

The Insolvency Act 1986

2.24B

Administrator's progress report

| |
|--|
| Name of Company Fitzgerald Lighting Ltd |
|--|

| |
|--------------------------------|
| Company number 01102881 |
|--------------------------------|

| |
|---|
| In the High Court of Justice, Bristol District Registry, Chancery Division [full name of court] |
|---|

| |
|---|
| Court case number 233 AA of 2008 |
|---|

We
Richard John Hill
KPMG LLP
100 Temple Street
Bristol
BS1 6AG

Jonathan Scott Pope
KPMG LLP
100 Temple Street
Bristol
BS1 6AG

Administrators of the above company attach a progress report for the period

from

| |
|-----------------|
| 1 December 2010 |
|-----------------|

to

| |
|-------------|
| 31 May 2011 |
|-------------|

Signed 

Joint Administrator

Dated 29 June 2011

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.


| | |
|---|----------------------------------|
| Sheilagh Richardson KPMG LLP Arlington Business Park Theale Reading RG7 4SD United Kingdom | Tel 0118 373 1408 DX Exchange |
|---|----------------------------------|

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Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

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**Fitzgerald Lighting Limited
(in administration)**

Progress Report
Pursuant to Rule 2.47 of the
Insolvency Rules 1986
(as amended)

KPMG LLP

29 June 2011

This report contains 15 pages

rjh/pna/dil/smr/2355321



Notice: About this Report

- This Report has been prepared by Richard John Hill and Jonathan Scott Pope, the Administrators of Fitzgerald Lighting Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 (as amended) on the progress of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose or in any other context.
- This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Fitzgerald Lighting Limited.
- Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 (as amended) does so at their own risk. To the fullest extent permitted by law, the Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.
- Richard John Hill is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales. Jonathan Scott Pope is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.
- The Administrators act as agents for Fitzgerald Lighting Limited and contract without personal liability. The appointments of the Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the Administration.



Fitzgerald Lighting Limited (in administration)
Pursuant to Rule 2.47 of the Insolvency Rules 1986
(as amended)
KPMG LLP
29 June 2011

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| Appendix 2 | Administrators' receipts and payments account |
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Fitzgerald Lighting Limited (in administration)
Pursuant to Rule 2.47 of the Insolvency Rules 1986
(as amended)
KPMG LLP
29 June 2011

1 Glossary

| | |
|----------------------|---|
| Act | The Insolvency Act 1986 (as amended) |
| Administrators | Richard John Hill and Jonathan Scott Pope of KPMG LLP, 100 Temple Street, Bristol BS1 6AG |
| Administration Order | The Administration Order granted in the High Court of Justice, Bristol District Registry, Chancery Division Court case number 233AA of 2008 |
| Bank | Lloyds TSB Bank plc |
| Company | Fitzgerald Lighting Limited (Company Registered Number 01102881) |
| Company Secretary | Peter Fitzgerald |
| Directors | Tim Fitzgerald Michael Fitzgerald (resigned 28/11/08) Peter Fitzgerald Elizabeth Fitzgerald |
| LTSCBF | Lloyds TSB Commercial Finance |
| Registered Office | c/o KPMG LLP, 100 Temple Street, Bristol, BS1 6AG |
| Rules | The Insolvency Rules 1986 (as amended) |

The references in these Proposals to sections, paragraphs or rules are to be the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 (both as amended) respectively

2 Introduction

As previously advised, Richard John Hill and Jonathan Scott Pope of KPMG LLP were appointed Administrators of the Company on 1 December 2008 following an application by the Directors

In accordance with Paragraph 100(2) of the Act, the functions of the Administrators are being exercised by either or both the Administrators acting jointly or alone

This report has been prepared in accordance with Rule 2 47 of the Rules and covers the period from 1 December 2010 to 31 May 2011

An abstract of the Administrators' receipts and payments account showing the position as at 31 May 2011 is attached at Appendix 2 The figures shown on the account are net of VAT

3 Progress of the administration

3 1 Properties

Leasehold properties

We have concluded that there is no potential for recovery of monies from third parties in respect of any leasehold interests

3 2 Other realisations

3 2 1 Sundry and other refunds

In the period covered by this report the Administrators have received the sum of £56 in respect of sundry refunds and £56 in respect of bank interest

4 Liabilities

4 1 Secured creditors

The Bank and LTSBCF both hold debentures which create fixed charges over the Company's assets

Distributions of £2,662,931 and £94,623 have been made to the Bank and LTSBCF respectively The principle indebtedness of both secured creditors has been paid in full However, interest and charges remain outstanding and will not be repaid

4 2 Preferential creditors

Preferential creditors have been paid in full

4.3 **Prescribed Part**

The Prescribed Part provisions of S176A of the Act entitles unsecured creditors to a percentage share of realisations from net floating charge assets, after costs of realisation and settlement of preferential claims. The percentage is calculated on a sliding scale up to a maximum amount of £600,000 subject to costs.

Based on the level of realisations it is anticipated that approximately £80,000 (prior to Administrators' costs) will be available to Prescribed Part creditors, resulting in a dividend of approximately 0.8p in the £. A distribution of the prescribed part is anticipated by the end of September 2011 and work has commenced on the agreement of these unsecured creditor claims.

4.4 **Unsecured creditors**

There will not be sufficient funds to make a distribution to unsecured creditors, other than by way of the Prescribed Part.

4.5 **Other costs**

Other costs of the administration, including legal fees, are shown in the receipts and payments account at Appendix 2.

5 **Other matters**

5.1 **Administrators' fees and expenses**

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Rules. Further information is given in the Association of Business Recovery Professionals' publication *A Creditors' Guide to Administrators' Fees*, a copy of which can be obtained at <http://www.r3.org.uk/media/documents/technicallibrary/SIPS/SIP%209%20E&W.pdf>. However, if you are unable to access this guide and would like a copy please contact Sheila Richardson on 0118 373 1408.

Attached at Appendix 1 is a detailed analysis of time spent, and charge out rates, for each grade of staff for the various areas of work carried out to 31 May 2011, as required by the Association of Business Recovery Professionals' Statement of Insolvency Practice No 9 ("SIP 9").

In the period 1 December 2010 to 31 May 2011 we have incurred time costs of £22,403 representing 103 hours at an average hourly rate of £218. This includes work undertaken in respect of tax, VAT and advice from KPMG LLP in-house specialists.

In total, for the period to 31 May 2011, we have incurred time costs of £1,094,323 and expenses of £17,049.



In accordance with Rule 2.106(5A) of the Rules, a resolution on the Administrators' remuneration was approved by the Bank, LTSBCF and preferential creditors allowing the Administrators to draw fees of £539,000, of which £115,000 relates to debtor collection costs

5.2 **EC Regulations**

EC regulations apply and these proceedings will be Main Proceedings as defined in Article 3 of the EC regulations

6 **Future strategy**

It is proposed that the Administrators will continue to manage the affairs, business and property of the Company in order to achieve the purpose of the administration. This will include

- Agreement of unsecured creditors claims,
- Distribution of Prescribed Part to unsecured creditors,
- The submission of final VAT and corporation tax returns,
- Finalising the administration, including payment of all administration liabilities, and
- Dealing with statutory reporting and compliance obligations

7 **Extension to the administration**

As set out in this report, there remain outstanding issues in the administration. In order to progress these matters, in accordance with Paragraph 76(2) of Schedule B1 of the Act, the Administrators sought and obtained the consent of the Court to the extension of the administration for a period of 12 months to 30 November 2011. Form 2.31B is attached at Appendix 3 in this respect.

In the event that the administration cannot be completed by 30 November 2011, the Administrators will either apply to Court for a further extension of time or place the Company into another form of insolvency to enable any remaining issues to be resolved.

If, and where appropriate, the Administrators cease to act they will seek to organise the voluntary or compulsory winding up of the Company or the striking off of the Company from the Register. The latter is likely to be deemed the most appropriate.



Fitzgerald Lighting Limited (in administration)
Pursuant to Rule 2.47 of the Insolvency Rules 1986
(as amended)
KPMG LLP
29 June 2011

Appendix 1

Analysis of Administrators' time costs for the period 1 December 2010 to 31 May 2011 and schedule of rates of charging

| | 10 December 2008 to 31 March 2009 | 1 April 2009 to 30 September 2010 | 1 October 2010 onwards |
|------------------|--------------------------------------|---|---------------------------|
| Partner/director | £400-£465 | £440-£515 | £460-£535 |
| Management | £290-£365 | £320-£405 | £345-£425 |
| Administrator | £150-£205 | £165-£225 | £175-£240 |
| Support | £95 | £105 | £110 |

Fitzgerald Lighting Limited (in administration)

Time cost analysis for the period 01/12/2010 to 31/05/2011

| | Partner / Director | Manager | Administrator | Support | Total hours | Time cost | Average hourly rate |
|--|-----------------------|---------|---------------|---------|---------------|-------------------|------------------------|
| Administration & planning | | | | | | | |
| General cashuering | | | 6 70 | | 6 70 | £1,172 50 | £175 00 |
| Reconciliations & IPS accounting reviews | | | 6 10 | | 6 10 | £1,067 50 | £175 00 |
| General | | | | | | | |
| Books and records | | | 0 80 | 7 30 | 8 10 | £943 00 | £116 42 |
| Fees and WIP | | 0 30 | 0 35 | | 0 65 | £188 75 | £290 38 |
| Open cover insurance | | | 0 60 | | 0 60 | £144 00 | £240 00 |
| Statutory and compliance | | | | | | | |
| Checklist & reviews | | 1 10 | 1 60 | | 2 70 | £747 50 | £276 85 |
| Tax | | | | | | | |
| Post appointment corporation tax | | 1 00 | 4 08 | | 5 08 | £1,139 00 | £224 21 |
| Post appointment VAT | | | 0 80 | | 0 80 | £140 00 | £175 00 |
| Creditors and claims | | | | | | | |
| Agreement of unsecured claims | | 6 70 | 42 80 | | 49 50 | £12,465 50 | £251 83 |
| General correspondence | | | 7 40 | 2 00 | 9 40 | £1,528 00 | £162 55 |
| Statutory reports | 0 30 | 0 50 | 3 50 | 5 20 | 9 50 | £1,557 50 | £163 95 |
| Investigations & Directors | | | | | | | |
| Correspondence with directors | | 0 80 | | 0 30 | 1 10 | £373 00 | £339 09 |
| Correspondence re investigations | | 0 30 | | | 0 30 | £127 50 | £425 00 |
| Asset Realisation | | | | | | | |
| Freehold property | | 0 50 | | | 0 50 | £212 50 | £425 00 |
| Leasehold property | 0 20 | | 0 80 | | 1 00 | £299 00 | £299 00 |
| Other assets | | 0 70 | | | 0 70 | £297 50 | £425 00 |
| Total in period | | | | | 102 73 | £22,402 75 | £218 07 |

Joint Administrators' time costs 1 December 2008 to 30 November 2010

4,665 90 £1,071,920 50

Total time costs 1 December 2008 to 31 May 2011

4,768 63 £1,094,323 25

Disbursements

| | |
|---|-------------------|
| Meal/lunch allowance costs | 1,245 25 |
| Transport costs | 5,983 02 |
| Hotel accomodation | 7,357 34 |
| Telephone calls | 331 79 |
| Sundry expenses | 2,131 19 |
| Total disbursements 1 December 2008 to 31 May 2011 | £17,048 59 |

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the above analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.



Fitzgerald Lighting Limited (in administration)
Pursuant to Rule 2.47 of the Insolvency Rules 1986
(as amended)
KPMG LLP
29 June 2011

Appendix 2

Administrators' receipts and payments account

**Fitzgerald Lighting Ltd
(In Administration)
Administrators' Trading Account**

| Statement of Affairs | From 01/12/2010 To 31/05/2011 | From 01/12/2008 To 31/05/2011 |
|----------------------------------|----------------------------------|----------------------------------|
| POST-APPOINTMENT SALES | | |
| Sales | NIL | 359,220 34 |
| | NIL | 359,220 34 |
| OTHER DIRECT COSTS | | |
| Direct labour | NIL | 164,022 02 |
| | NIL | (164,022 02) |
| TRADING EXPENSES | | |
| Sub contractors | NIL | 19,442 31 |
| Rates | NIL | 1,243 65 |
| Employee Expenses | NIL | 2,296 90 |
| Telephone/Telex/Fax | NIL | 5,542 48 |
| Carriage | NIL | 21,101 05 |
| Professional fees | NIL | 2,631 36 |
| Security | NIL | 1,100 00 |
| Repairs and maintenance | NIL | 489 80 |
| Sundry expenses | NIL | 10,250 68 |
| Employees Expenses | NIL | 3,619 54 |
| Advertising | NIL | 930 78 |
| | NIL | (68,648 55) |
| TRADING SURPLUS/(DEFICIT) | NIL | 126,549 77 |

Fitzgerald Lighting Ltd
(In Administration)
Administrators' Abstract of Receipts & Payments

| Statement of Affairs | From 01/12/2010 To 31/05/2011 | From 01/12/2008 To 31/05/2011 | |
|-------------------------------|----------------------------------|----------------------------------|----------------|
| FIXED CHARGE ASSETS | | | |
| 3,510,000 00 | Freehold property | NIL | 2,837,409 73 |
| 340,000 00 | Leasehold property | NIL | NIL |
| 2,800,080 00 | Book debts - Non CDI | NIL | 35,889 91 |
| | Intellectual property | NIL | 7,150 00 |
| | Rent | NIL | 102,782 67 |
| | | NIL | 2,983,232 31 |
| FIXED CHARGE COSTS | | | |
| | Administrators' fees | NIL | 264,000 00 |
| | Legal fees | NIL | 51,349 66 |
| | Water Rates | NIL | 8,049 88 |
| | Agents'/Valuers' fees | NIL | 53,876 60 |
| | Insurance | NIL | 58,768 36 |
| | Other property expenses | NIL | 2,241 00 |
| | Security | NIL | 63,745 95 |
| | Heat & Light | NIL | 22,345 91 |
| | | NIL | (524,377 36) |
| FIXED CHARGE CREDITORS | | | |
| (2,699,500 00) | Lloyds TSB | NIL | 2,662,930 93 |
| (2,400,000 00) | Lloyds TSB Commercial Finance | NIL | 94,622 72 |
| | | NIL | (2,757,553 65) |
| ASSET REALISATIONS | | | |
| 375,000 00 | Plant & machinery | NIL | 571,576 29 |
| | Furniture & equipment | NIL | 2,910 85 |
| 35,000 00 | Motor vehicles | NIL | 47,452 14 |
| 1,145,000 00 | Stock | NIL | 127,747 00 |
| | Book debts | NIL | 37,354 71 |
| | Petty cash | NIL | 397 75 |
| | Cash at bank | NIL | 55,237 12 |
| | | NIL | 842,675 86 |
| OTHER REALISATIONS | | | |
| | Bank interest, gross | 56 45 | 2,381 28 |
| | Sundry refunds | 55 76 | 7,583 13 |
| | Trading Surplus/(Deficit) | NIL | 126,549 77 |
| | Business rates refunds | NIL | 2,740 57 |
| | | 112 21 | 139,254 75 |
| COST OF REALISATIONS | | | |
| | Statement of affairs work | NIL | 2,500 00 |
| | Administrators' fees | NIL | 275,000 00 |
| | Irrecoverable VAT | NIL | 10,741 67 |
| | Agents'/Valuers' fees | NIL | 55,400 97 |
| | Legal fees | 4,370 50 | 18,261 99 |
| | Water Rates | NIL | 1,445 81 |
| | Rental Charges | NIL | 6,831 15 |

**Fitzgerald Lighting Ltd
(In Administration)
Administrators' Abstract of Receipts & Payments**

| Statement of Affairs | From 01/12/2010 To 31/05/2011 | From 01/12/2008 To 31/05/2011 |
|-------------------------------|----------------------------------|----------------------------------|
| Sundry expenses | NIL | 350 00 |
| Heat & light | NIL | 11,698 53 |
| Storage costs | 0 96 | 7,847 58 |
| Re-direction of mail | NIL | 149 40 |
| Statutory advertising | NIL | 129 42 |
| Rates | NIL | 23,443 86 |
| Other property expenses | NIL | 336 30 |
| Insurance of assets | NIL | 30,504 21 |
| Bank charges | 101 18 | 2,030 80 |
| | <u>(4,472 64)</u> | <u>(446,671 69)</u> |
| PREFERENTIAL CREDITORS | | |
| PAYE income tax etc | NIL | 6,805 04 |
| Subrogated EP(C)A claim | NIL | 122,583 60 |
| Employees' wage arrears | NIL | 22,914 27 |
| | <u>NIL</u> | <u>(152,302 91)</u> |
| | <u>(4,360 43)</u> | <u>84,257 31</u> |
| 3,105,580 00 | | |
| REPRESENTED BY | | |
| Floating ch VAT rec'able | | 874 27 |
| Floating charge current | | 3,271 64 |
| Floating charge mon mar | | 80,111 40 |
| | | <u>84,257.31</u> |



Fitzgerald Lighting Limited (in administration)
Pursuant to Rule 2.47 of the Insolvency Rules 1986
(as amended)
KPMG LLP
29 June 2011

Appendix 3

Form 2.31B, notice of extension of administration

The Insolvency Act 1986

2.31B**Notice of extension of period
of administration**

| |
|--|
| Name of Company Fitzgerald Lighting Limited |
|--|

| |
|--------------------------------|
| Company number 01102881 |
|--------------------------------|

| |
|---|
| In the High Court of Justice, Bristol District Registry, Chancery Division [full name of court] |
|---|

| |
|-------------------------------------|
| Court case number 233 AA of 2008 |
|-------------------------------------|

We Richard John Hill
KPMG LLP
100 Temple Street
Bristol
BS1 6AG

Jonathan Scott Pope
KPMG LLP
100 Temple Street
Bristol
BS1 6AG

having been appointed Joint Administrators of Fitzgerald Lighting Limited
("the Company")

on 1 December 2008 by the High Court of Justice, Bristol District Registry, Chancery Division

hereby give notice that the administration has been extended, with the consent of the Court, until 30 November 2011

Signed



 Joint Administrator

Dated

 29 June 2011
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.

| | |
|--|----------------------|
| Sheilagh Richardson KPMG LLP Arlington Business Park Theale Reading RG7 4SD | |
| DX Number | DX 146800 (Theale) 2 |
| Tel | +44 (0) 118 373 1408 |
| DX Exchange | |

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Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

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