

**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 March 2009

(b) 23 September 2010

Signed

  
Christopher Laughton  
Joint Administrator

Dated

23.9.10

**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

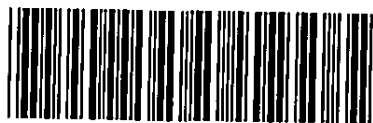
The contact information that you give will be visible to searchers of the

Henry Page

Tel 020 7353 1597

DX Number  
469DX Exchange  
Chancery Lane

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**



\*AVSFFNP3\*

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25/09/2010

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COMPANIES HOUSE

SATURDAY

**EQUITY FOR GROWTH (SECURITIES) LIMITED IN ADMINISTRATION**

**JOINT ADMINISTRATORS' PROGRESS REPORT**

**24 MARCH 2010 TO 23 SEPTEMBER 2010**

**HIGH COURT OF JUSTICE**

**No: 14110 of 2009**

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**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 March 2010 to 23 September 2010. This report should be read in conjunction with the joint administrators' proposals and previous reports.

**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 3<sup>rd</sup> 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 March 2010 to 23 September 2010, which shows that £14,000 has been realised in respect of an ongoing contract during the period. An amount of £18.60 has been realised in respect of gross bank interest.

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

£19,150 86 The joint administrators' fees drawn to date are £9,273 53 in respect of the invalid appointment and £119,639 50, 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 a CVA proposal Should no CVA be proposed then the Company will be liquidated and it is uncertain as to whether there would be a distribution in a liquidation

### **Prescribed Part**

The prescribed part is not relevant to this administration

## **6. CONDUCT OF THE ADMINISTRATION**

### **Company Voluntary Arrangement (CVA)**

The administration has been extended by an order of the court dated 17 March 2010, for a period of 12 months, to 23 March 2011

The purpose of the extension was to allow for the proposal of a CVA The joint administrators have agreed in principle the majority of the creditors claims in order to allow the proposed funder of a CVA to assess the viability of a proposal No CVA has been proposed during the period but it does remain feasible that a CVA will be proposed The creditors' committee have continued to be consulted on the potential CVA and have resolved to continue with this course of action

The director remains confident that sufficient funds will be raised to propose a CVA which will be acceptable to creditors and so the original purpose of the administration has continued to be pursued

### **FSA Registration**

As a result of the administrators' working with the FSA over the past 18 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

### **Disposal of Assets**

As previously reported various of the company's assets were sold to Equity for Growth Limited for £150,000

There have been no further asset disposals during the period

Pathfinder Properties Plc

During the period £14,000 plus VAT has been realised from the Pathfinder Properties Plc agreement. The monthly £2,000 plus VAT fee will continue to accrue in the administration.

An expected lump sum is likely to be received in the near future following a successful capital raise. However, at the date of this report the timing and amount of such a lump sum remain uncertain.

## **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 there remains a possibility that a satisfactory proposal for a CVA will be made.

## **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, save for the extension of the administration detailed below.

The creditors' committee has been consulted throughout the administration and has continued to indicate support for the strategy of the administration outlined in this report.

## **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, to 23 March 2011.

The reason for the extension to the administration is to allow the administrators to continue their work to propose a CVA and seek to return the company to solvency. This would 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 a possibility

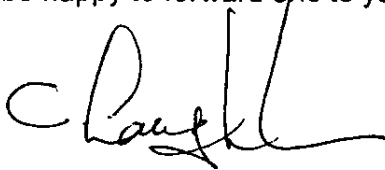
#### **10. JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS**

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 £128,913.03 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 £136,463.50 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 716.90 hours at an average cost of £190.35 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](http://www.mercerhole.co.uk), alternatively, should you require a hard copy please contact us and we shall be happy to forward one to you.

A handwritten signature in black ink, appearing to read 'C Laughton', with a stylized flourish at the end.

C Laughton  
Joint Administrator

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

Bank, Cash and Cash Investment Accounts From 24/03/2010 To. 23/09/2010

	24/03/2010 to 23/09/2010		Total to 23/09/2010	
	£	£	£	£
ASSET REALISATIONS				
Bank Interest Gross	18 64		21 90	
Cash at Bank	0 00		602 59	
Other Current Assets	0 00		150,000 00	
Work In Progress	<u>14,000 00</u>		<u>18,000 00</u>	
		14,018 64		168,624 49
COST OF REALISATIONS				
Administrator's Disbursements	(67 00)		(715 50)	
Administrator's Fees	(26,114 50)		(119,639 50)	
Administrator's Fees re Invalid	0 00		(9,273 53)	
Agents / Valuers Fees	0 00		(3,453 25)	
Bank Charges	(17 62)		(113 62)	
Insurance	(140 00)		(140 00)	
Legal Disbursements	(8 55)		(138 55)	
Legal Fees	(8,186 86)		(19,150 86)	
Legal Fees re Invalid Appointment	0 00		(11,825.70)	
Statutory Advertising	<u>(737 37)</u>		<u>(737 37)</u>	
		<u>(35,271 90)</u>		<u>(165,187 88)</u>
		<u>(21,253 26)</u>		<u>3,436 61</u>
REPRESENTED BY				
Bank - IB Current A/C			2,357 13	
VAT Receivable (Payable)			<u>1,079 48</u>	
				<u>3,436 61</u>
				<u>3,436 61</u>

**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
<b>Totals</b>	<b>16 35</b>	<b>24 60</b>	<b>2 00</b>	<b>0 60</b>	<b>43 55</b>	<b>£ 10,036 00</b>	<b>£ 230 45</b>

**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

**Equity for Growth (Securities) Limited - In Administration****Summary of Fees & Expenses**

From **24-Mar-09**  
 To **19-Sep-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	42 35	25 10	111 90	21 25	200 60	36,502 00	181 96
Investigations	9 50	21 00	23 90	4 50	58 90	11,396 50	193 49
Pursuit & Realisation of Assets	31 10	59 10	89 90	2 50	182 60	35,611 00	195 02
Business Monitoring/Trading	11 40	7 00	1 10	-	19 50	4,647 00	238 31
Creditors	30 10	44 10	108 70	27 75	210 65	37,990 00	180 35
Case Specific Matters (specify)	0 80	-	-	0 30	1 10	281 00	255 45
Estimated Costs to Closure	-	-	-	-	-	-	-
<b>Totals</b>	<b>125 25</b>	<b>156 30</b>	<b>335 50</b>	<b>56 30</b>	<b>673 35</b>	<b>£ 126,427 50</b>	<b>£ 187 76</b>

**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: