy on fees and disbursements as well as general guidance regarding a Liquidator's fees in a Creditors' Voluntary Liquidation, you may download a Creditors' Guide to Fees on our website at www.poppletonandappleby.co.uk and choose the following options: Creditors Login, Creditors' Guidance Notes, then choose, A Creditors' Guide to a Liquidator's Fees Effective from October 2015 and also A Creditors' Guide to a Liquidator's Fees Effective from April 2017.
- An unsecured Creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured Creditors (including the Creditor in question), request further details of the Liquidator's remuneration and expenses within 21 days of their receipt of this report. Any secured Creditor may request the same details in the same time limit.
- An unsecured Creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured Creditors (including the Creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured Creditor may make a similar application to court within the same time limit.
- A hard copy of these documents can be provided on request.

Provision of Services Regulations Summary for Poppleton & Appleby

- To comply with the Provision of Services Regulations, some general information about this Firm can be found on our website at <http://www.poppletonandappleby.co.uk>. To access, choose the following options: Creditors Login, Creditors' Guidance Notes, Provision of Services Regulations Summary for Poppleton & Appleby, Provision of Services.

APPENDIX C

JOINT LIQUIDATOR'S EXPENSES

| Category 1 Disbursement | Budgeted costs (£) | Amount incurred in current reporting period (£) | Amount paid in current reporting period (£) | Further Disbursements Expected (£) | Revised Budget (£) |
|-------------------------|--------------------|---|---|------------------------------------|--------------------|
| Statutory Advertising | 474 | 316 | 316 | 158 | 474 |
| Postage | 223 | 23 | 23 | 200 | 223 |
| Bond | 201 | 61 | 61 | 140 | 201 |
| Purchases | N/A | 7 | 7 | 40 | 47 |
| Total | 898 | 407 | 407 | 380 | 945 |
| Category 2 Disbursement | Budgeted costs (£) | Amount incurred in current reporting period (£) | Amount paid in current reporting period (£) | Further Disbursements Expected (£) | Revised Budget (£) |
| Motor Expenses | 120 | 17 | Nil | 103 | 120 |
| Storage | 300 | Nil | Nil | Nil | 300 |
| Total | 420 | 17 | Nil | 103 | 420 |

Cherish Wealth Management Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments
To 04/07/2017

| S of A £ | | £ | £ |
|---------------------|--------------------------------------|-----------|------------------|
| | ASSETS NOT PLEDGED | | |
| | Completion Monies - Client Database | 45,000.00 | |
| 115.96 | Cash at Bank | 4,763.37 | |
| | Trail Income | 14,952.00 | |
| | Sale of Client Database | 5,000.00 | |
| | Contribution to Legal Costs | 600.00 | |
| | | | 70,315.37 |
| | COST OF REALISATIONS | | |
| | Agents Costs | 1,000.00 | |
| | Solicitors Fees | 9,010.60 | |
| | Statutory Advertising | 316.00 | |
| | Statement of Affairs Fee | 5,000.00 | |
| | Stationery, Printing & Carriage | 23.32 | |
| | Specific Bond | 61.25 | |
| | Purchases | 6.66 | |
| | Computer Assistance | 2,500.00 | |
| | Liquidators Fees | 30,895.00 | |
| | Irrecoverable VAT | 7,720.45 | |
| | | | (56,533.28) |
| | UNSECURED CREDITORS | | |
| (64,107.98) | Trade & Expense Creditors | NIL | |
| (1.00) | Contingent Claims | NIL | |
| (277,519.00) | Associated Companies | NIL | |
| | | | NIL |
| | DISTRIBUTIONS | | |
| (120.00) | Ordinary Shareholders | NIL | |
| | | | NIL |
| (341,632.02) | | | 13,782.09 |
| | REPRESENTED BY | | |
| | Estate Bank A/c Non Interest Bearing | | 13,782.09 |
| | | | 13,782.09 |

Note:

Joint Liquidator