

The Insolvency Act 1986

Administrator's progress report

Name of Company Excel Securities Plc	Company number 03800111
In the High Court, Manchester District Registry	Court case number 808 of 2010

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

We (a) Paul Stanley of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY and Andrew David Dick of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY

administrator(s) of the above company attach a progress report for the period

from


to

(b) Insert dates

(b) 1 October 2013

(b) 31 March 2014

Signed



Joint Administrator

Dated

14 APR 14

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.

Begbies Traynor (Central) LLP

340 Deansgate Manchester, M3 4LY,

Tel Number 0161 837 1700

Fax Number 0161 837 1762

DX Number

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



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COMPANIES HOUSE

SATURDAY

Paul Stanley and Andrew David Dick were appointed joint administrators on 1 April 2010

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

Excel Securities Plc (In Administration)

Progress report of the joint administrators pursuant to Rule 2.47 of The Insolvency Rules 1986

Period: 1 October 2013 to 31 March 2014

Important Notice

This progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Excel Securities Plc (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 1 April 2010
"the administrators", "we", "our", "us"	Paul Stanley of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY and Andrew David Dick of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. STATUTORY INFORMATION

Name of Company	Excel Securities Plc
Date of Incorporation	29 June 1999
Company registered number	03800111
Company registered office	340 Deansgate, Manchester, M3 4LY

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators	Paul Stanley, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY and Andrew David Dick, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 340 Deansgate, Manchester, M3 4LY
Date of administrators' appointment	1 April 2010
Date of administrators' resignation	N/A
Court	High Court, Manchester District Registry
Court Case Number	808 of 2010
Person(s) making appointment / application	The Directors
Acts of the administrators	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	The administration period was extended with the consent of creditors for a period of 6 months until 30 September 2011 and for a further period of 2 years by order of the court until 30 September 2013. A further extension to the administration of 2½ years was approved by order of the court until 31 March 2016.

4 PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from the commencement of the administration to 31 March 2014 incorporating a period account summarising transactions from 1 October 2013 to 31 March 2014

Fixed charge assets in the sum of £190,000 have been realised during the period. These funds relate to the completion of a loan settlement agreed in August 2013. Total fixed charge realisations now total £7,128,028

£12,540 of loan interest was received during the period

The administrators have been able to settle two litigation matters in the period, the settlement sum for one has been paid directly to the Bank concerned as this was not a floating charge litigation. We are still awaiting the net settlement sum for the second, therefore there have been no receipts of Legal Settlements in the period. The total remains at £2,476,961. Legal settlements relate to litigations progressed by the administrators which are subject to confidentiality agreements that prevent the administrators from disclosing specific details to creditors, however further limited detail can be found in section 7 below

An insurance refund in the period of £192 was received and related to a refund of the administrators' insurance cover for land previously in the Company's possession. There are no further assets being insured by the administrators

Bank interest received in the period was £1,488

Fixed Charge Expenditure incurred during the period of the report

Legal fees in the sum of £720 were incurred in relation to the settlement in the previous period – the same settlement to which the £190,000 receipt above relates

Irrecoverable VAT in the period totalled £564 and relates to the previous period settlement

Sundry costs of £3,234.84 were incurred in the period, also in relation to the previous period settlement for a pre-settlement eviction of the debtor from the site

Floating charge expenditure incurred during the period of this report

Legal fees and disbursements in the period amounted to £16,047. £5,130 of this relates to solicitors fees and disbursements for advice in relation to the calculation of the secured creditors' shortfalls to enable the calculation the distribution percentages to each. The remaining £10,917 related to solicitors fees for various litigation cases that were not covered by a CFA

Expert fees of £12,813 were incurred in the period. These relate to our expert witness fees for providing advice and attending various meetings with our lawyers in Belfast with regard to an ongoing litigation for professional negligence

Irrecoverable VAT in relation to the above floating charge fees totalled £5,642

Bank charges were £287

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows

Secured creditors

The Company's secured creditors are expected to suffer a shortfall. This is mainly due to the state of the property market at present and during the course of the administration, which has had an effect on the value of the properties used as security for each loan.

Preferential creditors

There are no known preferential claims.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part for unsecured creditors is calculated were provided in our statement of proposals.

Unsecured creditors

Pursuant to Rule 2.33(3) of the Rules, the administrators consider it in the best interests of the creditors not to disclose estimates of the prescribed parts of the Company's net property at this time on the grounds that the disclosure could seriously prejudice the commercial interests of the Company.

6 THE ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

As previously reported, our remuneration is fixed by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly charge-out rates of Begbies Traynor (Central) LLP for attending to matters arising in the administration and we are authorised to draw disbursements, including disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with our firm's policy, details of which accompanied the *Statement of Proposals of the Joint Administrators for Achieving the Purpose of the Administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986*.

£135,901 in relation to fixed charge remuneration has been drawn to date, with £401,000 having been drawn in relation to floating charge assets. A total of £4,047.64 of disbursements have also been drawn to date. Total time spent to 31 March 2014 on this assignment amounts to 4,230.9 hours at an average composite rate of £185.76 per hour resulting in total time costs to 31 March 2014 of £785,926.50.

The following further information as regards time costs and expenses is set out at Appendix 2.

- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Table of time spent and charge-out value from the commencement of the administration to 31 March 2014
- ☐ Table of time spent and charge-out value for the period 1 October 2013 to 31 March 2014

7. ASSETS THAT REMAIN TO BE REALISED

Assets Subject to a Fixed Charge

Of the two loans mentioned in our previous report being dealt with by the administrators, one remains. One loan was redeemed after extremely protracted negotiations which included the eviction of the debtor from the land prior to settlement being agreed. The final loan is continuing to be serviced by the debtor. The administrators are to discuss further action with the secured Bank in order to bring the matter to a close.

A further property is subject to an LPA Receiver appointment made jointly by the Bank and administrators, however the receiver reports mainly to the Bank and our involvement in this case is minimal.

There are a number of loans that are being dealt with directly by one of the Banks, the detail of which we have minimal knowledge. The loans that were subject to the appointment of receivers or administrators from Begbies Traynor in Preston have all been concluded.

Assets subject to a Floating Charge

During the period we have settled one litigation and await receipt of the floating charge settlement funds. We have settled a further litigation, however the nature of the case dictated that the settlement funds would be classed as fixed charge, therefore the majority of the negotiations were carried out by the Bank concerned and no monies are due into the administration. We have not commenced any new litigations in the period, however upon advice from solicitors one was ceased. One litigation has ceased naturally. It was classed as a 'win' in legal terms as we had successfully obtained judgement for a sum, however having received no payment and following the deployment of continuous delaying tactics by the debtors, we were successful in having them declared bankrupt. All together, 3 sets of litigation remain ongoing.

All remaining matters are progressing with solicitors through various stages.

8. OTHER RELEVANT INFORMATION

Report on Directors conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Innovation and Skills on the conduct of the directors. We have complied with their duties in this respect.

9. CONCLUSION

We will report again in approximately six months time or at the conclusion of the administration, whichever is the sooner.



Paul Stanley
Joint Administrator

Dated 14 April 2014

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 1 April 2010 to 31 March 2014

Period 1 October 2013 to 31 March 2014

Excel Securities Plc
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 01/10/2013 To 31/03/2014	From 01/04/2010 To 31/03/2014
SECURED ASSETS		
	190,000 00	350,020 00
	NIL	7,861 73
4,759,000 00	NIL	3,443,048 99
	NIL	20,000 00
	NIL	5,000 00
2,978,000 00	NIL	1,033,285 42
	NIL	9,639 00
3,134,000 00	NIL	2,013,792 00
	12,540 00	183,945 00
	NIL	58,014 34
	NIL	3,421 17
	<u>202,540 00</u>	<u>7,128,027 65</u>
COSTS OF REALISATION		
	(191 67)	24,664 78
	NIL	135,901 41
	NIL	43,479 77
	NIL	6,537 00
	NIL	NIL
	720 00	173,518 55
	NIL	8,193 53
	NIL	96,335 69
	NIL	35,140 66
	564 43	54,531 54
	NIL	8,577 37
	NIL	29,872 94
	NIL	(73,707 26)
	3,234 84	12,643 24
	NIL	4,861 73
	<u>(4,327 60)</u>	<u>(560,550 95)</u>
SECURED CREDITORS		
	NIL	3,186,285 92
	NIL	1,105,246 81
	12,540 00	1,988,908 23
	<u>(12,540 00)</u>	<u>(6,280,440 96)</u>
ASSET REALISATIONS		
	NIL	18,287 45
1,000 00	NIL	1,636 26
	NIL	NIL
	NIL	12,883 18
NIL	NIL	10,437 92
	NIL	NIL
	1,487 94	3,591 90
	NIL	534 10
5,300,000 00	NIL	2,476,960 79
NIL	NIL	NIL
	NIL	4,083 46
	NIL	NIL
	NIL	1,500 00
	<u>1,487 94</u>	<u>2,529,915 06</u>

Excel Securities Plc
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 01/10/2013 To 31/03/2014	From 01/04/2010 To 31/03/2014
COST OF REALISATIONS		
Legal Fees (Floating Charge)	13,291 00	139,616 79
Legal Disbursements (Floating Charge)	2,756 40	15,550 49
Administrators' Fees (Floating Charge)	NIL	401,000 00
Administrators' Disbs (Floating Charge)	NIL	4,047 64
Property Maintenance/ Sundry Costs	NIL	NIL
Expert & Consultant Fees/Disburseme	12,813 13	75,401 15
Counsel's Fees & Disbs	NIL	21,611 50
Witness' Expenses	NIL	229 00
Corporation Tax	NIL	492 47
Irrecoverable VAT	5,642 11	129,605 95
Office Clearence	NIL	830 00
Printing Costs	NIL	162 75
Re-Direction of Mail	NIL	51 92
Statutory Advertising	NIL	75 60
Bank Charges	286 76	1,233 09
	<u>(34,789 40)</u>	<u>(789,908 35)</u>
 16,172,000.00	 <u>152,370 94</u>	 <u>2,027,042 45</u>

TIME COSTS AND EXPENSES

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Table of time spent and charge-out value from the commencement of the administration to 31 March 2014, and
- d Table of time spent and charge-out value for the period 1 October 2013 to 31 March 2014

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval):

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 (London £150) per meeting,
- Car mileage is charged at the rate of 45 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

- (B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Manchester office as at the date of this report are as follows

	Standard 1 May 2011 – until further notice Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Prior to 01 May 2011, the following rates applied

Grade of staff	Charge-out Rate (£ per hour)
Partner 1	395
Partner 2	350
Director	325
Senior Manager	295
Manager	250
Assistant Manager	195
Senior Administrator	160
Administrator	130
Trainee Administrator	100
Support	100

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units

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Time is recorded in 6 minute units

[illegible]

[illegible]