

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

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

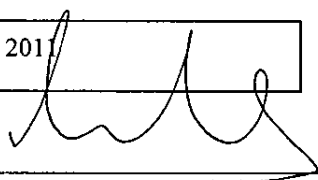
from

to

8 September 2011

7 March 2012

Signed


Joint Administrator

Dated

SATURDAY



A16DOG80

A37

07/04/2012

#77

COMPANIES HOUSE

Our Ref TWW/OGH/ISC/DJD/C04002C/PF7

TO THE CREDITORS

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5 April 2012

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 July 2011 in accordance with Rule 2.47
- Appendix 2, an analysis of our time costs to 7 March 2012 as required by Statement of Insolvency Practice 9 (SIP9),
- Appendix 3, Disbursements incurred by the Joint Administrators to 7 March 2012 and a break-down of Grant Thornton UK LLP charge out rates by grade of staff
- 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 29 April 2010, and subsequently approved, are summarised below

- The Joint Administrators will pursue the objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up
- This objective will be achieved by the Joint Administrators continuing to manage the business of the Company whilst seeking to realise the Company's freehold and leasehold property interests
- With the exception of the winding up petition, which by virtue of the Administration order has now been suspended during the course of the Administration, I am not aware of any other proceedings having been brought against the Company. However, if any such proceedings come to light I will continue the Company's defence to these proceedings, so far as I believe appropriate, bearing in mind the objective of selling the Company's assets and mindful of the need to balance the costs of continuing the defence as against the potential detriment to creditors of abandoning the defence if it appears that funds may be available to the creditors following the conclusion of the Administration
- It is proposed that the Administration will end by the Company going into creditors voluntary liquidation, or if there are no monies available for unsecured creditors, by the dissolution of the company. If the Company is placed into creditors voluntary liquidation

it is proposed that the Administrators in office at that date will be appointed Liquidators, any act in the liquidation to be done by any one or more of the liquidators. However, creditors may nominate a different liquidator or liquidators if nomination to that effect is received before the approval of these proposals

4 ASSETS AND LIABILITIES

- 4.1 The Company's assets comprise four freehold properties and one leasehold property. The Bank holds fixed charge security over all of these properties
- 4.2 Appendix 1 shows the receipts and payments account covering the period 8 March 2010 to 7 March 2012
- 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 I do not anticipate that there will be a prescribed part carve out for unsecured creditors

5 CONDUCT OF THE ADMINISTRATION

- 5.1 On 23 September 2011, we sold the freehold property, the Pink Geranium, and its adjacent land with sales proceeds totalling £540,000
- 5.2 On 23 September 2011, we also sold the freehold property at 3a The Parade with sales proceeds totalling £100,000
- 5.3 Prior to the above sales completing we collected some limited rental income from leasehold tenants. Rental income totalled £18,646. I do not anticipate further rental income
- 5.4 With regard to the properties that are yet to be realised, I have the following updates

404/406 North End Road, Fulham - Freehold Property

- 5.5 As previously reported, following my appointment the tenants of the commercial premises Kiwi Kitchens 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, £450.00 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, most notably, we recently received an offer from a third party. Subsequent to this offer we were obliged to serve notices pursuant to S5A of the Landlord and Tenant Act 1987, giving the tenants the option of buying the freehold as they possessed long term leases, before any sale to a third party can be progressed. Subsequent to this, the potential purchaser reduced the initial offer to one that was regarded as too low by the Bank. We have since received a further offer and this is currently being considered

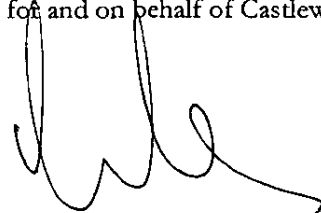
37 to 39 Station Road, Melborne, South Cambridgeshire - Leasehold property

- 5 7 We hold the leasehold interest in this site, which is sub-let to a third party
- 5 8 We have instructed Savills as agents to market this site. We have received an offer for the leasehold, which we have accepted, in principle and are seeking to progress a sale

6 ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

- 6 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 March 2012 are £186,052.18 representing 710 hours at an average of £262 per hour. Category 2 disbursements incurred in this period total £396.87
- 6 2 Following approval of our remuneration from the fixed charge holder, £50,000 have been paid to date in respect of Joint Administrators fees and £393.12 have been paid with regard to disbursements
- 6 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 SEPTEMBER 2011 TO 7 MARCH 2012

	Estimated to Realise	Total realised from 8 September 2011 to 7 March 2012	Total realised from 8 September 2011 to 7 March 2012
	£	£	£
RECEIPTS			
Freehold Land and Property	1,435,000 00	640,000 00	640,000 00
Rent	-	(847 00) *	18,645 76
Contracts	-	-	121 50
Bank interest		0 79	0 79
TOTAL RECEIPTS	1,435,000 00	639,153 79	658,768 05
PAYMENTS			
Heat & Light		1,656 17	1,656 17
Bank Charges		164 96	306 52
Professional fees		10,441 34	11,400 60
Advertising		-	75 60
Administrators fees		50,000 00	50,000 00
Administrators expenses		393 12	393 12
Agents/Valuers fees		-	3,650 00
Insurance		15,898 60	20,355 24
VAT irrecoverable		18,400 51	19,270 16
Corporation tax		-	104 26
Property Expenses		297 66	620 70
Legal fees		34,101 72	34,101 72
Chargeholder		515,000 00	515,000 00
TOTAL PAYMENTS		646,354 08	656,934 09
Balance held as at 7 March 2012		(7,200 29)	1,833 96

*Correction of a misposting of rent received in a prior period

Castleway Futures Limited - In Administration

SIP 9 WIP ANALYSIS FOR THE PERIOD FROM 8 MARCH 2010 TO 7 MARCH 2012		Partner		Manager		Senior		Admin/Support		Total		Average	
		Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hourly Rate	£
Administration and Planning		11 65	6,126 00	71 10	26,237 50	96 22	20,965 50	132 40	19,165 50	311 37	72,494 50	232 82	
Investigations		0 00	0 00	3 30	1,099 00	22 90	5,728 50	0 70	102 00	26 90	6,929 50	257 60	
Realisation of Assets		0 00	0 00	179 10	61,722 00	44 80	10,178 50	59 67	8,803 43	283 57	80,703 93	284 60	
Creditors		0 00	0 00	49 10	18,625 00	12 60	3,061 00	7 55	1,033 50	69 25	22,719 50	328 08	
Trading		0 00	0 00	4 50	1,508 75	5 00	1,100 00	9 20	596 00	18 70	3,204 75	171 38	
Grand Total		11 65	6,126 00	307 10	109,192 25	181 52	41,033 50	209 52	29,700 43	709 79	186,052 18	262 12	

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 unsecured creditors, pensions and employees

Trading

Includes, time on site

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 2 Disbursements for the period from 8 March 2010 to 7 March 2012	£
Travel	157.84
Courier	50.50
Bordereau	36.00
Land Registry checks	69.00
Other	83.53
Total	396.87

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**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