

Rule 2.47

Form 2.24B (CH)

The Insolvency Act 1986

Administrator's progress report

Name of Company Ely Property (UK) Limited	Company number 03909350
In the High Court of Justice Chancery Division, Companies Court [full name of 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
William John Kelly of Begbies Traynor (Central) LLP, 10th Floor, Temple Point, 1 Temple Row,
Birmingham B2 5LG

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

(b) Insert dates

from

to

(b) 23 June 2009

(b) 22 June 2010

Signed

Joint / Administrator(s)

Dated

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

THURSDAY

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 June 2010

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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
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.
Extensions of the administration period	The administration has been extended for 6 months until 22 December 2010.

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 June 2010

Receipts

Cash at bank On appointment, the Administrators realised cash at bank of £3,939

Rent There is currently one tenant in occupation of the property in Finchley, North London. To date rent payments totalling £11,773 have been paid into the administration bank account.

Bank interest A small amount of bank interest of £13 has been realised.

VAT refund The secured creditor AIB Group (UK) Plc ("AIB") has paid the Administrators' remuneration on behalf of the Company, and all VAT recovered in this respect has been shown as a realisation into the estate. To date, this sum totals £6,190.

Payments

Heat, light & water payments in respect of various utility invoices have amounted to £2,114 plus VAT.

Commercial waste A payment of £642 plus VAT has been made in this regard.

Professional Fees Jeremy Leaf & Co, Development Consultants and Chartered Surveyors were paid £2,265 plus VAT in respect of their costs.

Petitioning creditor's costs Prior to the appointment of the Administrators, a petition to wind up the Company was presented in Court. The petition was dismissed following the appointment of the Administrators by AIB under their floating charge over the Company's assets. Costs in this regard totalled £1,870.

Repairs & Maintenance £1,320 plus VAT has been paid for various repairs and maintenance relating to the property in Finchley.

Insurance To date £5,749 has been paid in respect of property insurance.

Joint Administrators' Remuneration

As previously reported the Joint Administrators' remuneration is based on hourly costs at scale rates calculated on the time properly spent in the course of the administration and they are authorised to draw disbursements in accordance with the explanatory note on the subject, which accompanied *The Report and Proposals of the Joint Administrators*.

During the period under review, AIB has discharged the Administrators' remuneration totalling £35,059 plus VAT. Total time spent to 2 July 2010 on this assignment amounts to 318 hours at an average composite rate of £133 per hour resulting in total time costs to date of £42,215.

Similarly, AIB has discharged the Administrators' disbursements totalling £311 plus VAT.

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

5. ASSETS THAT REMAIN TO BE REALISED

Freehold Property

The Joint Administrators continue to liaise with AIB regarding the development of the freehold property in Finchley, North London. A Planning Consultant has been employed by the Joint Administrators, with a view to re-develop the property. It is expected that an application for planning permission will be submitted in due course, until which time the Administrators will continue to liaise with AIB and the Planning Consultant. The Administrators will continue to update creditors of their progress in this regard.

Debtors

As previously reported there are outstanding inter-company debts. The Administrators have, since the last report, liaised with the Company's former accountant to attempt to recover the debts. The debts which are in excess of £1 million remain outstanding. Although the Administrators have had difficulties obtaining the relevant information from the directors in order to clarify the position regarding the inter-company debts, the Administrators will continue to pursue the outstanding debts during the course of the administration.

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. I can confirm that we have completed our duties in this regard.

Dividend Prospects

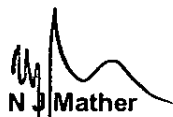
Based on current financial information, there will not be a distribution to the unsecured creditors of the Company.

7. CONCLUSION

Paragraph 76 of Schedule B1 to the Insolvency Act 1986 provides that the appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. However, the Administrator's term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding six months.

In order to ensure that the objective of the administration is achieved and that we have fully discharged our duties as Administrators, it is necessary to extend the period of the administration. Accordingly, the secured creditor has consented to the Administrators extending the period of the administration for a further six months to 22 December 2010.

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 4/7/10

Ely Property (UK) Limited - in administration

JOINT ADMINISTRATORS' ESTIMATED OUTCOME STATEMENT

Period 23 June 2009 to 22 June 2010

	Notes	Receipts & Payments to date £	Anticipated Receipts & Payments £	Projected Outcome £
ASSETS SPECIFICALLY PLEDGED				
Property in Finchley		-	UNCERTAIN	UNCERTAIN
Realisation expenses				
Administrators' Fees and Disbursements		-	UNCERTAIN	UNCERTAIN
Legal Fees and Disbursements		-	UNCERTAIN	UNCERTAIN
Professional Fees		-	UNCERTAIN	UNCERTAIN
Net realisations		-	UNCERTAIN	UNCERTAIN
<i>Less amounts due to fixed chargeholders</i>				
AIB Group (UK) Plc		-	(4 333 448)	(4 333 448)
Deficiency c/f (fixed charge)		-	UNCERTAIN	UNCERTAIN
ASSETS NOT SPECIFICALLY PLEDGED				
Cash at bank		3 939	-	3 939
Rent		11 773	UNCERTAIN	UNCERTAIN
Bank Interest Gross		13	UNCERTAIN	UNCERTAIN
VAT refund	1	6 190	UNCERTAIN	UNCERTAIN
		21 915	UNCERTAIN	UNCERTAIN
Realisation expenses				
Administrators' Fees		-	UNCERTAIN	UNCERTAIN
Legal Fees and Disbursements		-	UNCERTAIN	UNCERTAIN
Statutory Advertising		-	(500)	(500)
Heat Light & Water		(2 114)	UNCERTAIN	UNCERTAIN
Commercial Waste		(642)	UNCERTAIN	UNCERTAIN
Repairs & Maintenance		(1 320)	UNCERTAIN	UNCERTAIN
Professional Fees		(2 265)	UNCERTAIN	UNCERTAIN
Petitioning Creditor's Costs		(1 870)	-	(1 870)
Bank Charges		-	(100)	(100)
Companies House		-	(50)	(50)
Insurance		(5 749)	(3 000)	(8 749)
Available for preferential creditors		7 956	UNCERTAIN	UNCERTAIN
Arrears of wages and holiday pay		N/A	N/A	N/A
Net property		7 956	UNCERTAIN	UNCERTAIN
Prescribed part of net property set aside for unsecured creditors		-	NIL	NIL
Available for Floating Charge Creditors		7 956	UNCERTAIN	UNCERTAIN
Less AIB Group (UK) Plc Ltd				(4 333 448)
Available for Unsecured Creditors				UNCERTAIN
Less unsecured creditors				
Trade and Expense Creditors	2			(772 863)
Estimated deficiency as regards unsecured creditors				UNCERTAIN
Issued and called up capital				
Ordinary shareholders				(100)
Estimated deficiency as regards members				UNCERTAIN
Summary of balances held				
Administration account		7 895		
VAT Receivable		61		
		7 956		
Payments made by AIB Group (UK) Plc on behalf of the Company				
Administrators' Fees		35 059		
Administrators' Disbursements		311		
		35 370		

1 VAT whose effect is neutral has been excluded from the above account. However VAT recovered in respect of payments made by AIB Group (UK) Plc on behalf of the Company have been shown as a realisation into the estate.

2 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/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Table of time spent and charge-out value

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 in Appendix 3.

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 in Appendix 3.

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 £100 (London £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 Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

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 during the six months to which this report relates are as follows

Grade of staff	Charge-out Rate (£ per hour)
Partner 1	495
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)

Ely Property (UK) Limited

Outstanding time