

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

We 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

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

from

to

1 April 2013

30 September 2013

Signed

  
Joint Administrator

Dated

02 Oct 13

**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.

Begbies Traynor (Central) LLP	
340 Deansgate, Manchester, M3 4LY,	
	Tel Number 0161 837 1700
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A05 10/10/2013 #360

COMPANIES HOUSE

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A15 04/10/2013 #378

COMPANIES HOUSE

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

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 Rules 2.47 and 2.112 of The Insolvency Rules 1986

Period: Period: 1 April 2013 to 30 September 2013

## **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 Securies 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

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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 the 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 appointment	1 April 2010
Date of 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. This report is for the purpose of Rule 2.112(1) in order to request a further extension to the administration of 2½ years 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 13 August 2013, incorporating a period account summarising transactions from 1 April 2013 to 13 August 2013

Fixed charge assets in the sum of £164,382 have been realised during the period. Total fixed charge realisations now total £6,919,218.

Legal Settlements in the period amount to £10,000 bringing the total legal settlements to £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.

During the period, the administrators have not been able to settle any further litigations. None have been commenced and none have been discontinued.

£1,500 was received in the period as a contribution to floating charge legal fees. These were retained by our solicitor in the matter concerned on account of costs.

### **Fixed Charge Expenditure incurred during the period of the report**

Insurance costs in the period were £267 and related to the insurance of land held in the Company's possession.

The largest item of fixed charge expenditure in the period other than VAT is administrators' fees at a net value of £13,600. Administrators' fees are fees incurred while working in relation to the fixed charge asset that was realised in the period and one from a sale in the previous period.

Legal fees and disbursements in the period totalled £3,422, the majority of which related to the redemption of a Bank Leumi loan. The remaining amounts related to historic disbursements that were billed late by our lawyers.

Agents fees of £2,292 were incurred in the period in relation to the sale of land by LPA receiver whose fees were £3,030 for dealing with this asset.

Irrecoverable VAT in the period was £31,915. The majority of this liability has been transferred from floating charge irrecoverable VAT as it had previously been incorrectly posted.

Sundry costs during the period of £222 related to veterinary fees for advice on the welfare of sheep during the eviction of a debtor from some farmland.

### **Floating charge expenditure incurred during the period of this report**

Legal fees and disbursements in the period amounted to £13,013. £8,013 relates to solicitors fees and disbursements in relation to various litigations. The remaining £5,000 were solicitors fees for advice in relation to the calculation of the secured creditors' shortfalls. A debtor redeeming his loan paid £1,500 towards legal fees and disbursements.

The largest item of expenditure in the period was administrators' fees and disbursements at £31,437. Administrators fees relate to our time spent in dealing with the various litigations and general day to day running of the case including case reviews and management.

Expert fees in the period were £2,130. These relate to our expert witness fees for providing advice and attending a meeting with our lawyers in London with regard to an ongoing litigation for professional negligence.

Corporation tax for the year 1 April 2012 – 31 March 2013 totalled £349.

Irrecoverable VAT in relation to the above floating charge fees totalled £11,737 92. However, due to incorrect historical postings, floating charge VAT has been decreased by a net of £20,582 37

Bank charges were £23

## 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 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. 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*.

£131,401 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 £4,048 of disbursements have also been drawn to date. Total time spent to 13 August 2013 on this assignment amounts to 3,841 hours at an average composite rate of £183.80 per hour resulting in total time costs to date of £705,959.

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 for the period from the commencement of the administration to 13 August 2013
- ☐ Table of time spent and charge-out value for the period 1 April 2013 to 13 August 2013

## 7. ASSETS THAT REMAIN TO BE REALISED

### Assets Subject to a Fixed Charge

Of the five loans mentioned in our previous report being dealt with by the administrators, two remain. One loan was redeemed as had been expected, and the issues preventing distribution of funds for two properties were resolved to the extent that the administrators could transfer monies to the relevant sub-charge holders.

One loan remains being serviced by the debtor, however further action may now be considered in order to bring the matter to a close. The final property we are dealing with was mentioned in our previous report as having complex title issues. The deal mentioned has fallen through and the necessary steps have been taken to obtain possession of the property and ensure it is placed on the market for sale.

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 no knowledge. Also, a number of other loans are subject to the appointment of receivers or administrators from Begbies Traynor in Preston. We have also had no involvement in these cases in order to prevent a conflict of interest. The Banks are likely to have suffered shortfalls in these cases, however should there have been a surplus the additional funds will have been caught by the Banks' consolidation clauses in order to reduce the total debt due to them from the Company.

### Assets subject to a Floating Charge

During the period we have not ceased or settled any litigations and have not commenced any new ones. Therefore, 7 sets of litigation remain ongoing.

All matters are progressing with solicitors through various stages.

We have received part settlement for a matter where we had been looking to bankrupt eight defendants. The sum received, £10,000, was in order for us to postpone the bankruptcy hearing for a period to allow the defendants further time to settle the matter.

## 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 our duties in this respect.



## 9. CONCLUSION

Paragraph 76 of Schedule B1 to the Act 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 we seek the consent of the court to extend the period of administration for 2½ years up to 31 March 2016

A handwritten signature in black ink, appearing to read 'Paul Stanley', written over a horizontal line.

**Paul Stanley**  
Joint Administrator

Dated 13 August 2013

## ACCOUNT OF RECEIPTS AND PAYMENTS

Period 1 April 2010 to 13 August 2013

Period: 1 April 2013 to 13 August 2013

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

Statement of Affairs	From 01/04/2013 To 13/08/2013	From 01/04/2010 To 13/08/2013
<b>SECURED ASSETS</b>		
	NIL	160,020 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	50,000 00	1,033,285 42
	NIL	9,639 00
3,134,000 00	103,792 00	2,013,792 00
	10,590 00	165,135 00
	NIL	58,014 34
	NIL	3,421 17
	<u>164,382 00</u>	<u>6,919,217 65</u>
<b>COSTS OF REALISATION</b>		
	267 18	24,833 88
	13,600 00	131,401 41
	NIL	43,479 77
	2,292 00	6,537 00
	NIL	NIL
	2,750 00	168,758 55
	671 83	8,193 53
	3,029 70	96,335 69
	NIL	35,140 66
	28,008 57	53,159 11
	2,786 30	8,577 37
	1,120 00	29,872 94
	NIL	(73,707 26)
	222 40	9,408 40
	NIL	4,861 73
	<u>(54,747 98)</u>	<u>(546,852 78)</u>
<b>SECURED CREDITORS</b>		
	21,797 49	3,186,285 92
	82,010 57	1,105,246 81
	100,780 00	1,966,948 23
	<u>(204,588 06)</u>	<u>(6,258,480 96)</u>
<b>ASSET REALISATIONS</b>		
	NIL	18,287 45
1,000 00	NIL	1,636 26
	NIL	NIL
	NIL	12,883 18
NIL	NIL	10,437 92
	NIL	NIL
	NIL	1,951 19
	NIL	534 10
5,300,000 00	10,000 00	2,476,960 79
NIL	NIL	NIL
	NIL	4,083 46
	NIL	NIL
	1,500 00	1,500 00
	<u>11,500 00</u>	<u>2,528,274 35</u>

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

Statement of Affairs	From 01/04/2013 To 13/08/2013	From 01/04/2010 To 13/08/2013
<b>COST OF REALISATIONS</b>		
Legal Fees (Floating Charge)	10,900 00	123,325 79
Legal Disbursements (Floating Charge)	2,113 00	12,724 09
Administrators' Fees (Floating Charge)	31,000 00	401,000 00
Administrators' Disbs (Floating Charge)	437 19	4,047 64
Property Maintenance/ Sundry Costs	NIL	NIL
Expert & Consultant Fees/Disburseme	2,130 00	62,588 02
Counsel's Fees & Disbs	NIL	21,161 50
Witness' Expenses	NIL	229 00
Corporation Tax	348 72	492 47
Irrecoverable VAT	(20,582 37)	122,373 84
Office Clearence	NIL	830 00
Printing Costs	NIL	162 75
Re-Direction of Mail	NIL	51 92
Statutory Advertising	NIL	75 60
Bank Charges	23 00	946 33
	<u>(26,369 54)</u>	<u>(750,008 95)</u>
 <b>16,172,000.00</b>	 <b><u>(109,823.58)</u></b>	 <b><u>1,892,149 31</u></b>

## 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 from the commencement of the administration to 13 August 2013,
- d Table of time spent and charge-out value for the period 1 April 2013 to 13 August 2013

## **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 1 May 2011 – 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 1 May 2011, the following rates applied:

<b>Grade of staff</b>	<b>Charge-out Rate (£ 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.



[illegible]

[illegible]

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

Statement of Affairs	From 14/08/2013 To 30/09/2013	From 01/04/2010 To 30/09/2013
<b>SECURED ASSETS</b>		
	NIL	160,020 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
	6,270 00	171,405 00
	NIL	58,014 34
	NIL	3,421 17
	6,270 00	6,925,487 65
<b>COSTS OF REALISATION</b>		
	22 57	24,856 45
	4,500 00	135,901 41
	NIL	43,479 77
	NIL	6,537 00
	NIL	NIL
	4,040 00	172,798 55
	NIL	8,193 53
	NIL	96,335 69
	NIL	35,140 66
	808 00	53,967 11
	NIL	8,577 37
	NIL	29,872 94
	NIL	(73,707 26)
	NIL	9,408 40
	NIL	4,861 73
	(9,370 57)	(556,223 35)
<b>SECURED CREDITORS</b>		
	NIL	3,186,285 92
	NIL	1,105,246 81
	9,420 00	1,976,368 23
	(9,420 00)	(6,267,900 96)
<b>ASSET REALISATIONS</b>		
	NIL	18,287 45
1,000 00	NIL	1,636 26
	NIL	NIL
	NIL	12,883 18
NIL	NIL	10,437 92
	NIL	NIL
	152 77	2,751 59
	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
	152 77	2,529,074 75

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

Statement of Affairs	From 14/08/2013 To 30/09/2013	From 01/04/2010 To 30/09/2013
<b>COST OF REALISATIONS</b>		
Legal Fees (Floating Charge)	3,000 00	126,325 79
Legal Disbursements (Floating Charge)	70 00	12,794 09
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	NIL	62,588 02
Counsel's Fees & Disbs	450 00	21,611 50
Witness' Expenses	NIL	229 00
Corporation Tax	NIL	492 47
Irrecoverable VAT	1,590 00	123,963 84
Office Clearence	NIL	830 00
Printing Costs	NIL	162 75
Re-Direction of Mail	NIL	51 92
Statutory Advertising	NIL	75 60
Bank Charges	NIL	1,022 80
	(5,110 00)	(755,195 42)
<b>16,172,000 00</b>	<b>(17,477 80)</b>	<b>1,875,242.67</b>

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time cost £	Average hourly rate £
Administration and Planning	0.5			4.7		3.1	0.9			9.20	2,107.00	229.02
				0.8		0.8	1.1		2.1	4.80	731.50	152.40
	1.5			1.1		0.5				3.10	971.50	313.39
Investigations												
Realisation of assets												
	7.1			0.8		30.8	2.1	14.9		55.70	10,329.00	185.44
Trading												
Creditors				0.1		4.7				4.80	849.00	176.88
Other matters												
Total hours by staff grade	9.1			7.5		39.9	4.1	14.9	2.1	77.6		
	3,594.50			1,987.50		6,982.50	553.50	1,639.00	231.00		14,988.00	
	395.00			265.00		175.00	135.00	110.00	110.00			193.14
Total fees drawn to date £												536,901.00