

The Insolvency Act 1986

Administrator's progress report

Name of Company

Castleway Ventures Limited

Company number

03229638

In the
High Court of Justice, Chancery Division,
Companies Court

(full name of court)

Court case number
1973 of 2010(a) Insert full
name(s) and
address(es) of
administrator(s)We (a)
David Dunckley
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YUIan Carr
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

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

(b) Insert date

From

(b) 8 September 2012

To

(b) 7 March 2013

Signed

Joint Administrator(s)

Dated

7/3/13

Contact Details

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to searchers of the public record

David Dunckley
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

DX Number

0161 953 6900
DX Exchange

A23RD700

A35 09/03/2013 #78
COMPANIES HOUSE

ircode

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

SATURDAY

Our Ref DJD/ZLC/BZM/JET/C04002C/

To the creditors

19 February 2013

Dear Sirs

Recovery and Reorganisation

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester M3 3EB

T +44 (0)161 953 6900
F +44 (0)161 953 6405
www.grantthornton.co.uk

**Castleway Ventures Limited - In Administration (the Company)
High Court of Justice, Chancery Division, Companies Court
No 1973 of 2010**

1 INTRODUCTION

- 1.1 Following my appointment as joint administrator of the Company with Ian Carr by a qualifying floating charge holder on 8 March 2010, I now report on the progress of the Administration to date and attach
- Appendix A, Form 2.24B, together with an account of our receipts and payments for the period from 8 September 2012 to 18 February 2013 and also for the whole Administration to date
 - Appendix B, an analysis of our time costs as required by Statement of Insolvency Practice 9
 - Appendix C, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator (Rule 2.48A)
 - Appendix D, 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 Please note that both Ian Carr and I are authorised by The Insolvency Practitioners Association 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

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

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 Services Authority for investment business

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

authorised share capital	£100,000
issued share capital	£50,000
Directors	Shareholding
Christopher Robert Charlton	10,000
Secretary	Shareholding
Benjamin James Robert Charlton	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 comprised of four freehold properties and one leasehold property on appointment. HSBC Bank Plc (the Bank) held fixed charge security over all five properties
- 4.2 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 3 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, with the approval of the Bank and on advice from our marketing agents, the freehold property, the Pink Geranium, and its adjacent land was sold for £540,000
- 5 2 On the same date, with the approval of the Bank the freehold property at 3a The Parade was also sold with sales proceeds totalling £100,000
- 5 3 At the time of my last report I advised that I was in discussions with agents and had appointed solicitors to review the position regarding the lease in respect of the Sheene Mill property at 37-39 Station Road
- 5 4 Upon review, it was decided that the lease would generate little, or no net value for the estate and therefore it would not be in the commercial interest of the Company to continue the lease. Based on this information and following legal advice, on 25 September 2012 the joint administrators agreed to terminate the lease agreement in respect of the Sheene Mill for a fee of £5,000
- 5 5 Prior to the completion of the sales detailed in the above paragraphs, rental income totalling £18,646 was collected from leasehold tenants

404/406 North End Road, Fulham - Freehold Property (NER)

- 5 6 As previously reported, following my appointment the tenants of NER, Kiwi Kitchens (KK) ceased to trade and a mutual surrender of the lease was agreed with KK. The joint administrators' continue to collect ground rent for the six leasehold flats at NER. To date £450 has been collected
- 5 7 Following a marketing campaign an offer of £475,000 was received for NER. With the approval of the Bank and on advice from agents the offer was accepted
- 5 8 The sale has been delayed due to an outstanding charge held by National Westminster Bank Plc (Natwest) in respect of the previously surrendered lease held by KK. The joint administrators are currently in correspondence with Natwest to resolve the matter

6 EXTENSION OF THE ADMINISTRATION

- 6 1 The Administration is due to expire on 7 March 2013. However, the Company's assets have yet to be realised in full. Therefore, pursuant to paragraph 76(2)(b) of Schedule B1 of the Insolvency Act 1986, the Administrators are making an application to the Court to extend the Administration for a further twelve months

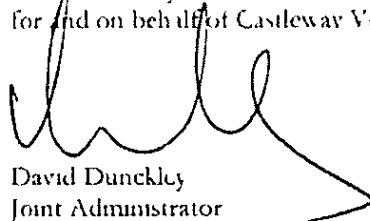
- 6.2 If the application is granted by the Court, the revised date for the automatic termination of the Administration will be 7 March 2014
- 6.3 The extension will enable the joint administrators to complete the disposal of the Company's remaining asset, NER
- 6.4 There will be insufficient floating charge realisations to make a distribution to the preferential creditors. Accordingly, authority from the preferential creditors to extend the Administration has not been sought

7 JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

- 7.1 Our fees for acting as joint administrators have been fixed by reference to our time costs. I attach at Appendix B a schedule of the time costs for the Administration for the period from 8 March 2010 to 11 February 2012, which total £230,011 representing 900 hours at an average of £256 per hour. Disbursements incurred in this period total £500
- 7.2 Following approval of our remuneration from the Bank, fees of £50,000 have been drawn to date together with disbursements totalling £393
- 7.3 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

Should you have any queries, please contact 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 on 8 March 2010

Enc

Castleway Ventures Limited - in administration
Summary of receipts and payments
from 8 March 2010 to 18 February 2013

	Statement of Affairs £	From 08/03/2010 to 07/09/2012 £	From 08/09/2012 to 18/02/2013 £	Total £
Receipts				
Freehold Land & Property	1,179,410 76	640,000 00	0 00	640,000 00
Leasehold Land & Property	75,000 00	0 00	5,000 00	5,000 00
Bank Interest		1 76	2 06	3 82
Tax Refunds		52 20	0 00	52 20
Misc Fixed Receipts		559 12	250 00	809 12
Rent		18,645 76	0 00	18,645 76
Misc Float Receipts	121 50	0 00	0 00	0 00
Contracts		121 50	0 00	121 50
		659,380.34	5,252.06	664,632 40
Payments				
Heat & Light		1,656 17	0 00	1,656 17
Insurance		7,069 46	0 00	7,069 46
Professional Fees		10,805 60	0 00	10,805 60
Property Expenses		412 04	0 00	412 04
Advertising		75 60	0 00	75 60
Administrators Fees	(100,000 00)	50,000 00	0 00	50,000 00
Administrators Expenses		393 12	0 00	393 12
Professional Fees	(10,839 86)	614 36	0 00	614 36
Legal Fees	(50,000 00)	34,101 72	0 00	34,101 72
Agents/Valuers Fees	(38,080 00)	3,650 00	0 00	3,650 00
Other Property Expenses		1,288 66	330 00	1,618 66
Insurance	(11,811 50)	11,191 44	0 00	11,191 44
VAT - Unrecoverable	(37,496 04)	0 00	0 00	0 00
Misc Fixed Payments		50 00	0 00	50 00
Bank Charges		145 48	64 86	210 34
Chargeholder (1)	(1,738,246 00)	515,000 00	0 00	515,000 00
Insurance		2,094 34	0 00	2,094 34
VAT irrecoverable		636 04	0 00	636 04
Corporation Tax	(52 08)	104 26	0 00	104 26
Bank Charges	(79 64)	207 29	0 00	207 29
Vat Receivable		1,917 86	0 00	1,917 86
Fixed Ch Vat Receivable		16,733 25	16 00	16,749 25
		658,146 69	410 86	658,557 55
Net Receipts/(Payments)		1,233.65	4,841 20	6,074 85

Castleway Ventures Limited - in administration
 Summary of receipts and payments
 from 8 March 2010 to 18 February 2013

Statement of Affairs	From 08/03/2010 to 07/09/2012	From 08/09/2012 to 18/02/2013	Total
£	£	£	£

Made up as follows

Fixed Current Acct	1,233 65	4,841 20	6,074 85
	<u>1,233 65</u>	<u>4,841.20</u>	<u>6,074 85</u>

B SIP 9 information

Introduction

The following information is provided in connection with the administrators' 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 01/07/09	From 01/07/10	From 01/07/11	From 01/07/12
	£	£	£	£
Partners up to	510	535	560	580
Managers up to	385	405	425	440
Administrators up to	275	285	300	310
Assistants and support staff up to	190	195	205	210

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. VAT is added to disbursement charges as necessary.

Columbus - C30204002 - SIP 9 TIME COST ANALYSIS

Job(s) CMU Castleway Ventures Limited, Castleway Ventures Limited

Transaction period All transactions

Export version

Detailed Version

Standard	Partner		Manager		Executive		Administrator		Total		
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Avg. Hrly Rate
Administration and Planning	13 50	7,039 00	78 90	29,647 50	127 30	28,624 00	199 05	28,813 00	418 75	94,123 50	224 77
Creditors			52 10	19,945 00	14 25	3,550 00	10 40	1,473 50	76 75	24,968 50	325 32
Hiatus period											
Investigations			3 30	1,099 00	22 90	5,728 50	1 80	270 75	28 00	7,098 25	253 51
Realisation of Assets			207 60	73,980 75	48 80	11,418 50	101 42	15,216 43	357 82	100,615 68	281 19
Trading			4 50	1,508 75	5 00	1,100 00	9 20	596 00	18 70	3,204 75	171 38
Total	13 50	7,039.00	346 40	126,181.00	218 25	50,421 00	321 87	46,369 68	900 02	230,010 68	255.56

Total fees billed to date (Time) £ 50,000

C 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

D 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

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 Services Authority for investment business

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

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