

**Liquidator's Progress Report****Pursuant to Sections 92A, 104A and 192 of the  
Insolvency Act 1986****S.192**

To the Registrar of Companies

Company Number

07861565

(a) Insert full name  
of company

Name of Company

(a) Castlegate 665 Limited

(b) Insert full  
name(s) and  
address(es)


We  
Stephen Paul Grant  
Wilkins Kennedy LLP  
Bridge House  
London Bridge  
London  
SE1 9QR

Anthony Malcolm Cork  
Wilkins Kennedy LLP  
Bridge House  
London Bridge  
London  
SE1 9QR

the Joint Liquidators of the Company attach a copy of our Progress Report under  
section 192 of the Insolvency Act 1986

The Progress Report covers the period from 3 July 2013 to 2 July 2014.

Signed



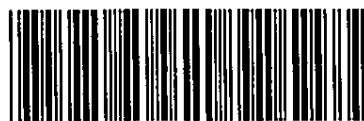
Date

1/1/14

Presenter's name,  
address and  
reference  
(if any)

Stephen Paul Grant  
Wilkins Kennedy LLP  
Bridge House  
London Bridge  
London  
SE1 9QR

TUESDAY



\*A3FLWXKO\*

A08

02/09/2014

#136

COMPANIES HOUSE

**Castlegate 665 Limited -  
In Liquidation  
("the Company")**

**Annual Progress Report to the Members and Creditors  
Pursuant to Section 104A of the Insolvency Act 1986  
For the Period 3 July 2013 to 2 July 2014**

**Wilkins Kennedy LLP  
Bridge House  
London Bridge  
London  
SE1 9QR**

## **CONTENTS**

- 1 Introduction
- 2 Background
- 3 Receipts and Payments Account
- 4 Asset Realisations
- 5 Expenditure
6. Investigations
- 7 Creditors' Claims
- 8 Dividend Prospects
- 9 Conclusion

## **APPENDICES**

- I Receipts and Payments Account
- II Analysis of Time Costs, Explanation of Time Charging and Disbursements Recovery Policy and Complaints Procedure

## **1. INTRODUCTION**

The purpose of this report is to detail my acts and dealings as Joint Liquidator for the year since my appointment on 3 July 2013 and it should be read in conjunction with my previous correspondence to creditors

The detailed report is provided below, but in summary

- A realisation is due from the Company's sole debtor – Castlegate High Park Limited (In Liquidation ) The amount of this is yet to be confirmed
- The investigation into the affairs of the Company and conduct of the directors has been concluded and the relevant report submitted to The Insolvency Service
- The Statement of Affairs fee has been paid by a third party
- Due to insufficient funds available, no Joint Liquidators' fees have been drawn
- At present, it is uncertain whether a dividend will be declared to any class of creditor

## **2. BACKGROUND**

The members' and creditors' meetings were held on 3 July 2013, when my partner Anthony Malcolm Cork and I were appointed Joint Liquidators of the Company

The Company's registration number is 07861565 and its current registered office is Bridge House, London Bridge, London, SE1 9QR

The Company's former registered office and trading address was 30 High Park Drive, Wolverton Mill, Milton Keynes, MK12 5TT

## **3. RECEIPTS AND PAYMENTS ACCOUNT**

Appendix 1 is a summary of receipts and payments from the date of liquidation on 3 July 2013 to 2 July 2014

Please note that no bank account has been opened in respect of the Company in this period since it was not anticipated that there would be any realisations in the liquidation. A bank account will now be opened to receive the dividend from Castlegate High Park Limited (In Liquidation)

## **4. ASSET REALISATIONS**

### **Book Debts**

The Company is the sole shareholder of Castlegate High Park Limited formerly European Collaborative Hi-Tech Organisation Limited ("ECHO") and is due an amount of £971,511.62 from in respect of loans and investments

The Statement of Affairs showed the estimated to realise amount as £Nil due to ECHO having entered Administration on 18 March 2013

ECHO has since advertised a notice of intended dividend and a claim for the full amount of this debt has been submitted. A dividend is due to be declared on or before 17 September 2014 however as yet the amount is uncertain

## 5. EXPENDITURE

### Statement of Affairs Fee

At the first meeting of creditors held on 3 July 2013, creditors agreed that Wilkins Kennedy LLP be paid a fee of £5,000 00 plus VAT and disbursements for assisting the directors with the convening of the meetings of members and creditors and preparation of the Statement of Affairs. The full balance of this fee has been settled by Catapult Growth Fund Limited Partnership ("Catapult") a shareholder of the Company.

### Joint Liquidators' Remuneration

My remuneration was authorised by creditors at a meeting held on 3 July 2013 to be drawn on a time costs basis. My total time costs to 2 July 2014 amount to £4,234 00 representing 19 20 hours which have been charged at an average hourly charge out rate of £220 52.

Due to insufficient funds available, I have not been able to draw any remuneration in this matter to date.

A description of the routine work undertaken in the liquidation is set out at Appendix II. In addition to the routine work, I have spent time as follows:

- Arranging a security review of the debenture in respect of the validity of the fixed charge element.

A creditors' guide to liquidators' fees is available at the following internet link, [www.r3.org.uk/index.cfm?page=1210](http://www.r3.org.uk/index.cfm?page=1210). A hard copy of this document is available free of charge upon request to my office.

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Joint Liquidators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Joint Liquidators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

### Joint Liquidators' Expenses

I have incurred the following expenses in this matter in the period 3 July 2013 to 2 July 2014 -

Category 1	Incurred	Paid
Statutory Advertising	£280 00	£210 00
IT Administration Fee	£110 00	£110 00
Statutory Bonding	£20 00	Nil
Storage Costs	£32 78	Nil
	<u>£442 78</u>	<u>£320 00</u>

The expenses above that have been paid were settled by Catapult. At present, the balance of the remaining expenses is still outstanding.

For the avoidance of doubt, no Category 2 expenses have been incurred.

## 6. INVESTIGATION

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. I considered in particular transactions which took place at the time of and immediately prior to the Company ceasing to trade

There were no matters that justified further investigation in the circumstances of this appointment.

Within six months of my appointment, I was required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make them unfit to be concerned with the management of the Company. I confirm that my report has been submitted.

## 7. CREDITORS' CLAIMS

### Secured Creditors

#### Centric SPV1 Limited ("Centric")

A composite guarantee and debenture was granted to Centric on 21 March 2012 which was registered on 2 April 2012 and provided fixed and floating charges over the whole of the assets of the Company.

This debenture was required to be provided as part of the security for an asset based lending agreement between Centric and ECHO. The liability under this agreement was repaid in full from the assets in the Administration of ECHO and as such there was no claim in respect of their charge over the Company's assets.

#### Catapult Growth Fund Limited Partnership

A debenture was granted to Catapult on 21 March 2012 which was registered on 29 March 2012 and provided fixed and floating charges over all tangible and intangible assets of the Company.

At the date of appointment a total of £1,359,712.00 was due under the terms of this debenture.

Section 176A(1)(a) of the Insolvency Act 1986 requires that, where the Company has created a floating charge after 15 September 2003, the Joint Liquidators must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims. "Net property" means the amount which would, were it not for this provision, be available to floating charge holders (i.e. after accounting for preferential debts and the costs of the liquidation).

The prescribed part is calculated as 50% of the first £10,000.00 of net property and 20% of the balancing net property (up to a maximum amount to be made available of £600,000.00). A Liquidator will not be required to set aside the prescribed part if

- the net property is less than £10,000.00 and he thinks the cost of distributing the prescribed part would be disproportionate to the benefit (Section 176A(3)), or
- he applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5)).

At present the value of the dividend to be received from ECHO is uncertain and as such it is not known whether there will be net property available for the purposes of calculating the prescribed part. This information will be provided in my next report to creditors.

**Preferential Creditors**

There are no preferential creditors and as such no claims in this respect have been received.

**Unsecured Creditors**

The Statement of Affairs showed that the Company had no unsecured creditors.

One claim has been received in the liquidation from HM Revenue & Customs in respect of a late filing fee.

**8. DIVIDEND PROSPECTS**

Based on the current information, it is uncertain whether a dividend will be declared to any class of creditor. The timing and quantum of any dividend will depend on the balance received from ECHO.

**9. CONCLUSION**

The liquidation will remain open until the realisation of the book debt from ECHO and I can determine whether a dividend can be declared to creditors.

The next formal report will be following the next anniversary of the liquidation, or the conclusion of the liquidation, whichever is sooner. However, I will be happy to respond to any specific request for further information submitted in the meantime.

When contacting this office about the liquidation, please ask for Kelly Jones.



---

**Stephen Paul Grant**  
Joint Liquidator

**Castlegate 665 Limited - In Creditors Voluntary Liquidation  
Joint Liquidators' Abstract of Receipts & Payments**

**From 3 July 2013 to 2 July 2014**

<b>S of A £</b>		<b>£</b>
	<b>RECEIPTS</b>	
<u>NIL</u>		
<u>NIL</u>		<u>NIL</u>
	<b>PAYMENTS</b>	
		<u>NIL</u>
		<u>NIL</u>
	<b>CASH IN HAND</b>	<u>NIL</u>



# **WILKINS KENNEDY LLP**

## Schedule of Joint Liquidators' Remuneration

for

**Castlegate 665 Limited**

as at 2 July 2014

Classification Of work function	HOURS					Time Cost £	Average hourly rate £
	Partner	Manager	Other senior Professionals	Assistants & support staff	Total Hours		
Administration & planning	0 10	0 70	3 50	2 60	6 90	1,526 00	221 16
Cashiering & Accounting	1 50		0 50	1 40	3 40	911 00	267 94
Realisation of assets	0 10	-	-	0 50	0 60	90 00	150.00
Trading	-	-	-	-	-	-	-
Creditors	-	-	-	-	-	-	-
Statutory Meetings & Reports	0 60	-	3 50	4 20	8 30	1,707 00	205 66
Total hours	2 30	0 70	7 50	8 70	19 20	4,234 00	220 52
Total fees claimed (£)						£Nil	

## **Wilkins Kennedy LLP Charge-Out Rates**

**1 February 2012 to 31 July 2013**

£

Partners/Directors	400 00 – 450 00
Senior Managers/Managers	270 00 – 300 00
Supervisors	205 00
Case Managers/Senior Administrators	195 00
Administrators/Investigators	100 00 – 145 00
Junior/Trainee Administrators	65 00 – 100 00
Cashiers/Secretaries	75 00 – 90 00

**1 August 2013 to date**

£

Partners/Directors	400 00 – 450 00
Senior Managers/Managers	270 00 – 300 00
Supervisors	205 00
Case Managers/Senior Administrators	145 00 – 195 00
Administrators/Investigators	100 00 – 160 00
Junior/Trainee Administrators	65 00 – 100 00
Cashiers/Secretaries	75 00 – 90 00

### **Explanation of officeholders time charging policy**

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the charge out rates detailed on the previous page are applicable to this appointment exclusive of VAT. Rates are normally reviewed on an annual basis and adjustments made accordingly where deemed appropriate.

Time is recorded in 6 minute units by each staff member working on the case. A description of the routine work undertaken which time will be recorded for is detailed as follows:

#### **1 Administration and planning**

- Preparing documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details
- Reviewing the ongoing progression of case files
- Arranging the collection and storage of company records
- Ensuring an appropriate case bordereau is in place
- Case planning and administration
- Preparing reports to members and creditors
- Convening and holding meetings of members and creditors where appropriate

#### **2 Investigations**

- Review and storage of the Company's books and records
- Preparation of returns / reports pursuant to the Company's Directors Disqualification Act 1986
- Conduct investigations into any suspicious transactions
- Reviewing the books and records to identify any transactions or actions that the officeholder may take in order to recover funds for the benefit of creditors

#### **3. Realisation of assets**

- Identifying, securing and obtaining sufficient insurance in respect of company assets
- Dealing with any retention of title or other third party claims
- Debt collection functions.
- Negotiating and completing property, business and asset sales

#### **4 Creditors**

- Dealing with creditor correspondence and telephone conversations
- Maintaining creditor information and claims (including those submitted by secured creditors, employees and other preferential creditors)

### **Explanation of officeholders disbursement recovery policy**

SIP 9 also requires that the office holder provide a statement of the officeholder's policy in relation to the recharging of disbursements. SIP 9 defines disbursements as either Category 1 or Category 2 disbursements, further details of which are below

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage

Category 2 disbursements will generally comprise costs which, whilst being in the nature of expenses or disbursements, include elements of shared or allocated costs

### **Charging and disbursement recovery policy**

Category 1 disbursements are recoverable without approval, and will be recovered by the officeholder as they are incurred

Category 2 disbursements do require approval, and should be identified and subject to approval by those responsible for approving remuneration. SIP 9 provides that the officeholder may make a separate charge for expenses in this category, provided that:

- such expenses are of an incidental nature and are directly incurred on the case, and there is a reasonable method of calculation and allocation, it will be persuasive evidence of reasonableness, if the resultant charge to creditors is in line with the cost of external provision, and
- the basis of the proposed charge is disclosed and is authorised by those responsible for approving his remuneration

Payments to outside parties in which the officeholder or his firm or any associate (as defined by Section 435 of the Insolvency Act 1986) has an interest should be treated as category 2 disbursements

The following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision

Photocopying	5p per sheet
Mileage	45p per mile
Meeting Room	£50

### **Complaints procedure**

Details of our complaints procedure are available on our website using the following link <http://www.wilkinskennedy.com/services/wk-restructuring-recovery/insolvency/complaints-procedure>