

The Insolvency Rules 1986

2.24B

Administrator's progress report

Name of Company Fitzgerald Lighting Ltd
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Company number 1102881
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In the Bristol District Registry Chancery Division [full name of court]
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Court case number 233 AA of 2008
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We  
Richard John Hill  
KPMG LLP  
100 Temple Street  
Bristol  
BS1 6AG  
United Kingdom

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

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

from	to
1 December 2009	31 May 2010

Signed

Joint Administrator

Dated

18 June 2010

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.

Natasha Drake KPMG LLP 100 Temple Street Bristol BS1 6AG United Kingdom DX Number DX 149280 Bristol 29		Tel 0117 905 4558 DX Exchange
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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





**Fitzgerald Lighting Limited in  
Administration**

**Progress Report  
Pursuant to Rule 2.47 of the  
Insolvency Rules 1986**

A handwritten signature in black ink, appearing to be 'A. Smith'.

KPMG LLP

18 June 2010

*This report contains 7 pages*

*Appendices contain 5 pages*

cb/nd/958

## **Notice: About this Report**

- This Report has been prepared by Richard John Hill and Jonathan Scott Pope, the Joint Administrators of Fitzgerald Lighting Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 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 does so at their own risk. To the fullest extent permitted by law, the Joint 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 Joint Administrators act as agents for Fitzgerald Lighting Limited and contract without personal liability. The appointments of the Joint 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.

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- 1 Analysis of Administrators' time costs for period 1 December 2009 to 31 May 2010
- 2 Administrators' receipts and payments account

## **1 Glossary**

Act	The Insolvency Act 1986
Administrators	Richard John Hill and Jonathan Scott Pope of KPMG LLP
Alder King	Alder King LLP
The Bank	Lloyds Banking Group plc
Bond Pearce	Bond Pearce LLP
The Company	Fitzgerald Lighting Limited (Company Registered Number 01102881)
The Directors	Tim Fitzgerald Michael Fitzgerald (resigned 28/11/08) Peter Fitzgerald
DTZ	DTZ Holdings plc
GoIndustry	GoIndustry-Dovebid plc
LTSBCF	Lloyds TSB Commercial Finance
Rules	The Insolvency Rules 1986

## **2 Introduction**

Richard John Hill and Jonathan Scott Pope of KPMG LLP were appointed Joint 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

Further to our progress report of 3 December 2009 and, in accordance with Rule 2.47 of the Rules, the Joint Administrators now provide a report on the progress of the

Administration for the period from 1 December 2009 to 31 May 2010

### **3 Progress of Administration**

#### **3.1 Properties**

##### *Units C & D Normandy Way, Bodmin, Cornwall*

The Administrators appointed Alder King to market these freehold units

Units C & D were let to Fitzgerald Lighting Cornwall Limited on 27 March 2009. A three year lease was granted at an annual rent of £117,000 per annum, with a reduced rental payable for the first six months. £32,466 has been received during the period of this report in relation to rent. On 6 April 2010 units C&D were sold to IP65 Limited for consideration of £675,000.

##### *Unit 1 Tamar Commercial Centre, Tamar Street, Belfast*

The Administrators appointed DTZ to market this long leasehold premises. This property was sold on 15 January 2010 to SPE Contracts Limited for consideration of £213,650.

All freehold properties have now been sold.

##### *Leasehold properties*

Interest has recently been expressed in two leasehold properties in Bodmin (units F and G). However, we understand that the lease on unit G expired prior to our appointment and we are making further enquiries in respect of unit F.

There is also a current lease on a property based in Birmingham. This lease does not hold any value and The Company vacated the property in December 2008. We have offered the landlord an informal surrender of the lease, however, he has so far declined.

#### **3.2 Debtors**

At the date of our appointment, LTSBCF was owed £2.4 million. To date, an amount of £2,302,272 has been collected by the Administrators on behalf of LTSBCF. These realisations are not shown in the attached receipts and payments account because they have been received directly by LTSBCF. Book debt realisations and costs of realisations detailed in the attached receipts and payments account will be passed to LTSBCF. We do not anticipate the collection of any further book debts.

#### **3.3 Plant and machinery and vehicles**

GoIndustry, the Administrators' appointed agents, have realised an additional £15,698 from plant and machinery since their last report bringing realisations to date for this class of asset to £571,576.

## **4 Liabilities**

### **4.1 Secured creditors**

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

Bond Pearce has confirmed the validity of both charges, and during the period covered by this report, an additional £800,000 has been paid to The Bank

### **4.2 Preferential creditors**

Claims in respect of arrears of wages, holiday pay and pension deductions due to employees have been agreed, amounting to £152,505. This is higher than the £149,414 detailed in the previous report because of an additional claim from the Northern Ireland Redundancy Payments Office relating to arrears of wages and holiday pay. Preferential creditors were paid in full on 2 February 2010.

### **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 and the amounts owed to The Bank, it is anticipated that £80,200 (prior to costs) will be available to Prescribed Part creditors. A distribution of the prescribed part is anticipated over the next 6 months.

### **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**

Costs in relation to legal fees, utilities, insurance, and agents fees incurred since the last report are £40,570. In addition, a further £7,200 of legal fees have been incurred in respect of debtor collections which will be recharged to LTSBCF.

## **5 Other matters**

### **5.1 Administrators' fees and expenses**

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Insolvency Rules 1986. 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 upon request to the Administrators or by logging onto the R3 website at [www.r3.org.uk](http://www.r3.org.uk)

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 2010, as required by the Association of Business Recovery Professionals' Statement of Insolvency Practice No 9 ("SIP 9")

In the period 1 December 2009 to 31 May 2010 we have incurred time costs of £70,309 representing 308 hours at an average hourly rate of £228 This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG LLP in-house specialists In total, for the period to 31 May 2010, we have incurred time costs of £1,034,308 We have approval from the secured creditor to draw fees of £539,000, of which £115,000 relates to debtor collection costs

In accordance with Rule 2 106(5A) of the Rules, a resolution on the Administrators' remuneration has been approved by The Bank and LTSBCF and has been sent to all preferential creditors for approval

## **5.2 Administrators receipts and payments accounts**

The Administrators receipts and payments account for the period 1 December 2009 to 31 May 2010 is attached as Appendix 2 The figures on the account are shown net of VAT Please note this is a receipts and payments account and does not include any provision for unpaid costs or future costs associated with the Administration

## **5.3 EC Regulations**

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

## **5.4 Directors Disqualification**

As required by the Company Directors Disqualification Act 1986, the Administrators lodged a report on the conduct of the Directors with the Department for Business, Enterprise & Regulatory Reform Its contents remain confidential

## **5.5 Outstanding issues**

A twelve month extension to the Administration until 30 November 2010 has been granted by the Court to enable the following issues to be addressed

- Finalisation and payment of Administration expenses
- Agreement and payment of Administrators' remuneration
- The submission of final VAT and corporation tax returns

## **6 Future reporting**

The Administrators will forward a final report by 30 November 2010



**Fitzgerald Lighting Limited in administration**

**Appendix 1 Analysis of Administrators' time costs 1 December 2009 to 31 May 2010**

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost £	Average hourly rate £
<b>ADMINISTRATION &amp; PLANNING</b>							
<b>Cashiering</b>							
Fund management	0 00	0 00	0 50	0 00	0 50	82 50	165 00
General (Cashiering)	0 00	0 30	28 70	3 50	32 50	5,319 00	163 66
Reconciliations (& IPS accounting reviews)	0 00	1 40	19 35	0 00	20 75	3,640 75	175 46
<b>General</b>							
Books and records	0 00	0 00	4 10	22 90	27 00	3,081 00	114 11
Fees and WIP	0 00	1 50	0 90	0 00	2 40	756 00	315 00
<b>Statutory and compliance</b>							
Checklist & reviews	0 00	5 20	13 00	0 00	18 20	4,138 50	227 39
Closure and related formalities	0 00	0 00	0 70	0 00	0 70	115 50	165 00
Reports to debenture holders	0 50	22 70	0 00	0 00	23 20	8,728 50	376 23
Strategy documents	0 00	8 40	3 10	0 00	11 50	3,199 50	278 22
<b>Tax</b>							
Post appointment corporation tax	0 00	4 00	12 59	0 00	16 59	3,697 35	222 87
Post appointment VAT	0 20	4 80	20 15	0 00	25 15	5,854 75	232 79
<b>CREDITORS</b>							
<b>Creditors and claims</b>							
Agreement of preferential claims	0 00	0 00	1 30	0 00	1 30	292 50	225 00
General correspondence	0 00	0 00	9 20	0 00	9 20	1,518 00	165 00
Pre appointment VAT / PAYE / CT	0 00	0 80	0 00	0 00	0 80	256 00	320 00
ROT Claims	0 00	0 00	0 40	0 00	0 40	66 00	165 00
Statutory reports	0 50	0 00	3 40	5 70	9 60	1,417 00	147 60
<b>Employees</b>							
Agreeing employee claims	0 00	0 00	9 80	0 00	9 80	1,785 00	182 14
Correspondence	0 00	0 10	8 10	0 00	8 20	1,818 50	221 77
Pensions reviews	0 00	0 00	2 00	0 00	2 00	450 00	225 00
<b>INVESTIGATION</b>							
<b>Directors</b>							
Correspondence with directors	0 00	2 00	0 00	0 00	2 00	810 00	405 00
<b>Investigations</b>							
Review of pre-appt transactions	0 50	0 00	0 00	0 00	0 50	257 50	515 00
<b>REALISATION OF ASSETS</b>							
<b>Asset Realisation</b>							
Debtors	0 00	1 20	8 80	0 00	10 00	2,304 00	230 40
Freehold property	3 50	20 90	39 10	0 00	63 50	16,508 50	259 98
Leasehold property	0 50	5 20	0 00	0 50	6 20	2,118 50	341 69
Open cover insurance	0 00	0 00	0 70	0 00	0 70	115 50	165 00
Other assets	0 00	4 60	0 00	0 00	4 60	1,863 00	405 00
Plant and machinery	0 00	0 00	0 20	0 00	0 20	33 00	165 00
Vehicles	0 00	0 00	0 50	0 00	0 50	82 50	165 00
<b>Total in period</b>					<b>307 99</b>	<b>70,308 85</b>	<b>228 28</b>
Carried forward from 1 December 2008 to 31 November 2009					4,203 70	963,999 50	229 32
<b>Total time from 1 December 2008 to 31 May 2010</b>					<b>4 511 69</b>	<b>1,034 308 35</b>	<b>229 25</b>

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

### Appendix 1

#### Analysis of Administrators' expenses to 31 May 2010

Expenses description	£
Hotel stay	7357 34
Car mileage	5,027 30
Telecommunications	346 49
Subsistence	1,245 25
Rail / other travel	820 72
HM Land registry	42 00
Sundry	267 19
Borederau	1,520 00
Companies House searches	49 64
Postage	6 93
<b>Total in period</b>	<b>16,682.86</b>

#### Summary of charge out rates in operation during the course of the administration

Grade	01/12/2008	01/04/2009
	to	to
	31/03/2009	31/05/2010
	£	£
Partner	465	515
Associate Parter / Director	400	440
Senior Manager	365	405
Manager	290	320
Assistant Manager / Senior administrator	205	225
Administrator	150	165
Support Staff	95	105

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

Statement of Affairs	From 01/12/2009 To 31/05/2010	From 01/12/2008 To 31/05/2010
<b>POST-APPOINTMENT SALES</b>		
Sales	NIL	359,220 34
	NIL	359,220 34
<b>OTHER DIRECT COSTS</b>		
Direct labour	NIL	164,022 02
	NIL	(164,022 02)
<b>TRADING EXPENSES</b>		
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)
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>NIL</b>	<b>126,549.77</b>

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

Statement of Affairs	From 01/12/2009 To 31/05/2010	From 01/12/2008 To 31/05/2010
<b>POST-APPOINTMENT SALES</b>		
Sales	NIL	359,220 34
	NIL	359,220 34
<b>OTHER DIRECT COSTS</b>		
Direct labour	NIL	164,022 02
	NIL	(164,022 02)
<b>TRADING EXPENSES</b>		
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)
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>NIL</b>	<b>126,549 77</b>

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

Statement of Affairs	From 01/12/2009 To 31/05/2010	From 01/12/2008 To 31/05/2010	
<b>FIXED CHARGE ASSETS</b>			
3,510,000 00	Freehold property	959,909 73	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	<u>32,465 93</u>	<u>102,538 92</u>
		992,375 66	2,982,988 56
<b>FIXED CHARGE COSTS</b>			
	Legal fees	15,675 76	51,349 66
	Water Rates	499 68	8,049 88
	Agents'/Valuers' fees	8,900 00	53,279 10
	Insurance	9,630 05	58,558 36
	Other property expenses	NIL	2,241 00
	SECURITY	NIL	63,745 95
	Heat & Light	<u>5,864 50</u>	<u>22,313 09</u>
		(40,569 99)	(259,537 04)
<b>FIXED CHARGE CREDITORS</b>			
(2,699,500 00)	Lloyds TSB	800,000 00	2,580,000 00
(2,400,000 00)	Lloyds TSB Commercial Finance	<u>NIL</u>	<u>NIL</u>
		(800,000 00)	(2,580,000 00)
<b>ASSET REALISATIONS</b>			
375,000 00	Plant & machinery	15,697 65	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	(7,655 17)	37,354 71
	Cash at bank	<u>NIL</u>	<u>55,237 12</u>
		8,042 48	842,278 11
<b>OTHER REALISATIONS</b>			
	Bank interest, gross	895 48	1,995 20
	Sundry refunds	15 00	7,527 37
	Trading Surplus/(Deficit)	NIL	126,549 77
	Business rates refunds	<u>NIL</u>	<u>2,413 60</u>
		910 48	138,485 94
<b>COST OF REALISATIONS</b>			
	Statement of affairs work	NIL	2,500 00
	Agents'/Valuers' fees	NIL	55,400 97
	Petty Cash	NIL	(397 75)
	Legal fees	7,200 44	13,891 49
	Water Rates	NIL	1,445 81
	Rental Charges	NIL	6,831 15
	Sundry expenses	NIL	350 00
	Heat & light	81 26	11,698 53
	Storage costs	NIL	7,846 62
	Re-direction of mail	NIL	149 40
	Statutory advertising	NIL	129 42
	Rates	NIL	521 49
	Other property expenses	NIL	336 30