

The Insolvency Act 1986

Administrators' progress report

Name of Company
CASTLEWAY VENTURES LIMITED

Company number
03229638

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

Court case number
1973 of 2011

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

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

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

from

8 March 2010

to

7 September 2011

(b) Insert dates

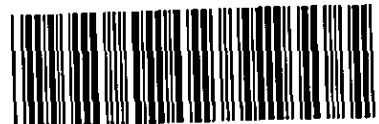
Signed

Joint Administrator

Dated

14 September 2011

SATURDAY



A34RCXM3

A60

17/09/2011

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COMPANIES HOUSE



Grant Thornton

Our Ref TWW/RES/DXM/ISC/DJD/C04002C/PF7

TO THE CREDITORS

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16 September 2011

Dear Sirs

Castleway Ventures Limited - In Administration (the Company) In the High Court of Justice, 1973 of 2010

1 INTRODUCTION

- 1.1 Following the appointment of Ian Carr and myself as Joint Administrators of the Company, by the qualifying floating charge holder, on 8 March 2010, I now report on the progress of the Administration to date and attach
- Appendix 1, an account of our receipts and payments for the period ended 7 September 2011 in accordance with Rule 2.47 Form 2.24B, the Notice of the Administrators' Progress Report and 2.31B, the notice of the extension of the period of the Administration
 - Appendix 2, a statement of the remuneration charged by the Joint Administrators in the period from 8 March 2010 to 7 September 2011 and a statement of expenses incurred in the period,
 - Appendix 3, an analysis of our time costs as required by Statement of Insolvency Practice 9 (SIP9),
 - Appendix 4, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the Administrators (Rule 2.48A),
 - Appendix 5, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the Joint Administrators' fees if excessive (Rule 2.109)

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

2 STATUTORY INFORMATION

2.1 The Company's statutory details are as follows

registered number	03229638
date of incorporation	25 July 1996
registered office	Unit 8 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH
authorised share capital	£100,000
issued share capital	£50,000
Directors: Christopher Robert Charlton	shareholding 10,000
Secretary Benjamin James Robert Charlton (according to Companies House Mr B Charlton resigned as Company Secretary without being replaced on 01/12/2009)	shareholding 5,000

3 SUMMARY OF ADMINISTRATORS' PROPOSALS

3.1 The Joint Administrators' proposals for the Company, which were circulated to the creditors on 15 February 2010, and subsequently approved, are summarised below

- The Joint Administrators will pursue the objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up
- This objective will be achieved by the Joint Administrators continuing to manage the business of the Company whilst seeking to realise the Company's freehold and leasehold property interests.
- With the exception of the winding up petition, which by virtue of the Administration order has now been suspended during the course of the administration, I am not aware of any other proceedings having been brought against the Company. However, if any such proceedings come to light I will continue the Company's defence to these proceedings, so far as I believe appropriate, bearing in mind the objective of selling the Company's assets and mindful of the need to balance the costs of continuing the defence as against the potential detriment to creditors of abandoning the defence if it appears that funds may be available to the creditors following the conclusion of the Administration

- It is proposed that the Administration will end by the Company going into creditors voluntary liquidation, or if there are no monies available for unsecured creditors, by the dissolution of the Company. If the Company is placed into creditors voluntary liquidation it is proposed that the Administrators in office at that date will be appointed Liquidators, any act in the liquidation to be done by any one or more of the liquidators. However, creditors may nominate a different liquidator or liquidators if nomination to that effect is received before the approval of these proposals.

4 ASSETS AND LIABILITIES

- 4.1 The Company's assets comprise four freehold properties and one leasehold property. The Bank holds fixed charge security over all of these properties.
- 4.2 Appendix A shows the directors' valuation of the properties and the receipts and payments account covering the period 8 March 2010 to 7 September 2011.
- 4.3 Current valuations indicate that it is unlikely that the Bank's debt will be discharged in full. Therefore I do not anticipate that there will be funds available for the unsecured creditors in this case.
- 4.4 Given that floating charge realisations in this case are likely to be negligible there will not be a prescribed part carve out for unsecured creditors.

5 CONDUCT OF THE ADMINISTRATION

- 5.1 The only operations that the Company conducted was the collection of rental income from its freehold and leasehold properties. I have continued to conduct these operations whilst I seek to realise the Company's assets. In total we have received rental income of £18,645.76 to date.
- 5.2 My first priority was to secure, as far as possible, the assets of the Company. To this end I have ensured that the properties are adequately insured and that, where vacant, they comply with the insurers' empty property code of practice.
- 5.3 I concluded that the best way of achieving the objective of the Administration was to attempt to sell the assets, being the Company's freehold and leasehold property interests, on a piecemeal basis. I detail below the progress as to the sale of the Company's properties.

404/406 North End Road, Fulham - Freehold Property

- 5.4 This site comprised of a restaurant leased to Kiwi Kitchens and 6 flats sold on long term leases.
- 5.5 Since our appointment, Kiwi Kitchens have ceased to trade and we have completed a mutual surrender of the lease from the tenant. We continue to collect ground rent for the leasehold flats. To date, £450 has been received in respect of ground rent on the 6 leasehold flats.

- 5 6 We have instructed our agents Fleurets to market the site. There have been some expressions of interest and our agents are in discussions with them.

25 Station Road, Melborne, South Cambridgeshire & adjacent land - Freehold Property

- 5.7 This site is comprised of a freehold property leased to an Indian restaurant. Adjacent to this site is a further freehold site belonging to the Company, comprising of 1/4 acres of land. To date we have collected £6,800 in rent from the property.
- 5 8 We have instructed Savills, our agents, to market the two properties, and have accepted an offer from a third party on the property and the adjacent land. We have issued head of terms, which we are in the process of finalising.

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

- 5 9 We hold the leasehold interest in this site, which is sub-let to a third party.
- 5.10 We have instructed Savills as agents to market this site. At present there are no firm expressions of interest but we will continue to actively market the site.

3a The Parade, Sutton, Surrey - Freehold property

- 5 11 This site consists of two units, one tenanted and the other is vacant. To date we have collected rent totalling £11,398 for the property.
- 5 12 We have instructed agents, Huggins Edward and Sharp to market this site. At present we have accepted an offer and are proceeding to exchange of contracts.

6 EXTENSION OF THE ADMINISTRATION

- 6 1 The administration was initially due to expire on 8 March 2011. The Administration was then extended by 6 months with revised termination date set at 7 September 2011. 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, it has been approved by the court that the administration be extended for a further 18 months. I enclose form 2.31b detailing the notice of extension of the administration.
- 6 2 The revised date for the automatic termination of the administration will be 7 March 2013.
- 6 3 It is anticipated that this will enable the Joint Administrators to progress the disposal of the Company's assets.

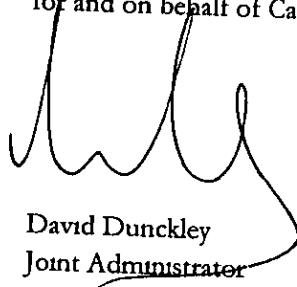
7 ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

- 7 1 Our fees for acting as Joint Administrators have been fixed by reference to our time costs. The time costs for this Administration for the period from 8 March 2010 to 7 September

2011 are £160,487.93 representing 609.39 hours at £263.36 per hour. Category 1 disbursements incurred in this period total £393.12.

- 7.2 As it is evident that all of the Administration funds will be distributed to the secured creditor, I will seek approval for my remuneration from them. To date I have not drawn any fees or disbursements.
- 7.3 Should you have any queries, please do not hesitate to contact my colleague Tom Walls on 020 7865 2811.

Yours faithfully
for and on behalf of Castleway Ventures Limited



David Dunckley
Joint Administrator

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

CASTLEWAY VENTURES LIMITED - IN ADMINISTRATION

JOINT ADMINISTRATORS' ABSTRACT OF RECEIPTS AND PAYMENTS

FOR THE PERIOD FROM 8 MARCH 2010 TO 7 SEPTEMBER 2011

	Estimated to Realise £	Realised from 8 March 2011 to 7 September 2011 £	Total realised to 7 September 2011 £
RECEIPTS			
Freehold Land and Property	1,435,000 00	-	-
Rent	-	8,932 76	19,492 76
Contracts	-	-	121 50
TOTAL RECEIPTS	1,435,000 00	8,932.76	19,614.26
PAYMENTS			
Bank Charges		61 92	141 56
Utilities		-	264 26
Professional fees		195 00	695 00
Advertising		-	75 60
Agents/Valuers fees		650 00	3,650 00
Insurance		2,362 30	4,456 64
VAT irrecoverable		233 61	869 65
Corporation tax		-	104 26
Property Expenses		-	323 04
TOTAL PAYMENTS			10,580.01
Balance held as at 7 September 2011			9,034 25

**Appendix 2 - Remuneration charged and expenses incurred by the
Administrator in the period**

Introduction

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

An Overview of the Case

Please refer to the main body of the report

Explanation of Grant Thornton UK LLP Charging and Disbursement Recovery Policies

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown at Appendix 3
Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it

Category 1 Disbursements

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

Narrative Description of Work Carried Out

Please refer to the main body of the report

Category 1 Disbursements

Category 1 Disbursements for the period from 8 March 2010 to 7 September 2011	£
Travel	157.84
Courier	46.75
Bordereau	36.00
Land Registry checks	69.00
Other	83.53
Total	393.12

Supporting Documentation

The following documentation is attached as required by SIP 9

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

**Castleway Ventures Limited
(In Administration)
Supplementary Information**

Registered Office / Home Address
30 Finsbury Square
London
EC2P 2YU

Registered Number
03229638

Appointment Details
First Partner - David J Dunckley
30 Finsbury Square
London
EC2P 2YU
Appointment Date - 08/03/2010
Second Partner - Ian S Carr
30 Finsbury Square
London
EC2P 2YU
Appointment Date - 08/03/2010

Changes to Office Holders
None

Court Details
High Court of Justice
1973/2010

Additional Information

Dividends / Distributions / Consigned Funds

Dividend Type	Date	Admitted	Paid	p in £
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No Dividends Paid

Unrealisable Assets

Details of Basis of Remuneration

Time cost basis

Castleway Futures Limited - In Administration

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 8 MARCH 2010 TO 7 SEPTEMBER 2011		Partner		Manager		Senior		Admin/Support		Total		Average	
		Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hourly Rate	£
Administration and Planning		11 05	5,731 50	70 20	25,348 75	91 62	20,206 50	109 90	14,994 50	282 77	66,281 25	234 40	
Investigations		0 00	0 00	3 30	1,099 00	22 90	5,728 50	0 60	87 00	26 80	6,914 50	258 00	
Realisation of Assets		0 00	0 00	167 85	56,940 75	44 80	10,178 50	36 67	5,353 43	249 32	72,472 68	290 68	
Creditors		0 00	0 00	30 60	10,762 50	12 60	3,061 00	7 30	996 00	50 50	14,819 50	293 46	
Grand Total		11 05	5,731 50	271 95	94,151 00	171 92	39,174 50	154 47	21,430 93	609 39	160,487 93	263 36	

Administration & Planning

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

Investigations

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

Realisation of Assets

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

Creditors

Includes, correspondence with preferential and unsecured creditors, pensions and employees

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

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

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

Rule 2 48A

If (a) within 21 days of receipt of a progress report under Rule 2 47—

- (i) a secured creditor, or
- (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,

makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)

- (2) The administrator complies with this paragraph by either (a) providing all of the information asked for, or (b) so far as the administrator considers that (i) the time or cost of preparation of the information would be excessive, or

- (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
- (iii) the administrator is subject to an obligation of confidentiality in respect of the information,

giving reasons for not providing all of the information

- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—

- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),

And the court may make such order as it thinks just

- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just "

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

Rule 2 109

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