

CIRCUIT VENTURES LIMITED

Report for Creditors

Private & Confidential

(This Report is for use by the Members and Creditors of the Company only and must not be published or provided to any other party without the written permission of T H Financial Recovery)

T H Financial Recovery
Suite 101 & 102, Empire Way Business Park
Liverpool Road
Burnley
BB12 6HH

T H Financial Recovery have not carried out anything in the nature of an audit of this information nor sought to verify the existence of, title to and value of the company's assets and liabilities. We have however discussed a draft of this report with the Directors and they have confirmed that there are no material errors or omissions.

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Circuit Ventures Limited

GENERAL INFORMATION

Prior Relationship

The firm was contacted by Raven & Co on 8 June 2018 to discuss the financial situation of the company and the options available. The proposed Liquidator has had no other involvement with the company or its directors.

Shareholders meeting

A notice to shareholder calling a general meeting of the company was sent on the 14 June 2018. The general meeting of shareholders will be held on 10 July 2018 at 11:00.

The following resolutions have been proposed:

Special Resolution

"That the company be wound up voluntarily".

Ordinary Resolution

"That Jonathan Mark Taylor of T H Financial Recovery, Suite 101 & 102, Empire Way Business Park, Liverpool Road, Burnley, BB12 6HH, be appointed liquidator of the company for the purposes of the winding-up".

Instructions from the Board of Directors

The board of directors instructed this firm on 12 June 2018 to convene the creditors decision procedure on 10 July 2018.

Details of payments of costs paid by the company or on its behalf

The following payments have been made:

Work	Name of Recipient	Amount £	Source of the Payment
The preparation of the statement of Affairs	Raven & Co	£1,200	Carol Moore, Director, Personal Funds
	T H Financial Recovery	£3,600	

STATUTORY INFORMATION

Company Number: 7767487
Date of Incorporation: 08/09/2011
Nature of Business: Driver Training

Registered Office: Fanshawe House
Pioneer Business Park
York
YO30 4TN

Trading address: Tockwith Airfield
Tockwith
YO26 7QF

Directors in the last 3 years:	Appointed	Resigned
Carol Moore	10/02/2017	To Date
Nigel Leslie Moore	08/09/2011	23/02/2017

Company Secretaries in the last 3 years:	Appointed	Resigned
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Accountants / Auditors: Amerson Miller, Fanshawe House, Pioneer Business Park,
Amy Johnson Way, York, YO30 4TN

Debentures: None

Authorised share Capital and Issued

Classes of shares issued Ordinary

Share Capital: 100

Name of Shareholder	Shares held
Carol Moore	1 Ordinary share

Names and company numbers of parent, subsidiary and associated companies None

CIRCUIT VENTURES LIMITED

Extracts from the Profit and Loss Accounts For the Years Ended 30 Sept 2016, 2015, 2014

	Year Ended 30/09/2016	Year Ended 30/09/2015	Year Ended 30/09/2014
Sales	1,321,596	234,244	153,612
Cost of Sales	(540,578)	(21,758)	(14,307)
Gross Profit	<u>781,018</u>	<u>212,486</u>	<u>139,305</u>
Administrative expenses	(871,202)	(196,203)	(144,625)
Operating profit	<u>(90,184)</u>	<u>16,283</u>	<u>(5,320)</u>
Interest payable and similar charges	(1,578)	(1,253)	(----
Interest receivable			
Profit on ordinary activities before taxation	<u>(91,762)</u>	<u>15,030</u>	<u>(5,320)</u>
Tax on profit on ordinary activities	(----	(----	(----
Net profit/(loss)	<u>(91,762)</u>	<u>15,030</u>	<u>(5,320)</u>
Profit/(loss) brought forward	(13,517)	(28,547)	(23,227)
Profit/(loss) carried forward	<u>(105,279)</u>	<u>(13,517)</u>	<u>(28,547)</u>

CIRCUIT VENTURES LIMITED

Extracts from Balance Sheet As at 30 Sept 2016, 2015, 2014

Fixed Assets Tangible	As At 30/09/16	As At 30/09/15	As At 30/09/14
Current assets			
Stock			
Debtors	66,731	26,036	3,059
Cash at bank and in hand	66,731	26,036	(775) 2,284
Liabilities			
Creditors – less than one year	(170,343)	(29,719)	(21,830)
Net current assets / liabilities	(103,612)	(3,683)	(19,546)
Creditors - more than one year	(1,666)	(9,833)	(9,000)
Net assets/(liabilities)	(105,278)	(13,516)	(28,546)
Represented by			
Share Capital	¹ (105,279)	¹ (13,517)	¹ (28,547)
Share Capital	(105,278)	(13,516)	(18,546)

Circuit Ventures Limited

DIRECTOR'S REPORT ON THE HISTORY OF THE COMPANY

At a shareholders meeting held earlier today, the members passed a resolution to place the company into liquidation and to appoint Mr J M Taylor as Liquidator. Carol Moore, the director will act as Chairman and Mr Taylor will present the report.

Circuit Ventures Limited was formed in 2011 by Nigel Leslie Moore, he being appointed sole Director at that time. The company has authorised share capital of 100 ordinary £1 shares of which one was issued to the director, Mr Moore. The company was formed with the intention of supplying driver training services to both business and private customers.

The company traded from premises at Tockwith Airfield, Tockwith, YO26 7QF.

The company struggled to maintain profitability, the filed accounts to 30 September 2013 showing the company incurred losses of (£23,277) resulting in a balance sheet profit & loss account deficiency of (£23,329).

Although turnover in the year to 30 September 2014 dropped to £153,612, the company made a gross profit of £139,305 and, by reducing administrative expenses by almost 20% to £(144,625), the company incurred a much smaller loss of (£5,320), the profit & loss deficiency being reported at (£28,547).

Turnover increased to £234,244 in the financial year ending 20 September 2015, gross profit rising to £212,486 with a net profit before and after tax of £15,030, the retained losses being reduced to (£13,517).

In the year ending 30 September 2016, the company diversified its business to include European Le Mans Series and World Endurance Series Events. The effect of this involvement was that turnover increased significantly to £1,321,596. Along with this increase turnover, there were increases in both direct costs which totalled £540,578, resulting in a gross profit of £781,018. However, overheads also rose, from £196,203 in the year ending September 2015 to £864,399, the most significant changes being in travel & subsistence (£47,634 from £5,736) and Motor Expenses (£629,025 from £68,566). The result of these changes was that Circuit Ventures Limited ended the 2016 financial year with a loss of (£91,762), retained losses rising to (£105,278). It was during this financial year that the company took on significant lease obligations to Ignition Credit plc

In February 2017, Mr Moore resigned as director and Carol Moore was appointed in his place. At the same time, Mr Moore's shareholding was also transferred to Carol Moore. Since her appointment as director, Mrs Moore has been endeavouring to manage the cash flow issues arising from the 2016 losses, losses in 2017 and the financial effects of the loss of the company's largest client. It has become clear that Circuit Ventures Limited has neither the profitability nor the cashflow to allow this.

Creditor pressure, especially from HMRC, has continued to increase, and, as a result, the Director decided that continued trade would only worsen the position and the company therefore ceased to trade on 31 May 2018.

As a consequence, Carol Moore signed notices dated 8 June 2018 convening statutory meetings of members and creditors to place the company into Creditors Voluntary Liquidation, with the assistance of T H Financial Recovery.

It should be noted that subsequent to cessation, the company has received notification of VAT Refund for VAT charged in error. I understand the amount to be claimed is £146,379.09 which will be refunded to those clients affected by this error by HMRC.

Material Transactions

The Director confirms that there were no material transactions conducted in the preceding 12 months, other than in the ordinary course of business.

In accordance with Rule 6.4 of the
insolvency (England & Wales) Rules 2016
& Section 99(1) of the Insolvency Act 1986

Statement of Affairs

CIRCUIT VENTURES LIMITED

Statement as to affairs of Circuit Ventures Limited (Company Number: 7767487)

on the 05 July 2018 being a date not more than 14 days before the date of the resolution for winding up

Statement of truth

I believe that the facts stated in this Statement of Affairs are true.

Full Name

CAROL J MOORE

Signed

C Moore

Dated

5-7-18

Circuit Ventures Limited

A - Summary of Assets

Assets

Assets subject to a fixed charge:

Motor Vehicles

Ignition Credit plc

Deficiency c/f

Book Value £	Estimated to Realise £
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154,000

105,375

(138,808)

(138,808)

(33,433)

Assets subject to a floating charge:

None

0

Uncharged assets:

Tax Refund

33,000

Uncertain

0

Surplus from assets subject to a fixed charge

0

Estimated total assets available for preferential creditors

NIL

Signature CJ Murrie

Date 9-7-18

	Estimated to Realise £
Estimated total assets available for preferential creditors (carried from page A)	NIL
Liabilities	
Preferential creditors:	
Employees' Claims	(2,072)
Total Preferential Claim	(2,072)
Estimated deficiency / surplus as regards preferential creditors:	(2,072)
Estimated total assets available for floating charge holders	(2,072)
Debts secured by floating charges	(0)
Estimated deficiency/surplus of assets after floating charges	(2,072)
Total assets available to unsecured creditors	NIL
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Bank (1)	(857)
Contingent Creditor (1)	(1)
Employees' Claims	(9,270)
Guarantee (1)	(1)
HM Revenue & Customs (1)	(126,878)
Loan (1)	(11,667)
Overdraft (1)	(1,472)
Trade Creditor (8)	(102,898)
Utility Creditor (1)	(5,198)
VAT (1)	(88,034)
Estimated surplus / deficiency as regards non-preferential creditors	(345,874)
Issued and called up capital	(347,946)
Ordinary	(1)
Estimated total deficiency / surplus as regards members	(1)
	(347,947)

Signature CS Moore

Date 5-18

B - COMPANY CREDITORS

Note: You must include all creditors and identify any creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

Name of creditor or claimant	Address (with postcode)	Creditor Type	Amount of debt	Details of any security held by creditor	Date security given	Value secured
ADT	Tyco Park, Grimshaw Lane, Newton Heath, Manchester, M40 2WL	Trade Creditor	£737.78			
D M Motor Services	Workshop, Tockwith Airfield, Tockwith, YO26 7QS	Trade Creditor	£6,419.40			
Dunnoch Property Limited	45 Pall Mall, London, SW1Y 5JG	Trade Creditor	£79,200.00			
E-on	Business Customer Services, PO Box 2010, NG1 9GQ	Utility Creditor	£5,198.00			
HM Revenue & Customs	ICHU, RM BP3202, Banton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	HM Revenue & Customs	£126,877.82			
HSBC Bank	1 Parliament Street, York, YO1 8XS	Bank	£856.64			
HSBC Bank	1 Parliament Street, York, YO1 8XS	Overdraft	£1,471.80			
Ignition Credit plc	Sterling House, Green Court, Thuro, TR4 9LF	Lease/Loan	£138,807.76	Sale & Leaseback Agreement		£138.80
Nigel Moore	Marston Lodge Farm, Wetherby Road, Long Marston, York, YO26 7NQ	Guarantee	£1.00			
Progressive Design & Build	4 Lewisham Road, Slaitthwaite, HD7 5AL	Trade Creditor	£2,841.20			
Richard Hanson	Mildale, Priory Road, Sunningdale, SL5 9RH	Loan	£11,886.66			
Richard Hanson	Mildale, Priory Road, Sunningdale, SL5 9RH	Guarantee	£1.00			
Richard Hanson	Mildale, Priory Road, Sunningdale, SL5 9RH	VAT	£88,033.99			
Sportinsure	The Regus Building, Herald Way, Pegasus Business Park, Castle Donington, DE74 2TZ	Trade Creditor	£3,800.00			
United Autosports	Unit 1, Isabella Road, Garforth, Leeds, LS25 2DY	Trade Creditor	£10,099.15			
Employee(s)		Employee(s)	£11,341.80			

Signature C. Moore Date 5-7-18

C - COMPANY CREDITORS (EMPLOYEES FORMER EMPLOYEES & CONSUMER CLAIMING AMOUNTS PAID IN ADVANCE FOR THE SUPPLY OF GOODS OR SERVICES)

Note: You must include all creditors and identify any creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

Name of creditor or claimant	Address (with postcode)	Creditor Type	Amount of debt	Details of any security held by creditor	Date security given	Value secured
Moore, Mr Nigel	1 Elmet Gardens, Scholes, Leeds	Employee	£3,888.72			£
Moore, Mr Simon	Fleet Lodge, Fleet Lane, Tockwith, YO26 7QE	Employee	£3,726.54			£
Moore, Mrs Carol	Fleet Lodge, Fleet Lane, Tockwith, YO26 7QE	Employee	£3,726.54			£
Totals			£11,341.80			£

* Denotes a Creditor claiming Retention of Title

Signature C. Moore

Date 5-7-18

D - COMPANY MEMBERS

Name of shareholder or member	Address (with post-code)	Type of share	Nominal value	No. of shares	Amount per share called up	Total a cal
Carol Moore	Fleet Lodge, Fleet Lane, Tockwith, York, YO26 7QE	Ordinary	£1.00	1	£1.00	

Signature CS Moore

Date 5-2-18

Circuit Ventures Limited

COMMENTS ON THE DIRECTORS' STATEMENT OF AFFAIRS

The Statement of Affairs does not reflect the costs of insolvency and realisation.

Agents and Valuers

As it is anticipated that there will be a shortfall in a forced sale, agents have not been instructed to provide a valuation at this time.

Assets

VAT Refund – The directors believe an amount of £33,000 in respect of VAT is recoverable. The basis of this claim is unclear and will need to be investigated by the duly appointed liquidator.

Creditors:

Secured creditors

The company has one secured creditor, Ignition Credit plc. Circuit Ventures Limited owes Ignition Credit plc £138,807 secured on leased vehicles, a Tri Axle Race Transporter Trailer and a Bischoff & Scheck Trailer. The Statement of Affairs shows there is likely to be a shortfall on disposal of these assets. It should also be noted that Ignition Credit plc have called in personal guarantees given.

Preferential creditors

The preferential creditors are employee claims for unpaid holiday totalling £2,072.

Prescribed Part

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

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

The company has not granted a floating charge to any creditor after the 15 September 2003 and consequently there will be no prescribed part.

Unsecured creditors

The unsecured claims total £345,874. I would point out that the amounts shown have been provided by the director and the company accountant, which may not necessarily agree with your own records. However, the amounts stated will not prejudice your claim as it will be agreed by the Liquidator in due course. Creditors may also be entitled to claim VAT Bad Debt Relief on their claims.

Shares

The issued and fully paid up share capital is £1 resulting in an overall total deficiency of £347,947

CIRCUIT VENTURES LIMITED

DEFICIENCY ACCOUNT FOR THE PERIOD 1 OCTOBER 2016 to 5 JULY 2018

	£	£
Reserves per audited accounts as at 30 September 2016		(105,279)
Less :		
Asset Values written off as a consequence of Liquidation		
Goodwill		
Freehold property		
Book debts		
Motor Vehicles		
VAT Refund	<u>(33,000)</u>	<u>(33,000)</u>
		(138,279)
Less :		
Liabilities arising as a consequence of Liquidation		
Employee claims – pay in lieu of notice	(3,600)	
Employee claims – redundancy	<u>(5,670)</u>	<u>(9,270)</u>
		(147,549)
Balance being estimated trading losses for the period		<u>(167,398)</u>
 Deficiency as regards members per the statement of affairs as at 5 July 2018		 <u>(314,947)</u>

Circuit Ventures Limited

PRE APPOINTMENT FEE INFORMATION

A resolution for pre appointment fees is being sought.

A resolution for a fixed fee of £4,000.00 in respect of pre appointment work will be put to the meeting of creditors. Details of the pre-appointment work are below:

- Advising the Board of directors
- Attendance at the Board Meeting and advising on the relevant action to be taken to wind-up the company and the corresponding resolutions to be passed
- Producing and circulating notices within statutory time limits to shareholders and creditors
- Assistance with preparing the Statement of Affairs
- Assistance with preparing the report to be presented to the Meeting of Creditors
- Preparing the relevant documents and advising on the conduct of the meeting of shareholders
- Preparing the relevant documents and advising on the conduct of the meeting of creditors