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***Castle Trust and Management
Services Limited
(in liquidation)***

Joint Liquidators' Preliminary Report

8 December 2023

Preliminary Report pursuant to s218 of the Insolvency Act 2011

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1. Brief History

1.1 Joint Liquidators' appointment

On 27 October 2023, we were appointed Joint Liquidators of Castle Trust and Management Services Limited ("Castle" or "the Company") pursuant to section 63(a) of the Insolvency Act 2011 ("the Act"). Pursuant to the liquidation appointment, we were appointed as Joint Administrators of the Company, all information including the administrators proposals and final report can be viewed on our [website](#). On 27 October, the administration order was discharged on grounds of the objective of the administration not being achievable.

Our appointment was advertised on 6 November 2023 in a local paper and in the Gazette, and sent to all known creditors on 10 November 2023.

1.2 Statutory information

Castle was incorporated on 6 August 1992 with incorporation number 46030. The directors are Steven Andrew Knight, Colin Charles Gibbs and Paula Joanne Bullock, and the company secretary is Castle Secretaries Limited. Castle's registered office is at Suite 932, Europort, Gibraltar but we will be changing this to the office of PricewaterhouseCoopers Limited, 327 Main Street, Gibraltar in the new year.

Castle is a private company limited by shares with an authorised share capital of 1,100,000 ordinary shares of £1 each, of which 850,000 have been issued. The shareholders are Castle Nominees Limited, holder of 6,250 ordinary shares, Steven Andrew Knight, holder of 450,000 ordinary shares and Sovereign Trust International Limited (as Trustees of La Rocque View), holder of 393,750 ordinary shares. The ultimate beneficial owner is regarded as Steven Andrew Knight.

1.3 Statement of affairs

We requested a statement of affairs from Steven Knight during the administration of the Company and have re-requested a statement of affairs during the course of the liquidation. To date, we have not received a completed statement of affairs.

1. Brief History - continued

1.4 Preliminary investigation

Having been appointed as Joint Administrators of the Company previously, we have carried out thorough investigations of the Company's books and records, as well as historical management accounts which have assisted in our understanding of the Company's financial status. A more detailed analysis of our findings have already been provided in our previous reports issued during the administration, which can be viewed on our [website](#), as a result the information is not repeated in this report.

1.5 What we have done so far

Upon the making of the liquidation order, all employees were automatically terminated. We have liaised with the employees and the Labour Inspector in relation to their claims against the Company and the Government Insolvency Fund.

Now that the liquidation order has been granted and the conditions previously imposed restricting us from selling the business being lifted, we have been working to secure transfers of the Castle business to new service providers, generating income for the liquidation and securing continued service for the Company's clients. This has entailed many conversations with the Gibraltar Financial Services Commission ("GFSC"), as in some cases the transfers need to be approved by the GFSC.

We have contacted all known creditors by email notifying them of the liquidation and asking them to submit a claim form if they had not already done so in the administration of the Company. As noted in the administrators final report, the creditors' committee from the administration continues in the liquidation.

1.6 Causes of failure

A full explanation of the Company's background and circumstances leading to our appointment as administrators are explained in full in the administrators proposal and final report presented to creditors during the administration process, and therefore not repeated in this preliminary report.

2. Financial information

2.1 Assets and liabilities

Information on the assets and liabilities of the Company, including statements of receipts and payments have been disclosed in the previous reports during the administration, which can be viewed on our [website](#).

The cash at appointment as liquidators is the cash recovered previously during the administration, equalling £120,450. Further recoveries are expected, as explained below, but these are unlikely to cover the expenses of the liquidation and therefore there is limited chance of distributions to creditors.

2.2 Recovery of assets

The following sections detail our work and progress on the recovery of assets of the Company, since our appointment as liquidators.

Business

The Company's business can be segregated into four distinct service lines operated by the Company and its wholly owned subsidiaries:

1. QROPS
2. Trust and company management
3. Fund administration
4. Security trustee

As at the date of this report, we have in principle agreed deals relating to the QROPS and trust and company management business lines, with formal agreements being negotiated and pending signature. We are hoping that these can be signed and completed at the earliest opportunity. Each has different terms and secures a moderate recovery.

Unfortunately, we have not been able to secure complete sales and transfers of the fund administration or security trustee books of business, but individual transfers have been facilitated where possible.

Fee generation

During the period, the Company has continued to trade whilst arranging the sales and transfers of clients. This has generated a small amount of cash.

Other assets

There are some other minor assets that may be recovered or other forms of recovery that we are considering, but these are not readily realisable into cash and may take some time to realise.

3. Outcome for creditors

All creditors claims received in the administration have been carried forward into the liquidation and creditors do not need to re-submit their claims. The below represents the position as at the commencement of the liquidation, and the position at the date of this report is not materially different.

4.1 Secured creditors

We are aware of one creditor that submitted two claims in the administration, one as a secured claim and the other as an unsecured claim. We have yet to fully adjudicate this claim, as a result, we are currently classifying it as unsecured.

4.2 Preferential creditors

Preferential creditors are those creditors whose claims take priority over the unsecured creditors and are determined by Schedule 1 of the Insolvency Rules 2014.

The preferential claims total £21,903.

4.3 Unsecured creditors

We have received unsecured creditor claims of £50,676,967. The majority of these claims relate to legal claims against the Company from Court Judgments.

4.4 Summary and outcome

As previously communicated to the creditors during the administration, the expenses of the administration outweighed the recoveries, meaning that there was insufficient funds to cover the expenses of the administration.

At the time of writing this report, it is highly unlikely that there will be any recovery for creditors.

4. Further enquiries

4.1 Matters relating to the insolvency of the Company

One of our duties is to look at the actions of anybody who has been a director or shadow director of the Company in the period before our appointment.

We also have to decide whether any action should be taken against anyone to recover or contribute to the Company's assets.

If you think that there is something that we should know about please contact us by email on gi_ctmsbrs@pwc.com.

Please note that we will not be able to publish our findings and work in this area, but any report we prepare will be filed with the Official Receiver in Gibraltar.

5. Creditors meeting

5.1 Dispensation of Creditors meeting

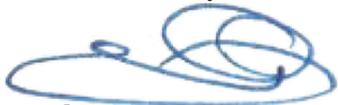
We dispensed of the requirement to hold a creditors' meeting in accordance with S174 of the Insolvency Act 2011. We made this decision as having regard to the assets and liabilities of the Company and the expenses of the insolvency procedures, the likely result is that no unsecured creditors will receive a distribution from the liquidation and therefore it is not necessary for a meeting to be held. Furthermore, we held various creditors' meetings and creditors' committee meetings during the administration so creditors are aware of the situation. As we did not receive requests from 10% in value of the creditors, a creditors meeting was not held. The notice under S174 was dated 2 November 2023, was shared with the creditors via email and uploaded onto the liquidation [website](#).

5.2 Future communications

Any future communications will be by email to the creditors who have filed a claim.

If you have any questions please email gi_ctmsbrs@pwc.com. Our team may not be able to answer every email but we will ensure that any questions raised are addressed in our subsequent report, which will be issued on the anniversary of our date of appointment.

Yours faithfully



Edgar Lavarello
Joint Liquidator



Luke Walsh
Joint Liquidator

Edgar Lavarello and Luke Walsh of PriceWaterhouseCoopers Limited, Gibraltar have been appointed Joint Liquidators by the members of Castle Trust and Management Services Limited (the "Company") to manage the affairs and property of the Company. The Liquidators act as agents of the Company only and without personal liability. Edgar Lavarello is authorised to act as an insolvency practitioner by the Gibraltar Financial Services Commission (IP Licence Number FSC0892FSA). Luke Walsh is authorised to act as an insolvency practitioner by the Gibraltar Financial Services Commission (IP Licence Number FSC0982FSA).

The Liquidators may act as Data Controllers of personal data as defined by the Data Protection Act, depending upon the specific processing activities undertaken. PwC may act as a data processor on the instructions of the Liquidators. Personal data will be kept secure and processed only for matters relating to the Liquidators' appointment. For further information on the administration of the Company please contact us on gi_ctmsbrs@pwc.com.