Rule 2 118

Form 2 35B

The Insolvency Act 1986

Notice of move from administration to dissolution

Name of Company	Company Number
Gladstone Securities Limited	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 of PricewaterhouseCoopers LLP, St Paul's Place, 121 Norfolk Street, Sheffield S1 2LE and Toby Scott Underwood of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds LS1

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

having been appointed administrators of (b) Gladstone Securities Limited ("the Company")

(c) Insert date of appointment

d) Insert name of applicant / appointor

on (c) 29 May 2012 by (d) Paul Pearce, Andrew Mason, Christopher Mason, Christopher John Chetwood and Ben Harvey, the directors of the Company

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

We attach a copy of the final progress report

Signed ____________________

Joint Administrator (IP No 9604)

Dated 10 November 2015

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

Sandra Andrews	
PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP	
	Tel 0113 289 4926
DX Number	DX Exchange

THURSDAY

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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**

pwc

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

Joint Administrators' seventh progress report for the period from 19 April 2015 to 18 October 2015 and final progress report to 10 November 2015

10 November 2015

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Abbreviations used in this report

"The Company"	Gladstone Securities Limited
"The Administrators"	Lyn Leon Vardy and Toby Scott Underwood
"IR86"	The Insolvency Rules 1986
"Poundstretcher"	Poundstretcher Limited
"the Bank"	Yorkshire Bank
"Sch B1 IA86"	Schedule B1 to the Insolvency Act 1986
"PwC"	PricewaterhouseCoopers LLP

1. Joint Administrators' progress report

Introduction

We previously reported on 10 May 2015 and are pleased to provide our combined seventh and final progress reports on the Administration of the Company for the periods from 19 April 2015 to 18 October 2015 and from 19 October 2015 to 10 November 2015 pursuant to Rules 2 47 and 2.110 IR86.

We are required to provide certain statutory information pursuant to Rule 2 47(1) IR86, which is shown in Section 2 to this report We are also required to provide a summary of our proposals, which is shown at Section 3

As detailed below, all assets have now been realised

Background information and steps taken during the Administration.

The Company was incorporated in 2002 as a real estate company with the purpose of buying and selling commercial properties At the time of our appointment, the Company owned two freehold properties, one in Abergele and one in Workington

Our appointment arose following the insolvency of the tenant of the Workington property when the Company had no choice but to secure a new tenant at market rates. Their new tenant, Poundstretcher, was given a new lease at a much lower rent level than had previously been in place. This lower rent, and the associated drop in the value of the property, resulted in the Bank being concerned that the combined value of the Company's properties would not be sufficient to cover the outstanding finances secured against them. Following a review of the Bank's options, the Bank met with the directors of the Company and all parties elected to put the Company into administration

We were appointed Joint Administrators on 29 May 2012

Following an initial review we concluded that the most appropriate strategy was to seek a buyer for the two properties.

Sale of business and assets

The freehold properties in Abergele and Workington were the only assets of the Company (along with their associated rent)

We initially tried to renegotiate the terms of the lease of the property in Abergele, in order to increase its value, but the tenant was not interested It was placed into auction in 2012 but failed to meet its reserve After lowering the reserve it was again placed into auction and was sold on 28 March 2013 for £300,000

We explored the possibility of remodelling the property at Workington with a view to Poundstretcher occupying a smaller unit within the existing space Other potential occupiers were targeted but this remodelling scheme was not pursued further as the tenant, Poundstretcher, expressed an interest in purchasing the property Our agents were then instructed to prepare a marketing strategy in order to ensure a competitive bidding process. The property was sold to a related entity of Poundstretcher on 19 August 2014 for £2.75m

Book debts

In January 2012 we collected the sum of £95,192 in respect of the repayment of a loan extended by the Company to a third party There are no further realisations in respect of book debts

Rent

We have collected rent of £434,572 in respect of the properties at Abergele and Workington No further rental income is due to be paid into the Administration

1. Joint Administrators' progress report

Insurance

During the administration we recharged insurance premiums direct to the tenants of the relevant properties

A dispute between Poundstretcher and the pre-appointment insurers in respect of the Workington property resulted in an unpaid balance on our post appointment insurance of c.£10k. Our agents, DTZ, reviewed correspondence and evidence from both the tenant and the insurers and established that payment had been made to the Company prior to our appointment. Therefore no payment was due from Poundstretcher

Other matters

The Company took out an in scope structure collar product (a type of interest rate hedging product) from the Bank on 29 May 2009 A claim was made against the Bank that this product had been mis-sold through the Bank's review of such sales as supervised by the Financial Conduct Authority

The review concluded that the product had been mis-sold. The Bank made a basic redress offer of £883,732 81 to the Company, but advised that it would apply insolvency offset against its outstanding lending to the Company. We did not accept the offer as there was no financial benefit to the Company or its creditors (all known third party creditors having been paid in full). It was also unclear whether there would be a potential tax liability should the offer be accepted

We also considered whether a claim should be issued against the Bank for consequential loss Following consultation with the Company's directors, and a review of the likely benefit to the Administration, we decided not to pursue the matter.

VAT/Tax matters

The Company was deregistered for VAT on 30 September 2012 We have submitted periodic returns to reclaim amounts of input VAT paid since that date

We have prepared and submitted annual and final corporation tax returns

Receipts and payments account

Accounts of the receipts and payments in the Administration for the periods to 18 October 2015 and to 10 November 2015 are set out in Section 4 to this report.

Extensions to the Administration

The 12 month duration of the Administration was extended by resolution of the secured creditor for six months until 28 November 2013. It was subsequently extended by order of the Court on 21 January 2014 for a further 24 months until 28 November 2015

Expenses statement

Statements of the expenses incurred by the Administrators in the period 19 April 2015 to 10 November 2015 are included at Section 5.

Administrators' remuneration

The Bank as secured creditor approved our remuneration on a % of realisations basis and the agreed fee structure is as follows·

- 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

1. Joint Administrators' progress report

There are gross realisations to date of £3,579,763 which relate to the sale of the two properties, the loan amount received, rental income and interest. The gross realisations to 18 October 2015, after deduction of other costs, result in administrators' fees in the region of £337,247. However, after discussions with the Bank we have agreed a discount on our fees reducing them to £297,667

Administrators' disbursements total £446 50, and we have recovered these costs and expenses in full

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 2 48A of the Insolvency Rules 1986. Any request must be in writing Creditors can also challenge the Administrators' fees and expenses within eight weeks of receiving this report as set out in Rule 2 109. This information can also be found in the guide to fees at

http://www.icaew.com/en/technical/insolvency/creditors-guides/a-creditors-guide-to-administrators-fees-010407.pdf

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 These costs have been written off

Outcome for creditors

Secured creditors

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

The Bank has received distributions of £3,200,146.80 together with a further settlement of £883,732 81 as a result of using the redress funds to set off against their outstanding debt The Bank has therefore suffered 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

A dividend of 100p in the £ was paid to all known unsecured creditors of the Company on 11 March 2014 The remaining funds were paid to the secured creditor under its floating charge.

1. Joint Administrators' progress report

xit route from Administration

As we believe that the purpose of the administration has been achieved, in accordance with our proposals, and under Paragraph 84(1) Sch.B1IA86, we have filed Form 2.35B (move to dissolution) with the Registrar of Companies Following registration of which the Administration will cease and the Company will be dissolved three months later

Discharge

In accordance with the resolutions passed by the secured creditor, The Administrators shall be discharged from liability in respect of any action of ours, as Administrators, 14 days after our appointment as Administrators ceases to have effect, pursuant to paragraph 98(1) of Sch B1 IA86

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 bound by the Insolvency Code of Ethics which can be found at http //www gov uk/government/publications/insolvency-practitioner-code-of-ethics

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, St Paul's Place, 121 Norfolk Street, Sheffield, S1 2LE 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 28 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. Summary of the Joint Administrators' proposals

Administrators make the following proposals for achieving the purpose of the administration

i) The Administrators will continue to manage and finance the Company's business, affairs and property in such manner as they consider expedient with a view to realising property in order to make a distribution to one or more secured or preferential creditors

ii) The Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Act 1985 or IA86 or otherwise In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals

iii) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator and that the costs of so doing be met out of the prescribed part as costs associated with the prescribed part

iv) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch B1 IA86

v) If an extension beyond the statutory duration of one year is considered advantageous, the Administrators shall either apply to the court or seek consent from the appropriate classes of creditors for an extension.

vi) The Administrators may use any or a combination of "exit route" strategies in order to bring the Administration to an end, but in this particular instance the Administrators are likely to wish to pursue one of the following options as being the most cost effective and practical in the present circumstances: -

(a) If it transpires that there are insufficient funds with which to make a distribution to unsecured non-preferential creditors, once all of the assets have been realised and the Administrators have concluded all work within the Administration, the Administrators will file a notice under Paragraph 84(1) Sch B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved approximately three months later; or

(b) Once asset disposals are complete, the Administrators will place the Company into creditors' voluntary liquidation. In these circumstances, it is proposed that Lyn Vardy and Toby Underwood be appointed as Joint Liquidators and any act required or authorised to be done by the Joint

Liquidators may be done by either or both of them In accordance with Paragraph 83(7) Sch B1 IA86 and Rule 2.117A(2)(b) IR86, creditors may nominate alternative liquidators, provided that the nomination is made before the proposals are approved, or

(c) Once asset disposals are complete, the Administrators will apply to the Court to allow the Administrators to distribute surplus funds, if any, to unsecured non-preferential creditors If such permission is given, the Administration will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Sch B1 IA86, following registration of which the Company will be dissolved approximately three months later.

vii) The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch B1 IA86 in respect of any action of theirs as Administrators made at a time resolved by the secured creditor.

viii) As the Administrators have stated that they think that the Company have insufficient property to enable a distribution to be made to non-preferential unsecured creditors, other than by way of the prescribed part provisions, it will be for the secured creditor to determine the basis and level of their fees.

4. Receipts and payments account

Statement of affairs		29 May 2012 to 18 April 2015	19 April 2015 to 18 October 2015	19 October 2015 to 10 November 2015	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	434,571 90	-	-	434,571 90
	Interest received gross	4,797 79	331 38	-	5 129 17
	Other interest	299 14	-	-	299 14
	Insurance*	3,592 58	(3,592 58)	-	-
	Total	**3,493,261 41**	**(3,261 20)**	-	**3,490,000 21**
	Floating charge receipts				
95,192 00	Book debts	95 192 00	-	-	95 192 00
21,281 00	Cash at bank	-	-	-	-
5 220 00	VAT debtor	-	-	-	-
	Total	**95,192 00**	-	-	**95,192 00**
	TOTAL RECEIPTS	**3,588,453 41**	**(3,261 20)**	-	**3,585,192 21**
	Fixed Charge Payments				
	Agents fees	38,311 21	-	-	38,311 21
	Bank charges	30 00	-	-	30 00
	Distribution to chargeholder	3,085,000 00	-	115,146 80	3,200,146 80
	General expenses	84 00	-	-	84 00
	Insurance	19,142 28	(3 592 58)	-	15,549 70
	Legal disbursements	497 13	-	-	497 13
	Legal fees	20,096 30	-	-	20,096,30
	Office Holders disbursements	-	446 50	-	446 50
	Office Holders' fees	-	297,667 00	-	297,667 00
	Rent apportionment	8,365 40	-	-	8 365 40
	Total	**3,171,526 32**	**294,520 92**	**115,146 80**	**3,581,194 04**
	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
	Total	**3,998 17**	-	-	**3,998 17**
	TOTAL PAYMENTS	**3,175,524 49**	**294,520 92**	**115,146 80**	**3,585,192 21**
	VAT Control account	-	-	-	-
	BALANCE	**412,928 92**	**(297,782 12)**	**(115,146 80)**	**Nil**

* In our last report the sum of £3,592 58 was recorded erroneously as a tax refund It referred to a refund of insurance premium

All funds were held in a high interest account

The Prescribed Part (Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003) applies to the Company
The Company's net property totalled £91,384 and so the Prescribed Part was calculated at £21,276 80

5. Statement of expenses incurred from 19 April 2015 to 18 October 2015

	Total expenses incurred brought forward from 19 April 2015	Total expenses paid to 18 October 2015	Expenses outstanding at 18 October 2015	Expenses incurred in this period	Total expenses to 18 October 2015
Agents' fees	39,650 05	39,650 05	0.00	0.00	39,650 05
Bank charges	30 00	30 00	0.00	0.00	30 00
General expenses	84 00	84.00	0.00	0 00	84 00
Insurance	19,142 28	19,142 28	(3,592.58)	(3,592 58)	15,549.70
Legal disbursements	497 13	497 13	0 00	0 00	497 13
Legal fees	20,096 30	20,096 30	0.00	0 00	20,096.30
Office holders' disbursements	433.16	446 50	0 00	13.34	446 50
Office holders' fees	297,667 00	297,667 00	0 00	0 00	297,667 00
Statutory advertising	149 44	149 44	0 00	0 00	149 44
	377,749.36	377,762.70	(3,592.58)	(3,579.24)	374,170.12

5. Statement of expenses incurred from 19 October 2015 to 10 November 2015

	Total expenses incurred brought forward from 18 October 2015	Total expenses paid to 10 November 2015	Expenses outstanding at 10 November 2015	Expenses incurred in this period	Total expenses to 10 November 2015
Agents' fees	39,650 05	39,650 05	0 00	0 00	39,650 05
Bank charges	30 00	30 00	0 00	0.00	30 00
General expenses	84 00	84 00	0 00	0 00	84 00
Insurance	15,549 70	15,549 70	0.00	0 00	15,549.70
Legal disbursements	497 13	497.13	0 00	0.00	497 13
Legal fees	20,096 30	20,096 30	0 00	0.00	20,096.30
Office holders' disbursements	446 50	446.50	0 00	0.00	446 50
Office holders' fees	297,667 00	297,667.00	0.00	0.00	297,667 00
Statutory advertising	149 44	149 44	0 00	0 00	149 44
	374,170.12	**374,170.12**	**0.00**	**0.00**	**374,170.12**

6. Analysis of the Administrators' disbursements

Administrators' Disbursements

Category 1 disbursements for the period from 19 April 2015 to 18 October 2015

During the period we have not incurred any disbursements in respect of the Company.

Category 1 disbursements for the period from 19 October 2015 to 10 November 2015

During the period we have not incurred any disbursements in respect of the Company

Category 2 disbursements for the period 19 April 2015 to 10 November 2015

There is no statutory requirement for the Administrators to seek approval to draw expenses or disbursements However, professional guidance issued to insolvency practitioners requires that, where the Administrators propose to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the Administrators' own firm), they must be disclosed and be authorised by those responsible for approving their remuneration Such expenses are known as "Category 2" disbursements and they must be directly incurred on the case and subject to a reasonable method of calculation and allocation

The Administrators' expenses policy allowed for all properly incurred expenses to be recharged to the case Category 2 disbursements are likely to only comprise printing for circulars to creditors and exceptional amounts of copying.

6. Analysis of the Administrators disbursements

Category 2 disbursements for the period from 19 April 2015 to 18 October 2015 and from 19 October 2015 to 10 November 2015

The table below shows the approved policy for charging the different categories of expenses, together with the costs incurred in the period Category 2 disbursements in the period under review comprise:

Category	Policy	Cost in period (£)
1	All disbursements not falling under category 2 are recharged at cost	Nil
2	Photocopying at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying	13 34
	Mileage at a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	Nil
	Total for the period from 19 April 2015 to 18 October 2015	**13.34**
	Brought forward at 19 April 2015	433.16
	Total to 18 October 2015	**446.50**
	Total for the period from 19 October 2015 to 10 November 2015	**Nil**
	Total to 10 November 2015	**446.50**

Disbursements totalling £446.50 were drawn during the period from 19 April 2015 to 18 October 2015 in respect of the Company.

6. Analysis of the Administrators disbursements

Summary of legal and other professional firms instructed in the periods from 19 April 2015 to 18 October 2015 and from 19 October 2015 to 10 November 2015

The table below shows lists the professional firms instructed during the Administration No monies have been paid to any of these firms during the periods covered by this report.

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal advice	DLA Piper UK LLP	Expertise	Time costs
Insurance	Willis	Industry knowledge and expertise	Insurance premiums based on cover in place Time costs
Property management	DTZ	Industry knowledge and expertise	Standard rate agreed with PwC
Property agents	Cheetham & Mortimer Surveyors LLP	Industry knowledge and expertise	1% of sale price
EPC survey	Academy Surveys Limited	Expertise	Standard rate agreed with PwC
EPC survey	White Rose EPC	Expertise	Standard rate agreed with PwC
Auctioneer	Acuitus Limited	Industry knowledge and expertise	Standard rate agreed with PwC plus 1% of sale price
Knotweed eradication services	ECO Control Solutions	Expertise	Standard rate agreed with PwC

7. 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 These costs have been written off

	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**