

The Insolvency Act 1986

**Notice of extension of period
of administration**

Name of Company Gladstone Securities Limited	Company Number 04562615
In the High Court of Justice, Chancery Division, Leeds District Registry (full name of court)	Court case number 755 of 2012

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

We (a) Lyn Vardy and Toby Scott Underwood of PricewaterhouseCoopers LLP, 1 East Parade, Sheffield, S1 2ET and PricewaterhouseCoopers LLP, 101 Barbirolli Square, Lower Mosley, Manchester, M2 3PW

(b) Insert name and address of
registered office of company

having been appointed administrators of (b) Gladstone Securities Limited, Benson House, 33 Wellington Street, Leeds, West Yorkshire, LS1 4JP ('the Company')

(c) Insert date of appointment
(d) Insert name of appointor /
applicant

on (c) 29 May 2012 by (d) the directors of the Company

*Delete as applicable

hereby give notice that the administration has been extended
with the consent of the Company's creditors

(e) Insert date

until (e) 28 November 2013

Signed _____
Joint Administrator

Dated _____ 17-5-13

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 to searchers of the public record.

Rachel Wilkinson	
PricewaterhouseCoopers LLP Benson House 33 Wellington Street, Leeds LS1 4JP	
	Tel 0113 289 4746
DX	

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COMPANIES HOUSE

When you have completed and signed this form please send it to the
Registrar of Companies atCompanies House, Crown Way, Cardiff, CF14 3UZ
DX 33050 Cardiff



**Gladstone Securities Limited – in Administration
High Court of Justice, Chancery Division, Leeds District Registry
Case No. 755 of 2012**

**Joint Administrators' progress report for the period from 29 November
2012 to 21 May 2013**

21 May 2013

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1. Joint Administrators' progress report for the period from 29 November 2012 to 21 May 2013

Introduction

In accordance with Rule 2.47 of the Insolvency Rules 1986 ("IR86"), the Joint Administrators (the Administrators) write to provide creditors with details of the progress of the Administration of Gladstone Securities Limited (the Company) since the Administrators' previous report dated 21 December 2012.

The Administrators are required to provide certain statutory information pursuant to Rule 2.47(1)(a) to (d) IR86, which is included in Section 2.

At this time, we are unable to provide a reliable estimate of the likely dividend to creditors as there are material uncertainties regarding future net realisations and the final level of creditor claims. These matters are discussed below.

Sale of business and assets

At the time of our appointment, the Company owned two freehold properties: one in Abergele and one in Workington.

The two properties, with their associated rent, are the main assets of the Company. To achieve the objective of realising property in order to make a distribution to the secured creditor, we immediately began a process of reviewing a number of property strategies with the aim of realising maximum value for the creditors.

The Abergele property is let to Superdrug Stores plc with an unexpired term of 7.5 years with no breaks. We initially tried to re-gear the lease due to the relatively short unexpired term in order to increase the value of the property. But it soon became clear that the tenant was not interested in entering into such negotiations with us. We originally placed the property into auction in 2012 but the reserve price wasn't met. After lowering the reserve, the property was sold at a subsequent auction for £300,000. The sale of this property completed on 28 March 2013.

With regards to the Workington property, we are currently looking into the potential for remodelling the building in order to increase its value.

The current tenant, Poundstretcher Limited, wishes to remain in the property but is happy to consider a smaller part of the unit. We hope that by altering the layout of the property, we'll be able to attract more or higher value tenants, so that we increase the annual rental income and, as a result, the overall value of the property.

We have retained letting agents and continue to explore opportunities to reconfigure the existing unit and attract new occupiers to the scheme. The agents are in dialogue with potential occupiers and these discussions are ongoing. Once terms have been agreed with occupiers, we will seek to formalise the agreements through Lease and Agreement to Lease documentation. We'll also explore the planning position to support the reconfiguration of the unit and potential change of use to widen the retail uses that can be carried out on site. Once these works are completed, we'll explore the viability of completing the works and the lettings under the administration or sell an "oven ready" scheme into the market.

In order to carry out this work, we are seeking secured creditor approval to extend the administration by the full 6 months.

Realisation of other assets

Book debts

These funds arose from a loan finance deal that the Company provided to a third party. This loan related to a property deal in Stourbridge to assist with the funding of the development of a store for Tesco. This transaction completed in January 2012 and the loan was repaid at that time. The funds of £95,192 were being held in a client account on behalf of the Company and have now been received into the administration for the benefit of creditors.

Rent

To date, we have collected £111,250 in rent. This comprises the following:

Workington monthly rent of £15,625 from 1 July 2012 to 31 December 2012.

1. Joint Administrators' progress report for the period from 29 November 2012 to 21 May 2013

Abergele quarterly rent of £8,750 for both the June and September quarters

We have employed managing agents, DTZ DTL Limited ("DTZ") to manage the properties and collect rent on our behalf. With regard to the Worlington property, DTZ are holding rent paid by the tenant from 1 January 2013 to 30 April 2013. These funds will be received into the administration in due course. DTZ will continue to collect rent on a monthly basis for this property until it is sold.

DTZ are also holding the December 2012 and March 2013 quarter rent funds for the Abergele property. These funds will also be received into the administration in due course. There will be no further rent received in respect of this property as it has now sold. The March quarter covers the period from 25 March 2013 to 23 June 2013. Therefore, an apportionment of the rent of £8,365.40 has been paid to the purchasers of the Abergele property.

Interest

We have also received £396.47 in gross bank interest.

Receipts and payments account

An account of the receipts and payments in the Administration for the period from 29 May 2012 to 21 May 2013 is set out in Section 3.

Receipts in the period comprise

- Sale proceeds for the Abergele property of £300,000,
- Book debts in the sum of £95,192,
- Rental proceeds in the sum of £111,250, and
- Interest earned of £396.46 on funds invested in both our bank account and in third party client accounts.

Payments include

- Agents' fees of £9,628.60 comprising £1,875 for property managing agents, £5,250 for selling agents and £2,503.60 for other property agents such as EPC surveys, site clearance and the purchase of plans,
- Insurance of £12,027.03 for the period 29 May 2012 to 28 May 2013,
- Legal costs of £4,850 and disbursements of £278.44 in respect of the sale of the Abergele property,
- Statutory costs of £73.62, and
- VAT payments to HMRC of £4,860.20.

Expenses statement

A statement of the expenses incurred in the period 29 May 2012 to 21 May 2013 is included at Section 4. This includes details of expenses that have been incurred but not yet paid.

The statement excludes any potential tax liabilities that may be payable as an expense of the Administration in due course because amounts due will depend on the position at the end of the tax accounting period.

Administrators' remuneration

Our remuneration has been approved on a percentage of realisations basis by the secured creditor. We haven't drawn any remuneration to date.

The fee structure is as follows:

4% for realisations up to £1.90m and in addition

Realisation range	Incentive fee
£1.91m - £2.20m	10.00%
£2.21m - £2.50m	12.00%
£2.51m - £2.70m	15.50%
£2.71m - £2.90m	17.50%
£2.91m +	20.00%

1. Joint Administrators' progress report for the period from 29 November 2012 to 21 May 2013

Realisations in this period are £482,067 (sale of the Abergele property, rental income and book debts) and therefore the fee accrued in the period covered by this report is £19,282 68

Creditors' rights

If you would like further information about rights as a creditor, please use the internet address below to find an explanation of your rights in the different kinds of insolvency proceedings

<http://www.icaew.com/en/technical/insolvency/creditors-guides>

Pre-Administration costs

Information regarding the approval of the unpaid pre-Administration costs previously detailed in the Administrators' proposals can be found at Section 5 of this report

Outcome for creditors

It is expected that the secured creditor will receive distributions from the funds realised from the sale of the Company's assets. However, it is presently anticipated that the secured creditor will suffer a shortfall under its security

The Company does not have any preferential creditors

In our previous reports, based on the information available to us at the time, we formed the view that the Company had insufficient property to enable a distribution to the unsecured creditors. However, given the recent realisation of £95,192 that was held in a third party client account, we are currently investigating whether this may give rise to a distribution to the unsecured creditors under the prescribed part. In the first instance, we are looking to confirm definitively that the funds are floating charge realisations

The prescribed part is a fund that has to be made available for unsecured creditors. It's paid out of "net property". Net property is floating charge realisations after costs, and after paying - or setting aside enough to pay -

preferential creditors in full. This may be available in this case as the floating charge was created on or after 15 September 2003.

The amount of the prescribed part is

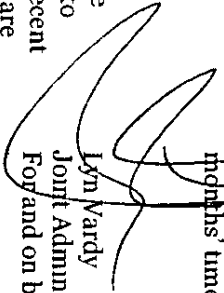
- 50% of net property up to £10,000
- 20% of net property above £10,000
- Subject to a maximum of £600,000

After deducting a 4% realisation fee, should we confirm the funds are indeed floating charge realisations, we estimate the prescribed part to be about £21,276. According to the statement of affairs, there is one unsecured creditor in the sum of £9,347 98. Therefore, should the prescribed part become payable, the unsecured creditor would be paid out in full and the remainder would be distributed to the secured creditor

We are also considering the most appropriate strategy for bringing the Administration to an end, taking into consideration cost and tax implications. Creditors will be advised of our decision in due course

Next report

We anticipate that we will circulate our next report to creditors at the earlier of the conclusion of the Administration or in approximately six months' time


Lyn Vardy
Joint Administrator
For and on behalf of the Company

Lyn Vardy and Toby Underwood have been appointed as joint administrators of the Company to manage its affairs, business and property as its agents and without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales

The joint administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the administration

2. Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division, Leeds District Registry, Case Number 755 of 2012
Full name:	Gladstone Securities Limited
Trading name:	Gladstone Securities Limited
Registered number:	04562615
Registered address:	Benson House, 33 Wellington Street, Leeds, LS1 4JP
Company directors:	Paul Pearce, Andrew Mason, Christopher Mason, Christopher John Chetwood
Company secretary:	Ben Harvey
Shareholdings held by the directors and secretary:	Christopher Mason 25 Ordinary Shares Andrew Mason 25 Ordinary Shares
Date of the Administration appointment:	29 May 2012
Administrators' names and addresses:	Lyn Vardy of PricewaterhouseCoopers LLP, 1 East Parade, Sheffield, S1 2ET and Toby Underwood of PricewaterhouseCoopers LLP, 101 Balbiroll Square, Lower Mosley Street, Manchester, M2 3PW
Details of any extension(s) to the initial period of appointment	None
Changes in office holder:	None
Appointor's / applicant's name and address:	The directors of the Company
Objective being pursued by the Administrators:	Objective (c) realising property in order to make a distribution to one or more secured or preferential creditors
Division of the Administrators' responsibilities:	In relation to paragraph 100(2) Sch B1 IA86, during the period for which the Administration is in force, any function to be exercised by the persons appointed to act as Administrators may be done by any or all of the persons appointed or any of the persons for the time being holding that office
Proposed end of the Administration:	Dissolution
Estimated dividend for unsecured creditors:	Nil
Estimated values of the prescribed part and the company's net property:	Nil
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	n/a
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

3. Receipts and payments account for the period 29 May 2012 to 21 May 2013

Statement of affairs	29 May 2012 to 28 November 2012 (£)		29 November 2012 to 21 May 2013 (£)		Total 29 May 2012 to 21 May 2013 (£)	
Fixed charge receipts						
Worlington property	-		-		-	
Abergele property	-		300,000 00		300,000 00	
Rent	24,375 00		86,875 00		111,250 00	
Interest received gross	21 34		375 13		396 47	
VAT payable	4,875 00		77,375 00		82,250 00	
Total	29,271.34		464,625.13		493,896.47	
Floating charge receipts						
VAT debtor	-		-		0 00	
Cash at bank	-		-		0 00	
Book debts	-		95,192 00		95,192 00	
Total	0.00		95,192.00		95,192.00	
Total Receipts	29,271.34		559,817.13		589,088.47	
Fixed Charge Payments						
VAT payments	4,860 28		-		4,860 28	
Bank charges	15 00		15 00		30 00	
Agents' fees	630 00		8,998 60		9,628 60	
Insurance	12,027 03		-		12,027 03	
Legal disbursements	-		278 44		278 44	
Legal fees	-		4,850 00		4,850 00	
Rent apportionment	-		8,365 40		8,365 40	
VAT receivable	140 72		2,665 41		2,806 13	
Total	17,673.03		25,172.85		42,845.88	
Floating charge payments						
Statutory advertising	73 62		-		73 62	
Total	73.62		0.00		73.62	
Total Payments	17,746.65		25,172.85		42,919.50	
BALANCE	<u>11,524.69</u>		<u>534,644.28</u>		<u>546,168.97</u>	

4. Statement of expenses incurred from 29 May 2012 to 21 May 2013

Gladstone Securities Limited - in Administration				
Statement of Expenses from 29 May 2012 to 21 May 2013				
	Total paid from 29 May 2012 to 28 November 2012 (£)	Total paid from 29 November 2012 to 21 May 2013 (£)	Estimated accrued and unpaid expenses (£)	Total (£)
Agents' fees	630 00	8,998 60	-	9,628 60
Insurance	12,027 03	-	-	12,027 03
Advert charges	73 62	-	-	73 62
Administrators' professional fees	-	-	20,257 68	20,257 68
Administrators' travel costs	230 00	-	-	230 00
Legal fees	-	4,850 00	1,410 90	6,260 90
Legal expenses	-	278 44	-	278 44
Bonding	205 00	-	-	205 00
Bank charges	15 00	15 00	-	30 00
Phone charges	21 00	-	-	21 00
Search fees	20 00	-	-	20 00
Total	13,221.65	14,142.04	21,668.58	49,032.27

5. Approval of unpaid pre-Administration costs

The following unpaid costs were incurred prior to the appointment of the Administrators. They have not yet been approved but we are looking to request approval at the same time as we seek the secured creditor's approval to an extension

	Amount (£)
Fees charged by the Administrators	
<ul style="list-style-type: none"> Fees incurred in putting the Company into administration and reviewing the Company's finances 	3,441
Expenses incurred by the Administrators	
<ul style="list-style-type: none"> Solicitors' preparation of documents for filing in court and pre appointment advice 	2,750
Fees charged by other persons qualified to act as an insolvency practitioner	-
Expenses incurred by other persons qualified to act as an insolvency practitioner	-
Total	6,191