

The Insolvency Act 1986

Administrator's progress report

Name of Company

AL Realisations Limited formerly
Advance Lighting Limited

Company number

03576867

In the

High Court of Justice, Chancery Division,
Birmingham District Registry

(full name of court)

Court case number

8132 of 2012

(a) Insert full
name(s) and
address(es) of
administrator(s)We (a)
David Bennett
Grant Thornton UK LLP
Colmore Plaza
Colmore Circus
Birmingham
B4 6ATPaul Addison
Grant Thornton UK LLP
Colmore Plaza
Colmore Circus
Birmingham
B4 6AT

administrator(s) of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 6 March 2012

(b) 5 September 2012

Signed


Joint Administrator(s)

Dated

4 Oct 2012

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

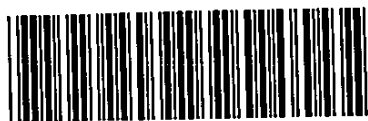
The contact information that you give will be visible to searchers of the public record

Nicola Jackson
Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB

DX Number

0161 953 6900
DX Exchange

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COMPANIES HOUSE

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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



Grant Thornton

Our Ref DJB/ZLC/KLM/KZP/A00609/7
Your Ref

To the Creditors

4 October 2012

Dear Sirs

Recovery and Reorganisation

Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester M3 3EB

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F +44 (0)161 953 6405
www.grant-thornton.co.uk

**AL Realisations Limited formerly Advance Lighting Limited - In
Administration (The Company)
High Court of Justice, Chancery Division, Birmingham District
Registry
No 8132 of 2012**

1 Introduction

1.1 Following my appointment as joint administrator of the above company with David Bennett by Natwest Bank plc, a qualifying floating charge holder on 6 March 2012, I now report on the progress of the administration to 5 September 2012 and attach

- Appendix A, Form 2.24B, together with an account of our receipts and payments for the period from 6 March 2012 to 5 September 2012
- Appendix B, a statement of the remuneration charged by the joint administrators (in the period 6 March 2012 to 5 September 2012) and a statement of expenses incurred in the period
- Appendix C, an analysis of our time costs as required by Statement of Insolvency Practice 9 for the period from 6 March 2012 to 5 September 2012
- Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator (Rule 2.48A)
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses, if excessive (Rule 2.109)

1.2 Please note that we are both authorised by The Insolvency Practitioners Association to act as insolvency practitioners

1.3 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them

2 Statutory information

2.1 The Company's statutory details are as follows

Registered number 03576867

Registered office c/o Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB

Chartered Accountants
Member firm within Grant Thornton International Ltd
Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No OC307742 Registered office Grant Thornton House, Merton Street, Euston Square, London N1 1 2EP
A list of members is available from our registered office

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business

A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address

3 Pre-appointment expenses

- 3 1 As I reported in the statement of proposals dated 30 April 2012, I incurred £9,306 of time costs in the period prior to appointment in relation to the sale of the business and preparation for appointment
- 3 2 Fees of £17,000 were also incurred pre-appointment by my legal advisors Squires Sanders (UK) LLP in relation to the sale of business and preparation for appointment
- 3 3 I am in the process of obtaining formal approval from the secured lenders regarding the payment of these pre-appointment expenses

4 Progress report

- 4 1 As previously reported, the directors had been requested to prepare a statement of affairs of the Company. To date, I have not yet received this document. Once received, a copy of the statement of affairs will be filed with the Registrar of Companies

Sale of business

- 4 2 As advised in my statement of proposals, upon appointment as administrator, I immediately sold the business and assets to Advance (International) Limited (the Purchaser). All employees of the Company were transferred to the Purchaser
- 4 3 Assets owned by the Company included in the sale of business, as shown in the account of my receipts and payments at Appendix A, were book debts, goodwill, stock and equipment

Freehold properties

- 4 4 On completion of the sale of the business and assets, licences to occupy the freehold properties for a period of up to 16 weeks were granted to the Purchaser. Fixed period call options to purchase each of the properties were also granted to the Purchaser
- 4 5 The Purchaser exercised the option to purchase the property at Bridge Farm, Barrow-on-Trent, with the sale being completed on 15 August 2012 for £421,463. Costs of £530 plus VAT in relation to Horton & Moss (see Section 6 below) were deducted from the sale price, resulting in a net cash received of £420,827
- 4 6 The Purchaser has continued to occupy the Commerce Street, Melbourne property and a further licence to occupy has been agreed with a term of 5 months. The licence fee payable is sufficient to discharge the accruing interest on the mortgage over the property. I am currently discussing a strategy for the sale of Commerce Street with the holder of a mortgage over the property, Loughborough Building Society

Secured creditors

- 4 7 As previously reported, there are three secured lenders with amounts owing to them by the Company. They are
- Natwest Bank plc (RBS), who provided a mortgage for Bridge Farm, Sinfin Lane, Barrow-on-Trent, Derby as well as an overdraft facility. At the date of my appointment, RBS had an outstanding balance of £596,630. As shown in my receipts and payments account (Appendix A), I have made distributions of £120,000 to date

and will shortly make a further distribution following the completion of the property sale

- RBS Invoice Finance Limited (RBSIF) who provided a Confidential Invoice Discounting (CID) facility and were assigned the book debts of the Company. At the date of my appointment, RBSIF had an outstanding balance of £312,737, which has been repaid in full
- Loughborough Building Society (LBS) who provided a mortgage for Units 1, 2 and 3, the boiler house and the land to the north thereof at 73/76 Commerce Street, Melbourne, Derbyshire. At the date of my appointment, LBS had an outstanding balance of £531,003. To date I have made payments in respect of accruing interest following receipt of licence fee payments from the Purchaser

End of the administration

- 4 8 I anticipate that following the sale of Commerce Street and the payment of the secured creditors, which is likely to be in the next six months, I will be in a position to end the administration
- 4 9 It is proposed that the administration will end by the Company going into creditors' voluntary liquidation, or if there are no monies available for unsecured creditors, by going into compulsory liquidation
- 4 10 Following the approval of my proposals, should the Company go into creditors' voluntary liquidation, David Bennett and I will be appointed joint liquidators

5 Joint administrators' remuneration and expenses

- 5 1 Our fees for acting as joint administrators, in relation to all assets (excluding the freehold properties) are to be fixed by reference to our time costs subject to a cap as agreed with the secured creditors. The time costs incurred for the administration for the period from 6 March 2012 to 5 September 2012 are £43,983, shown in Appendix B, and the expenses relating to my specific bond and travel are £61. As I have not yet obtained a fee resolution, I have not yet drawn any fees or expenses and these are therefore disclosed as accrued costs at Appendix B
- 5 2 Our fees for acting in relation to the freehold properties are to be on a fixed fee basis as agreed with the secured creditors
- 5 3 Background information regarding the fees of administrators can be found at www.insolvency-practitioners.org.uk (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively, we will supply this information by post on request. Time is charged in 6 minute units

6 Other expenses incurred by the joint administrators

- 6 1 My legal advisors, Squire Sanders (UK) LLP, have provided services in respect of the sale of business, sale of Bridge Farm property, the licences to occupy and other ad hoc matters as required. They continue to provide advice in respect of the Commerce Street property
- 6 2 As shown at Appendix B, I have paid £18,494 in respect of these services and have incurred further costs of £3,629 which have not yet been invoiced

- 6 3 I have paid invoices totalling £6,815 to my agents, GVA Grimley Limited, who provided valuation advice on the two freehold properties, chattel assets and the trading stock
- 6 4 I have also incurred fees payable to Horton & Moss in relation to obtaining a deed of covenant to facilitate the sale of the Bridge Farm property

Yours faithfully
for and on behalf of
AL Realisations Limited formerly Advance Lighting Limited



Paul Addison
Joint Administrator

Enc

The affairs, business and property of AL Realisations Limited formerly Advance Lighting Limited are being managed by David Bennett and Paul Addison, appointed as joint administrators on 6 March 2012

Rule 2.47

Form 2.24B

The Insolvency Act 1986

Administrator's progress report

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AL Realisations Limited formerly Advance Lighting Limited

Company number
03576867

In the
High Court of Justice, Chancery Division, Birmingham District Registry

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8132 of 2012

(a) Insert full
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We (a)
David Bennett
Grant Thornton UK LLP
Colmore Plaza
Colmore Circus
Birmingham
B4 6AT

Paul Addison
Grant Thornton UK LLP
Colmore Plaza
Colmore Circus
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B4 6AT


administrator(s) of the above company attach a progress report for the period

(b) Insert date

From
(b) 6 March 2012

To
(b) 5 September 2012

Signed


 Joint Administrator(s)

Dated

4 Oct 2012

A AL Realisations Limited formerly Advance
Lighting Limited – In Administration
Receipts and payments account
6 March 2012 to 5 September 2012

	Total £
Receipts	
Freehold Land & Property	421,463 02
Book Debts	312,736 64
Goodwill	155,000 00
Stock	45,000 00
Equipment	25,000 00
Assigned Loans	10,000 00
Vehicles	4,998 00
Customer List	1 00
Benefit of the Contracts	1 00
Licence Fee	15,537 90
Bank Interest	175 63
Misc Refunds	5,870 40
	<u>995,783 59</u>
Payments	
Agents/Valuers Fees	6,814 75
Legal Fees (1)	18,494 12
Professional Fees	530 00
Bank Charges	20 00
Distribution to Chargeholder – RBS	120,000 00
Chargeholder – RBSIF	312 736 64
Chargeholder – LBS	13 328 28
Statutory Advertising	76 50
Bank Charges	20 00
VAT on Purchases	7,166 47
	<u>479,186 76</u>
Balance – 5 September 2012	<u><u>516,596 83</u></u>
Made up as follows	
Fixed Current Account	447,703 85
Floating Current Account	68,892 98
	<u>516,596 83</u>

B Remuneration charged and expenses incurred by the administrators in the period

	Paid in period of report	Charged/ accrued in period but not yet paid	Total
	£	£	£
Joint administrators' fees			
Time costs	-	43,983	43,983
Out of pocket expenses	-	61	61
Legal fees			
Squire Sanders(UK) LLP	18,494	3,629	22,123
Professional fees			
Horton & Moss	530	-	530
Agents/valuers fees			
GVA Grimley Limited	6,815	-	6,815
	<u>25,839</u>	<u>47,673</u>	<u>73,512</u>

C SIP 9 information

Introduction

The following information is provided in connection with the administrators' remuneration and disbursements in accordance with SIP 9

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown on the attached schedule. Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (i.e. secretaries, cashiers and filing clerks) are charged to the case for the time they work on it

	From 01/07/11 £	From 01/07/12 £
Partners and Directors	425-560	440-580
Associate Directors and Managers	300-425	310-440
Executives and Assistant Managers	210-300	220-310
Assistants and support staff	135-205	140-210

Disbursements

Out of pocket expenses are charged at cost. Mileage is charged at standard rates which comply with HM Revenue and Customs limits or AA recommended rates. VAT is added to disbursement charges as necessary.

AL Realisations Limited (formerly Advance Lighting Limited) - In Administration

SIP 9 Time Cost Analysis

6 March 2012 to 5 September 2012

	Partner			Manager			Executive			Administrator			Total		
	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate
Administration and Planning	0.40	195	488	16.60	5,907	356	24.65	4,813	195	46.43	6,828	147	88.08	17,741	201
Creditors		-		12.20	4,041	331	4.20	1,092	260	14.75	2,161	146	31.15	7,294	234
Hiatus period					-						-			-	
Investigations				5.30	1,637	309	3.35	849	253	3.55	529	149	12.20	3,015	247
Realisation of Assets				24.50	7,467	305	19.85	5,221	263	21.00	3,096	147	65.35	15,784	242
Trading				0.70	151	215					-		0.70	151	215
Total	0.40	195	488	59.30	19,203	324	52.05	11,975	230	85.73	12,612	147	197.48	43,985	223

D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator

Rule 2 48A

- (1) If
 - (a) within 21 days of receipt of a progress report under Rule 2 47 -
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the administrator considers that
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of -
 - (a) the giving by the administrator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),
 and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just

E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses if excessive

Rule 2 109

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that -
 - (a) the remuneration charged by the administrator,
 - (b) the basis fixed for the administrator's remuneration under Rule 2 106, or
 - (c) expenses incurred by the administrator,is or are, in all the circumstances, excessive or, in the case of an application under subparagraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded it must make one or more of the following orders -
 - (a) an order reducing the amount of remuneration which the administrator was entitled to charge
 - (b) an order fixing the basis of remuneration at a reduced rate or amount
 - (c) an order changing the basis of remuneration
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration
 - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify

Chartered Accountants

Member firm within Grant Thornton International Ltd

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales. No OC307742. Registered office: Grant Thornton House, Melton Street, Euston Square, London NW1 2EP. A list of members is available from our registered office.

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and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration