

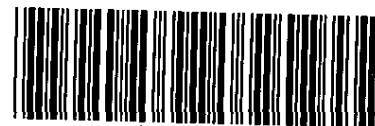
AM10

Notice of administrator's progress report



Companies House

THURSDAY



A33
28/09/2017
COMPANIES HOUSE

#498

1 Company details

Company number 03831148
Company name in full Castlemore (Temple Quay 2) Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) David Matthew
Surname Hammond

3 Administrator's address

Building name/number 1 Kingsway
Street
Post town Cardiff
County/Region Wales
Postcode CF10 3PW
Country United Kingdom

4 Administrator's name ●

Full forename(s) David Christian
Surname Chubb

● Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ●

Building name/number 7 More London Riverside
Street
Post town
County/Region London
Postcode SE1 2RT
Country

● Other administrator
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6

Period of progress report

ite	d	0	d	2	m	0	m	3	y	2	y	0	y	1	y	7
	d	0	d	1	m	0	m	9	y	2	y	0	y	1	y	7

Progress report

☒ I attach a copy of the progress report

8

Sign and date

Administrator's
signature

Signature

X 

X

Signature date

d	2	d	6	m	0	m	9	y	2	y	0	y	1	y	7
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AM10

Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Thomas Wadey
Company name	PwC
Address	8th Floor Central Square
	29 Wellington Street
Post town	Leeds
County/region	West Yorkshire
Postcode	L S 1 4 D L
Country	United Kingdom
DX	
Telephone	



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Joint administrators' progress report from 2 March 2017 to 1 September 2017

Castlemore (West Bar) Limited,
Castlemore (Temple Quay 2) Limited, &
Castlemore (Temple Quay 6) Limited
- all in Administration

27 September 2017

High Court of Justice, Chancery Division, Companies
Court

Case numbers 11453, 11449 & 11451 of 2009

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Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
Companies	Castlemore (West Bar) Limited, Castlemore (Temple Quay 2) Limited, & Castlemore (Temple Quay 6) Limited
Administrators	Matthew Hammond, Mark Batten (to 4 August 2017) and David Chubb (from 4 August 2017) of PwC
firm	PricewaterhouseCoopers LLP
West Bar	Castlemore (West Bar) Limited
TQ2	Castlemore (Temple Quay 2) Limited
TQ6	Castlemore (Temple Quay 6) Limited
GWMC	Glass Wharf Management Co LLP
Bank	Lloyds Bank plc
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
Sch.B1 IA86	Schedule B1 to the Insolvency Act 1986
HMRC	HM Revenue & Customs
prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
secured creditors	Creditors with security in respect of their debt, in accordance with section 248 IA86
preferential creditors	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
unsecured creditors	Creditors who are neither secured nor preferential
Proposals	The Joint Administrator's Proposals for achieving the purpose of the Administrations, which were deemed approved at a meeting of creditors held on 6 May 2009

Key messages

Why we've sent you this report

I'm writing to update you on the progress of the administration of the Companies in the six months since our last report dated 30 March 2017.

You can still view our previous report on our website at www.pwc.co.uk/castlemorelloyds. Please get in touch with Madeline Finkill on 0113 289 4075 or at madeline.finkill@uk.pwc.com, if you need any earlier reports.

How much creditors may receive

Secured creditors:

The Bank holds fixed and floating charge security over the Companies' assets. At the date of our appointment, the Bank was owed in excess of £50,000,000 in relation to lending either directly to the Companies, or for the liabilities to related entities which had been guaranteed by the Companies.

The continuation of the development of certain properties in administration has resulted in significantly enhanced values being achieved. We anticipate that, on the conclusion of all the administrations, the Bank will have received significantly more than would have been the case, had the Companies gone into liquidation and the properties been sold in their then state. Each of the Companies has benefitted from this, either directly through enhanced values for their properties or from a significant reduction in their (cross guaranteed) liabilities.

It is expected that the Bank will nevertheless suffer a shortfall in relation to its lending to the Companies.

During the administration period, the Bank has provided additional funding to the Companies, as it is required. This funding has varied but can currently be summarised as follows:

	TQ2 £	TQ6 £	WB £
Monies lent	15,220,999.00	1,719,750.96	921,292.26
Monies repaid	(13,938,500)	(1,719,751)	(445,165)
Balance outstanding	<u>1,282,499.00</u>	<u>-</u>	<u>(478,563)</u>

Of the £15,220,999 lent to TQ2 to finance the building and development of the sites owned by the Companies, £13,938,500 has been repaid to date leaving a balance outstanding of circa £1.3m. The administrations of West Bar and TQ6 have been financed by overdraft facilities and loans provided by Lloyds; the TQ6 loan and overdraft have now been repaid, but West Bar remains in overdraft, as disclosed in the attached receipts and payments account.

Preferential creditors:

There are no preferential creditors in any of the Companies.

Unsecured creditors:

There will be insufficient realisations to enable a distribution to be made to unsecured creditors under the provisions of the Prescribed Part or otherwise. The Prescribed Part is a proportion of the net realisations (after costs of realisation and administration) subject to a floating charge, which must be made available to unsecured creditors under Section 176A Insolvency Act 1986.

Please note this guidance on dividends is only an indication and should not be used as the main basis of any bad debt provision or debt trading.

What you need to do

This report is for your information and you don't need to do anything.

Overview of what we've done to date

As explained in our earlier reports, at the date of our appointment the Companies' principal assets were a large commercial development at Temple Quay in Bristol and West Bar, a large brownfield site in Sheffield.

Due to the condition of the property market at the time of our appointment and the fact that many of the developments were not complete, we pursued site specific strategies as agreed with the secured lender.

Please refer to our previous progress reports for a more detailed account of what we've done, since our appointment.

We remain in office because we need to finalise the few outstanding property matters in TQ2 and TQ6 and seek tax clearance, in order to be released from office prior to the administrations expiring in March 2018.

With regard to West Bar, the administration's term has been extended until July 2020, in order that we can await the exercise of an option to develop the site, which has been granted to an alternative developer, Urbo.

When we last reported, the key outstanding matters in the administration estates were as follows:

TQ6

- finalising the service charge account with the former managing agents of the Linear Park development;
- recovery of the outstanding debtor balances from tenants, and
- obtaining corporation tax clearance.

TQ2

- completion of a public art installation (a requirement of the planning consent granted for the development of Linear Park);
- adoption of sewers;
- final determination and settlement of retention monies;
- settlement of all outstanding costs and charges connected with the installation of the public art, and
- obtaining corporation tax clearance.

West Bar

- continuing discussions with Urbo regarding their intentions for the West Bar site – Urbo obtained planning permission in February 2017 and so, at the time of our last report, we were starting to consider with them the practical implications of their intended development (such as the demolition of buildings on West Bar's site), and
- finalising a licence to occupy the West Bar site in favour of a car park operator, who wishes to operate a temporary car park whilst we progress the site's development with Urbo.

Progress since we last reported

Realisation of assets

TQ6

All service charge accounts have now been fully reconciled and the related liabilities falling to the estate have been discharged. We are now seeking to recover one outstanding debtor balance for the benefit of the administration; this is the final task, following which we shall exit office. In preparation for our exit, we have already submitted our final corporation tax computations to the Revenue requesting tax clearance.

TQ2

During the period of this report, documentation between Wessex Water and Bristol City Council was concluded, enabling the adoption of the sewers in May 2017.

All planning conditions have been satisfied in relation to the Temple Quay development, with the exception of the production of an operation and maintenance manual for the public art installation, which sets out details of the freetank design, construction and ongoing maintenance. This is nearing completion, after which all planning obligations and conditions will have been met in full. There has been a lengthy and ongoing dialogue with GWMC and Bristol City Council regarding the transfer of the ownership of the public art, which has centred around the future installation of additional health and safety measures (signage, railings, life rings) at the tank and the aesthetic impact this may have on the installation. We are hopeful that the transfer of ownership will complete in the near future, which will enable the final outstanding housekeeping matters to be quickly resolved, after which the steps required to conclude our administration of the estate can commence.

West Bar

Following Urbo's outline planning permission having been granted, we attended the West Bar site in Sheffield to better understand the extent of West Bar's interest in the site and to better inform our discussions with Urbo, our solicitors, the local authority and our agents.

With regard to the site's maintenance and security, we have liaised with our insurers and vacant property agents in order to ensure that our insurance conditions continue to be met, and so that we can consider the most cost effective way of granting Urbo access to the site in order for them to obtain quotes for the demolition of the existing buildings (as, in the event that the option is exercised, we are obliged to clear the site).

We have reached agreement with Urbo for them to hold keys to the buildings – a key undertaking to facilitate this arrangement is currently being circulated for signature by the parties. They require access to the remaining buildings in order to arrange for demolition quotes, as per the terms of the option agreements. The costs of the eventual demolition will be met by Urbo but netted off the gross option agreement price.

Following the granting of planning permission in February 2017, in May 2017 Sheffield City Council, ('SCC'), notified all landowners that it was commencing the preliminary negotiations for a Compulsory Purchase Order, ('CPO') to assist with site assembly, in the event that Urbo are unsuccessful in reaching agreement to acquire the remaining land interests. Given the existence of the option agreements over West Bar's land, it is not SCC's intention to use any CPO powers in respect of West Bar's land.

Urbo have also now signed a development partnership agreement with experienced construction company Bowmer & Kirkland. This development partnership, along with SCC's intention to invoke CPO procedures over the wider site, has caused Urbo to consider accelerating the exercise of the option agreements, potentially to exercise all four options and complete the acquisition of West Bar's interests before the end of 2017. We are continuing to progress these discussions.

With regard to the operation of a temporary car park on the cleared site of Bridge House, we have reached agreement in principle with a car park operator for a lease that would be contracted out of the security of tenure provisions of landlord and tenant legislation, and that could be terminated at short notice, such that a modest income can be generated without frustrating redevelopment of the site. A draft legal agreement is currently being negotiated.

Changes of administrator

Mark Batten, one of the previous joint administrators, has retired from the firm. To make sure that outstanding issues in the administration continue to be pursued, an application was made to the Court to remove him and to appoint David Chubb as administrator. David Chubb is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The application was granted and so David Chubb replaced Mark Batten as joint administrator with effect from 4 August 2017. Mark Batten will be released from all liability in respect of his conduct as administrator with effect from 28 days from the date of this report. Creditors have 28 days from receiving this notice to apply to Court to vary or discharge the Court order.

Investigations and actions

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Our receipts and payments account

We set out in Appendix A accounts of our receipts and payments in the administrations from appointment to 1 September 2017.

Receipts in the period include:

- Refund of a deposit in relation to sewer works along with the accrued interest;
- Service charge balances; and
- Bank interest.

Payments include:

- Payment for maintenance work at the properties;
- Security costs;
- Costs associated with installation of the public art;
- Agents fees;
- Subcontractors fees;
- Legal fees;
- Charges on use of overdraft in West Bar; and
- Bank charges

Our expenses

The rules governing what information we are required to provide to creditors in our progress report has changed substantially over the past couple of years. Due to the age of these appointments, and the fact that the

most substantive changes to the rules occurred after our appointment, we have taken the view that to now comply with the most recent legislative changes (which require a much greater level of detail than was previously required) would not be in the best interests of creditors in TQ2 and TQ6, as we intend to exit office within the next six months.

However, with regard to West Bar, due to the fact that the administration term has been extended to 2020 we have set out, in Appendix B, a statement of the expenses we've incurred in the period of the report and an estimate of our future expenses.

The statement excludes any potential tax liabilities that we may need to pay as an administration expense in due course because amounts due will depend on the position at the end of the tax accounting period.

Our fees

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at:

A creditors' guide to administrators' fees

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

You can also get a copy free of charge by telephoning Madeline Finkill on 0113 289 4075.

What we still need to do

TQ2

- Complete the O&M manual and formally discharge planning obligations and conditions;
- Complete the transfer of ownership of the artwork and conclude resultant housekeeping matters;
- Confirm with all external third parties that all administration liabilities have been settled, or that no further sums are due;
- Obtain final tax clearance from HMRC;
- Obtain the administrators' discharge from liability; and
- De-register the company for VAT and submit our final VAT return.

TQ6

- Seek to recover the final debtor balance;
- Obtain final tax clearance from HMRC (computation has already been submitted);
- Obtain the administrators' discharge from liability; and
- De-register the company for VAT and submit our final VAT return.

West Bar

- Agree and execute the agreement for the temporary car park;
- Receive and consider quotations for the demolition of the buildings on the West Bar site;
- Continue to liaise with Urbo with regard to their overall development strategy for the site, in order to consider whether their exercise of the option can be accelerated;
- Continue to comply with our insurer's obligations regarding the unused and dilapidated buildings on the West Bar site; and
- Commence closure procedures.

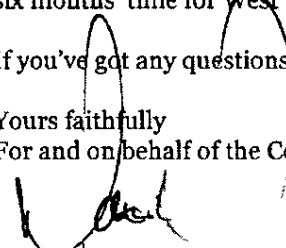
Next steps

We are continuing with our ongoing work, as set out above. As mentioned earlier in this report, we intend to exit office in TQ2 and TQ6 within the next reporting period (6 months). With regard to West Bar, in accordance with our longer term strategy for its development site and the Court's extension of the administration until 2020, we do not anticipate exiting office for a number of years. However due to the now much faster moving nature of the land's development, it is possible that we can conclude our administration quicker than currently expected. This is dependent upon a lot of factors beyond our control.

We expect to send our next report to creditors at the end of the administration for TQ2 and TQ6, and in about six months' time for West Bar.

If you've got any questions, please get in touch with Madeline Finkill, on 0113 289 4075.

Yours faithfully
For and on behalf of the Companies



Matthew Hammond
Joint administrator

Matthew Hammond and David Chubb have been appointed as joint administrators of to manage its affairs, business and property as its agents without personal liability. Both are licensed in the United Kingdom to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales. The joint administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics> The joint administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the administration.

Appendix A: Receipts and payments

Castlemore (Temple Quay 2) Limited - in Administration

Receipts and payments account for the period 2 March 2009 to 1 September 2017

Fixed charge

	Estimated per directors' sworn statement of affairs	2 March 2009 to 1 March 2017	2 March 2017 to 1 September 2017	Total
Receipts	£	£	£	£
Service charges	-	305,637 97	-	305,637 97
Freehold Property	4,150,000	9,976,681 00	-	9,976,681 00
Other income	-	38,000 00	18,700 20	56,700 20
Interest received gross	-	5,592 92	2,953 42	8,546 34
Insurance recharge	-	5,221 18	-	5,221 18
Funding from secured creditor	-	15,220,998 93	-	15,220,998 93
Distributions received	-	250,000 00	-	250,000 00
Investment income	-	75,000 00	-	75,000 00
		<u>25,877,132 00</u>	<u>21,653 62</u>	<u>25,898,785 62</u>
Payments				
Consultancy fees		(71,805 00)	-	(71,805 00)
Shares in subsidiaries		(171 00)	-	(171 00)
Repairs and maintenance		(818,500 09)	(29,466 00)	(847,966 09)
Funding from secured creditor repaid		(13,938,499 60)	-	(13,938,499 60)
Management charges		(167,275 54)	-	(167,275 54)
Inter-company debts		(100 00)	100 00	-
Insurance		(67,246 71)	-	(67,246 71)
Agents' fees		(513,993 06)	(3,080 00)	(517,073 06)
Cleaning and site clearance		(41,241 29)	-	(41,241 29)
Utilities		(15,219 82)	-	(15,219 82)
Bank/Interest charges		(7,329 08)	(226 21)	(7,555 29)
Legal fees		(1,019,898 27)	-	(1,019,898 27)
Legal settlement		(445,000 00)	-	(445,000 00)
Office holders' fees		(720,142 47)	-	(720,142 47)
Office holders' disbursements		(3,553 32)	-	(3,553 32)
Surveyor's fees		(65,432 87)	-	(65,432 87)
Subcontractors		(7,566,786 63)	(5,250 00)	(7,572,036 63)
Service charges		(219,055 43)	-	(219,055 43)
Security costs		(27,504 71)	-	(27,504 71)
		<u>(25,708,754 89)</u>	<u>(37,922 21)</u>	<u>(25,746,677 10)</u>
Net fixed charge realisations		<u>168,377 11</u>	<u>(16,268 59)</u>	<u>152,108 52</u>

Floating charge

	Estimated per directors' sworn statement of affairs	2 March 2009 to 1 March 2017	2 March 2017 to 1 September 2017	Total
Receipts	£	£		£
Pre appointment VAT refund	49,284	23,844 99	-	23,844 99
Payment due under the novation agreem	-	593,224 00	-	593,224 00
Refunds	33,260	9,235 03	-	9,235 03
Book debts	19,866	11,301 91	-	11,301 91
Cash at bank	110,574	110,649 48	-	110,649 48
Sale of tax losses	-	16,821 50	-	16,821 50
		<u>765,076 91</u>	-	<u>765,076 91</u>
Payments				
Office holders' fees		(765,076 91)	-	(765,076 91)
		<u>(765,076 91)</u>	-	<u>(765,076 91)</u>
Net floating charge realisations		-	-	-
Vat control account		<u>(26,239 28)</u>	<u>20,485 05</u>	<u>(5,754 23)</u>
Total Balance in hand		<u>142,137 83</u>	<u>4,216 46</u>	<u>146,354 29</u>

The funds are being held in an interest bearing account

Castlemore (Temple Quay 6) Limited - in Administration

Receipts and payments account for the period 2 March 2009 to 1 September 2017

Fixed charge

	Estimated per directors' sworn statement of affairs	2 March 2009 to 1 March 2017	2 March 2017 to 1 September 2017	Total
Receipts	£	£	£	£
Funding from secured creditor	-	1,719,750 96	-	1,719,750 96
Rental income	-	586,316 36	-	586,316 36
Freehold property	11,925,000 00	17,319,999 00	-	17,319,999 00
Bank interest	-	4,248 37	273 99	4,522 36
Service charges	-	1,600,618 97	95,197 31	1,695,816 28
Insurance recharge	-	22,264 38	-	22,264 38
Other trading income	-	800 00	-	800 00
		<u>21,253,998 04</u>	<u>95,471 30</u>	<u>21,349,469 34</u>
Payments				
Service charges		(1,269,250 45)	(5,259 33)	(1,274,509 78)
Repairs and maintenance		(2,542,545 31)	-	(2,542,545 31)
Management charges		(129,867 63)	-	(129,867 63)
Agents' fees		(785,026 46)	(8,000 00)	(793,026 46)
Security Costs		(188,592 15)	-	(188,592 15)
Cleaning and site clearance		(113,156 41)	-	(113,156 41)
Utilities		(594,654 77)	-	(594,654 77)
Interest on overdraft		(192,711 60)	-	(192,711 60)
Bank charges		(4,627 98)	(0 30)	(4,628 28)
Insurance		(86,781 89)	-	(86,781 89)
Legal fees		(222,488 92)	-	(222,488 92)
Tenant rent contributions		(1,176,508 04)	-	(1,176,508 04)
Office holders' fees		(1,136,354 94)	-	(1,136,354 94)
Office holders' disbursements		(1,299 33)	-	(1,299 33)
Funding from secured creditor repaid		(1,719,750 96)	-	(1,719,750 96)
Distribution to secured creditor		(10,300,000 00)	-	(10,300,000 00)
Surveyors' fees		(7,181 60)	-	(7,181 60)
Subcontractors		(138,408 97)	-	(138,408 97)
Telephone and fax		(5,963 96)	-	(5,963 96)
Consultancy fees		(1,350 00)	-	(1,350 00)
		<u>(20,616,521 37)</u>	<u>(13,259 63)</u>	<u>(20,629,781 00)</u>
Net fixed charge realisations		<u>637,476 67</u>	<u>82,211 67</u>	<u>719,688 34</u>

Floating charge

	Estimated per directors' sworn statement of affairs	2 March 2009 to 1 March 2017	2 March 2017 to 1 September 2017	Total
Receipts	£	£		£
Pre appointment VAT refund	14,493 00	14,421 64	-	14,421 64
Sale of tax losses	-	145,491 00	-	145,491 00
Refunds	-	1,084 86	-	1,084 86
		<u>160,997 50</u>	<u>-</u>	<u>160,997 50</u>
Payments				
Office holders' fees		(160,997 50)	-	(160,997 50)
		<u>(160,997 50)</u>	<u>-</u>	<u>(160,997 50)</u>
Net floating charge realisations		<u>-</u>	<u>-</u>	<u>-</u>
Vat control account		<u>-</u>	<u>-</u>	<u>-</u>
Total Balance in hand		<u>637,476 67</u>	<u>82,211 67</u>	<u>719,688 34</u>

The funds are being held in an interest bearing account

Castlemore (West Bar) Limited - in Administration

Receipts and payments account for the period 2 March 2009 to 1 September 2017

Fixed charge

	Estimated per directors' sworn statement of affairs	2 March 2009 to 1 March 2017	2 March 2017 to 1 September 2017	Total
Receipts	£	£	£	£
Freehold property	-	7,180.00	-	7,180.00
Funding from secured creditor	-	445,165.09	-	445,165.09
		<u>452,345.09</u>	<u>-</u>	<u>452,345.09</u>
Payments				
Bank charges		(2,247.15)	(201.95)	(2,449.10)
Management charges		(66,830.25)	-	(66,830.25)
Insurance		(7,190.87)	-	(7,190.87)
Interest on overdraft		(46,306.99)	(5,200.88)	(51,507.87)
Agents' fees		(1,297.78)	-	(1,297.78)
Funding from secured creditor repaid		(445,165.09)	-	(445,165.09)
Security costs		(25,453.00)	(1,828.00)	(27,281.00)
Repairs and maintenance		(29,195.44)	(190.00)	(29,385.44)
Office holder's fees		(257,072.00)	-	(257,072.00)
Office holder's disbursements		(3,301.61)	-	(3,301.61)
Legal fees		(38,655.95)	(7,114.00)	(45,769.95)
		<u>(922,716.13)</u>	<u>(14,534.83)</u>	<u>(937,250.96)</u>
Net fixed charge realisations		<u>(470,371.04)</u>	<u>(14,534.83)</u>	<u>(484,905.87)</u>

Floating charge

	Estimated per directors' sworn statement of affairs	2 March 2009 to 1 March 2017	2 March 2017 to 1 September 2017	Total
Receipts	£	£	£	£
Refunds	54,000	49,057.50	-	49,057.50
Sale of tax losses	-	18,504.50	-	18,504.50
		<u>67,562.00</u>	<u>-</u>	<u>67,562.00</u>
Payments				
Office holder's fees		(60,374.70)	-	(60,374.70)
		<u>(60,374.70)</u>	<u>-</u>	<u>(60,374.70)</u>
Net floating charge realisations		<u>7,187.30</u>	<u>-</u>	<u>7,187.30</u>
Vat control account		(163.50)	(681.10)	(844.60)
Total Balance in hand		<u>(463,347.24)</u>	<u>(15,215.93)</u>	<u>(478,563.17)</u>

Appendix B: Expenses

West Bar

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and includes our fees, but excludes distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

Our estimated future expenses is on the basis that Urbo accelerate their acquisition of the West Bar site and exercise their option by the end of 2017, and that the administration continues for a further year.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

Castlemore (West Bar) Limited	Incurred in the period under review £	Estimated future £
Bank Charges	40.76	50.00
Insurance	250.00	500.00
Interest on overdraft	5,200.88	900.00
Security costs	1,828.00	3,000.00
Repairs and maintenance	190.00	1,000.00
Office holder's fees	36,422.95	108,000.00
Office holder's disbursements	723.51	1,000.00
Legal fees	2,398.50	12,000.00
Total	47,054.60	126,450.00

Appendix C: Remuneration update

Our fees were approved on a time costs basis at meetings of the Companies' creditors on 6 May 2009. To 1 September 2017 we have drawn fees in accordance with the table below, in line with the approval given and as shown on the enclosed receipts and payments account(s):

Administration	Time costs in the period	Time costs since appointment	Drawn to date	Fixed charge fees (£)	Floating charge fees (£)
	£	£	£	£	£
West Bar	36,422	830,710	317,446	257,072	60,375
TQ2	79,783	2,611,595	1,485,219	720,142	765,077
TQ6	24,045	2,528,383	1,297,352	1,136,355	160,997
Total	140,250	5,970,688	3,100,017	2,113,569	986,449

The time cost charges incurred in the period covered by this report are £140,250. This amount does not necessarily reflect how much we will eventually draw as fees for this period.

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

Our hours and average rates

Castlemore (Temple Quay 2) Limited - in administration

Analysis of time costs for the period from 2 Mar 2017 to 1 Sep 2017

Aspect of assignment	Partner	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
Strategy & Planning	-	0.10	-	1.15	-	0.20	1.45	364.50	251.38
Secured creditors	-	6.50	0.30	2.60	0.15	-	9.55	3,632.50	380.37
Assets	-	114.90	-	0.70	0.15	-	115.75	60,531.50	522.95
Accounting and treasury	-	3.15	-	4.05	11.70	-	18.90	4,230.70	223.85
Statutory and compliance	0.10	2.85	1.10	1.70	5.00	-	10.75	2,988.20	277.97
Tax & VAT	-	11.35	-	7.93	3.35	-	22.63	8,036.30	355.12
Total for the period	0.1	138.9	1.4	18.1	20.4	0.2	179.03	79,783.70	445.64
Brought forward at 1 Mar 2017							6,648.59	2,531,811.68	
Total							6,827.62	2,611,595.38	

Castlemore (Temple Quay 6) Limited - in administration

Analysis of time costs for the period from 2 Mar 2017 to 1 Sep 2017

Aspect of assignment	Partner	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
Strategy & Planning	-	-	-	1.15	-	0.20	1.35	321.00	237.78
Secured creditors	-	-	0.30	2.55	0.15	-	3.00	792.00	264.00
Assets	2.00	20.00	-	0.45	-	-	22.45	10,097.00	449.76
Accounting and treasury	-	0.25	-	6.85	4.20	-	11.30	2,167.85	191.85
Statutory and compliance	0.10	2.10	1.10	1.60	3.65	-	8.55	2,407.70	281.60
Tax & VAT	-	14.10	-	1.48	3.50	-	19.08	7,649.55	400.92
Closure procedures	-	1.00	-	0.60	-	-	1.60	610.80	381.75
Total for the period	2.1	37.5	1.4	14.7	11.5	0.2	67.33	24,045.90	357.14
Brought forward at 1 Mar 2017							6,315.99	2,504,337.56	
Total							6,383.32	2,528,383.46	

Castlemore (West Bar) Limited - in administration

Analysis of time costs for the period from 2 Mar 2017 to 1 Sep 2017

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
Strategy & Planning	-	-	0.05	0.10	2.10	0.10	0.70	3.05	687.15	225.30
Secured creditors	-	-	0.75	0.30	2.55	0.15	-	3.75	1,149.50	301.20
Assets	-	-	9.35	37.82	15.45	0.75	-	63.37	21,341.65	336.78
Creditors	-	-	-	-	0.10	-	-	0.10	19.00	190.00
Accounting and treasury	-	-	0.70	0.15	4.65	7.90	-	13.40	2,679.40	199.96
Statutory and compliance	0.20	-	1.45	1.10	1.50	3.95	-	8.20	2,366.20	288.56
Tax & VAT	-	0.50	10.30	-	8.43	3.30	-	22.53	8,200.05	363.96
Total for the period	0.2	0.5	22.6	39.3	34.8	16.2	0.7	114.40	35,422.95	318.38
Brought forward at 1 Mar 2017								2,449.78	794,287.65	
Total								2,564.18	830,710.60	

Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the administration. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the administration (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. Work carried out by our cashiers, support and secretarial staff is charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time is charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the administration.

Grade	Up to 30 June 2017 £	From 1 July 2017 £
Partner	600	620
Director	500	525
Senior manager	435	450
Manager	345	355
Senior associate – qualified	260	268
Senior associate – unqualified	190	196
Associate	170	175
Support staff	89	92

We call on colleagues in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	Up to 30 June 2017 £	From 1 July 2017 £
Partner	1,250	1,315
Director	1,175	1,210
Senior manager	1,170	1,230
Manager	700	735
Senior Associate / consultant	515	545
Associate / assistant consultant	255	270
Support staff	150	160

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

Payments to associates

We have not made any payments to associates in the period covered by this report.

Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff.

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work: -

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Strategy & planning	<ul style="list-style-type: none"> Case planning 	<ul style="list-style-type: none"> For the proper administration of the insolvent estates 	<ul style="list-style-type: none"> No direct financial benefit
Secured creditors	<ul style="list-style-type: none"> Liaising with the Bank on matters regarding strategy Preparation of estimated outcome statements and reports 	<ul style="list-style-type: none"> To keep the secured creditor updated with regard to the administration of the estates For the proper administration of the insolvent estates 	<ul style="list-style-type: none"> No direct financial benefit
Assets	<ul style="list-style-type: none"> Regular team meetings and discussion calls in order to document and monitor progression of various outstanding issues in the administrations Working with former managing agents to finalise service charge accounts Dealing with the requirement for planning and sign off, of the public art installation at TQ2 and liaising with the various parties involved in its completion (lawyers, agents, architects, planning department and eventual owner) Adoption of sewers, assignment of construction warranties, reviewing snagging list and 	<ul style="list-style-type: none"> In order to ensure that all obligations and liabilities in the estates are identified and settled To enhance realisations into the estate 	<ul style="list-style-type: none"> Enhanced asset realisations

	confirming all outstanding liabilities are settled with regard to Temple Quay		
	<ul style="list-style-type: none"> • Liaising with Urbo, solicitors, the local authority and property agents regarding West Bar's development strategy, site security and compliance with insurer's requirements • Endeavouring to collect outstanding rent arrears at TQ6 		
Accounting & treasury	<ul style="list-style-type: none"> • Managing and reconciling the Companies' post appointment bank accounts • Preparing and processing receipts and payments to the estate accounts • Accounting for service charge transactions • Consideration of investment options for funds held in post appointment bank accounts • Review of West Bar's overdraft facility 	<ul style="list-style-type: none"> • For the proper administration of the insolvent estates 	<ul style="list-style-type: none"> • Statutory requirement
Statutory & compliance	<ul style="list-style-type: none"> • Drafting, reviewing and circulation of progress report • Conducting periodic file reviews 	<ul style="list-style-type: none"> • For the proper administration of the insolvent estates 	<ul style="list-style-type: none"> • Statutory requirement
Tax and VAT	<ul style="list-style-type: none"> • Preparation, review and submission to HMRC of quarterly VAT returns • Preparation, review and submission to HMRC of tax returns, including a final computation in TQ6 	<ul style="list-style-type: none"> • The administrators are 'proper officers' of the Companies for Tax and VAT purposes and must ensure their obligations are met. 	<ul style="list-style-type: none"> • Statutory requirement • Tax planning and recovery of VAT paid on the estates' costs and expenses

Our future work

We still need to do the following work to achieve the purpose of administration:

Area of work	Work we need to do	Estimated cost £	Whether or not the work will provide a financial benefit to creditors
Strategy & planning	<ul style="list-style-type: none"> • Updating case records, file management systems, processing and responding to postal or electronic enquiries • Budget monitoring • Planning for and managing the closure of TQ2 and TQ6 estates • Considering our exit strategy with regard to the West Bar estate, in particular with a view to accelerating receipts in the event the Option is exercised 	<ul style="list-style-type: none"> • £25k West Bar • £7.5k TQ2 • £7.5k TQ6 	<ul style="list-style-type: none"> • No direct financial benefit
Accounting & treasury	<ul style="list-style-type: none"> • Managing investments and overdraft • Processing receipts, payments and accounting journals, as required • Regular bank reconciliations • Closure of estate accounts 	<ul style="list-style-type: none"> • £5k West Bar • £2.5k TQ2 • £2.5k TQ6 	<ul style="list-style-type: none"> • No direct financial benefit
Assets	<ul style="list-style-type: none"> • Continuing to liaise with Urbo, the local authority, our agents and professional advisers regarding West Bar's development land and complying with our obligations under the Option agreement • Finalising the agreement for a temporary car park to be operated on West Bar's development land • Agreeing for the demolition of the remaining buildings on West Bar's development land • Finalising matters in TQ2 and TQ6, with regard to debtor balances and ensuring that all obligations and liabilities are met. 	<ul style="list-style-type: none"> • £40k West Bar • £10k TQ2 • £10k TQ6 	<ul style="list-style-type: none"> • Yes, in the event of enhanced or accelerated receipts into the estate(s)

<i>Statutory & compliance</i>	<ul style="list-style-type: none"> • Preparation of periodic file reviews • Pursuing the discharge from liability in the estates of TQ2 and TQ6 • Drawing fees in West Bar, in the event that realisations flow into the estate • Preparation of our final progress reports in the estates of TQ2 and TQ6 	<ul style="list-style-type: none"> • £15k West Bar • £5k TQ2 • £5k TQ6 	<ul style="list-style-type: none"> • No direct financial benefit • Required by statute
<i>Tax and VAT</i>	<ul style="list-style-type: none"> • Submission and agreement from HMRC with regard to TQ2 and TQ6's final corporation tax computations • Submitting final VAT return in the estates of TQ2 and TQ6, and de-registering for VAT • Continued submission of VAT and corporation tax returns in West Bar's estate 	<ul style="list-style-type: none"> • £10k West Bar • £5k TQ2 • £5k TQ6 	<ul style="list-style-type: none"> • No direct financial benefit • Required by statute
<i>Secured creditors</i>	<ul style="list-style-type: none"> • Provision of estimated outcome statements to the Bank, in order to illustrate its recovery prospects and exposure across the Companies' estate • Agreeing the revised level of overdraft funding required in West Bar's estate • Considering the obligation of any of the Companies to repay other estates, by virtue of cross guarantees, and complying with such obligations • Making any additional distributions to the Bank 	<ul style="list-style-type: none"> • £3k West Bar • £1k TQ2 • £1k TQ6 	<ul style="list-style-type: none"> • No direct financial benefit

Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, such as photocopying and mileage on company cars. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the administration and has been approved by general body of creditors where required.

The following disbursements arose in the period of this report: Category Policy		West Bar £	TQ2 £	TQ6 £
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	0.00	0.00	0.00
2	Mileage - At a maximum of 73 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	76.65	0.00	0.00
	Storage	0.00	5.00	0.00
1	Appointee Transfer Costs	619.86	619.86	619.86
	Land Registry Services	27.00	0.00	0.00
Total		723.51	624.86	619.86

Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

Details of subcontracted work

We have not subcontracted any work which we or our staff would normally do, in the period of this report.

Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services, including: <ul style="list-style-type: none"> • <i>Extending the administrations</i> • <i>Advice upon the existence and application of cross guarantees between TQ2 and West Bar estates</i> • <i>Legal advice regarding our contractual obligations with respect to the Option agreement</i> 	<ul style="list-style-type: none"> • <i>Eversheds Sutherland LLP</i> 	<ul style="list-style-type: none"> • <i>Insolvency expertise</i> 	<ul style="list-style-type: none"> • <i>Time costs</i>

<ul style="list-style-type: none"> • <i>Legal advice regarding the terms of the operation of a temporary car park at West Bar</i> 			
Legal services, including <ul style="list-style-type: none"> • <i>Advising upon our planning obligations in respect of the public art at TQ2</i> 	<ul style="list-style-type: none"> • <i>CMS Cameron McKenna LLP</i> 	<ul style="list-style-type: none"> • <i>Insolvency expertise</i> 	<ul style="list-style-type: none"> • <i>Time costs</i>
Property agents, including <ul style="list-style-type: none"> • <i>Project management of the site at TQ2, including coordinating various contractors and advisers in order to deliver the public art project</i> 	<ul style="list-style-type: none"> • <i>Alder King LLP</i> 	<ul style="list-style-type: none"> • <i>Industry and insolvency knowledge and expertise</i> 	<ul style="list-style-type: none"> • <i>Fixed fee and time cost basis</i>
Architect services, including <ul style="list-style-type: none"> • <i>Design of the public art structure, procurement of materials and coordination of contractors, e.g structural engineers</i> 	<ul style="list-style-type: none"> • <i>Witherford Watson Mann</i> 	<ul style="list-style-type: none"> • <i>Industry and insolvency knowledge and expertise</i> 	<ul style="list-style-type: none"> • <i>Fixed fee</i>
Property agents, including <ul style="list-style-type: none"> • <i>Regular vacant property inspections</i> • <i>Provision of security fencing around West Bar's site</i> 	<ul style="list-style-type: none"> • <i>Secure Site</i> 	<ul style="list-style-type: none"> • <i>Industry and insolvency knowledge and expertise</i> 	<ul style="list-style-type: none"> • <i>Fixed fee for specific tasks undertaken</i>

We require all third party professionals to submit appropriate information in support of invoices rendered. This may be time costs analyses and narrative or a schedule of realisations achieved. We review this information to assess whether the costs are reasonable in the circumstances of the case.

In order to review the appropriateness of professional costs we consider:

- comparison with upfront budgets;
- review of time costs analysis;
- review of disbursements claimed; and
- ongoing dialogue with regards to the work being performed.

Appendix D: Other information

Full name	Castlemore (West Bar) Limited	Castlemore (Temple Quay 2) Limited	Castlemore (Temple Quay 6) Limited
Court details for the administration:	High Court of Justice, Chancery Division, London District Registry, Case No 11453 of 2009	High Court of Justice, Chancery Division, London District Registry, Case No 11449 of 2009	High Court of Justice, Chancery Division, London District Registry, Case No 11451 of 2009
Trading name:	Castlemore (West Bar) Limited	Castlemore (Temple Quay 2) Limited	Castlemore (Temple Quay 6) Limited
Registered number:	5620890	3831148	5809473
Registered address	Central Square, 29 Wellington Street, Leeds LS1 4DL	Central Square, 29 Wellington Street, Leeds LS1 4DL	Central Square, 29 Wellington Street, Leeds LS1 4DL
Company directors:	Mr Giuseppe Antonio Credali & Mr John Whateley	Mr Giuseppe Antonio Credali, Mr Eric Stuart Hall & Mr John Grahame Whateley	Mr Giuseppe Antonio Credali, Mr Bradley Roy Critcher & Mr John Whateley
Company secretaries	Mr Giuseppe Antonio Credali & Mr Neil Ramage	Mr Giuseppe Antonio Credali & Mr Neil Ramage	Mr Giuseppe Antonio Credali & Mr Neil Ramage
Shareholdings held by the directors and secretaries	None	None	None
Date of the administration appointment	2 March 2009	2 March 2009	2 March 2009
Administrators' names and addresses:	David Matthew Hammond of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT & David Chubb of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT	David Matthew Hammond of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT & David Chubb of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT	David Matthew Hammond of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT & David Chubb of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT
Details of any extension(s) to the initial period of appointment	On 24 February 2010, the administration was extended to 1 March 2012. At a hearing on 20 February 2012, the Court granted an extension of three years. On 28 January 2015 and 9 February 2016, the Court granted further extensions, each for a period of 1 year. Finally, on 23 February 2017, the Court granted a further 3 year extension.	On 24 February 2010, the administration was extended to 1 March 2012. At a hearing on 20 February 2012, the Court granted an extension of three years. On 28 January 2015 and 9 February 2016, the Court granted further extensions, each for a period of 1 year. Finally, on 23 February 2017, the Court granted a further 3 year extension.	On 24 February 2010, the administration was extended to 1 March 2012. At a hearing on 20 February 2012, the Court granted an extension of three years. On 28 January 2015 and 9 February 2016, the Court granted further extensions, each for a period of 1 year. Finally, on 23 February 2017, the Court granted a further 3 year extension.
Changes in officeholder	Mark Batten was replaced by David Chubb with effect from 4 August 2017.	Mark Batten was replaced by David Chubb with effect from 4 August 2017.	Mark Batten was replaced by David Chubb with effect from 4 August 2017.
Appointor's / applicant's name	Lloyds Bank plc	Lloyds Bank plc	Lloyds Bank plc
Objective being pursued by the Administrators	(b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in administration)	(b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in administration)	(b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in administration)
Division of the Administrators' responsibilities	In relation to paragraph 100(2) Sch B1 IAS6 during the period for which the Administration is in force, any function to be exercised by the persons appointed to act as Administrators may be done by any or all of the persons appointed or any of the persons for the time being holding that office.	In relation to paragraph 100(2) Sch B1 IAS6 during the period for which the Administration is in force, any function to be exercised by the persons appointed to act as Administrators may be done by any or all of the persons appointed or any of the persons for the time being holding that office.	In relation to paragraph 100(2) Sch B1 IAS6 during the period for which the Administration is in force, any function to be exercised by the persons appointed to act as Administrators may be done by any or all of the persons appointed or any of the persons for the time being holding that office.
Proposed end of the administration	Dissolution	Dissolution	Dissolution
Estimated dividend for unsecured creditors:	Nil	Nil	Nil
Estimated values of the prescribed part and the Company's net property	Nil	Nil	Nil
Whether and why the Administrators intend to apply to court under Section 176A(5) IAS6	The Administrators will apply to court under Section 176A(5) IAS6 for an order not to distribute the Prescribed Part (should it apply) if it is considered that the costs of agreeing claims and paying the dividend will be disproportionate to the benefits.	The Administrators will apply to court under Section 176A(5) IAS6 for an order not to distribute the Prescribed Part (should it apply) if it is considered that the costs of agreeing claims and paying the dividend will be disproportionate to the benefits.	The Administrators will apply to court under Section 176A(5) IAS6 for an order not to distribute the Prescribed Part (should it apply) if it is considered that the costs of agreeing claims and paying the dividend will be disproportionate to the benefits.
The European Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000 of 29 May 2000)	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings.	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings.	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings.