

AM10

Notice of administrator's progress report



Companies House

SATURDAY



A13 07/10/2017 #298
COMPANIES HOUSE

1 Company details

Company number 08874920

Company name in full Colonial Capital Group Plc

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Paul James

Surname Pittman

3 Administrator's address

Building name/number 7th Floor Dashwood House

Street 69 Old Broad Street

Post town London

County/Region

Postcode EC2M1QS

Country

4 Administrator's name ①

Full forename(s) Paul Anthony

Surname Higley

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 7th Floor Dashwood House

Street 69 Old Broad Street

Post town London

County/Region

Postcode EC2M1QS

Country

② Other administrator

Use this section to tell us about
another administrator.

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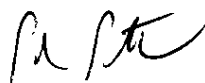
6 Period of progress report

From date	^d 0	^d 8	^m 0	^m 3	^y 2	^y 0	^y 1	^y 7
To date	^d 0	^d 7	^m 0	^m 9	^y 2	^y 0	^y 1	^y 7

7 Progress report☒ I attach a copy of the progress report**8** Sign and dateAdministrator's
signature

Signature

X



X

Signature date

^d 0	^d 5	^m 1	^m 0	^y 2	^y 0	^y 1	^y 7
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AM10

Notice of administrator's progress report



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	Paul James Pittman
Company name	Price Bailey LLP
Address	7th Floor Dashwood House
	69 Old Broad Street
Post town	London
County/Region	
Postcode	E C 2 M 1 Q S
Country	
DX	
Telephone	0207 065 2660



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.



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Where to send

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The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



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Colonial Capital Group Plc
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 08/03/2017 To 07/09/2017 £	From 08/03/2017 To 07/09/2017 £
610,000.00	SECURED ASSETS Freehold Land & Property	NIL NIL	NIL NIL
(9,115,805.00)	UNSECURED CREDITORS Bondholders	NIL NIL	NIL NIL
(8,505,805.00)		NIL	NIL
	REPRESENTED BY		NIL

Note:



Paul James Pittman
Joint Administrator

Colonial Capital Group plc ("the Company") – In Administration

ADMINISTRATORS' PROGRESS REPORT TO CREDITORS

for the six months ending 7 September 2017

STATUTORY INFORMATION

Company name: Colonial Capital Group plc

Court name and reference: High Court Of Justice, Chancery Division 001865 of 2017

Registered office: 7th Floor, Dashwood House, 69 Old Broad Street, London, EC2M 1QS

Former registered office: Suites 14 & 15, 101 Lower Anchor Street, Chelmsford, CM2 0AU

Registered number: 08874920

Joint Administrators: Paul James Pittman and Paul Anthony Higley

Administrators' address: 7th Floor, Dashwood House, 69 Old Broad Street, London, EC2M 1QS

Administrators' date of appointment: 8 March 2017

Actions of Administrators: Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

Administrators contact details: 020 7065 2660
paul.pittman@pricebailey.co.uk
paul.higley@pricebailey.co.uk

Contact for queries: Harry Read
020 7065 2660
harry.read@pricebailey.co.uk

ADMINISTRATORS' ACTIONS SINCE APPOINTMENT

As detailed in my proposals report and in the Asset section of this report, the only significant assets of the Company are unsecured loans receivable from Colonial Capital Limited (CCL) and Colonial Capital LLC (LLC).

I am appointed Joint Administrator of CCL with Paul Higley of this office, the likely return to creditors from the Administration is between Nil and 2.5p in the £. CCL will exit Administration via Creditors Voluntary Liquidation and the dividend prospects will remain the same. Any return to creditors of CCL is dependent on recoveries from litigation.

As at the date of my proposals report, I was investigating the net asset position of LLC and its connected entities in the USA to assess if it would be commercially viable to either pursue the recovery of the loan account or take action against it as a subsidiary of CCL.

The properties owned in the USA were subject to a number of encumbrances such as mortgages, liens for unpaid property taxes and contractor liens. Additionally, LLC itself was the subject of a demand from

its landlord for unpaid rent in excess of \$110,000 and was party to legal action in Cook County, Illinois for alleged miss selling of properties.

In the situation where the Administration is without funds and I cannot be certain that recovery action against LLC will result in a realisation for the Administration of the Company, I am unable to incur the risk and cost of recovery action in relation to the debt owed by LLC. Should any creditors wish to fund recovery action in relation to the loan account owed by LLC, please contact this office.

A significant amount of work has been undertaken in conducting an investigation into the financial affairs of the Company, including:

- Analysis of transactions with connected parties.
- Tracing of investor funds used within the group.
- Historical analysis of financial performance and position.
- Reviewing investment activity undertaken by the US subsidiaries.
- Reviewing compliance/non-compliance with the terms of bond instruments, security agreements and financial promotion.

I have also prepared a number of reports for government departments and authorities enquiring as to the conduct of the Company, its directors, creditors and parties involved with its operations.

In particular, the following matters have been the focus of my investigations:

- Use of new investor funds to make interest payments to earlier investors and investors of CCL.
- Inaccurate reporting to the Security Trustee regarding portfolio valuations and inclusion of properties purchased before the Company's incorporation.
- Failure to pay investor monies to Colonial Capital Properties LLC (CCP) in accordance with the terms of the bond.
- Failure to purchase properties in CCP, the entity which the Security Trustee held security over, in accordance with the terms of the bond.
- Failure to use investor funds to undertake investment activities.

These matters were discussed in greater detail in my proposals report to creditors. Should any creditors require a copy of that report please contact my office.

Given the scale of the deficiency in the Administration and the seriousness of some of the breaches identified, my investigations are ongoing in relation to all of the above matters.

There is also certain work that I am required by the insolvency legislation to undertake work in connection with the Administration that provides no financial benefit for the creditors. A description of the routine work undertaken since my appointment as Administrator follows:

1. Administration

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up electronic case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.

- Obtaining a specific penalty bond.
- Convening and holding general meetings of creditors and members (as applicable).
- Dealing with all routine correspondence and emails relating to the case.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- *Undertaking periodic reviews of the progress of the case.*
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing progress reports to creditors and members.
- Filing returns at Companies House.

2. Creditors

- Obtaining information from the case records about employee claims.
- Dealing with creditor correspondence, emails and telephone conversations regarding claims.
- Maintaining up to date creditor information on the case management system.

3. Investigations

- Recovering and indexing of books and records.
- Complying with production requests from government departments and investors.
- Conducting a comprehensive financial investigation including, but not limited to, the abovementioned focus areas.
- Submitting an online return on the conduct of the directors as required by the Company Directors Disqualification Act.
- Liaising with Department for Business, Innovation & Skills regarding investigation outcomes relevant to the Company Directors Disqualification Act.
- Responding to queries from relevant government departments regarding investigation outcomes relevant to ActionFraud reports.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 8 March 2017 to 7 September 2017 is attached at Appendix 4. There are no funds held in the estate bank account.

ASSETS

Loan – CCL

CCL is a related entity with common directors and shareholders to the Company. The balance of the loan owed by CCL was £6,610,690 as at 31 December 2016.

Our investigations disclose that the Company loaned the majority of funds raised from investors to CCL. CCL used these funds to pay trading expenses and interest payments to its bondholders.

CCL is currently in Administration and we are the appointed Administrators. It is uncertain as to the extent of any return to creditors of CCL. A claim has been registered in the Administration of CCL in relation to the loan account.

Loan – LLC

LLC is a related entity of the Company and a subsidiary of CCL. The balance of the loan owed by LLC was £2,832,720 as at 31 December 2016.

The Director's SOA discloses that the Company owns six properties with a combined net realisable value of £610,000. Our investigations disclose that these properties are held by subsidiaries of LLC and the funds advanced to LLC to purchase the properties have been accounted for in the unsecured loan.

As detailed above, we are not satisfied that the properties or LLC itself have sufficient equity or assets to satisfy any demands made against LLC. Accordingly, we cannot currently justify the risk and cost of commencing recovery action in relation to the debt owed by LLC.

Should any information come to light that indicates LLC has the capacity to repay anything toward the debt, we will advise creditors in due course.

Other Debtors

The other debtors of the Company consist primarily of £50,200 unpaid capital owed by the sole shareholder, Kevin Neil.

The balance of other debtors is made up of a number of accounts where it appears the Company has processed related party bank accounts through its own balance sheet. Further investigations as to the identity of possible related party debtors in relation to these accounts will be undertaken in the Liquidation.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has registered one Charge at Companies House in favour of BlackStar Wealth Management A Limited. This Charge purports to give a fixed charge over the shares held in CCP in favour of the Company's bondholders.

As I do not expect there will be any realisations by the secured creditor in relation to the shares of CCP, the funds owed to bondholders will be provable as unsecured creditors.

Trade Creditors

Based on the books and records of the Company and claims received to date, we estimate that eight trade creditors are owed £59,328.

Bondholders

Based on the books and records of the Company and claims received to date, we estimate that £11,904,150 is owed to 244 investors. This amount is made up of principal investments of £8,955,125 with the balance of £2,949,025 representing unpaid interest as at the date of our appointment and future interest payable to the maturity of bonds.

DIVIDEND PROSPECTS

As disclosed in my proposals report, the estimated return to non-preferential unsecured creditors was between Nil and 0.49p in the £. This position remains the same.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation. This investigation took into account the public interest, potential recoveries, funds likely to be available for investigations and the costs involved.

I am continuing to liaise with and provide evidence to numerous government departments regarding the conduct of the Company, its directors, creditors and parties involved with its operations.

Within three months of my appointment as Administrator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I confirm that my report has been submitted.

PRE-ADMINISTRATION COSTS

I have decided not to seek approval of pre-administration costs.

ADMINISTRATORS' REMUNERATION

The approval of remuneration falls to the Creditors' Committee in the Administration and I intend to call a meeting of the Committee following this report. No remuneration has been approved to date.

For the purpose of transparency, I enclose a detailed schedule of my time costs incurred to date compared with my original fees estimate is attached as Appendix 5

My total time costs to 7 September 2017 amount to £73,027.05, representing 416.30 hours work at a blended charge out rate of £175.42 per hour. I have not been able to draw any remuneration in this matter.

Further work remains to be done and I estimate that it will cost an additional £50,000.00 to complete.

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

Whilst I have provided you with information about the remuneration incurred in the reporting period, it falls to the Creditors Committee to approve, or reject, my request for remuneration.

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 www.creditorinsolvencyguide.co.uk. A copy of 'A Creditors Guide to Administrators' Fees' also published by R3, together with an explanatory note which shows Price Bailey LLP's fee policy are available at the link www.pricebailey.co.uk/creditors. Please note that there are different versions of the Guidance Notes and in this case you should refer to the April 2017 version.

ADMINISTRATORS' EXPENSES

I have incurred total expenses of £977.72 since my appointment as Administrator, I have not been able to draw any expenses in this matter.

I have incurred the following expenses in the period since my appointment as Administrator:

Type of expense	Amount incurred/ accrued in the reporting period
Postage	£124.80
Statutory Insurance Bond	£440.00
Storage Costs	£161.12

I have incurred the following category 2 disbursements in the period since my appointment as Administrator:

Type of category 2 disbursement	Amount incurred/ accrued in the reporting period
Photocopying	£252.00

I have used the following professional advisors in the reporting period:

Professional Advisor	Nature of Work	Basis of Fees
Birketts LLP	Solicitors	Time cost

Birketts LLP has provided me with ongoing advice as to the conduct of the Administration and legal actions that may arise from my investigations.

The choice of professionals used was based on my perception of 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. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

The expenses incurred to date are in line with the estimate provided in my proposals report to creditors.

FURTHER INFORMATION

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 Administrator's remuneration and expenses, within 21 days of 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 and/or basis of the Administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Price Bailey LLP, including about our Code of Ethics and Professional Indemnity Insurance, can be found at www.pricebailey.co.uk/legal.

COMPLAINTS

At Price Bailey LLP we always strive to provide a professional and efficient service, however we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. We undertake to look into any complaint carefully and promptly, and to do all we can to explain the position to you. If we have given you less than satisfactory service, we undertake to do everything reasonable to put it right. Any complaint should be referred initially to the Insolvency Practitioner responsible for our services to you. If you do not receive an acceptable response you should contact the Head of Compliance at Price Bailey LLP, Causeway House, 1 Dane Street, Bishops Stortford, CM23 3BT.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at www.gov.uk/complain-about-insolvency-practitioner. Alternatively, you can send an email to insolvency.enquiryline@insolvency.gsi.gov.uk, or you may phone 0300 678 0015 - calls are charged at up to 10p per minute from a land line, or for mobiles, between 3p and 55p per minute if you're calling from the UK.

SUMMARY

The Administration will remain open until the Creditors Committee has met and considered the approval of my remuneration. I estimate that this will take approximately 2 months and once this has been attended to the Administration will be converted to a Liquidation, as approved in the proposals.

If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available on-line, they should contact Harry Read by email at harry.read@pricebailey.co.uk, or by phone on 0207 065 2660.

Yours faithfully



P J Pittman MIPA

JOINT ADMINISTRATOR

Authorised to Act in the UK by the Insolvency Practitioners Association

For and on behalf of

PRICE BAILEY LLP

The affairs, business and property of the Company are being managed by the Joint Administrators, Paul James Pittman and Paul Anthony Higley. The Joint Administrators act as agents of the Company and contract without personal liability.

Joint Administrators' Progress Report
Colonial Capital Group plc – In Administration
Issued on: 5 October 2017

Appendix 1:
Notice of creditors' decision on proposals

AM07

Notice of creditor's decision on administrator's proposals



Companies House

THURSDAY



A27 10/08/2017 #278
COMPANIES HOUSE

1 Company details

Company number 08874920

Company name in full Colonial Capital Group Plc

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

2 Administrator's name

Full forename(s) Paul James

Surname Pittman

3 Administrator's address

Building name/number 7th Floor, Dashwood House

Street 69 Old Broad Street

Post town London

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Country England

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Surname Higley

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AM07

Notice of creditor's decision on administrator's proposals

6

Purpose of procedure or meeting

To consider the Administrators' proposals.
If creditors see fit, to form a Creditors' Committee.

7

Description of procedure or meeting^①

Physical meeting.

① Whether it was a virtual or physical meeting, some other decision procedure (please describe), or deemed consent

8

Address of meeting

If a meeting was held at a physical location, give the address below.

Building name/number 7th Floor, Dashwood House

Street 69 Old Broad Street

Post town London

County/Region

Postcode E C 2 M 1 Q S

Country England

AM07

Notice of creditor's decision on administrator's proposals

9

Other platform for decision procedure or meeting¹

¹ If a meeting was not held at (or the decision procedure was not undertaken at) a physical location, tell us what means were used—for example email, videolink

10

Meeting

If a meeting was held was the required quorum met?

☒ Yes

☐ No

11

Details of creditors' decisions

Details of decisions including any modifications to the proposals approved by the creditors are as follows:

There were no modifications to the proposals.

12

Details of any resolutions passed

Give details of any resolutions which were passed.

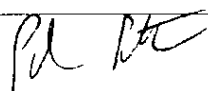
The Administrators' proposals were approved.

Sufficient nominations were received and a Creditors' Committee was duly constituted, the membership is as follows:

1. Graham Rowan
2. Eamon Lynch
3. Suman Arora
4. Jonathan Price
5. Alex Darke

AM07

Notice of creditor's decision on administrator's proposals

13	Date and time of decision made or resolution passed																	
Date	d	1	d	7	m	0	m	5	y	2	y	0	y	1	y	7		
Time	h	1	h	0	:	m	0	m	0									
14	Sign and date																	
Administrator's signature	Signature X  X																	
Signature date	d	0	d	9	m	0	m	8	y	2	y	0	y	1	y	7		

AM07

Notice of creditor's decision on administrator's proposals



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Joint Administrators' Progress Report
Colonial Capital Group plc – In Administration
Issued on: 5 October 2017

Appendix 2:
Proof of debt form

Proof of Debt – General Form

COLONIAL CAPITAL GROUP PLC (In Administration)

Date of Appointment: 8 March 2017

1	Name of creditor (If a company please also give company registration number).	
2	Address of creditor for correspondence.	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into Administration.	
4	Details of any documents by reference to which the debt can be substantiated. (Note: There is no need to attach them now but the Administrator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting).	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount.	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form).	
7	Particulars of any security held, the value of the security, and the date it was given.	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	
9	Signature of creditor or person authorised to act on his behalf _____	
	Name in BLOCK LETTERS _____	
	Position with or in relation to creditor _____ Address of person signing (if different from 2 above) _____	
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Administrator		Administrator

Joint Administrators' Progress Report
Colonial Capital Group plc – In Administration
Issued on: 5 October 2017

Appendix 3:
Receipts and payments for the period
8 March 2017 to 7 September 2017

**Colonial Capital Group Plc
(In Administration)**

**Joint Administrators' Summary of Receipts and Payments
To 07 September 2017**

RECEIPTS	Statement of Affairs (£)	Total (£)
Freehold Land & Property	610,000.00	0.00
		<hr/>
		0.00
		<hr/>
PAYMENTS		
Bondholders	(9,115,805.00)	0.00
		<hr/>
		0.00
		<hr/>
Net Receipts/(Payments)		0.00
		<hr/>

MADE UP AS FOLLOWS

<hr/>
0.00
<hr/>

Note - VAT is not recoverable.

Joint Administrators' Progress Report
Colonial Capital Group plc – In Administration
Issued on: 5 October 2017

Appendix 4:
Time cost analysis for the period
8 March 2017 to 7 September 2017



**Colonial Capital Group Plc
(In Administration)**

Time costs for the period 08/03/17 to 07/09/17

Classification of Work	Insolvency Practitioners		Managers		Administrators		Assistants and Support Staff		Total Hours	Time Cost	Average Hourly Rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)		£	£
Administration and Planning	28 20	10,162 50	4 90	1,042 50	28 30	2,507 00	3 40	102 80	64 80	13,814 80	213 19
Creditors & Members	21 20	7,719 00	44 50	9,477 50	175 50	18,801 25	0 00	0 00	241 20	35,997 75	149 24
Investigations	2 10	727 50	84 70	17,833 30	4 70	611 00	3 00	84 00	94 50	19,255 80	203 77
Realisation of Assets	3 20	1,170 00	11 30	2,332 70	0 00	0 00	0 00	0 00	14 50	3,502 70	241 57
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Pre-Appointment	1 30	456 00	0 00	0 00	0 00	0 00	0 00	0 00	1 30	456 00	350 77
Other Matters	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	53 72
Total	56 00	20,235 00	145 40	30,686 00	208 50	21,919 25	6 40	186 80	416 30	73,027 05	175 42
Average Hourly Rate, £	361 34		211 05		105 13		29 19				