

The Insolvency Act 1986

Administrators' progress report

Name of Company

Lighthouse Pub Company Limited

Company number

05890571

In the

Leeds District Registry

[full name of court]

Court case number

348 of 2010(a) Insert full name(s) and
address(es) of administrator(s)We Francis Graham Newton and Paul James Bates of BDO LLP, 1 Bridgewater Place, Water
Lane, Leeds, LS11 5RU

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

(b) Insert date

from

(b)


10 August 2012

to

(b)

9 February 2013

Signed


Joint/Administrator(s)

Dated

12.4.2013

MONDAY



A15

A26BE21U

15/04/2013

#53

COMPANIES HOUSE

TO ALL KNOWN CREDITORS**12 April 2013**

Our Ref PB/KB/DC/00150380/A6

Please ask for Donna Berriman
Direct line 0113 204 1295

Email donna.berriman@bdo.co.uk

Dear Sirs

Lighthouse Pub Company Limited - In Administration ("the Company")

It is now over 36 months since our appointment in respect of the Company. In accordance with Rule 2.47 of the Insolvency Rules 1986 we now report on progress made in implementing the approved proposals and achieving the statutory purpose of the Administration.

The Company owned 20 pubs located across the midlands and north of England. The pubs were operated by tenants, not by the Company itself.

1 Statutory Information

- 1.1 Francis Graham Newton and Toby Scott Underwood of BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU, were appointed Joint Administrators of the Company on 10 February 2010. Toby Scott Underwood left BDO LLP in November 2010.
- 1.2 Pursuant to the terms of a Court Order granted on 7 October 2011, Toby Scott Underwood resigned as Administrator of the Company and was replaced by Paul James Bates of BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU.
- 1.3 Under the provisions of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 the Administrators carry out their functions jointly and severally and either Administrator has the power to exercise any function.
- 1.4 The Administrators were appointed by the Governor and the company of the Bank of Ireland ("the Bank") being a qualifying floating chargeholder, pursuant to Paragraph 14 of Schedule B1 to the Insolvency Act 1986. The Administration proceedings are dealt with in the Leeds District Registry and the court case number is 348 of 2010.
- 1.5 The Company's registered office is situated at BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU and the registered number is 05890571.
- 1.6 We enclose, for your information, a summary of our receipts and payments to date showing a nil balance together with a copy of our abstract account covering the last six month period.

2 Receipts

- 2.1 Colliers International UK Plc ("Colliers") were appointed as our sales agent. All 20 pubs have been sold for total consideration of £1,476,330.



- 2.2 Rental income has been collected by our managing agent's Winterhill Leisure Limited ("Winterhill") from the Company's tenanted properties. As a result, the Joint Administrators act as landlords only in this matter. £148,232 has been received in respect of rental income.

3 Payments

- 3.1 Winterhill have received £31,533 plus VAT in respect of their professional services and disbursements.
- 3.2 Property costs totalling £53,315 plus VAT have been paid in relation to essential works in line with Winterhill's recommendations. We are currently reconciling the amounts due to utility providers and once this has been finalised we will move the Administration to closure
- 3.3 AUA Insolvency Risk Services Limited has received £88,795 in relation to insuring the Company's properties.
- 3.4 Security costs totalling £112,133 have been incurred in order to safeguard the vacant properties, this being a specific requirement of our insurers.
- 3.5 Our solicitors, Gordons LLP ("Gordons"), have provided legal advice throughout the Administration, including dealing with the sale of properties and extension of the Administration. Gordons have been paid £77,486 plus VAT in respect of their legal advice to date.
- 3.6 Colliers have been paid £82,486 in respect of fees and expenses in valuing and facilitating the sale of the properties

4 Extension of the Administration

- 4.1 In order to continue to progress the sale of all the pubs, we obtained the approval of the Bank, in its capacity as secured creditor, to extend the Administration for an initial period of six months to 9 August 2011.
- 4.2 We subsequently obtained the approval of the secured creditor, to extend the Administration for a further period of 12 months to 8 August 2012. A Court Order to extend the Administration to 8 August 2012 was approved on 17 June 2011.
- 4.3 Due to delays in the proposed completion of property sales due to matters outside of our control, a further extension was required. The Administration was extended for a further period of 12 months to 7 August 2013 by way of a Court Order.

5 Prospects for Creditors

5.1 Secured Creditors

- 5.1.1 The Bank has a debenture dated 26 June 2008 creating a fixed and floating charge over all the property owned by the Company.
- 5.1.2 At the date of our appointment, approximately £5 million was owed to the Bank, principally comprising property loans. The Bank has been paid £1,028,072 and will suffer a significant shortfall.

5.2 Preferential Creditors

- 5.2.1 Preferential claims would only typically arise in respect of employees' arrears of wages and unpaid holiday pay. The Company did not have any employees at the date of our appointment and so there are no preferential creditors in this matter

5.3 Prescribed Part and Unsecured Creditors

- 5.3.1 Under the provisions of Section 176A of the Insolvency Act 1986 the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the Prescribed Part. This provision only applies where the Company has granted a floating charge to a creditor after 15 September 2003.
- 5.3.2 The Company granted a floating charge to the Bank on 26 June 2008 so the Prescribed Part provisions of the Insolvency Act will apply.
- 5.3.3 However, the Company's net property will be less than the prescribed minimum (currently £10,000) and the cost of distributing the prescribed part would be disproportionate to the benefits. Therefore under section 176A(3) of the Insolvency Act 1986 the prescribed part provisions will not apply in this Administration
- 5.3.4 There will be no dividend to unsecured creditors of the Company.

6 Administrators' Remuneration

- 6.1 The Bank in its capacity as the secured creditor will approve the Joint Administrators' remuneration. With the Bank's agreement, to date we have drawn fees of £157,467 and disbursements of £2,830 plus VAT.
- 6.2 We attach a schedule that summarises the time costs incurred to date and indicates the work undertaken in that regard.

6.3 Disbursements

- 6.3.1 Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for those costs to be authorised. These are known as category 1 disbursements. The total drawn to date in respect of category 1 disbursements is £2,830.
- 6.3.2 Some administrators recharge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP is not to charge any category 2 disbursements

7 Proposed exit route from Administration

- 7.1 The Insolvency Act 1986 and Insolvency Rules 1986 provide a variety of options regarding the possible exit routes for the Company from the Administration. Our proposals stated that we would exit the Administration via Creditors' Voluntary Liquidation, Compulsory Liquidation or dissolution.

- 7.2 As it is anticipated that there will be insufficient realisations to enable a distribution to unsecured creditors, it remains the Joint Administrators' recommendation that the Company should move from Administration to dissolution once all outstanding costs have been dealt with

Should you have any queries please do not hesitate to contact my colleague Donna Berriman on 0113 204 1295

Yours faithfully
For and on behalf of
Lighthouse Pub Company Limited



P J Bates
Joint Administrator

F G Newton & P J Bates are authorised by the Insolvency Practitioners Association
The Joint Administrators act as agents of the Company and without personal liability

Lighthouse Pub Company Limited
(In Administration)

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 10/02/2010 To 12/04/2013 £	From 10/02/2010 To 12/04/2013 £
RECEIPTS			
Rental Income		148,231.86	148,231.86
Deposits received		2,900.00	2,900.00
Freehold Land & Property	3,000,000.00	1,480,480.56	1,480,480.56
Insurance refund Re Royal Oak		2,500.00	2,500.00
Security Refund		14,275.36	14,275.36
Legal Fees		258.62	258.62
Property Indemnity Insurance		106.00	106.00
Suspense Account		16.11	16.11
Property costs paid by Winterhill		180.00	180.00
Rent		15.80	15.80
Sundry Debtors		12.75	12.75
Floats	1,158.00	0.00	0.00
Bank Interest Gross		1,308.31	1,308.31
VAT Payable		216,125.95	216,125.95
		<u>1,866,411.32</u>	<u>1,866,411.32</u>
PAYMENTS			
Council Tax		1,581.19	1,581.19
Repairs & Maintenance		5,212.30	5,212.30
Freehold Land & Property		4,451.00	4,451.00
Administrators' fees		133,466.68	133,466.68
Administrators' expenses		2,829.97	2,829.97
Legal Fees		63,266.81	63,266.81
Property Indemnity Insurance		462.00	462.00
Winterhill fees		31,533.17	31,533.17
Property costs paid by Winterhill		53,494.94	53,494.94
Agents/Valuers Fees		77,486.11	77,486.11
Site Security Costs		112,133.19	112,133.19
Bank of Ireland		1,028,071.67	1,028,071.67
Rent		25.00	25.00
Suspense - Gordons LLP		20.00	20.00
Administrators Fees		24,000.00	24,000.00
Agents/Valuers Fees		5,000.00	5,000.00
Agents/Valuers Fees - Allsop		3,600.00	3,600.00
Legal Fees		14,478.00	14,478.00
Stationery & Postage		45.65	45.65
Insurance of Assets		88,794.55	88,794.55
Bank Charges		333.14	333.14
VAT Receivable		99,284.91	99,284.91
VAT Control Account		116,841.04	116,841.04
		<u>1,866,411.32</u>	<u>1,866,411.32</u>
BALANCE - 12 April 2013			<u><u>0.00</u></u>

Lighthouse Pub Company Limited
(In Administration)

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 10/08/2012 To 09/02/2013 £	From 10/02/2010 To 09/02/2013 £
RECEIPTS			
Rental Income		7,468 74	148,231.86
Deposits received		0 00	2,900.00
Freehold Land & Property	3,000,000.00	0.00	1,480,480.56
Insurance refund: Re Royal Oak		0 00	2,500.00
Security Refund		0.00	14,275.36
Legal Fees		0.00	258.62
Property Indemnity Insurance		0.00	106.00
Suspense Account		0.00	16.11
Property costs paid by Winterhill		180.00	180.00
Rent		0.00	15 80
Sundry Debtors		0 00	12.75
Floats	1,158.00	0.00	0.00
Bank Interest Gross		36.97	1,308.31
VAT Payable		1,458.10	216,125.95
VAT Control Account		16,166.75	(116,841.04)
Deposits received		1,300.00	0 00
		<u>26,610 56</u>	<u>1,749,570 28</u>
PAYMENTS			
Council Tax		1,581.19	1,581.19
Repairs & Maintenance		1,000 00	5,212.30
Freehold Land & Property		300.00	4,451.00
Administrators' fees		0.00	133,466.68
Administrators' expenses		0.00	2,829.97
Legal Fees		0.00	63,266.81
Property Indemnity Insurance		0 00	462.00
Winterhill fees		65.62	31,533.17
Property costs paid by Winterhill		2,197 00	53,494.94
Agents/Valuers Fees		3,755.91	77,486.11
Site Security Costs		0 00	112,133.19
Bank of Ireland		101,671 42	1,028,071.67
Rent		0 00	25 00
Suspense - Gordons LLP		0.00	20 00
Administrators Fees		24,000 00	24,000 00
Agents/Valuers Fees		0.00	5,000 00
Agents/Valuers Fees - Allsop		0 00	3,600 00
Legal Fees		0 00	14,478 00
Stationery & Postage		0 00	45.65
Insurance of Assets		0 00	88,794.55
Bank Charges		0 00	333 14
VAT Receivable		5,350.30	99,284.91
VAT Control Account		(16,166 75)	116,841 04
		<u>123,754 69</u>	<u>1,866,411.32</u>
BALANCE - 09 February 2013			<u><u>(116,841.04)</u></u>

Lighthouse Pub Company Limited

Summary of Time Charged and Rates Applicable for the period 23 January 2010 to 12 April 2013

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR/ADMINISTRATOR		GRAND TOTALS		AV RT
	Hours	Total	Hours	Total	Hours	Total	Hours	Total	Hours	Total	
B Steps on Appointment											
01 Review Appointment Validity											198.00
02 Statutory Documentation											167.00
12 Setting up Internal File											194.56
99 Other Matters											167.00
B Steps on Appointment Total											173.11
C Planning and Strategy											
05 Review Options Available	2.50	1,127.50									209.20
06 Meet Appointor/Committee	3.75	1,391.25									248.86
07 Strategy Planning	11.25	4,170.25	20.75	6,494.75							253.10
08 Reporting	0.50	185.50									218.90
99 Other Matters											198.00
C Planning and Strategy Total	18.00	6,874.50	20.75	6,494.75							259.46
D General Administration											
01 Insurance Matters											194.00
02 VAT											174.88
03 Tenancy			12.65	4,057.20							198.00
04 Instructions Solicitors			8.30	1,968.10							186.69
05 Investigations			24.00	4,440.00							170.00
06 Conduct Reports											180.54
07 Receipts/Payments Account			0.50	147.50							371.00
08 Remuneration Issues	0.50	185.50									205.12
09 Statutory Matters	5.00	2,225.00									208.81
10 Contractual Matters	0.50	185.50									185.00
11 Court Hearings											172.24
12 General Meetings											247.87
13 General Decisions	3.00	1,271.25									194.90
14 General Correspondence	8.30	3,275.50	215.05	58,645.10	67.90	12,561.50	232.95	20,845.65	525.30	102,425.75	193.12
15 General Admin/Correspondence			5.50	1,994.05							191.51
16 Maintain Internal Files											
D General Administration Total	17.80	7,170.75	268.90	83,351.95	252.85	48,708.00	392.75	55,538.15	939.80	175,154.95	
E Assets Realisation/Dealing											
04 Agent Instructions/Dealing											178.00
05 Sale into Preparation			1.00	433.60	12.90	2,386.50	17.25	2,819.75	30.15	5,308.25	271.00
06 Property Related Matters	9.00	3,333.75	16.65	4,770.15	398.05	73,269.25	58.50	10,071.00	1.60	433.60	180.43
09 Dealing With Other Assets					1.20	222.00			1.20	222.00	185.00
14 Sale of Businesses/Assets			2.00	534.00	0.75	138.75			2.75	672.75	244.84
E Assets Realisation/Dealing Total	9.00	3,333.75	20.35	5,737.75	410.98	78,016.50	75.75	12,990.75	515.80	98,078.75	180.11
F Trading Related Matters											
01 Establish Business Control											168.00
03 Cash flow Forecasts											122.00
06 Monitor/Supervise Trading											371.00
08 Trading Accounts	9.25	3,431.75	2.50	580.00							213.43
99 Other Matters											172.00
F Trading Related Matters Total	9.25	3,431.75	2.50	580.00							233.85
G Creditor Claims											
04 Non-Preferential Creditors											185.00
G Creditor Claims Total											185.00
I Reporting											
01 Statutory Reporting											183.20
02 Reporting to Appointor	17.50	6,482.50	73.90	20,396.40	4.50	832.50	0.50	83.50	5.00	916.00	243.53
04 Reporting to Creditors	0.50	185.50	6.75	1,913.25	74.25	13,796.25	3.50	594.50	169.15	41,208.65	187.08
05 Reporting to Court			3.10	840.10	24.75	4,578.75	38.25	8,652.25	71.25	13,328.75	259.79
06 Reporting to Other Bodies			1.10	266.10			1.25	260.00	4.35	1,130.10	271.00
I Reporting Total	18.00	6,874.50	84.85	23,447.85	103.50	19,147.00	44.50	7,610.25	250.85	64,883.60	226.78
Grand Total	71.75	27,489.75	395.25	104,612.30	769.45	142,404.00	800.00	82,590.40	1,839.45	387,093.45	199.93