

The Insolvency Act 1986

**Administrators' progress report****2.24B**

Name of Company <b>Lighthouse Pub Company Limited</b>	Company number <b>05890571</b>
In the <b>Leeds District Registry</b> <small>[full name of court]</small>	Court case number <b>348 of 2010</b>

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

I/We (a) Toby Scott Underwood and Francis Graham Newton 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) <b>10 February 2010</b>	to (b) <b>9 August 2010</b>
--	-----------------------------------

Signed



Joint/administrator(s)

Dated

7/9/10**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 public record.

<b>BDO LLP, 1 Bridgewater Place, Water lane</b>	
<b>Leeds, LS11 5RU</b>	
Our Ref <b>014279/JE/00150380/A6</b>	Tel <b>0113 244 3839</b>
DX Number	DX Exchange

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**



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COMPANIES HOUSE

MONDAY

**Lighthouse Pub Company Limited**  
(in Administration)

**Income and Expenditure Account**  
**10 February 2010 to 9 August 2010**

<b>INCOME</b>	<b>Total (£)</b>
Rental income (inc VAT)	63,343.79
Deposits received	2,600.00
	<b><u>65,943.79</u></b>
<b>EXPENDITURE</b>	
Property costs	45,213.29
Winterhill fees	20,394.99
Insurance	11,289.71
Legal fees	9,292.00
Bank charges	81.32
VAT receivable	12,000.17
	<b><u>98,271.48</u></b>
<b>BALANCE</b>	<b><u>(32,327.69)</u></b>
<b>MADE UP AS FOLLOWS</b>	
Floating Current A/c	(35,118.75)
Winterhill A/c	1,390.81
Bank of Ireland A/c	1,400.25

7 September 2010

Our Ref 014279/JE/00150380/A6

Direct line 0113 204 1303  
Please ask for Joel Edwards  
Email joel.edwards@bdo.co.uk**TO ALL KNOWN CREDITORS**

Dear Sirs

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

It is now six months since the appointment of the Joint Administrators of the Company. In accordance with Rule 2.47 of the Insolvency Rules 1986 we are now reporting the progress made in implementing the approved proposals and achieving the statutory purpose of the Administration.

**1 Statutory Information**

- 1.1 The Joint Administrators are Toby Scott Underwood and Francis Graham Newton of BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU and they were appointed in respect of the above company on 10 February 2010. 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.
- 1.2 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.
- 1.3 The Company's registered office is situated at BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU and the registered number is 05890571.
- 1.4 We enclose, for your information, a summary of our receipts and payments covering the last six month period showing an overdrawn balance of £32,328, and report as follows:

**2 Receipts**

- 2.1 The receipts shown are largely self-explanatory, although we would comment specifically on rental income.
- 2.2 Rental income has been collected by our managing agents Winterhill Leisure Limited ("Winterhill") from the Company's tenanted properties. To date, £63,344 including VAT has been received in respect of rental income.

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**3 Future of the Administration**

3.1 As stated in our previous report, Winterhill has been appointed as managing agent of the Company's 20 freehold premises from which pubs are operated, and as a result, the Joint Administrators act as landlords only in this matter

3.2 Winterhill has been responsible for the process of managing the tenants, seeking new tenants and supervising necessary repairs and maintenance with a view to maximising the potential value of the properties.

3.3 Winterhill has been unable to find tenants for three pubs which are set to be sold at auction in October 2010. We are currently considering options to dispose of the remaining 17 properties.

**3.4 Directors' Conduct Report**

3.4.1 In accordance with our statutory requirements, a report on the Directors' conduct has been filed with the Department for Business, Enterprise and Regulatory Reform

**4 Prospects for Creditors****4.1 Secured Creditors**

4.1.1 The Bank has a debenture dated 26 June 2008 creating a fixed charge over all the property owned by the Company

4.1.2 At the date of our appointment, approximately £5 million was owed to the Bank, principally comprising property loans.

**4.2 Preferential Creditors**

4.2.1 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.

**4.3 Prescribed Part and Unsecured Creditors**

4.3.1 It is anticipated that insufficient funds will be realised to enable a dividend to be paid to unsecured creditors except by virtue of the Prescribed Part

4.3.2 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.

4.3.3 The Company granted a floating charge to the Bank on 26 June 2008 so the Prescribed Part provisions of the Insolvency Act will apply

- 4.3.4 However, the Administrators expect that 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 Administrators' Remuneration**

- 5.1 The Bank in their capacity as secured creditor will approve the Joint Administrators' remuneration. We have not yet drawn any remuneration.

- 5.1.2 We attach a schedule that summarises the time costs drawn to date and indicates the work undertaken in that respect.

### **5.2 Disbursements**

- 5.2.1 Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. We therefore report that the sum of £2,584.10 has been accrued in respect of category 1 disbursements and is broken down as follows:

	£
Insolvency Practitioners' Bonding	1220.00
Staff Travel and Sustenance	62.95
Land Registry Searches	20.00
Statutory Advertising	1134.05
Courier	147.10
	<u>2,584.10</u>

- 5.2.2 Some administrators recharge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of a 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.

### **5.3 Other costs**

- 5.3.1 As noted above, Winterhill have been appointed to act as the Joint Administrators' agents, to collect all rental income due to the Company and to manage the premises on their behalf. Winterhill's costs to date are £20,395 plus VAT and disbursements.

- 5.3.2 In addition, we instructed Gordons LLP, Solicitors, to provide advice in respect of legal aspects of the Administration. Gordons LLP have been paid £9,292 plus VAT in respect of their advice to date.


## **6 Proposed exit route from Administration**

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

- 6 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 property has been realised and distributions made

Should you have any queries please do not hesitate to contact Joel Edwards on 0113 204 1303.

Yours faithfully  
For and on behalf of  
Lighthouse Pub Company Limited



F G Newton  
Joint Administrator

F G Newton & T S Underwood are authorised by the Insolvency Practitioners Association  
**The Joint Administrators act as agents of the Company and without personal liability**

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Lighthouse Pub Company Limited - In Administration

Summary of Time Charged and Rates Applicable for the period ending 9 August 2010

Description	PARTNER		MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AV RT
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
B Steps on Appointment	-	-	3 25	643 50	13 25	2,212 75	-	-	-	-	16 50	2,856 25	173 11
C Planning and Strategy	3 00	1,309 50	74 25	17,087 75	-	-	-	-	-	-	77 25	18,397 25	238 15
D General Administration	8 00	3,526 25	88 60	20,851 40	87 00	14,652 00	42 65	5,216 20	11 25	1,730 70	237 50	45,976 55	193 59
E Assets Realisation/Dealing	0 75	273 00	-	-	24 25	4,049 75	-	-	-	-	25 00	4,322 75	172 91
F Trading Related Matters	-	-	6 25	1,237 50	1 00	167 00	8 75	1,067 50	-	-	16 00	2,472 00	154 50
I Reporting	-	-	26 55	7,414 55	10 75	1,795 25	-	-	-	-	37 30	9,209 80	246 91
	11 75	5,108 75	198 90	47,234 70	136 25	22,876 75	51 40	6,283 70	11 25	1,730 70	409 55	83,234 60	203 23