Rule 2 47

Form 2 24B(CH)

The Insolvency Act 1986

Administrator's progress report

Name of Company	Company Number
Gladstone Securities 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, Lyn L Vardy of PricewaterhouseCoopers LLP, 1 East Parade, Sheffield, S1 2ET and Toby Scott Underwood of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP

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

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

(b) Insert dates

Signed ____________________
Joint Administrator

Dated ______17 November 2014____________

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

Hugh Allon-Smith	
Benson House, 33 Wellington Street, Leeds, LS1 4JP	
	Tel 0113 289 4762
DX Number	DX Exchange

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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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 April 2014 to 18 October 2014

17 November 2014

Contents

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

Introduction

We write to provide creditors with an update of the administration since our last report on 18 April 2014

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).

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 As detailed in our previous report, we considered this restructure would enhance the value of the property Following initial discussions with Poundstretcher around their interest in a reconfigured unit, they expressed an interest in direct purchase of the property This interest put a stop to any remodelling of the Workington property

We instructed our letting agents, Cheetham & Mortimer, to prepare a marketing strategy for the sale of the property This was in order to benchmark any Poundstretcher offer against those initiated through a marketing campaign, and ensured a competitive bidding process

A number of competitive bids were received and following negotiations a sale to Trison Estates Limited was completed for £2 75m on 19 August 2014 Trison Estates Limited is a related entity of Poundstretcher

Realisation of other assets

Book debts

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 of £95,192 was subsequently repaid

Rent

In total, we collected rent of £434,572

Workington monthly rent payments totalling £55,822 have been received since our last report

All rent amounts have now been received into the Administration.

Interest

In the period since our last report, on 18 April 2014, we have received £1,330.77 in gross bank interest In addition, we have received £69.84 of interest held in DTZ's client account and £229 30 interest on completion monies

Receipts and payments account

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

Expenses statement

A statement of the expenses incurred by the Administrators in the period 19 April 2014 to 18 October 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. *This structure differs from* that shown in our previous report due to new rates being agreed for realisations from rent collections, and for the loan amount received.

- 4% for property realisations up to £1.90m;
- 20% on remaining property realisations above £1.90m,
- 5% on rent collections, and
- 10% on the loan amount received.

There are gross realisations to date of £3,574,707, which relates to rental income and interest, the sale of the two properties, and the loan amount received The gross realisations to 18 October 2014, after deduction of other costs, result in administrators' fees in the region of £297,800

Administrators' disbursements total £433, and no disbursements have yet been drawn.

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 Bank"), the secured creditor of the Company, was owed £5 24m in respect of its fixed and floating charges *over the Company's assets*

To date the Bank has received distributions of £585,000 Based on our current estimates, the Bank is likely to 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

As detailed in our previous report, 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 is 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 was:

- 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 as at the time that the claims were adjudicated.

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

A dividend of 100p in the £ was paid to all known unsecured creditors of the Company on 11 March 2014. 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

Other matters

Gladstone Securities Limited took out an in scope structure collar product from the Bank on 29 May 2009. The selling of this product is currently under review by the Bank. Once the Bank review is completed the assessment will be sent to the independent reviewer for external verification

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	Following a 6 month extension to 28 November 2013 it was clear that a further extension was needed in order to fulfil the duties of the Administrators' A further 24 month extension, to 28th November 2015, was granted by the court on 21 January 2014.
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 April 2014 to 18 October 2014

Statement of affairs		29 May 2012 to 18 April 2014	19 April 2014 to 18 October 2014	Total
	Fixed charge receipts			
1,950,000 00	Workington property	-	2,750,000 00	2,750,000 00
350,000 00	Abergele property	300,000 00	-	300,000 00
	Rent	378,750 00	55,821 90	434,571 90
	Interest received gross	1,678 69	1,330 77	3,009 46
	Other interest	-	299 14	299 14
	VAT payable	135,750 00	12,500 00	148,250 00
	Total	**816,178 69**	**2,819,951 81**	**3,636,130 50**
	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	**911,370 69**	**2,819,951 81**	**3,731,322 50**
	Fixed Charge Payments			
	VAT payments	110,956 37	-	110,956 37
	Distribution to chargeholder	285,000 00	300,000 00	585,000 00
	Bank charges	30 00	-	30 00
	Agents' fees	10,811 21	27,500 00	38,311 21
	Insurance	19,142 28	-	19,142 28
	Legal disbursements	278 44	218 69	497 13
	Legal fees	4,850 00	15,246 30	20,096 30
	General expenses	-	84 00	84 00
	Rent apportionment	8,365 40	-	8,365 40
	VAT receivable	3,057 82	8,579 01	11,636 83
	Total	**442,491 52**	**351,628.00**	**794,119 52**
	Floating charge payments			
	Agents fees	-	1,338 84	1,338 84
	Distribution to unsecured creditors - 100p in the £	2,509 89	-	2,509 89
	Statutory advertising	149 44	-	149 44
	VAT receivable	-	267 77	267 77
	Total	**2,659 33**	**1,606 61**	**4,265 94**
	TOTAL PAYMENTS	**445,150 85**	**353,234 61**	**798,385.46**
	BALANCE	**466,219 84**	**2,466,717 20**	**2,932,937 04**

* All funds are held in a high interest account

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

Gladstone Securities Ltd - in Administration
Expenses statement for the period 19 April 2014 to 20 October 2014

	Total Expenses Incurred brought forward from 19 April 2014	Total expenses paid to 20 October 2014	Expenses outstanding at 20 October 2014	Expenses incurred in this period	Total expenses to 20 October 2014 (cumulative)
Bank charges	30 00	30 00	-	-	30.00
Agents fees	11,373 69	39,650 05	-	28,276 36	39,650.05
Insurance	19,142 28	19,142 28	-	-	19,142.28
Legal disbursements	278 44	497 13	-	218 69	497.13
Legal fees	14,200 80	20,096 30	-	5,895 50	20,096.30
General expenses	-	84 00	-	84 00	84.00
Office holders' fees	10,746 48	-	297,800 00	287,053.52	297,800.00
Office holders' disbursements	128 67	-	433 16	304.49	433.16
Pre-appointment fees	6,191 00	-	6,191 00	-	6,191.00
Rent apportionment	8,365 40	8,365 40	-	-	8,365.40
Statutory advertising	149 44	149 44	-	-	149.44
Total	**70,606.20**	**88,014.60**	**304,424.16**	**321,832.56**	**392,438.76**

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**