

The Insolvency Act 1986

Administrator's progress report

Name of Company

Wardour Castle Ltd

Company number

2867732

In the
High Court Of Justice Birmingham

(full name of court)

Court case number
8540 of 2011(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
Kevin J Hellard
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YUStephen Hunt
Griffins
Tavistock House South
Tavistock Square
London
WC1H 9LG

administrator(s) of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 8 March 2013

(b) 7 September 2013

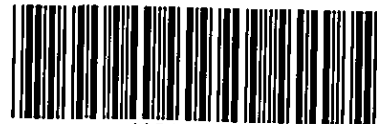
Signed

pp Joint / Administrator(s)

Dated

22/10/13

THURSDAY



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A21

24/10/2013

#45

COMPANIES HOUSE



Grant Thornton

Our Ref KJH/MSS/KMH/CES/W01309/7
Your Ref

To the creditors

Recovery and Reorganisation

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

T +44 (0)20 7383 5100
F +44 (0)20 7184 4308
www.grantthornton.co.uk

22 October 2013

Dear Sirs

Wardour Castle Limited - In Administration (the Company) in the High Court Of Justice Birmingham No 8540 of 2011

1 Introduction

- 1.1 Following my appointment as joint administrator of the above company on 8 March 2013, together with Stephen Hunt of Griffins and further to my progress report dated 15 May 2013, I now report on the progress of the administration to 7 September 2013 and attach
- Appendix A, Form 2.24B, together with an account of our receipts and payments for the period from 8 March 2013 to 7 September 2013 and also in respect of the former administrator's, Costas Morfakis period of office from 5 December 2011 to 8 March 2013
 - Appendix B, a statement of the remuneration charged by the joint administrators in the period 8 March 2013 to 7 September 2013 and a statement of expenses incurred in the period
 - Appendix C, an analysis of our time costs as required by Statement of Insolvency Practice 9
 - Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator (Rule 2.48A)
 - Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses, if excessive (Rule 2.109)
- 1.2 Kevin J Hellard is authorised by the Insolvency Practitioners Association and Stephen Hunt is authorised by The Institute of Chartered Accountants In England and Wales to act as insolvency practitioners
- 1.3 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them

Chartered Accountants
Member firm within Grant Thornton International Ltd
Grant Thornton UK LLP is a limited liability partnership registered in England and Wales No OC307742 Registered office Grant Thornton House, Melton Street, Euston Square, London NW1 2EP
A list of members is available from our registered office

Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority

A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address

2 Statutory information

2.1 The company's statutory details are as follows

Registered number	02867732
Registered office	c/o Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU
Former Registered Office	Suite 2, 1st Floor, Turnpike Gate House, Alcester, Warwickshire, B49 5JG
Former trading address	Wardour Castle, Wardour, Tisbury, Salisbury, Wiltshire, SP3 6SE

3 Progress report

3.1 Administrations ordinarily last for a period of one year, and consequently the administration was due to come to an end on 5 December 2012. Mr Morfakis obtained consent to extend the administration for 12 months to 5 December 2013 by an order of the Court dated 6 December 2012.

3.2 According to the proposals report prepared by Mr Morfakis the principal objective of the administration is to realise property in order to make a distribution to the secured and preferential creditors.

4 Asset Realisations

4.1 As previously advised, the Company still owns various 99 and 999 year leases to the apartments of Wardour Castle.

4.2 The former Administrator dealt with the extension of four leases which recovered £48,927. Legal costs of £17,639.20 were deducted from these sums and I subsequently received £31,287.80 into the estate.

4.3 I instructed my own solicitor to review the lease position and instructed agents to provide an accurate valuation of the leases in order to prepare them for sale.

4.4 The matter became protracted in trying to establish which 99 and 999 year leases belonged to the company and also in ascertaining the appropriate valuation.

I recently accepted a settlement offer of £15,000 from a private investor for the remaining 999 leases. This investor holds a legal charge over certain assets of the Company as part of the offer the charge is to be withdrawn.

5 Intercompany debts

5.1 Following a review of the Company accounts, I note that a sum of £335,008 is outstanding from Wardour Estates Limited. However, as detailed within the previous progress report, Wardour Estates Limited have disputed that any funds are due to the Company. I am still trying to obtain evidence to support this position. Wardour Estates Limited also have had a S38 Receiver appointed by Ahli United Bank (UK) Plc.

6 Investigations

- 6.1 Part of my duty is to investigate the former administrator's conduct to ascertain whether the former administrator have misapplied, retained, or become accountable for any money or other property of the administration, or whether the administration has suffered any loss in consequence of any misfeasance, or fraud and dishonesty by the former administrator in carrying out their functions. My investigations are continuing in this regard.

7 Preferential Creditors

- 7.1 There are no preferential creditors of the Company.

8 Secured Creditors

- 8.1 Following a review of Mr Morfakis' files and recent progress report, I note that Claire Wentworth holds various legal charges over certain assets of the Company together with a secured debenture created on 27 May 1994 and registered on 15 June 1994. The amount outstanding to Claire Wentworth is approximately £1,146,042. Mr Morfakis apparently received confirmation that Claire Wentworth has no interest in taking any further action in relation to the Company and a claim has not been submitted. I am still seeking clarity on Ms Wentworth's position.
- 8.2 A private investor also holds a legal charge over certain assets of the Company, however, they have agreed to waive this charge as part of the sale of the remaining assets of the Company.

9 Unsecured Creditors

- 9.1 According to the former administrators' proposals, unsecured creditors totalled £165,996.91. To date I have received claims of £152,719.34. I anticipate that a small dividend will be made to unsecured creditors if I am successful in bringing a claim against the former administrators' bond or recovering the intercompany debt. However, this is dependent on the validity of Claire Wentworth's charge.

10 Joint administrators' remuneration

- 10.1 Following my review of the previous officeholders' files, it appears that Mr Morfakis has not drawn any fees in respect of this case. Records indicate that Mr Morfakis' total time costs amounted to £42,493.00.
- 10.2 Office holders are obliged to provide creditors with information pertaining to fees and expenses drawn from the estate over which they are appointed.
- 10.3 My fees for acting as joint administrators have been fixed by reference to our time costs.
- 10.4 In accordance with Statement of Insolvency Practice (SIP 9), I attach a summary of my time costs, by grade of staff and type of work. This shows total time costs for the period from 8 March 2013 to 7 September 2013 of £37,237.15, represented by 121.24 hours at an average charge out rate of £307.14 per hour. I have not drawn any remuneration or expenses on account.
- 10.5 Griffins have not incurred any time costs in the period.

- 10.6 The day to day conduct of the administration is under control of partners and staff of Grant Thornton UK LLP. The routine administration of the case will be at a level of administrator, who is responsible to a manager who is experienced in insolvency matters and, together with the appointed partner who is licensed to act as an insolvency practitioner will deal with technical or complex matters as they arise. The extent to which time will be incurred by managers and partners will depend on issues which arise as our investigations continue. Details of the hourly rates are made available to creditors or creditor's committees at the time of fixing the basis of our fees. Personnel carrying the Treasury, secretarial and filing functions are charged separately to the professional staff on the case based on the time they work on it.
- 10.7 My charge out rates and those of my staff are shown below, together with those of Griffins

Grant Thornton UK LLP Charge Out Rates

	From 1/7/12	From 1/7/13
	£ Per Hour	£ Per Hour
Grade		
Partner	465-580	480-600
Director	440-480	455-500
Managers	270-440	280-455
Other Senior Professionals	220-285	230-295
Administrators	150-210	155-220
Support Staff	140-165	145-170

Griffins Charge Out Rates

	From 1/10/12
	£ Per Hour
Grade	
Partner	495-545
Managers	300-395
Senior Investigators	325-380
Administrators/Investigators	200-300
Junior Administrators/Junior Investigators	145-250
Support Staff	70-180

- 10.8 Background information regarding the fees of administrators can be found at www.insolvency-practitioners.org.uk (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively, we will supply this information by post on request. Time is charged in 6 minute units.

11 Joint administrators' Expenses

- 11.1 I have incurred expenses of £879.91 during the period of my appointment, broken down as follows

	£
Land Registry Searches	425.00
Legal charges	368.40
Bond	5.00
Storage	16.64
Courier Charges	<u>64.87</u>
Total	<u>879.91</u>

- 11.2 Griffins have not incurred any expense during the period

12 Exit Strategy

- 12.1 It is my intention that once the above matters have been resolved and the Joint Administrators' duties have been completed that the Company will proceed to a Creditors Voluntary Liquidation to enable
- 12.2 The Court Order dated 6 December 2012 allowed for the administration to be extended for a period of 12 months from the date of the order, until 5 December 2013. I intend to be in a position to convert the Company to a Creditors Voluntary Liquidation before this date.

If you have any questions regarding the contents of this report please contact Karen Huxter on 020 7685 2257 or E-mail karen.huxter@uk.gt.com

Yours faithfully
for and on behalf of Wardour Castle Ltd



pp Kevin J Hellard
Joint Administrator

The affairs, business and property of Wardour Castle Ltd are being managed by Kevin J Hellard and Stephen Hunt, appointed as joint administrators on 8 March 2013

Enc

A Abstract of the administrators' receipts and payments

See attached



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**Wardour Castle Ltd
(In Administration)**

**Summary of Receipts & Payments
08 March 2013 to 07 September 2013**

RECEIPTS

Total (£)

Freehold Land & Property
Bank/ISA InterestGross

31,287 80

4 11

31,291 91

PAYMENTS

Balance In Hand

0 00

31,291 91

31,291.91

Wardour Castle Limited
(In Administration)

Summary of Receipts & Payments
05 December 2011 to 08 March 2013

RECEIPTS

Total (£)

0 00

PAYMENTS

0 00

0 00

Balance In Hand

0 00

B Remuneration charged and expenses incurred by the administrators in the period

	Charged/incurred in period 08/03/2013 to 07/09/2013	Of which paid in the period 08/03/2013 to 07/09/2013
	£	£
Joint administrators' fees	37,237 15	NIL
Time costs		
Expenses		
Storage Charges	16 64	NIL
Courier Charges	64 87	NIL
Bond	5 00	NIL
Land Registry Searches	425 00	NIL
Legal fees		
Lewis Onions	368 40	NIL

C SIP 9 information

Grant Thornton UK LLP SIP 9

Wardour Castle Ltd - In Administration - W30201309 - SIP 9 TIME COST ANALYSIS

Job(s) ADM

Transaction period 08/03/2013 to 07/09/2013

[Export version -](#) [Export version - detail](#) [Detailed Version](#)

Standard	Partner			Manager			Executive			Administrator			Total		
	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate
Administration and Planning Creditors	10	750	75.00	642	3,214.00	500.62	2985	13,360.00	379.30	738	4,578.00	263.71	916	1,903.65	207.82
Hiatus period							801	300.00	375.00	430	1,550.00	268.60	490	1,029.00	210.00
Investigation							790	3,126.00	395.70	700	1,877.00	268.14	30	63.00	210.00
Realisation of Assets							580	2,227.50	384.05	1260	3,320.00	263.49	165	3,076.50	210.00
Trading															
Total	10	750	75.00	642	3,214.00	500.62	4445	17,013.50	382.76	4126	10,330.00	264.91	2901	6,072.15	209.31
													12124	37,237.15	307.14

Total fees billed to date (Time) £

D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator

Rule 2 48A

- (1) If
 - (a) within 21 days of receipt of a progress report under Rule 2 47 -
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the administrator considers that
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of -
 - (a) the giving by the administrator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),
 and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just

E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses if excessive

Rule 2 109

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that -
 - (a) the remuneration charged by the administrator,
 - (b) the basis fixed for the administrator's remuneration under Rule 2 106, or
 - (c) expenses incurred by the administrator,
 is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
 - (a) an order reducing the amount of remuneration which the administrator was entitled to charge
 - (b) an order fixing the basis of remuneration at a reduced rate or amount
 - (c) an order changing the basis of remuneration
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration
 - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify
 and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration