

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	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 December 2010

Signed

Joint Administrator

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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18/01/2011

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COMPANIES HOUSE

TUESDAY

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

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## **Ely Property (UK) Limited (In Administration) (“the Company”)**

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

Period: 23 June 2009 to 22 December 2010

## **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"	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 Administrators"	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
"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 Insolvency Act 1986

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## 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 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, 10th Floor, Temple Point, 1 Temple Row, Birmingham, B2 5LG
Date of Administrators' appointment	23 June 2009
Date of Administrators' resignation	Not applicable
Court	High Court of Justice
Court Case Number	15651 of 2009
Person(s) making appointment / application	AIB Group (UK) Plc
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 has been extended by order of the Court until 22 December 2011.

## 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 2010

### Receipts

*Cash at bank* Cash at bank totalling £3,939 was realised on appointment by the Administrators

*Rent* To date, rent payments totalling £15,698 have been paid into the administration bank account by the only tenant in occupation of the property in Finchley, North London ("the Property")

*Bank interest* A small amount of bank interest totalling £23 has been realised to date

### Payments

The following payments were made using funds in the administration bank account

*Heat, light & water* Since the Administrators' appointment, payments made in respect of various utility invoices have amounted to £3,151 plus VAT

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

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

*Petitioning creditor's costs* A petition to wind up the Company was presented in Court prior to the appointment of the Administrators. The petition was dismissed following the appointment of the Administrators by AIB Group (UK) Plc ("AIB") under their floating charge over the Company's assets. The petitioning creditor's costs totalled £1,870

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

*Insurance* To date £8,623 has been paid in respect of property insurance

The secured creditor, AIB has in addition settled various professional fees incurred in respect of the submission of the planning application and development costs relating to the property in Finchley, as detailed below

### *Professional Fees*

Development Consultants and Chartered Surveyors, Jeremy Leaf & Co has been paid £555 plus VAT in respect of their fees for marketing and advertising

Quatro Public Relations Limited's fees of £200 plus VAT in respect of preparing a database of residents and councillors have been settled in full

Bickerdike Allen Partners has been paid fees totalling £2,200 plus VAT for their acoustic consultancy services

BMT Fluid Mechanics Limited has been paid £3,700 plus VAT in respect of their work regarding wind microclimate studies

Fees of £2,000 plus VAT have been paid to GVA Grimley Limited for their advice regarding planning application for the Property

WSP UK Limited provided services in respect of telecommunication work and their fees of £1,200 plus VAT have been paid

Canterbury Archaeological Trust Limited has been paid £354 plus VAT for their work undertaking an archaeological desk top study and report

Water Environmental Limited provided services in respect of a water environmental assessment and their fees in this regard totalled £3,937 99 plus VAT

*Architects Fees* Metropolis Architectural Studio LLP have been paid £84,561 plus VAT for their architectural services provided in respect of their work relating to the submission of the planning application

*Planning Application Fee* £15,075 was paid for the submission of the planning application to London Borough of Barnet

*Engineers Fees* Odyssey Consulting Engineers have been paid £20,950 plus VAT for work carried out in respect of the submission of the planning application

## 5. ESTIMATED OUTCOME FOR CREDITORS

### **Secured creditor**

The secured creditor AIB will receive the sale proceeds, less costs following a sale of the Property

### **Preferential creditors**

There are no known preferential claims

### **Unsecured creditors**

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

## 6. ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

As previously reported the 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*.

AIB, in its capacity as secured creditor continues to discharge the Administrators' remuneration. Total remuneration drawn to date in accordance with AIB's approval amounts to £55,527. Total time spent to date on this assignment amounts to 481 85 hours at an average composite rate of £145 86 per hour resulting in total time costs to date of £70,283

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

## 7. ASSETS THAT REMAIN TO BE REALISED

### Freehold Property

The Administrators are continuing to liaise with AIB and various professionals regarding the development of the freehold property in Finchley, North London. As previously reported, Planning Consultants, Mount Anvil were employed by the Administrators, with a view to obtaining enhanced planning permission for the property. A planning application was submitted in August, and following feedback from the local authority, the application was subsequently withdrawn in order that it may be revised. The process is on-going, with a view to selling the property with the benefit of that planning permission and thereby achieving an enhanced realisation of the asset.

In the interim, the Administrators will continue to review offers that are put forward by interested parties with a view to achieving maximum realisations for the benefit of the secured creditor.

### Debtors

The inter-company debts remain outstanding. The Administrators have now instructed their solicitors to assist in the recovery of these debts.

## 8. OTHER RELEVANT INFORMATION


### Report on Directors conduct

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. The Administrators can confirm that they have completed their duties in this regard.

## 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, an administrator's term of office may be extended by court order for a specified period or by consent of the creditors for a specified period not exceeding six months. As you may be aware, the Administrators initially extended the administration for a further 6 months with the consent of the secured creditor. Subsequently, the administration has by order of the Court been extended until 22 December 2011.

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 16/1/11



## Ely Property (UK) Limited - in administration

## ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Period 23 June 2009 to 22 December 2010

	Notes	Receipts & Payments to date £	Anticipated Receipts & Payments £	Projected Outcome £
<b>ASSETS SPECIFICALLY PLEDGED</b>				
Property in Finchley		-	UNCERTAIN	UNCERTAIN
<b>Realisation expenses</b>				
Administrators' Fees and Disbursements		-	UNCERTAIN	UNCERTAIN
Legal Fees and Disbursements		-	UNCERTAIN	UNCERTAIN
Professional Fees		-	UNCERTAIN	UNCERTAIN
<b>Net realisations</b>		-	UNCERTAIN	UNCERTAIN
<i>Less amounts due to fixed chargeholders</i>				
AIB Group (UK) Plc			(4 333 448)	(4 333 448)
Deficiency of (fixed charge)		-	UNCERTAIN	UNCERTAIN
<b>ASSETS NOT SPECIFICALLY PLEDGED</b>				
Cash at bank		3 939	-	3 939
Rent		15 698	UNCERTAIN	UNCERTAIN
Bank Interest Gross		23	UNCERTAIN	UNCERTAIN
		19 660	UNCERTAIN	UNCERTAIN
<b>Realisation expenses</b>				
Administrators' Fees			UNCERTAIN	UNCERTAIN
Legal Fees and Disbursements			UNCERTAIN	UNCERTAIN
Statutory Advertising		-	(500)	(500)
Heat Light & Water		(3 151)	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		(8 623)	(3 000)	(11 623)
<b>Available for preferential creditors</b>		1 790	UNCERTAIN	UNCERTAIN
Arrears of wages and holiday pay		N/A	N/A	N/A
<b>Net property</b>		1 790	UNCERTAIN	UNCERTAIN
Prescribed part of net property set aside for unsecured creditors		-	UNCERTAIN	UNCERTAIN
<b>Available for Floating Charge Creditors</b>		1 790	UNCERTAIN	UNCERTAIN
Less AIB Group (UK) Plc Ltd				(4 333 448)
<b>Available for Unsecured Creditors</b>				UNCERTAIN
<b>Less unsecured creditors</b>				
Trade and Expense Creditors	2			(772 663)
<b>Estimated deficiency as regards unsecured creditors</b>				UNCERTAIN
<b>Issued and called up capital</b>				
Ordinary shareholders				(100)
<b>Estimated deficiency as regards members</b>				UNCERTAIN
<b>Summary of balances held</b>				
Administration account		1 788		
VAT Receivable		2		
		1 790		
<b>Payments made by AIB Group (UK) Plc on behalf of the Company</b>				
Professional Fees		14 147		
Architects' Fees		84 561		
Planning Application Fee		15 075		
Engineers Fees		20 950		
Administrators' Fees		55 527		
Administrators' Disbursements		342		
		190 602		

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.

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## 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, and
- 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 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 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

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

<sup>2</sup> 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

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

55,527