

The Insolvency Act 1986

**Administrators' progress report**

Name of Company  
CASTLEWAY VENTURES LIMITED

Company number  
03229638

In the HIGH COURT OF JUSTICE, CHANCERY DIVISION,  
COMPANIES COURT

Court case number  
1973 of 2011

We David Dunkley and Ian Carr  
Grant Thornton UK LLP, 30 Finsbury Square, London, EC2P 2YU

Joint Administrators of the above company attach a progress report for the period

from

8 March 2012

to

7 September 2012

Signed

Joint Administrator

Dated

26 September 2012

THURSDAY



A23

\*A1ICLDTF\*

27/09/2012

COMPANIES HOUSE

#263

Our Ref TWW/OGH/ISC/DJD/C04002C/PF7

## **TO THE CREDITORS**

26 September 2012

Dear Sirs

Grant Thornton UK LLP  
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### **Castleway Ventures Limited - In Administration (the Company) In the High Court of Justice, 1973 of 2010**

## **1 INTRODUCTION**

1.1 Following the appointment of Ian Carr and myself as Joint Administrators of the Company, by the qualifying floating charge holder, on 8 March 2010, I now report on the progress of the Administration to date and attach

- Appendix 1, an account of our receipts and payments for the period ended 7 September 2012 in accordance with Rule 2.47
- Appendix 2, an analysis of our time costs to 7 September 2012 as required by Statement of Insolvency Practice 9 (SIP9),
- Appendix 3, Disbursements incurred by the Joint Administrators to 7 September 2012 and a break-down of Grant Thornton UK LLP charge out rates by grade of staff
- Appendix 4, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the Administrators (Rule 2.48A),
- Appendix 5, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the Joint Administrators' fees if excessive (Rule 2.109)

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

## **2 STATUTORY INFORMATION**

2.1 The company's statutory details are as follows

registered number	03229638
date of incorporation	25 July 1996
registered office	Unit 8 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH

authorised share capital £100,000

issued share capital £50,000

**Directors:**

Christopher Robert Charlton

**Shareholding**

10,000

**Secretary**

Benjamin James Robert Charlton

**Shareholding**

5,000

(according to Companies House Mr B Charlton resigned as Company Secretary without being replaced on 01/12/2009)

### **3 SUMMARY OF ADMINISTRATORS' PROPOSALS**

3.1 The Joint Administrators' proposals for the Company, which were circulated to the creditors on 29 April 2010, and subsequently approved, are summarised below

- The Joint Administrators will pursue the objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up
- This objective will be achieved by the Joint Administrators continuing to manage the business of the Company whilst seeking to realise the Company's freehold and leasehold property interests
- With the exception of the winding up petition, which by virtue of the Administration order has now been suspended during the course of the Administration, I am not aware of any other proceedings having been brought against the Company. However, if any such proceedings come to light I will continue the Company's defence to these proceedings, so far as I believe appropriate, bearing in mind the objective of selling the Company's assets and mindful of the need to balance the costs of continuing the defence as against the potential detriment to creditors of abandoning the defence if it appears that funds may be available to the creditors following the conclusion of the Administration
- It is proposed that the Administration will end by the Company going into creditors voluntary liquidation, or if there are no monies available for unsecured creditors, by the dissolution of the company. If the Company is placed into creditors voluntary liquidation it is proposed that the Administrators in office at that date will be appointed Liquidators, any act in the liquidation to be done by any one or more of the liquidators. However, creditors may nominate a different liquidator or liquidators if nomination to that effect is received before the approval of these proposals

### **4 ASSETS AND LIABILITIES**

4.1 The Company's assets comprise four freehold properties and one leasehold property. The Bank holds fixed charge security over all of these properties

4.2 Appendix 1 shows the receipts and payments account covering the period 8 March 2010 to 7 September 2012

- 4 3 Current valuations indicate that it is unlikely that the Bank's debt will be discharged in full. Therefore I do not anticipate that there will be funds available for the unsecured creditors in this case.
- 4 4 Given that floating charge realisations in this case are likely to be negligible I do not anticipate that there will be a prescribed part carve out for unsecured creditors.

## **5 CONDUCT OF THE ADMINISTRATION**

- 5 1 On 23 September 2011, we sold the freehold property, the Pink Geranium, and its adjacent land with sales proceeds totalling £540,000.
- 5 2 On 23 September 2011, we also sold the freehold property at 3a The Parade with sales proceeds totalling £100,000.
- 5 3 Prior to the above sales completing we collected some limited rental income from leasehold tenants. Rental income totalled £18,646.
- 5 4 With regard to the properties that are yet to be realised, I have the following updates:

### **404/406 North End Road, Fulham - Freehold Property**

- 5 5 As previously reported, following my appointment the tenants of the commercial premises Kiwi Kitchens ceased to trade and we have completed a mutual surrender of the lease from the tenant. We continue to collect ground rent for the leasehold flats. To date, £450.00 has been received in respect of ground rent on the 6 leasehold flats.
- 5 6 The re-marketing, following the initial difficulty in settling a price with a potential purchaser, produced further interest in the property and we subsequently received an offer of £475,000 for the property.
- 5 7 Although the offer is disappointing, in light of the level of marketing that has now been undertaken for the property, the subdued nature of the wider property market and the deterioration of the property over time, Fleurets have recommended that the offer be accepted.
- 5 8 We then requested consent from the Bank to proceed with the offer at £475,000.
- 5 9 Following approval of this offer from the Bank, we re-issued S 5 notices to the leasehold tenants based on the revised offer level. No offers were forthcoming and as such, following the termination of the notice period on 18 June 2012, we are now in a position to complete the sale of the property.

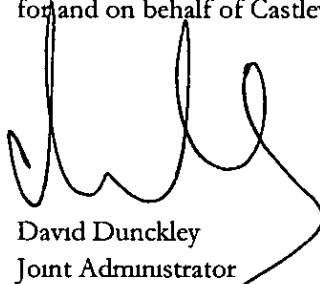
**37 to 39 Station Road, Melborne, South Cambridgeshire - Leasehold property**

- 5 10 At the time of my last report I informed creditors that I had accepted an offer for the Company's leasehold interest in the above property. Regrettably this offer was subsequently withdrawn.
- 5 11 With no further significant offers forthcoming I am now in discussion with my agents and appointed solicitors to decide what to do with the lease. However, I am now of the opinion that the lease will generate little, or no net value for the estate.

**6 ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS**

- 6 1 Our fees for acting as Joint Administrators have been fixed by reference to our time costs. The time costs for this Administration for the period from 8 March 2010 to 7 September 2012 are £212,936.18 representing 819.62 hours at an average of £259.80 per hour. Category 2 disbursements incurred in this period total £499.67.
- 6 2 Following approval of our remuneration from the fixed charge holder, £50,000 have been paid to date in respect of Joint Administrators' fees and £393.12 have been paid with regard to disbursements.
- 6 3 Should you have any queries please do not hesitate to contact my colleague Tom Walls on 020 7865 2811.

Yours faithfully  
for and on behalf of Castleway Ventures Limited



David Dunckley  
Joint Administrator

*The affairs, business and property of Castleway Ventures Limited are being managed by David Dunckley and Ian Carr, appointed as joint administrators of the Company on 8 March 2010.*

## CASTLEWAY VENTURES LIMITED - IN ADMINISTRATION

## JOINT ADMINISTRATORS' ABSTRACT OF RECEIPTS AND PAYMENTS

FOR THE PERIOD FROM 8 SEPTEMBER 2011 TO 7 SEPTEMBER 2012

	Estimated to Realise	Realised from 8 March 2012 to 7 September 2012	Total Realised to 7 September 2012
	£	£	£
<b>RECEIPTS</b>			
Freehold Land and Property	1,435,000 00	-	640,000 00
Rent	-	-	18,645 76
Contracts	-	-	121 50
Bank interest		0 97	1 76
Misc Fixed Receipts		509 12	509 12
Tax refunds		52 20	52 20
<b>TOTAL RECEIPTS</b>	<u>1,435,000.00</u>	<u>562.29</u>	<u>659,330.34</u>
<b>PAYMENTS</b>			
Heat & Light		-	1,656 17
Bank Charges		46 25	352 77
Professional fees		19 36	11,419 96
Advertising		-	75 60
Administrators fees		-	50,000 00
Administrators expenses		-	393 12
Agents/Valuers fees		-	3,650 00
Insurance		-	20,355 24
VAT irrecoverable		32 99	19,303 15
Corporation tax		-	104 26
Property Expenses		1,160 00	1,780 70
Legal fees		-	34,101 72
Chargeholder		-	515,000 00
<b>TOTAL PAYMENTS</b>			<u>658,192.69</u>
Balance held as at 7 September 2012			<u>1,137 65</u>

## Castleway Futures Limited - In Administration

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 8 MARCH 2010 TO 7 SEPTEMBER 2012		Partner		Manager		Senior		Admin/Support		Total		Average	
		Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hourly Rate	
Administration and Planning		12 70	6,609 50	78 90	29,647 50	115 25	25,460 50	169 75	24,322 25	376 60	86,039 75	228 46	
Investigations		0 00	0 00	3 30	1,099 00	22 90	5,728 50	1 05	154 50	27 25	6,982 00	256 22	
Realisation of Assets		0 00	0 00	199 85	70,570 75	44 80	10,178 50	79 82	11,868 43	324 47	92,617 68	285 44	
Creditors		0 00	0 00	52 10	19,945 00	12 60	3,061 00	7 90	1,086 00	72 60	24,092 00	331 85	
Trading		0 00	0 00	4 50	1,508 75	5 00	1,100 00	9 20	596 00	18 70	3,204 75	171 38	
Grand Total		12 70	6,609 50	338 65	122,771 00	200 55	45,528 50	267 72	38,027 18	819 62	212,936 18	259 80	

## Administration &amp; Planning

Includes, case planning, statutory returns, maintenance of bank accounts and estate records, matters relating to tax, general correspondence, legal advice, meetings, employee matters

## Investigations

Includes, Statutory duty of investigation into company's affairs under Statement of Insolvency Practice (SIP2)

## Realisation of Assets

Includes, dealing with the sale of the business and the assets of the Company, dealing with Solicitors, collecting book debts

## Creditors

Includes, correspondence with unsecured creditors, pensions and employees

## Trading

Includes, time on site

## Introduction

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

## An Overview of the Case

Please refer to the main body of the report

## 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 at Appendix 3. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

### Category 1 Disbursements

Out of pocket expenses are charged at cost. Mileage is charged at standard rates which comply with HM Revenue and Customs limits or AA recommended rates.

## Narrative Description of Work Carried Out

Please refer to the main body of the report

### Category 1 Disbursements

Category 2 Disbursements for the period from 8 March 2010 to 7 September 2012	£
Travel	157.84
Courier	134.03
Bordereau	36.00
Land Registry checks	69.00
Storage	1.40
Locksmith	101.40
<b>Total</b>	<b>499.67</b>

## Supporting Documentation

The following documentation is attached as required by SIP 9

- a schedule of charge-out rates which have applied during the reporting period



**Castleway Ventures Limited - In Administration****Grant Thornton UK LLP Charge Out Rates**

	8 March 2010 to 30 June 2010	1 July 2010 to 30 June 2011	1 July 2011 to date	1 July 2012 to date
Partner	410 - 510	425 - 535	560	580
Director	420	440	460	480
Associate Director	385	405	425	440
Manager	330	340	360	375
Assistant Manager	275	285	300	310
Executive 2	205 - 250	210 - 260	275	285
Executive 1	230	240	250	260
Administrator 2	165 - 190	170 - 195	205	210
Administrator 1	135 - 140	140 - 145	150	155
Secretary	130	135	140	145
Filing Clerk	130	135	140	145
Treasury	150	150	160	165

**Appendix 4 - An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the Administrators**

Rule 2 48A

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 ”

**Appendix 5 - An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the Joint Administrators' fees 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