

Rule 2.47

Form 2.24B

The Insolvency Act 1986

Administrator's progress report**2.24B**

Name of Company:
Ely Property (UK) Limited

Company number:
03909350

In the:
High Court of Justice
Chancery Division, Companies Court

Court case number:
15651 of 2009

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

I/ We (a) Neil John Mather of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT and Willian John Kelly of Begbies Traynor (Central) LLP, 4th Floor, Newwater House, 11 Newhall Street Birmingham, B3 3NY

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

(b) Insert dates

from / to

(b) 23 June 2009 / 22 December 2009

Signed:

Joint Administrator(s)

Dated:

7/1/10

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	
32 Cornhill, London, EC3V 3BT,	
	Tel Number: 020 7398 3800
Fax Number: 020 7398 3799	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

Neil John Mather and William John Kelly were appointed Joint Administrators on 23 June 2009

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.

Ely Property (UK) Limited (In Administration) ("the Company")

Progress report of the Joint Administrators pursuant to Rule 2.47 of The Insolvency Rules 1986

Period: 23 June 2009 to 22 December 2009

Contents

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- ☐ Appendices
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 - 2. Joint Administrators' time costs and expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Ely Property (UK) Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 23 June 2009.
"the Joint Administrators"	Neil John Mather of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT and William John Kelly of Begbies Traynor (Central) LLP, 4th Floor, Newwater House, 11 Newhall Street, Birmingham, B3 3NY
"the Act"	The Insolvency Act 1986
"the Rules"	The Insolvency Rules 1986
"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(a), Insolvency Act 1986)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security 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(b), Insolvency Act 1986)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	Ely Property (UK) Limited
Trading name(s):	Same as above
Date of Incorporation:	19 January 2000
Company registered number:	03909350
Company registered office:	32 Cornhill, London, EC3V 3BT

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of Joint Administrators:	Neil John Mather, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT and William John Kelly, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 4th Floor, Newwater House, 11 Newhall Street, Birmingham, B3 3NY
Date of administrators' appointment:	23 June 2009
Date of administrators' resignation:	N/A
Court:	High court of Justice, Chancery Division
Court Case Number:	15651 of 2009
Person(s) making appointment / application:	AIB Group (UK) plc:
Acts of the Joint Administrators:	The Joint 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:	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.

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 23 June 2009 to 22 December 2009.

Receipts

Asset realisations since our last report include cash at bank of £3,939 and rent of £7,849 collected from the tenant currently occupying the property in Finchley, North London.

Payments

Payments made since our last report include £2,874 in respect of insurance for the property, £271 in respect of water rates and £35 for stationary and postage.

Joint Administrators' Remuneration

The Joint Administrators' remuneration is based on hourly costs at scale rates calculated on the time properly spent in the course of the administration in accordance with the explanatory note on the subject, which accompanied *The Report and Proposals of the Joint Administrators*.

The total remuneration drawn to date in accordance with the approved resolution in respect of remuneration is nil. Total time spent to date on this assignment amounts to 167.75 hours at an average composite rate of £130.86 per hour resulting in total time costs to date of £21,951. 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
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Narrative summary of time costs incurred and summary by staff grade and work activity

5. ASSETS THAT REMAIN TO BE REALISED

Freehold Property

The Joint Administrators have continued to liaise with the secured creditor Allied Irish Bank plc ("the Bank") in reviewing the various offers that have been put forward by parties interested in purchasing/developing the freehold property in Finchley, North London. A Planning Consultant will be employed by the Joint Administrators, with a view to re-develop the property. Work is expected to commence in the New Year and the Administrators will continue to update creditors of their progress in this regard.

Debtors

A review of the Company's books and records revealed that there were outstanding inter-company debts. These debts are in excess of £1 million and the Administrators have written to the various companies requesting repayment of the funds due to the Company. To date no response has been received, and the Administrators will continue to press for repayment.

6. OTHER RELEVANT INFORMATION

Investigations

As you may be aware, the Administrators have an obligation to report to the Department for Business, Innovation & Skills on the conduct of the directors of the Company. We are continuing to carry out our obligations in this regard.

Dividend Prospects

Based on current financial information, it is unlikely that there will be a distribution to unsecured or preferential creditors.

7. CONCLUSION

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



N.J. Mather
Joint Administrator

Dated: 7/1/10

JOINT ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS, INCORPORATING ESTIMATED OUTCOME FOR CREDITORS

Period 23 June 2009 to 22 December 2009

	Receipts & Payments to date £	Anticipated Receipts & Payments £	Projected Outcome £
ASSET REALISATIONS			
Cash at Bank	3,939	-	3,939
Rent	7,849	Uncertain	Uncertain
Property in Finchley	-	Uncertain	Uncertain
	<u>11,788</u>	<u>Uncertain</u>	<u>Uncertain</u>
COST OF ADMINISTRATION			
Statutory advertising	(228)	(250)	(478)
Bordereau	(31)	(350)	(381)
Bank charges	-	(50)	(50)
Companies House	(4)	(10)	(14)
Stationary & Postage	(35)	(20)	(55)
Heat, Light & Water	(271)	(300)	(571)
Insurance of Assets	(2,874)	(3,000)	(5,874)
Administrator's Fees	-	Uncertain	Uncertain
Legal Fees and Disbursements	-	Uncertain	Uncertain
Available for Charge Holder	<u>8,344</u>	<u>Uncertain</u>	<u>Uncertain</u>
Less Debts secured by Allied Irish Bank Plc			<u>(4,333,448)</u>
Available for unsecured creditors			Uncertain
Less Unsecured Creditors			<u>(481,495)</u>
Estimated deficiency as regards creditors			<u>Uncertain</u>

Notes

Unsecured creditors figure is based on claims received by the administrators as no statement of affairs has been submitted by the Company director

JOINT ADMINISTRATORS' TIME COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's policy for re-charging expenses;
- b. Begbies Traynor (Central) LLP's charge-out rates;
- c. Narrative summary of time costs incurred and summary by staff grade and work activity.

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 and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. 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 expenses (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 expenses (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 £150 per meeting;
- Car mileage is charged at the rate of 40 pence per mile;
Storage of books and records (when not chargeable as a *Category 1 expense*) is charged on the basis that the number of standard archive boxes held in storage

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

² Ibid 1

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

(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 expense*:

- 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 London office as at the date of this report are as follows:

Grade of staff	Charge-out Rate (£ per hour)
Partner 1	450
Partner 2	395
Director	375
Senior Manager	350
Manager	300
Assistant Manager	250
Senior Administrator	220
Administrator	180
Junior Administrator	150
Support	150

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units).

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME: Ely Property (UK) Limited
CASE TYPE: ADMINISTRATION.
OFFICE HOLDERS: Neil John Mather and William John Kelly
DATE OF APPOINTMENT: 23 June 2009

1 CASE OVERVIEW

- 1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case.
- 1.2 **Complexity of the case**
Complexities of the case relate to the Administrators liaising with the secured creditor and various property consultants in relation to the future development of the freehold property in Finchley, North London.
- 1.3 **Exceptional responsibilities**
To date, none specific
- 1.4 **The office holders' effectiveness**
Liaising with the secured creditor regarding the future development of the property in order to maximise realisations to creditors.
- 1.5 **Nature and value of property dealt with by the office holders**
Freehold property in Finchley, North London.
Some outstanding inter-company debts in excess of £1million.
- 1.6 **Anticipated return to creditors**
Based on current financial information, a return to creditors is unlikely.
- 1.7 **Time costs analysis**
An analysis of time costs incurred between 23 June 2009 and 31 December 2009 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.
- The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only, but is not intended to be, nor should be viewed as an exhaustive list.
- 1.8 **The views of the creditors**
Creditors have been kept apprised of matters during the administration by way of a progress report and by dealing with their queries as and when they arise.
- 1.9 **Approval of fees**
The Administrators' fees will be approved on an on-going basis by the secured creditor.

1.10 Approval of Expenses and Disbursements

As detailed above, the Administrators' expenses and disbursements will be approved on an on-going basis by the secured creditor.

1.11 Other professionals employed & their costs

The Administrators have instructed Messrs Addleshaw Goddard to assist with legal matters in this case. At present no legal fees have been settled.

1.12 Staffing and management

Appropriately experienced staff have undertaken tasks arising in the administration to ensure that matters were properly dealt with at the least cost to the estate.

2 SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

2.1 Since the date of our last report, the following work has been carried out:

- Ensuring compliance with professional standards; the handling of receipts and payments during the administration and day to day running of the administration.
- Dealing with statutory filings and reports.
- Liaising with the secured creditor and various parties interested in the re-development/purchasing of the Company's freehold property
- Dealing with creditors' correspondence/claims

