Rule 2 47

Form 2 24B(CH)

The Insolvency Act 1986

Administrator's progress report

Name of Company	Company Number
Gladstone Secuntles Limited	04562615

In the	Court case number
High Court of Justice, Chancery Division, Leeds District Registry (full name of court)	755 of 2012

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

We (a) Lyn Vardy of PricewaterhouseCoopers LLP, 1 East Parade, Sheffield, S1 2ET and Toby Underwood of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP

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

(b) Insert dates

from (b) 19 October 2013 to (b) 18 April 2014

Signed ____________________
Joint Administrator

Dated 13-5-14.

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

Emma Lister	
PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP	
	Tel 0113 289 4746
DX Number	DX Exchange

WEDNESDAY

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COMPANIES HOUSE

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Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff pwc

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 19 October 2013 to 18 April 2014

18 April 2014

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1. Joint Administrators' progress report for the period from 19 October 2013 to 18 April 2014

Introduction

We write to provide creditors with an update of the administration since our last report on 18 October 2013.

We were appointed administrators on 29 May 2012 and we have been pursuing objective (c) of the statutory purpose of administration – realising property in order to make a distribution to one or more preferential or secured creditors – following the strategy set out in our proposals dated 19 July 2012

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

Sale of business and assets

At the time of our appointment, the Company owned two freehold properties, one in Abergele and one in Workington, and these were the only assets of the Company (along with their associated rent).

As we mentioned in our previous report the property in Abergele was sold on 28 March 2013 for £300,000

We applied for an extension of the administration in October 2013 in order to facilitate the remodelling of the Workington property We considered this restructure would enhance the value of the property and make it a more attractive option to potential purchasers Following initial discussions with Poundstretcher around their interest in a reconfigured unit, they have subsequently expressed an interest in the purchase of the freehold interest

Due to the shift in the basis of the Poundstretcher interest, any reconfiguration of the unit becomes problematic as it requires their cooperation if it is to be actioned prior to the mutual break date of July 2017. Whilst this is somewhat frustrating, Poundstretcher's revised stance does evidence their commitment to the unit Accordingly, our letting agents Cheetham & Mortimer have now been instructed to prepare a marketing strategy for the sale of the property. Whilst Poundstretcher may be a special purchaser, a marketing campaign will benchmark their offer level and ensure a competitive bidding process to maximise receipts

Realisation of other assets

Book debts

We previously reported that the Company provided a loan finance deal to a third party. The loan related to a property deal in Stourbridge to assist with funding the development of a Tesco store This transaction was completed in January 2012 and the loan was subsequently repaid Prior to our appointment these funds were held in a client account and these have since been transferred to the administration.

Rent

To date, we have collected £378,750 in rent

Workington: monthly rent received for the period 1 October 2013 to 30 April 2014

We employed managing agents DTZ to manage the properties and collect rent on our behalf DTZ have continued to collect rent on a monthly basis for the Workington property and will continue to do so until it is sold.

Interest

In the period since our last report on 18 October 2013 we have received £555.77 in gross bank interest In addition, we have received £35.16 of interest held in DTZ's client account.

Receipts and payments account

An account of the receipts and payments in the Administration for the period from 19 October 2013 to 18 April 2014 is set out in Section 3.

Expenses statement

A statement of the expenses incurred by the Administrators in the period 19 October 2013 to 18 April 2014 is included at Section 4 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

The secured creditors approved our remuneration on a % of realisations basis and the agreed 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%

In the period we have realised £109,930 77 which relates to rental income and interest, this results in fees incurred of £4,397 08. Based on realisations to date we have accrued total fees of£31,024 27

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 our proposals can be found at Section 5 of this report. It is intended we will draw these in line with the approval on completion of the asset realisations

Outcome for creditors

Secured creditors

On appointment Yorkshire Bank, the secured creditor of the Company, was owed £5.24m in respect of its fixed and floating charges over the Company's assets.

Based our current estimates we think that the secured creditor will suffer a shortfall under its security

Preferential creditors

Preferential claims relate to arrears of wages, subject to statutory pay and unpaid holiday pay There are no preferential creditors of the Company

Unsecured creditors

Following a review of the £95,192 previously held in a third party client account we concluded that this was a floating charge asset of the Company. This gave rise to funds being available to the unsecured creditors under the prescribed part

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 was applicable to the Company as the floating charge was created 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

In this case the net property was £ 91,384

1. Joint Administrators' progress report for the period from 19 October 2013 to 18 April 2014

Since our last report we have adjudicated all claims submitted in the administration and have since paid a dividend of 100p in £ to the unsecured creditor of the Company. The remaining funds will be made available to the secured creditor under its floating charge

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

Lyn Vardy
Joint administrator
Gladstone Securities Limited

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, Benson House, 33 Wellington Street, Leeds, LS1 4JP
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:	100p in the £ from the prescribed part
Estimated values of the prescribed part and the company's net property:	Prescribed part £21,276, net property £91,380
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	No
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 19 October 2013 to 18 April 2014

Statement of affairs		29 May 2012 to 18 October 2013	19 October 2013 to 18 April 2014	Total
	Fixed charge receipts			
1,950,000 00	Workington property	-	-	-
350,000 00	Abergele property	300,000 00	-	300,000 00
	Rent	269,375 00	109,375 00	378,750.00
	Interest received gross	1,087 76	590 93	1,678 69
	VAT payable	113,875 00	21,875 00	135,750 00
	Total	**684,337.76**	**131,840.93**	**816,178.69**
	Floating charge receipts			
5,220 00	VAT debtor	-	-	-
21,281 00	Cash at bank	-	-	-
95,192 00	Book debts	95,192 00	-	95,192 00
	Total	**95,192.00**	-	**95,192.00**
	TOTAL RECEIPTS	**779,529 76**	**131,840.93**	**911,370.69**
	Fixed Charge Payments			
	VAT payments	98,568 87	12,387 50	110,956 37
	Distribution to chargeholder	285,000 00	-	285,000 00
	Bank charges	30 00	-	30 00
	Agents' fees	9,628 60	1,182 61	10,811 21
	Insurance	19,142 28	-	19,142 28
	Legal disbursements	278 44	-	278 44
	Legal fees	4,850 00	-	4,850 00
	Rent apportionment	8,365 40	-	8,365 40
	VAT receivable	2,806 13	251 69	3,057 82
	Total	**428,669.72**	**13,821.80**	**442,491.52**
	Floating charge payments			
	Distribution to unsecured creditors	-	2,509 89	2,509 89
	Statutory advertising	73 62	75 82	149 44
	Total	**73.62**	**2,585.71**	**2,659.33**
	TOTAL PAYMENTS	**428,743.34**	**16,407.51**	**445,150.85**
	BALANCE	**350,786 42**	**115,433 42**	**466,219.84**

* All funds are held in a high interest account

4. Statement of expenses incurred from 19 October 2013 to 18 April 2014

Statement of expenses - 19 October 2013 to 18 April 2014

	Brought forward paid and accrued expenses	Expenses paid 19 October 2013 to 18 April 2014	Expenses accrued and unpaid 19 October 2013 to 18 April 2014 (£)	Total expenses incurred (£)
Bank charges	30 00	-	-	30 00
Agents' fees	10,191 08	1182 61	-	11,373 69
Insurance	19,142 28	-	-	19,142 28
Legal disbursements	278.44	-	-	278.44
Legal fees	4,850 00	-	9,350 80	14,200.80
Office holders' fees	6,349 40	-	4,397 08	10,746 48
Office holders' disbursements	128 67	-	-	128.67
Rent apportionment	8,365 40	-	-	8,365.40
Statutory advertising	73 62	75 82	-	149 44
	49,408.89	1,258.43	13,747.88	64,415.20

5. Pre-administration costs

The following unpaid costs, which were incurred prior to the appointment of the Administrators but with a view to the Company entering Administration, were approved for payment on 1 August 2013. Payment of these has not yet been drawn.

	Amount (£)
Fees charged by the Administrators • Fees incurred in putting the Company into administration and reviewing the Company's finances	**3,441**
Expenses incurred by the Administrators • 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	**0**
Expenses incurred by other persons qualified to act as an insolvency practitioner	**0**
Total	**6,191**