

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

administrators of the above company attach a progress report for the period

from

to

(b) Insert dates

(b) 1 April 2014

(b) 30 September 2014

Signed

  
Joint Administrator

Dated

22/10/14

**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

THURSDAY



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COMPANIES HOUSE

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

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## **Excel Securities Plc (In Administration)**

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

Period. 1 April 2014 to 30 September 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
"NW"	National Westminster Bank Plc
"IDB"	Israel Discount Bank Plc
"Leumi"	Bank Leumi (UK) Plc

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## 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
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

During the period the Administrators have made a number of amendments to the allocation of receipts and payments, these are highlighted in the abstract of receipts and payments for the period from 1 April 2014 to 30 September 2014 attached at Appendix 1

### **Fixed Charge Receipts**

NW/IDB/Leumi – Rent receipts in the period of £5,000 were moved from 'Nat West – Rent' as this amount related to a property, the income/sale proceeds of which, will be split between the three secured creditors

Realisations shown as 'Nat West – Properties/Loan Redemptions' of £10,364 40 represents the reposting of a property sale from 2010 to the gross value as opposed to the net value as previously indicated

'IDB - Contribution to costs' represents the amount received from IDB in relation to Administrators' fees on a claim settled by and paid directly to the Bank

Loan interest in the sum of £18,240 was received in relation to a loan sub-charged by Bank Leumi (UK) Plc

### **Fixed Charge Payments**

All entries under the heading 'COSTS OF REALISATION' total £16,364 40 and relate to the costs of the reposted 2010 property sale mentioned above and Administrators' fees covered by IDBs contribution to costs

### **Floating Charge Receipts**

Bank interest received in the period totalled £453 78

There were two legal settlements in the period totalling £426,777 16 net of costs

An amount of £159 14 was received from the Company's former bank in refund of historic charges

### **Floating Charge Payments**

The reductions in 'Legal Fees (Floating Charge)', 'Legal Disbursements (Floating Charge)', 'Expert & Consultant Fees/Disbursements', 'Counsel Fees & Disbs' and 'Irrecoverable VAT' are due to these costs being covered by the settlement payments received from the two settled litigations in the period

Council Tax for the tax year 2013/14 of £328 was paid in the period

Historic storage costs totalled £1,000

Bank charges in the period amounted to £73 22

### **Distributions**

Loan interest received in the period 1 January 2014 to 31 August 2014 in the sum of £19,380 was distributed to Bank Leumi (UK) Plc

## 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.

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

#### **Unsecured creditors**

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors other than that of the prescribed part.

## **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*.

£140,901 in relation to fixed charge remuneration has been drawn to 30 September 2014, 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 30 September 2014.

Total time spent in the period on this assignment amounts to 233 hours at an average composite rate of £235.08 per hour resulting in total time costs in the period of £54,773.

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, and,
- ☐ Table of time spent and charge-out value for the period 1 April 2014 to 30 September 2014.

In addition, a copy of 'A Creditors' Guide to Administrators' Fees (E&W) 2010' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration

is set can be obtained online at [www.begbies-traynor.com/creditorsguides](http://www.begbies-traynor.com/creditorsguides) Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy

## 7. ASSETS THAT REMAIN TO BE REALISED

### Assets Subject to a Fixed Charge

As we understand it, National Westminster Bank, in conjunction with the Administrators and other professionals, has enforced/redeemed all of its security in this matter and is now in the process of calculating its net shortfall

There is one outstanding loan security held by Israel Discount Bank to be redeemed This is in the final stages of completion and should be concluded by the next reporting date

Bank Leumi (UK) also has one outstanding loan security The debtor in this instance is servicing the loan by way of weekly interest payments, however, a conclusion to this matter is now required and as such the Administrators will be discussing exit routes with the Bank over the coming months

The Administrators retain funds relating to two loan recoveries that were not sub-charged by any of the Banks, due to an oversight by the sub-lending bank at the time of the loan However, per the agreements between the secured creditors, where loan security should be sub-charged but is not, the recovery proceeds will be split *pari passu* between the secured creditors

### Assets subject to a Floating Charge

During the period we have settled two litigation matters There remains one outstanding which we hope will be concluded sooner rather than later

Our Scottish solicitors have retained £15,000 from funds received in relation to the settlement of one of the two settled cases to cover costs, which are presently being agreed with the other party

## 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 20 October 2014



## ACCOUNT OF RECEIPTS AND PAYMENTS

Period 01 April 2010 to 30 September 2014

Period 01 April 2014 to 30 September 2014

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

Statement of Affairs		From 01/04/2014 To 30/09/2014	From 01/04/2010 To 30/09/2014
	<b>SECURED ASSETS</b>		
	NW/IDB/Leumi - Properties	NIL	350,020 00
	NW/IDB/Leumi - Rent	5,000 00	12,861 73
4,759,000 00	Nat West - Properties/Loan Redemptio	10,364 40	3,453,413 39
	Nat West - Loan Interest	NIL	20,000 00
	Nat West - Rent	(5,000 00)	NIL
2,978,000 00	IDB - Properties	NIL	1,033,285 42
	IDB - Contribution to costs	6,000 00	6,000 00
	IDB - Rent	NIL	9,639 00
3,134,000 00	Bank Leumi - Properties/Loan Redemp	NIL	2,013,792 00
	Bank Leumi - Loan Interest	18,240 00	202,185 00
	IDB/Leumi - Property (27 Cherry Court	NIL	58,014 34
	IDB/Leumi - Rent (27 Cherry Court)	NIL	3,421 17
		<u>34,604 40</u>	<u>7,162,632 05</u>
	<b>COSTS OF REALISATION</b>		
	Insurance	NIL	24,664 78
	Administrators' Fees (Fixed Charge)	5,000 00	140,901 41
	Agents Fees & Disbs - NW	4,396 43	47,876 20
	Agents Fees & Disbursements-IDB	NIL	6,537 00
	Agents Fees & Disbursements - IDB/L	NIL	NIL
	Legal Fees (Fixed Charge)	4,060 00	177,578 55
	Legal Disbursements (Fixed Charge)	435 35	8,628 88
	LPA Receivers' Fees	NIL	96,335 69
	LPA Receivers' Disbs	NIL	35,140 66
	Irrecoverable VAT - NW	1,472 62	56,004 16
	Irrecoverable VAT - IDB (Inc Cherry C	1,000 00	9,577 37
	Irrecoverable VAT - Bank Leumi	NIL	29,872 94
	Funds held by prev LPA of Hyperion (K	NIL	(73,707 26)
	Insurance Logs & Sundry Costs - Nat	NIL	12,643 24
	Insurance Logs&Sundry Costs-IDB (in	NIL	4,861 73
		<u>(16,364 40)</u>	<u>(576,915 35)</u>
	<b>SECURED CREDITORS</b>		
(7,561,000 00)	National Westminster Bank plc	NIL	3,186,285 92
(6,109,000 00)	Israel Discount Bank	NIL	1,105,246 81
(2,518,500 00)	Bank Leumi (UK) Plc	19,380 00	2,008,288 23
		<u>(19,380 00)</u>	<u>(6,299,820 96)</u>
	<b>ASSET REALISATIONS</b>		
	Funds held by Solicitor	NIL	18,287 45
200 00	Furniture & Equipment	NIL	1,636 26
	Motor Vehicles	NIL	NIL
	Loan Recoveries	NIL	12,883 18
45,000 00	Uncalled Share Capital	NIL	NIL
3,958 00	Cash in Hand	NIL	10,437 92
	Loan Interest Received	NIL	NIL
	Bank Interest Gross	453 78	4,045 68
	Bank Interest Net of Tax	NIL	534 10
5,300,000 00	Legal Settlements (Net)	426,777 16	2,903,737 95
NIL	Ongoing Litigation	NIL	NIL
	Sundry Refunds	159 14	4,242 60
		NIL	NIL

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

Statement of Affairs	From 01/04/2014 To 30/09/2014	From 01/04/2010 To 30/09/2014
Contribution to Legal Fees (Floating)	NIL 427,390 08	1,500 00 2,957,305 14
<b>COST OF REALISATIONS</b>		
Legal Fees (Floating Charge)	(48,361 60)	91,255 19
Legal Disbursements (Floating Charge)	(2,970 94)	12,579 55
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	(32,348 07)	43,053 08
Counsel's Fees & Disbs	(9,700 00)	11,911 50
Witness' Expenses	NIL	229 00
Corporation Tax	328 00	820 47
Irrecoverable VAT	(14,752 85)	114,853 10
Office Clearence	NIL	830 00
Printing Costs	NIL	162 75
Storage Costs	1,000 00	1,000 00
Re-Direction of Mail	NIL	51 92
Statutory Advertising	NIL	75 60
Bank Charges	73 22 106,732 24	1,306 31 (683,176 11)
<b>UNSECURED CREDITORS</b>		
(489,413 31) Trade & Expense Creditors	NIL	NIL
(33,363 46) Employees	NIL	NIL
(16,997 86) HM Revenue & Customs	NIL	NIL
(4,450,249 18) Loan Note Holders	NIL	NIL
	NIL	NIL
<b>DISTRIBUTIONS</b>		
(100,000 00) Ordinary Shareholders	NIL	NIL
	NIL	NIL
<b>(5,058,365.81)</b>	<b>532,982.32</b>	<b>2,560,024 77</b>

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## 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 for the period 01 April 2014 to 30 September 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 guidance<sup>1</sup> 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 guidance<sup>2</sup> 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.

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

<sup>2</sup> 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

	<b>Standard</b>
	<b>1 May 2011 –</b>
	<b>until further notice</b>
	<b>Regional</b>
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

	<b>Charge-out</b>
	<b>Rate</b>
<b>Grade of staff</b>	<b>(£ per hour)</b>
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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