

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company

Equity for Growth (Securities) Limited

Company number

05410446

In the

High Courts of Justice – Companies Court

(full name of court)

Court case number

14110 of 2009

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

We (a)

Christopher Laughton
Mercer & Hole
76 Shoe Lane
London
EC4A 3JBSteven Leslie Smith
Mercer & Hole
76 Shoe Lane
London
EC4A 3JB

Joint Administrators of the above company attach a progress report for the period

From

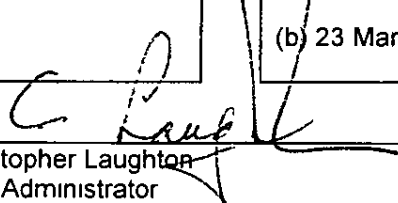
To

(b) Insert date

(b) 24 September 2009

(b) 23 March 2010

Signed


Christopher Laughton
Joint Administrator

Dated

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

Henry Page

Tel 020 7353 1597

DX Number
469DX Exchange
Chancery Lane

The contact information that you give



A33

A10SOJ1S

10/04/2010

54

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

EQUITY FOR GROWTH (SECURITIES) LIMITED IN ADMINISTRATION

JOINT ADMINISTRATORS' PROGRESS REPORT

24 SEPTEMBER 2009 TO 23 MARCH 2010

HIGH COURT OF JUSTICE

No: 14110 of 2009

1. PURPOSE OF REPORT

This report is prepared pursuant to Rule 2.47 of the Insolvency Rules 1986 (as amended). The purpose of the report is to provide creditors with information relating to the progress of the administration from 24 September 2009 to 23 March 2010. This report should be read in conjunction with the joint administrators' proposals and previous report.

2. JOINT ADMINISTRATORS' APPOINTMENT

Christopher Laughton and Steven Leslie Smith of Mercer & Hole, 76 Shoe Lane, London, EC4A 3JB were appointed joint administrators by an order of the High Court of Justice with effect from 24 March 2009.

The application to place the company into administration was lodged at the High Court of Justice by the directors, Mr Tim Baldwin and Ms Melanie Haime, under paragraph 12 of Schedule B1 of the Insolvency Act 1986.

The joint administrators are authorised to act jointly and severally in accordance with Paragraph 100 (2) of Schedule B1.

3. COMPANY DETAILS

The registered number of the company is 05410446.

The registered office of the company is 3rd Floor, 76 Shoe Lane, London, EC4A 3JB.

4. RECEIPTS AND PAYMENTS SUMMARY

Attached is a receipts and payments account, covering the 6 months from 24 September 2009 to 23 March 2010, which shows that £150,000 has been realised to date in respect of the various shares and investments held by the company and £4,000 has been realised in respect of an ongoing contract. The various assets disposed of were sold, with the approval of the creditors' committee, to Equity for Growth Limited, a company controlled by Mr Tim Baldwin.

The backdating of the administrators' appointment meant that all of the costs from the first invalid appointment on 24 March 2009 were payable from the assets in the estate. The costs attributable to this have been shown separately in the attached receipts and payments account.

The receipts and payments account details legal costs of £11,825 70 associated with the original invalid appointment and further legal costs of £10,964 00. The joint administrators' fees drawn to date are £9,273 53 in respect of the invalid appointment and £93,525 00, in relation to the conduct of the administration for the period since the appointment was confirmed.

5. DIVIDEND PROSPECTS FOR CREDITORS

The level of dividend that will be available to creditors will be quantified in due course in the CVA proposals that the administrators currently anticipate being put forward.

Prescribed Part

The prescribed part is not relevant to this administration.

6. CONDUCT OF THE ADMINISTRATION

FSA Registration

As a result of the administrators' working with the FSA over the past 12 months the company has been able to keep its FSA registration and the FSA has been satisfied that the company can continue to operate during this period.

The maintenance of the FSA registration has meant that the current strategy, to seek a CVA and rescue the company, remains feasible and is likely to produce the best return for creditors.

Company Voluntary Arrangement

The administrators are endeavouring to work with the directors and Equity for Growth Limited to pursue a company voluntary arrangement through which the company will be returned to solvency.

The implementation of a CVA is said to have been somewhat prolonged due to the global economic problems and illiquidity of the capital markets. We are told that these issues have meant that progress with securing investment funding through Equity for Growth Limited has been more difficult than initially expected.

The director however remains confident that he will be able to raise sufficient funds to continue with the original strategy for the administration and propose a CVA which will be acceptable to creditors.

Disposal of Assets

The joint administrators have sold the assets of the company to Equity for Growth Limited for £150,000. This included such interests as a small shareholding in two private limited companies, rights to warrants in a public company and rights to future income in respect of two further private limited companies.

The sale represents a better realisation than was anticipated at the date of the previous progress report.

Pathfinder Properties Plc

Prior to administration the company was in advanced negotiations with Pathfinder Properties Plc to assist in a capital raise.

The joint administrators, assisted by the directors, continued these negotiations and entered into an agreement with Pathfinder Properties Plc. The agreement will generate an ongoing fee for the company, as well as lump sum payments when certain preset targets are achieved in the capital raise. The initial payments due under this contract have been received and it is anticipated that future fees earned will continue to be realised.

By entering into the agreement the administrators have also preserved the trading losses for corporation tax purposes, by continuing to trade, and made the company more attractive to investors by way of it having an active contract. It is expected that the initial lump sum will be received in the near future.

7. ASSETS REMAINING TO BE REALISED

The joint administrators continue to concentrate on achieving a return to solvency, by way of a CVA. The basis for a CVA is to seek fresh investment into the company, giving a lump sum payment to creditors, as well as for an agreement to future contributions based on a percentage of future profits.

The administrators and directors are of the opinion that the company, with FSA registration, an active contract and significant tax losses represents an attractive opportunity and that the Company will be in a position to make a satisfactory proposal for a CVA. A CVA is still believed to be the right strategy and in the best interests of the creditors.

8. ADMINISTRATORS' PROPOSALS

The joint administrators' proposals were approved by creditors at a meeting held on 28 July 2009.

The joint administrators have progressed the administration in accordance with the proposals through the pursuit of the rescue of the company.

There has been no material variations or deviations from the proposals

The creditors' committee has been consulted throughout the administration and has continued to indicate support for the strategy of the administration

9. EXTENSION OF THE ADMINISTRATION

On 5 March 2010 the joint administrators made an application to court for the extension of the administration for a period of 12 months. On 17 March 2010 the court made the order to extend the administration for the period requested

The reason for the extension to the administration is to allow the administrators to continue their work to propose a CVA and return the company to solvency. This will allow the administrators to achieve the purpose of the administration, namely that listed at paragraph 3(1)(a) of schedule B1 of the Insolvency Act 1986, being 'rescuing the company as a going concern'

The work undertaken to date has meant that the administrators remain satisfied that a CVA remains the appropriate strategy and should continue to be pursued

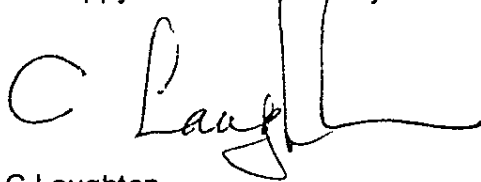
10. JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

At the creditors' committee meeting on the 7 December 2009 the committee approved the joint administrators' remuneration based on a time costs basis and to be drawn as and when funds became available. Time costs are to be charged at Mercer & Hole's standard rates for this type of work

To date fees of £102,798.53 have been drawn since the appointment. This includes £9,273.53 of costs incurred in relation to the invalid administration appointment and drawn in accordance with the administration order of 19 May 2009. Since appointment total costs of £116,739.50 have been incurred on the administration of this case by the administrators and their staff, of which £10,036 relate to the invalid appointment. This represents 597.15 hours at an average cost of £195.49 per hour

Attached to this report is a summary of the time and costs incurred by the joint administrators to the date of this report and a summary of the current charge out rates for insolvency appointments

A copy of the Creditors' Guide to Administrator's fees may be downloaded from the insolvency section on our website at www.mercerhole.co.uk, alternatively, should you require a hard copy please contact us and we shall be happy to forward one to you



C Laughton
Joint Administrator

Equity for Growth (Securities) Limited - In Administration

Summary of Fees & Expenses

From 24-Mar-09
To 23-Mar-10

Time Costs

The following is a summary of the time costs incurred by the Office Holder and his staff in the administration of this matter. It should be read in conjunction with the Office Holder's Report for the period referred to above.

Work undertaken	Partner	Manager	Other Senior Professional	Assistant and Support Staff	Total Time	Time Costs	Average Hourly Rate
	Hrs	Hrs	Hrs	Hrs	Hrs	£	£
Statutory & Management	34 20	20 20	73 70	15 05	143 15	26,717 00	186 64
Investigations	9 30	21 00	23 90	4 00	58 20	11,299 50	194 15
Pursuit & Realisation of Assets	30 40	57 80	84 30	2 50	175 00	34,255 00	195 74
Business Monitoring/Trading	11 40	7 00	0 70	-	19 10	4,647 00	243 30
Creditors	26 70	38 80	81 90	9 65	157 05	29,504 00	187 86
Case Specific Matters (specify)	0 80	-	-	0 30	1 10	281 00	255 45
Estimated Costs to Closure	-	-	-	-	-	-	-
Totals	112 80	144 80	264 50	31 50	553 60	£ 106,703 50	£ 192 74

Notes

- 1 All costs are shown excluding VAT and include an element of undrawn work in progress. It should also be noted that the Office Holder's Fees and other expenses included in his Abstract of Receipts & Payments, will include irrecoverable VAT, where the Insolvent was not formerly registered for VAT.

Over the administration, since appointment, time costs have been charged in the following ranges:

	Oct 04		July 09
	£		£
Partner	220	to	310
Manager	140	to	230
Other Senior Professional	60	to	150
Assistant and Support Staff	40	to	70

Category 2 Disbursements

Other amounts paid or payable to the office holder's firm or to any party in which the office holder or his firm or any associate has an interest have been charged as follows:

Equity for Growth (Securities) Limited
Invalid administration appointment time
Summary of Fees & Expenses

From 24-Mar-09
To 19-May-09

Time Costs

The following is a summary of the time costs incurred by the Office Holder and his staff in the administration of this matter. It should be read in conjunction with the Office Holder's Report for the period referred to above.

Work undertaken	Partner Hrs	Manager Hrs	Other Senior Professional Hrs	Assistant and Support Staff Hrs	Total Time Hrs	Time Costs £	Average Hourly Rate £
Administration & Management	12 15	10 50	2 00	0 60	25 25	5,829 00	230 85
Investigations	4 00	9 00	-	-	13 00	3,010 00	231 54
Pursuit & Realisation of Assets	-	2 00	-	-	2 00	490 00	245 00
Creditors	0 20	2 10	-	-	2 30	497 00	216 09
Case Specific Matters (specify)	-	1 00	-	-	1 00	210 00	210 00
Totals	16 35	24 60	2 00	0 60	43 55	£ 10,036 00	£ 230 45

Notes

- 1 All costs are shown excluding VAT and include an element of undrawn work in progress. It should also be noted that the Office Holder's Fees and other expenses included in his Abstract of Receipts & Payments, will include irrecoverable VAT, where the Insolvent was not formerly registered for VAT.

Over the administration, since appointment, time costs have been charged in the following ranges

	Oct 04 £		July 09 £
Partner	220	to	310
Manager	140	to	230
Other Senior Professional	60	to	150
Assistant and Support Staff	40	to	95

Receipts and Payments Abstract: EFG690 - Equity for Growth (Securities) Limited In Administration

All Bank, Cash and Cash Investment Accounts From: 24/09/2009 To: 23/03/2010

SOA Value £	24/09/2009 to 23/03/2010		Total to 23/03/2010	
	£	£	£	£
ASSET REALISATIONS				
Bank Interest Gross	3 26		3 26	
Cash at Bank	0 00		602 59	
Other Current Assets	150,000 00		150,000 00	
Work In Progress	<u>4,000 00</u>		<u>4,000 00</u>	
		154,003 26		154,605 85
COST OF REALISATIONS				
Administrator's Disbursements	(648 50)		(648 50)	
Administrator's Fees	(93,525 00)		(93,525 00)	
Administrator's Fees re Invalid	(9,273 53)		(9,273 53)	
Agents / Valuers Fees	(3,453 25)		(3,453 25)	
Bank Charges	(96 00)		(96 00)	
Legal Disbursements	(130 00)		(130 00)	
Legal Fees	(10,964 00)		(10,964 00)	
Legal Fees re Invalid Appointment	<u>(11,825 70)</u>		<u>(11,825 70)</u>	
		(129,915 98)		(129,915 98)
<u>0 00</u>		<u>24,087 28</u>		<u>24,689 87</u>
REPRESENTED BY				
Bank - IB Current A/C			9,770 45	
VAT Receivable (Payable)			<u>14,919 42</u>	
				24,689 87
				<u>24,689 87</u>