

The Insolvency Act 1986

**Administrators' progress report**

Name of Company Castlebeck Group Limited ✓	Company number 04450369
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 1622 of 2013

(a) Insert full name(s) and address(es) of administrator(s)

We (a)

Daniel Smith  
Grant Thornton UK LLP  
30 Finsbury Square  
London  
EC2P 2YU

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

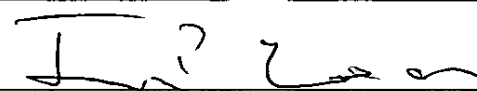
Joseph P McLean  
Grant Thornton UK LLP  
Earl Grey House  
Newcastle upon Tyne  
NE1 6EF

administrators of the above company attach a progress report for the period

(b) Insert date

From (b) 22 January 2015	To (b) 25 June 2015 ✓
-----------------------------	--------------------------

Signed

  
Joint Administrator

Dated

25/6/15

**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

Grant Thornton UK LLP  
Earl Grey House  
75-85 Grey Street  
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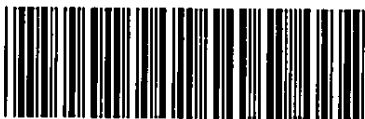
T 0191 261 2631

DX Number

DX Exchange

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**

FRIDAY



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26/06/2015

#116

COMPANIES HOUSE

Our Ref JMcL/PWS/SB/C01678/PF7  
Your Ref

To the Creditors

25 June 2015

Dear Sirs

**Advisory**

Grant Thornton UK LLP  
75 - 85 Grey Street  
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**CB Care Limited**  
**Castlebeck Care Holdings Limited**  
**Castlebeck Property Holdings Limited**  
**Castlebeck Group Limited**  
**All in Administration (together 'the Group')**  
**High Court of Justice, Chancery Division, Companies Court**  
**Nos 1621, 1619, 1620 and 1622 of 2013**

**1 Introduction**

1.1 Following the appointment of my partners, Daniel Smith, David J Dunckley, and I, as Joint Administrators of the Group by the directors on 5 March 2013, I am now in a position to conclude the Administrations. This is my final progress report, including:

- Appendix A Form 2.24B, together with an account of our receipts and payments for the period ended 25 June 2015 in accordance with Rule 2.47 of the Insolvency Rules 1986
- Appendix B a statement of the remuneration charged by the Joint Administrators in the period 22 January 2015 to 25 June 2015 and a statement of expenses incurred in the period
- Appendix C an analysis of our firm's time costs as required by Statement of Insolvency Practice 9
- Appendix D an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the Administrator (Rule 2.48A)
- Appendix E an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the Administrator's remuneration and expenses, if excessive (Rule 2.109)

1.2 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the Administrators are to be exercised by any or all of them

**Chartered Accountants**

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## **2 Statutory information**

2 1 The Group's statutory details are as follows

Registered number

CB Care Limited ("CB Care") 05843078

Castlebeck Care Holdings Limited ("CBCH") 03540515

Castlebeck Property Holdings Limited ("CBPH") 05887272

Castlebeck Group Limited ("CBG") 04450369

Registered office

c/o Grant Thornton UK LLP

4 Hardman Square

Spinningfields

Manchester

M3 3EB

## **3 Receipts and payments account**

3 1 I attach our receipts and payments account at Appendix A. You will note that no amounts have been paid to the unsecured creditors by virtue of the application of section 176A of the Insolvency Act 1986 (Prescribed Part).

## **4 Report and outcome of the Administrations**

4 1 The objective of the Administrations, as set out in the Joint Administrators' proposals dated 26 April 2013, was to pursue the objective of realising assets for the benefit of the secured creditors.

4 2 Our strategy for achieving these objectives was to continue to manage the business of the Group for so long as we believed it appropriate in attempting the more advantageous realisation of assets.

4 3 As advised in our proposals CB Care, CBCH and CBG are intermediate holding companies and did not trade.

4 4 In addition to the Group, Daniel Smith, David Dunckley and I was also appointed Joint Administrators of Castlebeck Care (Teesdale) Limited on 5 March 2013, a subsidiary and the main trading entity within the Group. I expect to be in a position to close this Administration in the very near future.

### **Assets**

#### **Property portfolio**

4 5 As advised in our report dated 4 October 2013, the business and assets of the Group were sold to Danshell Healthcare Limited (Danshell) on 3 September 2013. In addition to the sales proceeds, deferred consideration of £250,000 was due within three months of completion and further consideration of between £250,000 and £1 million was due within 16 months of completion depending on the occupancy levels at one of the homes.

4 6 As previously noted the first payment of deferred consideration of £250,000 was received in the period to 21 July 2014. The final payment fell due on 3 January 2015 but this payment

was not received by the Administrators until March 2015 following a period of further negotiation resulting in a minor reduction in consideration (£220,000 was received)

#### Other assets

- 4 7 The only other asset of the Group was taxation losses that were sold by CB Care Limited for £75,000 in April 2014

#### Prescribed Part

- 4 8 Due to the quantum of trading losses, which has been funded with the agreement of the secured creditors from fixed charge realisations, I can advise that there is no return to the unsecured creditors in any of the Group companies by virtue of the Prescribed Part payment

#### Liabilities

##### Secured creditors

- 4 9 As previously advised the whole Group provided security to the Group's lenders
- 4 10 The directors' statements of affairs indicate a debt due to the Lenders at the date of appointment of £217 million. There is, therefore, no prospect of the Lenders being repaid in full
- 4 11 To date £21,506,000 million (this includes sums paid by Castlebeck Care (Teesdale) Limited) has been paid to the Lenders on account (under their fixed charge security)

##### Preferential creditors

- 4 12 There are no preferential creditors in the Group

##### Unsecured creditors

- 4 13 As advised above, no Prescribed Part payment to the unsecured creditors in any of the Group companies is currently anticipated. There will, therefore, be no dividend available to be paid to any unsecured creditors within the Group

##### Other matters

- 4 14 As advised in our proposals dated 26 April 2013 the Administrations will end by the Joint Administrators filing a notice to dissolve each of the companies in the Group

## **5 Joint Administrators' remuneration and expenses**

- 5 1 Ordinarily the legislation provides that the creditors' committee, if appointed, should determine the basis of the Joint Administrators' remuneration, and if no committee is appointed, a resolution of creditors is required. In these Administrations, however, as no committee was appointed and, as we are of the opinion that there will be no funds available for the unsecured creditors, responsibility for the agreement of the Joint Administrators' remuneration and expenses falls upon the secured creditors. That is because it is this class of creditor that ultimately will bear these costs

- 5 3 In accordance with Statement of Insolvency Practice (SIP 9), I attach at Appendix C a summary of the Administrators' time costs to 25 June 2015 by grade of staff and type of work. This shows total time costs as follows

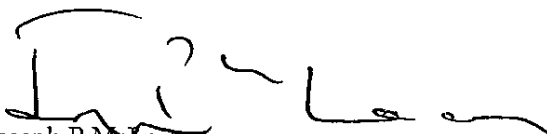
Company	Time costs to date
	£
CB Care Limited	130,024 50
Castlebeck Care Holdings Limited	20,305 30
Castlebeck Group Limited	84,524 25
Castlebeck Property Holdings Limited	27,548 15
Total	262,402 20

- 5 4 I can advise that Administrators' remuneration of £89,458 has been taken in the period as indicated in Appendix A. This does not include Administrators' remuneration which has been taken in Castlebeck Care (Teesdale) Limited
- 5 5 Joint Administrators' expenses of £179 00 have been taken in the period as indicated in Appendix A
- 5 6 Background information regarding the fees of Administrators can be found at [www.insolvency-practitioners.org.uk](http://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 units of 6 minutes

## 6 Closing comments

- 6 1 I trust the above report is self-explanatory but if you require any further explanation please revert to my colleague Philip Stephenson (T 0191 203 7791)

Yours faithfully  
for and on behalf of  
CB Care Limited  
Castlebeck Care Holdings Limited  
Castlebeck Property Holdings Limited  
Castlebeck Group Limited

  
Joseph P McLean  
Joint Administrator

Enc

# A Abstract of the Administrators' receipts and payments

## Castlebeck Property Holdings Limited - In Administration Receipts and payments account as at 25 June 2015

Statement of affairs / £	21 January 2015 to 25 June 2015			As at 25 June 2015		
	Fixed Charge / £	Floating Charge / £	Total / £	Fixed Charge / £	Floating Charge / £	Total / £
RECEIPTS						
Realisations						
Freehold properties	7 600 000			2 200 490		2 200 490
Chattel	20 000				32 635	32 635
Rental income				1 080 000		1 080 000
Bank interest				1 137		1 137
				3 281 627	32 635	3 314 262
PAYMENTS						
Corporation tax		148	148		228	228
Administrators' remuneration		27 298	27 298		27 298	27 298
VAT irrecoverable		5 459	5 459		5 459	5 459
Agent for the secured creditors	281 277		281 277	3 281 277		3 281 277
	281 277	32 903	314 180	3 281 277	32 985	3 314 262
Balances	(281 277)	(32 903)	(314 180)	350	(350)	

## Castlebeck Care Holdings Limited - In Administration Receipts and payments account as at 25 June 2015

Statement of affairs / £	21 January 2015 to 25 June 2015			As at 25 June 2015		
	Fixed Charge / £	Floating Charge / £	Total / £	Fixed Charge / £	Floating Charge / £	Total / £
RECEIPTS						
Realisations						
Freehold properties				1 247 311		1 247 311
Bank interest				14		14
				1 247 325		1 247 325
PAYMENTS						
Agent for the secured creditors				1 247 325		1 247 325
				1 247 325		1 247 325
Balances						

## CB Care Limited - In Administration Receipts and payments account as at 25 June 2015

Statement of affairs / £	21 January 2015 to 25 June 2015			As at 25 June 2015		
	Fixed Charge / £	Floating Charge / £	Total / £	Fixed Charge / £	Floating Charge / £	Total / £
RECEIPTS						
Realisations						
Sale of tax losses					74 847	74 847
Bank interest					160	160
					74 807	74 807
PAYMENTS						
Administrators' remuneration		62 160	62 160		62 160	62 160
Administrators' expenses		179	179		179	179
VAT irrecoverable		12 468	12 468		12 468	12 468
Agent for the secured creditors						
		74 807	74 807		74 807	74 807
Balances		74 807	74 807			

B Remuneration charged and expenses incurred by the Administrators in the period (net of irrecoverable VAT)

	Charged/incurred in period 22/01/2015 to 25/06/2015 £	Cumulative charged/incurred to 25/06/2015 £	Of which paid to 25/06/2015 £
Joint Administrators' fees			
Time costs	10,014	262,402	89,458
Expenses	179	179	179
	<u>10,193</u>	<u>262,581</u>	<u>89,637</u>

## C 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 5 March 2013
	£
Partners up to	655
Managers up to	455
Administrators up to	320
Assistants and support staff up to	275

### Disbursements

Out of pocket expenses are charged at cost. Mileage is charged at standard rates used from time to time by Grant Thornton UK LLP.

### Castlebeck Group Limited - In Administration - C30201680 - SIP 9 TIME COST ANALYSIS

Transaction period 5 March 2013 - 25 June 2015

	Partner			Manager			Administration/Support Staff			Total		
	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate
Administration and Planning Creditors	66.00	43,754.00	655.00	32.5	13,653.75	425.00	40.98	11,239.50	275.00	139.93	68,697.25	490.87
Hiatus period												
Investigations				2.98	1,086.50	425.00	25	68.75	275.00	2.98	1,155.25	411.75
Realisation of Assets	5.35	3,504.25	655.00				2.50	687.50	275.00	7.85	4,817.50	533.98
Trading	6.00	1,480.00	655.00							6.00	1,480.00	655.00
Total	88.15	57,738.25	655.00	34.73	14,760.25	425.00	43.73	12,025.75	275.00	156.61	84,524.25	507.32

### Castlebeck Property Holdings Limited - In Adm - C30201681 - SIP 9 TIME COST

Transaction period 5 March 2013 - 25 June 2015

	Partner			Manager			Administration/Support Staff			Total		
	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate
Administration and Planning Creditors	15.50	10,125.00	655.00	8.11	3,519.15	433.93	50.21	13,807.75	275.00	73.82	27,449.40	372.25
Hiatus period												
Investigations							25	68.75	275.00	25	68.75	275.00
Realisation of Assets												
Trading												
Total	15.50	10,125.00	655.00	8.11	3,519.15	433.93	50.46	13,876.50	275.00	74.07	27,548.15	371.92

### CB Care Limited - In Administration - C30201683 - SIP 9 TIME COST ANALYSIS

Transaction period 5 March 2013 - 25 June 2015

	Partner			Manager			Administrator/Support Staff			Total		
	Hrs	£	Avg Hly Rate	Hrs	£	Avg Hly Rate	Hrs	£	Avg Hly Rate	Hrs	£	Avg Hly Rate
Administration and Planning	79.35	5,197.25	655.00	135.24	48,550.75	358.75	42.51	1,660.25	275.00	248.10	10,275.25	414.24
Creditors				11.07	6,022.25	425.00				11.07	6,022.25	425.00
Hiatus period												
Investigations				5.50	2,337.50	425.00	7.75	208.25	275.00	6.25	2,543.75	407.00
Realisation of Assets	45	294.75	655.00	18.07	8,147.25	425.00	9.80	2,695.00	275.00	28.42	11,937.00	378.55
Trading				.25	106.25	425.00				.25	106.25	425.00
Total	79.80	52,269.00	655.00	165.33	63,864.00	382.05	53.06	14,591.50	275.00	298.19	130,024.50	436.05

### Castlebeck Care Holdings Limited - In Adminis - C30201679 - SIP 9 TIME COST ANALYSIS

Transaction period 5 March 2013 - 25 June 2015

	Partner			Manager			Administrator			Total		
	Hrs	£	Avg Hly Rate	Hrs	£	Avg Hly Rate	Hrs	£	Avg Hly Rate	Hrs	£	Avg Hly Rate
Administration and Planning	9.05	5,927.75	655.00	3.92	1,578.55	402.68	34.00	9,350.00	275.00	46.97	6,855.30	356.87
Creditors												
Hiatus period												
Investigations				3.33	1,415.25	425.00	.25	68.75	275.00	3.58	1,484.00	414.53
Realisation of Assets												
Trading	3.00	1,965.00	655.00							3.00	1,965.00	655.00
Total	12.05	7,892.75	605.23	7.25	2,993.80	408.34	34.25	9,418.75	275.00	53.55	20,305.30	379.48

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

### Rule 2 48A

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

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

### Rule 2 109

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