

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

2867732

Name of Company

Wardour Castle Limited

I / We

Kevin J Hellard, 30 Finsbury Square, London, EC2P 2YU

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 11/12/2015 to 10/12/2016

Signed

Date

19/11/19

Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

Ref W01387/KJH/ZLC/NZC/LKG

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20/01/2017

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COMPANIES HOUSE

Our Ref KJH/ZLC/NZC/LKG/W01387/
Your Ref

To the creditors and members

Recovery and Reorganisation

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19 January 2017

Dear Sirs

Wardour Castle Limited - In Liquidation (the Company)

1 Introduction

- 1 1 I, Kevin Hellard of Grant Thornton UK LLP, was appointed as joint administrator of the above named Company, together with Stephen J Hunt of Griffins, pursuant to an order of the High Court of Justice on 8 March 2013 in place of Mr Costa Morfakis
- 1 2 Mr Morfakis was appointed administrator by an Order of the High Court of Justice, Birmingham District Registry on 5 December 2011
- 1 3 Stephen Hunt subsequently resigned as joint administrator on 27 November 2013 pursuant to an Order of the High Court of Justice
- 1 4 On 11 December 2013, the administration ceased and the Company moved automatically into Creditor's Voluntary Liquidation with myself appointed as liquidator
- 1 5 In accordance with section 104A of the Insolvency Act 1986 I now report on the progress of the liquidation for the year ended 10 December 2016 and attach
 - Appendix A, an account of my receipts and payments for the year ended 10 December 2016 and also for the whole liquidation to date
 - Appendix B, a statement of the remuneration charged by the liquidator in the period 11 December 2015 to 10 December 2016 and a statement of expenses incurred in the period
 - Appendix C, an analysis of 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 liquidator (rule 4.49E)
 - Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive (rule 4.131)
- 1 6 I am authorised by the Insolvency Practitioners Association to act as an insolvency practitioner

Chartered Accountants

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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

3 Progress report

Assets

Administration surplus

- 3 1 As previously reported, according to the former administrator's proposals the Company had assets comprised of interests in various leases including a lease of the common parts of the Castle and leases of apartments at the Castle which had subsequently been sub-let to various residents on 99 year leases
- 3 2 The former administrator states that prior to his appointment four of the six owners of the under leases had been in negotiations with the Company to take an extension of their leases. However the agreements between the Company and the leaseholders for the extension were not completed
- 3 3 The former administrator also reported that one of the owners of the under leases had wished to acquire certain head leases
- 3 4 The former Administrator dealt with the extension of four leases which recovered £48,927. Legal costs of £17,639 were deducted from these sums and I subsequently received £31,288 into the administration. After deduction of bank interest of £67, a balance of £31,335 was transferred to the liquidation

Leases

- 3 5 As previously advised, I instructed Hillyer McKeown to review the lease position and instructed agents to provide an accurate valuation of the leases in order to prepare them for sale
- 3 6 I received an offer at an early point during my appointment from a private investor who also held a charge over some of the leases. My solicitor advised that before offering its interest for sale on the open market, the freeholder must serve formal notices known as Section 5 Notices, on the leaseholders advising them of the intention to sell and provide relevant time for the leaseholders to consider purchasing the freehold
- 3 7 Section 5 Notices were issued to the leaseholders, however, following the recommendation from my solicitor, advice was sought from Counsel in order to confirm that service of the notices was valid. Counsel noted that the managing agents had not been served notice and advised that there was legislation indicating that notice should have been served

3 8 As a consequence, the notice period was extended allowing notice to be served to the agents and allowing my solicitor to confirm if any parties intended to make offers. No offers were received during this time, however, the private investor attempted to revise its offer, which further delayed the completion.

3 9 Following expiry of the notice period I proceeded to complete the transaction and the transfer of the leases was completed for a total consideration of £42,443.

3 10 Payments were subsequently made to fixed charge holders following the sale of £4,315 and £17,549.

InterCompany debt

3 11 As previously advised, following a review of the Company accounts, a sum of £335,008 is outstanding from a related company, Wardour Estates Limited. However, Wardour Estates Limited disputed that any funds are due to the Company.

3 12 Wardour Estates Limited has since had an S38 Receiver appointed by Ahli United Bank (UK) Plc who has since advised that following the sale of the freehold property, there are insufficient realisations to discharge the first charge holder so no surplus funds are available.

Liabilities

3 13 There are no preferential creditors in this matter.

3 14 I have received unsecured claims totalling £152,719.

3 15 There are insufficient funds available for a distribution to be made to creditors.

4 Liquidator's remuneration and expenses

4 1 You will note from the SIP 9 table attached at Appendix C that my time costs to date are £79,407 and from the receipts and payments account attached at Appendix A, that no fees have been drawn. Time costs of £16,325 incurred in the period but not drawn as remuneration to date are disclosed in Appendix B.

4 2 Time is charged in units of 6 minutes. Background information regarding the fees of liquidators can be found at https://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20Dec%202015.pdf. Alternatively, I will supply this information by post on request.

4 3 My fees for acting as administrator were fixed by reference to my time costs. Pursuant to rule 4.127(5A) of the Insolvency Rules 1986, this basis applies also in the liquidation.

4 4 The sum of £3,047 has been paid to Axiom Recovery LLP (Axiom) in the period of this report in respect of its fees relating to the administration of the Company. Disbursements totalling £1,914 have also been paid to Axiom.

4 5 In addition, I have incurred expenses of £159 as indicated in Appendix B in relation to statutory advertising, courier fees and storage costs

5 Other expenses incurred by the liquidator

5 1 I have provided at Appendix B a summary of expenses incurred and/or paid in the period

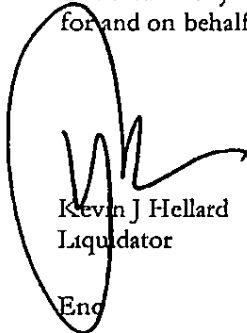
5 2 Dawlaw has been paid £24,000 for the initial advice provided on the leases and the legal requirements to enable the sale

6 Outcome of the liquidation

6 1 I am currently in the process of settling all final costs of the liquidation

6 2 The final meetings of members and creditors will be convened shortly

Yours faithfully
for and on behalf of Waidour Castle Limited



Kevin J Hellard
Liquidator
End

Wardour Castle Limited - in liquidation
 Summary of receipts and payments
 from 11 December 2013 to 10 December 2016

Statement of Affairs £	From 11/12/2013 to 10/12/2015 £	From 11/12/2015 to 10/12/2016 £	Total £
Receipts			
Admin/Receivers Surplus	31,355 05	0 00	31,355 05
Leasehold Property (1)	42,443 00	0 00	42,443 00
	73,798 05	0.00	73,798 05
Payments			
Chargeholder (1)	4,314 57	0 00	4,314 57
Chargeholder (2)	17,549 23	0 00	17,549 23
Previous Liquidator's disbursements	0 00	1,914 14	1,914 14
Previous Liquidator's Fees	0 00	3,047 00	3,047 00
Legal Fees (1)	7,459 00	24,000 00	31,459 00
Counsel Fees	1,750 00	0 00	1,750 00
Vat on Purchases	2,000 00	5,712 23	7,712 23
	33,072 80	34,673 37	67,746 17
Net Receipts/(Payments)	40,725 25	(34,673.37)	6,051 88
Made up as follows			
Floating Current Account - NIB from open	40,725 25	(34,673 37)	6,051 88
	40,725 25	(34,673.37)	6,051 88

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

	Charged/incurred in period 11/12/2015 to 10/12/2016	Cumulative charged/incurred to 10/12/2016	Of which paid to 10/12/2016
	£	£	£
Previous Administrator's Fees	-	3,047	3,047
Previous Administrator's Expenses	-	1,914	1,914
Liquidators' fees			
Time costs	16,325	79,407	-
Expenses	12	159	-
Legal fees			
Dawlaw	-	24,000	24,000

C SIP 9 information

Introduction

The following information is provided in connection with the liquidators' remuneration and disbursements in accordance with SIP 9

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown on the attached schedule. Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

	From 01/07/10	From 01/07/11	From 01/07/12	From 01/07/13	From 01/07/14 to date
	£	£	£	£	£
Partners up to	535	560	580	600	740
Managers up to	405	425	440	455	470
Administrators up to	285	300	310	320	345
Assistants and support staff up to	195	205	210	220	230

Disbursements

Out of pocket expenses are charged at cost and mileage is charged at standard rates. VAT is added to disbursement charges as necessary.

Wardour Castle Limited - In Liquidation - W30201387 - SIP 9 TIME COST ANALYSIS

Transaction period 11/12/2013 to 10/12/2016

	Partner		Manager		Executive		Administrator		Total		Avg Hrly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning	85	447 75	68 33	27,350 10	61 76	16,620 85	15 13	2,514 35	146 07	46 933 05	321 31
Creditors					7 20	1 983 00			7 20	1 983 00	275 42
Hiatus period											
Investigations			1 61	707 70	2 85	796 00	2 55	414 25	7 01	1 917 95	273 60
Pensions			30	150 00			60	93 00	90	243 00	270 00
Realisation of Assets	50	370 00	90	357 00	15 95	4 382 50			17 35	5,109 50	294 50
Taxation	4 00	2,680 00	29 25	12,500 50	15 85	4,311 00	30 60	3,728 50	79 70	23,220 00	291 34
Trading											
Total	6 35	3,497 75	100 39	41,065 30	103 61	28,093 35	48 88	6,760 10	258 23	79,406 50	307 60

Total fees billed to date (Time) : £

Wardour Castle Limited - In Liquidation - W30201387 - SIP 9 TIME COST ANALYSIS

Transaction period 11/12/2015 to 10/12/2016

	Partner		Manager		Executive		Administrator		Total		Avg Hrlly Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning (incl statutory reporting)	65	344 75	13 43	5,605 10	4 55	967 75	9 45	1,564 00	28 08	8,481 60	302 05
Chargeholders (incl bank reporting)									00		
Corporation Tax			20	104 00	25	70 00	21 20	2 544 00	21 65	2,718 00	125 64
Hiatus period									00		
Investigations and reports on directors			91	427 70	35	98 00	1 25	206 25	2 51	731 95	291 61
Legal			2 50	1,000 00					2 60	1,000 00	400 00
PAYE and VAT			6 25	2 727 50	1 25	220 00	2 70	445 50	10 20	3,393 00	332 65
Pensions									00		
Preferential creditors									00		
Realisation of Assets Debtors									00		
Realisation of Assets Other assets									00		
Realisation of Assets Property plant vehicles etc (incl HP leasing and third party)									00		
Realisation of Assets Stock and WIP (incl ROT)									00		
Sale of business									00		
Trading									00		
Unsecured creditors									00		
Total	65	344 75	23 29	9,864 30	6 40	1,355 75	34 60	4,759 75	64 94	16,324 55	251 38

Total fees billed to date (Time) £

Wardour Castle Limited - in Liquidation
 Costs incurred in the period 11 December 2015 to 10 December 2016

TASKS	Incurred in the period		
	Av Hrlly Rate	Hrs	£
STATUTORY AND ADMINISTRATIVE TASKS	310	31	9,482
Case planning			
Internal discussions/meetings			
File reviews			
Reports to creditors			
Bank account administration (treasury)			
Corresponding with legal advisors			
INVESTIGATION	292	3	732
Land Registry searches			
TAXATION	192	32	6,111
Tax compliance			
Total costs	251	65	16,325

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

Rule 4 49E edited for application to a progress report in a creditors' voluntary liquidation

- (1) If
 - (a) within the period mentioned in paragraph (2)
 - (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 the period mentioned in paragraph (2), any unsecured creditor makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of a matter which was previously included in a progress report
- (2) The period referred to in paragraph (1)(a) is 21 days of receipt of the progress report
- (3) The liquidator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the liquidator 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 liquidation or might reasonably be expected to lead to violence against any person, or
 - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information
- (4) Any creditor, who need not be the same as the creditor who requested further information, may apply to the court within 21 days of -
 - (a) the giving by the liquidator 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
- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 4 131(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 liquidator's remuneration or expenses if excessive

Rule 4 131

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the 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 by a creditor may be made on the grounds that -
 - (a) the remuneration charged by the liquidator,
 - (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
 - (c) expenses incurred by the liquidator,
 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 4 49E(5), be made no later than 8 weeks (or in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report or the draft report under Rule 4 49D, 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 the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice, but which is without notice to any other party
If the application is not dismissed under this paragraph, 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 liquidator 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 liquidator 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 liquidation
 - (e) an order that the liquidator or the liquidator'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 liquidation