

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 J Addison  
Grant Thornton UK LLP  
Colmore Plaza  
Colmore Circus  
Birmingham  
B4 6AT

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

From

To

(b) Insert date

(b) 6 September 2012

(b) 25 February 2013

Signed

Joint Administrator

Dated

4/3/13

**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

David Bennett  
Grant Thornton UK LLP  
Colmore Plaza  
Colmore Circus  
Birmingham  
B4 6AT

DX Number

0121 212 4000  
DX Exchange

A12

\*A23M610Z\*  
07/03/2013  
COMPANIES HOUSE

#383

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/

To the creditors

26 February 2013

Dear Sirs

**Recovery and Reorganisation**

Grant Thornton UK LLP  
4 Hardman Square  
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Manchester M3 3EB

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**AL Realisations Limited formerly Advance Lighting Limited  
In Administration  
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 Paul Addison by Natwest Bank plc, a qualifying floating charge holder on 6 March 2012, I now report on the progress of the administration to date and attach

- Appendix A, Form 2 24B, together with an account of our receipts and payments for the period from 6 September 2012 to date and also for the whole administration to date
- Appendix B, a statement of the remuneration charged by the joint administrators in the period 6 September 2012 to date 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
- 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

### **3 Pre-appointment expenses**

- 3 1 Pre-appointment expenses of £9,306 have been paid to Grant Thornton UK LLP in relation to the sale of the business and preparation for the administrators appointment
- 3 2 Legal fees and disbursements of £18,494 have been paid to my legal advisors, Squires Sanders (UK) LLP in relation to the sale of business and preparation for appointment

### **4 Progress report**

#### **Assets**

- 4 1 As advised in my report dated 4 October 2012, immediately following the appointment the business and assets of the company were sold to Advance (International) Limited (the Purchaser)
- 4 2 Assets included in the sale of business are shown in my receipts and payments account at Appendix A
- 4 3 The Purchaser was granted a license to occupy the property at Bridge Farm, Barrow-on-Trent, for a period and subsequently purchased this property on 15 August 2012 for £421,463

#### **Commerce Street**

- 4 4 The Purchaser continues to occupy the Commerce Street, Melbourne property The licence fee payable is sufficient to discharge the accruing interest on the mortgage over the property During the period, I have collected £31,528 in respect of the licence fees
- 4 5 The Company's interest in the freehold property at Commerce Street is subject to a charge held by Loughborough Building Society (LBS) Discussions with a party interested in acquiring the Company's interest in the freehold property are continuing but have not yet been concluded

#### **Liabilities**

##### **Secured creditors**

- 4 6 As previously reported, there are three secured creditors with amounts owing to them by the Company They are
  - 4 6 1 Natwest Bank plc (RBS), who provided a mortgage for Bridge Farm, Sinfen 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 total distributions of £525,000
  - 4 6 2 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

4 6 3 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 of £26,771 in respect of accruing interest following receipt of licence fee payments from the Purchaser

## **5 Joint administrators' remuneration and expenses**

5 1 The secured creditors resolved that we draw our remuneration by reference to our time costs subject to a cap You will note from the SIP 9 table attached at Appendix C that our time costs to date are £63,832 and from the receipts and payments account attached at Appendix A that we have drawn £55,194 in relation to administration fees and £9,306 in respect of pre-appointment fees Time costs of £8,638 incurred in the period but not drawn as remuneration to date are disclosed in Appendix B In addition we have drawn expenses of £61 as indicated in Appendix A

5 2 Background information regarding the fees of administrators can be found at [www.insolvency-practitioners.org.uk](http://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 Extension of the administration**

6 1 Legislation provides that administrations automatically terminate after one year unless an extension is approved either by the relevant creditors or the court The automatic termination of the administration should be 6 March 2013

6 2 Approval of an extension of the joint administrators' term of office in accordance with paragraph 76(2)(b) of Schedule B1 to the Insolvency Act 1986 is to be obtained from the secured creditors

6 3 The joint administrators are seeking a six month extension in order to pursue the sale of the Company's freehold interest in the property at Commerce Street

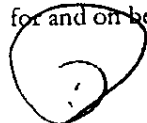
## **7 Other expenses incurred by the joint administrators**

7 1 In the period, legal fees of £3,565 have been incurred and paid to Squire Sanders (UK) LLP

7 2 Insurance costs of £9,009 have been paid to JLT Specialty Limited

Yours faithfully

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



David Bennett  
Joint Administrator

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

AL Realisations Limited formerly Advance Lighting  
Limited - in administration  
Summary of receipts and payments  
from 6 March 2012 to 25 February 2013

	From 06/03/2012	From 06/09/2012	
Statement of Affairs	to 05/09/2012	to 25/02/2013	Total
£	£	£	£
<b>Receipts</b>			
Freehold Land & Property	421,463 02	0 00	421,463 02
Goodwill	155,000 00	0 00	155,000 00
Book Debts	312,736 64	0 00	312,736 64
Bank Interest	74 53	129 55	204 08
Equipment	25,000 00	0 00	25,000 00
Vehicles	4,998 00	0 00	4,998 00
Stock	45,000 00	0 00	45,000 00
Assigned Loans	10,000 00	0 00	10,000 00
Customer List	1 00	0 00	1 00
Bank/ISA InterestGross	101 10	62 63	163 73
Licence Fee	2,209 62	31,528 28	33,737 90
Benefit of the contracts	1 00	0 00	1 00
Misc Refunds	5,870 40	0 00	5,870 40
HMRC - VAI received/paid	0 00	5,697 52	5,697 52
HMRC - Fxd VAI received/paid	0 00	1,468 95	1,468 95
	<u>982,455 31</u>	<u>38,886 93</u>	<u>1,021,342 24</u>
<b>Payments</b>			
Professional Fees	530 00	0 00	530 00
Agents/Valuers Fees	6,814 75	0 00	6,814 75
Insurance	0 00	9,009 35	9,009 35
VAI Irrecoverable	0 00	944 55	944 55
Bank Charges	20 00	20 00	40 00
RBS	120,000 00	405,000 00	525,000 00
RBSIH	312,736 64	0 00	312,736 64
Loughborough Building Society	0 00	26,770 86	26,770 86
Pre-appointment Fees	0 00	9,306 00	9,306 00
Administrators Fees	0 00	55,194 00	55,194 00
Administrators Expenses	0 00	60 75	60 75
Legal Fees	18,494 12	3,564 50	22,058 62
Statutory Advertising	76 50	0 00	76 50
Bank Charges	20 00	0 00	20 00
Vat on Purchases	5,697 52	12,912 15	18,609 67
Fxc Ch VAI on Purchases	1,468 95	0 00	1,468 95
	<u>465,858 48</u>	<u>522,782 16</u>	<u>988,640 64</u>
<b>Net Receipts/(Payments)</b>	<u><b>516,596 83</b></u>	<u><b>(483,895 23)</b></u>	<u><b>32,701 60</b></u>
Made up as follows			
Fixed Current Account	447,703 85	(425,101 95)	22,601 90
Floating Current Account	68,892 98	(58,793 28)	10,099 70
	<u><b>516,596 83</b></u>	<u><b>(483,895 23)</b></u>	<u><b>32,701 60</b></u>

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

	Paid to 5 September 2012 £	Paid in period of report £	Charged/ accrued in period but not yet paid £	Total £
Joint administrators' fees				
Pre-appointment fees	Nil	9,306 00	Nil	9,306 00
Time costs	Nil	55,194 00	8,638 15	63,832 15
Expenses	Nil	60 75	Nil	60 75
Professional fees				
Horton & Moss	530 00	Nil	Nil	530 00
Agents/Valuers fees				
GVA	6,814 75	Nil	Nil	6,814 75
Legal fees				
Squire Sanders (UK) LLP	18,494 12	3,564 50	Nil	22,058 62
Insurance				
JLT Specialty Ltd	Nil	9,009 35	Nil	9,009 35
	<u>25,838 87</u>	<u>77,134 60</u>	<u>8,638 15</u>	<u>111,611 62</u>

# Advance Lighting Limited - in Administration - A30200609 - SIP 9 TIME COST ANALYSIS

Job(s) Administration, CMU code

Transaction period All transactions

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Standard	Partner		Manager		Executive		Administrator		Total		
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Avg. Hrry Rate
Administration and Planning	95	497 25	21 65	7,718 50	39 24	8,297 35	77 48	11,269 80	139 32	27,782 90	199 42
			29 50	9,908 00	6 20	1,552 00	17 00	2,495 50	52 70	13,955 50	264 81
Hiatus period											
Investigations			5 30	1,637 00	3 35	848 50	3 85	573 75	12 50	3,059 25	244 74
Realisation of Assets			30 00	9,595 00	23 10	5,968 50	22 50	3,320 50	75 60	18,884 00	249 79
Trading											
Unclassified			70	150 50					70	150 50	215 00
<b>Total</b>	<b>95</b>	<b>497 25</b>	<b>87 15</b>	<b>29,009 00</b>	<b>71 89</b>	<b>16,666 35</b>	<b>120 83</b>	<b>17,659 55</b>	<b>280.82</b>	<b>63,832.15</b>	<b>227.31</b>

Total fees billed to date (Time) £ 55,194

## 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 (ie 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 up to	425-560	440-580
Managers up to	300-425	310-440
Administrators up to	210-300	220-310
Assistants and support staff up to	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.



## 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 sub-paragraph (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
 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