

The Insolvency Act 1986

**2.23B****Notice of result of meeting of Creditors**

Name of Company  Acre 1127 Limited (Formerly Castle Galleries Limited)	Company number  01639743
In the High Court of Justice, Royal Courts of Justice  (full name of court)	Court case number 14060 of 2009

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

I/We (a)  
Nicholas Hugh O'Reilly  
Vantis Business Recovery Services  
PO Box 2653  
66 Wigmore Street  
London  
W1A 3RT

Philip Lewis Armstrong  
Vantis Business Recovery Services  
PO Box 2653  
66 Wigmore Street  
London  
W1A 3RT

hereby report that a meeting of the creditors of the above company was held at

(b) Insert place of  
meeting

(b) 66 Wigmore Street, London, W1A 3rt

(c) Insert date of meeting

on (c) 4 August 2009 at which:

\*Delete as applicable

\*1. Proposals were approved

A creditors' committee was not formed

Signed

Joint / Administrator(s)

Dated

04 August 2009

\*Delete as applicable

A copy of the \*original proposals / modified proposals / revised proposals is attached for those who did not receive such documents prior to the meeting

**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

Nicholas Hugh O'Reilly  
Vantis Business Recovery Services  
PO Box 2653  
66 Wigmore Street  
London  
W1A 3RT

DX Number

020 7467 4000  
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**



A45

10/08/2009

COMPANIES HOUSE

**MINUTES OF THE MEETING OF CREDITORS  
CONVENED PURSUANT TO PARAGRAPH 51 OF SCHEDULE B1 OF  
THE INSOLVENCY ACT 1986**

**Name of the company:** Acre 1127 Limited(Formerly Castle Galleries Limited) (In Administration)

**Date and time of meeting:** 4 August 2009 at 10am

**Venue of meeting:** 66 Wigmore Street, London, W1U 2SB

**Chairman of the meeting:** Nick O'Reilly

**Present:** See attached attendance list

**Represented by proxy:** See attached schedule of proxies

**In attendance:** Nick O'Reilly (Vantis)  
James Snowdon (Vantis)  
Marcus McMillan (Vantis)  
Damian Ferguson (DeMontfort Fine Art Limited)  
Paul Beber (Halcyon Gallery Limited & Washington Green Fine Art Co Limited)

---

**Quorum**

A quorum being present, the Chairman declared the meeting opened.

**Presentation of the Administrators' Report and Proposals**

The chairman presented the Administrators' report and proposals as required under the provisions of Paragraph 49 of Schedule B1 of the Insolvency Act 1986. It was agreed that the report would not be read in full as creditors had already had an opportunity to consider it.

Nick advised that the proposed instalment payment due two months after completion had been made.

**Material Points Raised at the Creditors' Meeting**

The creditors and their representatives were given the opportunity of putting questions to the chairman. The following queries were made with the corresponding answers.

1. De Montfort Fine Art Limited requested an update was on the status of Acre 1127 Limited (In Administration)'s application for leave to appeal the judgment obtained by De Montfort Fine Art Group Limited.  
The administrator advised that papers had been lodged in Court and we were awaiting the leave of the Court to appeal.
2. De Montfort Fine Art Limited asked who was funding the costs of the appeal.  
The administrator advised that it was partially being funded by the administrators and partially being funded by a third party.
3. De Montfort Fine Art Limited asked whether Washington Green Fine Art Co Limited's claim that all stock was subject to retention of title had been resolved.  
The administrator advised that this claim was yet to be finalised but it was likely that it would be upheld.
4. De Montfort Fine Art Limited asked whether Washington Green Fine Art Co Limited had applied a 15% discount to its claim as was purported to be its practice.

The administrators noted this point and advised it would be investigated when claims were admitted.

5. De Montfort Fine Art Limited asked whether deposits had been kept separate by the company. The administrators advised that prior to Vantis being approached by the company deposits were co-mingled with other monies but subsequent to Vantis being approached and administrators being appointed deposits were kept separately. This was approximately a one month period.
6. De Montfort Fine Art Limited asked what the indemnity was which was sold by the company to Washington Green Retail Limited. The administrators advised that this was an indemnity which had been granted to the company by the former directors and advised that the company could recover from the directors any amount which it paid across to De Montfort Fine Art Limited in settlement of its judgment. This indemnity had been capped at an agreed level.
7. De Montfort Fine Art Limited asked for an explanation on how the 11p in the £ guarantee from the purchaser was calculated. The administrator explained that calculations had been done prior to the sale of the likely dividend to creditors on a sale of £1.5 million. The likely dividend would be 11p in the £. To ensure creditors were not disadvantaged in the event that figures used proved to be inaccurate the guarantee was granted.
8. De Montfort Fine Art Limited requested that the administrators investigate who has paid to fund the company's defence and counterclaim in the legal proceedings with De Montfort and to investigate the conduct of the directors. The administrators noted these points and advised they would do so.
9. HM Revenue and Customs requested, by proxy that, two additions be made to the proposals. The first was

"The company will move from Administration to Liquidation immediately following the meeting of creditors within 6 months. Liquidation may be CVL in accordance with S83 Sch. B1 or compulsory under R 4.7(7) as the administrator deems appropriate."

This proposal was agreed by creditors

The second was

"Security if not already obtained, must be obtained over the purchasing company and directors assets in respect of the deferred consideration."

The administrators considered that this proposal could not be met as the sale has already been concluded and it is not possible or appropriate to seek to obtain the level of security requested after the deal has been concluded. Therefore the proxy for HM Revenue and Customs was taken as a rejection of the proposals.

### **Establishment of the Creditors' Committee**

The Chairman invited nominations to serve on a Creditors' Committee. There were insufficient nominations received to form a committee.

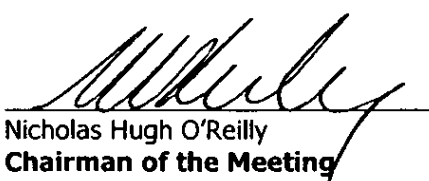
### **Resolution Passed at the Meeting of Creditors**

The Administrators' proposals were accepted by a majority with no modifications. The only creditor who rejected the proposals was HM Revenue and Customs.

### **Other Business**

There being no further business to conduct, the meeting closed.

Signed:

  
Nicholas Hugh O'Reilly  
**Chairman of the Meeting**

Dated: 4 August 2009

# ATTENDANCE REGISTER

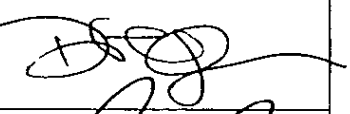

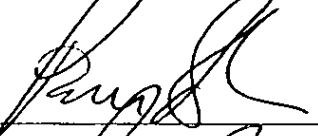
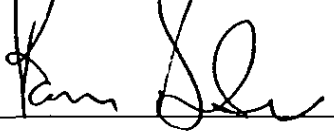

## MEETING OF CREDITORS

### ACRE 1127 LIMITED (FORMERLY CASTLE GALLERIES LIMITED) (IN ADMINISTRATION)

List of those attending the meeting of creditors.

**Held at:** Vantis Group Limited, 66 Wigmore Street, London, W1U 3RT

**Date:** 4 August 2009

Name of Creditor (please print)	Proxy-holder (if applicable) (please print)	Claim £	Signature
DE MONTFORD FINE ART LTD	Damian Ferguson	£1.5m.	
Holborn Galleries Ltd		£755,579	
Washington Green Fine Arts Co. Ltd.		£8,521,395	

## Proxy Schedule

### Acre 1127 Limited (Formerly Castle Galleries Limited) (In Administration)

Creditor	Claim	% Total	% Voting	Proxy	Security	RoT	HP
HM Revenue & Customs	£786,442.00	6.40	6.79	Chairman			
De Montfort Fine Art Limited	£1,510,250.38	12.29	13.05	Damian Fergusson Brendan McGeever			
Hill Shorter Limited	£732.55	0.01	0.01	Chairman			
Dee Valley Water PLC	£13.48	0.00	0.00	Chairman			
NMC (UK) Limited	£1,360.22	0.01	0.01	Chairman			
Matthew Algie	£302.75	0.00	0.00	Chairman			
Keepcool Refrigeration Ltd	£86.25	0.00	0.00	Chairman			
The Hakyon Gallery Limited	£755,579.65	6.15	6.53	Paul Beber			
Washington Green Fine Art Company Limited	£8,521,395.23	69.35	73.61	Paul Beber		X	
Voting Claims	£11,576,162.51						
Total Claims	£12,287,167.31						

**THE INSOLVENCY ACT 1986**


**STATEMENT OF THE PROPOSALS OF THE JOINT ADMINISTRATORS  
OF ACRE 1127 LIMITED (IN ADMINISTRATION)**

**PURSUANT TO PARAGRAPH 49(1) OF SCHEDULE B1 TO THE INSOLVENCY ACT 1986**

---

1. These are the proposals of Nicholas Hugh O'Reilly and Phillip Lewis Armstrong, the Joint Administrators of Acre 1127 Limited pursuant to paragraph 49(1) of schedule B1 to the Insolvency Act 1986.
2. The Joint Administrators think that objective (a) of the administration, as detailed in paragraph 3(1) of Schedule B1 of the Insolvency Act 1986, will not be achieved as the Company can not be rescued as a going concern. As such it is envisaged that objective (b) will be achieved, that a better result for creditors as a whole would be achieved than had the Company been wound up.
3. The Joint Administrators propose that
  - a) they will continue to deal with the administration of the Company.
  - b) that if they think the Company has sufficient property to permit a distribution to its unsecured creditors, they will send notice to the Registrar of Companies in accordance with paragraph 83 of schedule B1 to the Insolvency Act 1986 for the Company to be placed into Creditors Voluntary Liquidation. The proposed liquidators are to be Nicholas Hugh O'Reilly and Phillip Lewis Armstrong.
  - c) if they think the Company has no property which might permit a distribution to its unsecured creditors, they will send a notice to the Registrar of Companies in accordance with paragraph 84 of schedule B1 to the Insolvency Act 1986 and three months after the filing of the notice the Company will be deemed to be dissolved having given due consideration to point (a) above.
  - d) the Joint Administrators' fees be agreed and drawn on a time cost basis in accordance with their charge out rates applicable from time to time plus disbursements.
  - e) The Joint Administrators be granted their discharge from liability in accordance with Paragraph 98(2)(b) of Schedule B1 to the Insolvency Act 1986, 21 days after ceasing to act.

Dated this 17<sup>th</sup> day of July 2009

  
**Phil Armstrong**  
Joint Administrator  
Licensed by the Insolvency Practitioners Association

**The Joint Administrators act as agents of the Company and without personal liability.**

**The affairs, business and property of the Company are being managed by Hugh O'Reilly and Phillip Lewis Armstrong who were appointed Joint Administrators on 26 May 2009.**

**Acre 1127 Limited (Formerly Castle Galleries Limited)**

**Appendix A**

**Statutory Information**

Court in which administration proceedings were brought:	High Court of Justice, Chancery Division, Companies Court
Court reference number:	14060 of 2009
Date of incorporation:	1 June 1982
Company number:	01639743
Registered office:	44 Upper Gough Street, Birmingham, West Midlands, B1 1JL
Business address:	44 Upper Gough Street, Birmingham, West Midlands, B1 1JL
Directors:	Ehud Sheleg Glyn Washington
Company secretary:	Trevor Dawson

The directors and Company secretary have the following shareholdings in the Company:-

<b>Name</b>	<b>Shares</b>	<b>Type</b>	<b>Percentage shareholding</b>
Halcyon Fine Art Group Limited	1	Ordinary	100%

Extracts from the financial statements and management accounts available are summarised below:-

<b>Period Ended</b>	<b>Turnover</b>	<b>Gross Profit</b>	<b>Net Profit/ (Loss)</b>	<b>Dividend paid</b>	<b>P &amp; L a/c c/fwd</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
31/03/09	5,043	3,377	(962)	0	(9,626)
31/10/08	21,133	10,041	(2,734)	0	(3,838)
30/04/07	9,261	5,223	(2,768)	0	(3,795)
30/04/06	8,252	3,927	(1,001)	0	(783)