

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company 123 Leeds Limited formerly Optical Express (Southern) Limited

Company Number 01873281

In the High Court of Justice, Chancery Division, Companies Court [full name of court]
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Court case number (For court use only) 7631 of 2012
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Insert full name(s) and
address(es) of the
administrator(s)We^(a)

Bryan A Jackson of BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX

Anne Buchanan of BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX

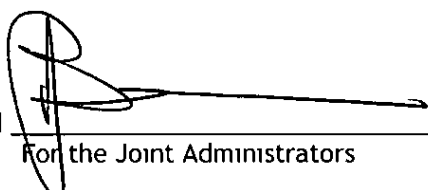
Ian Schofield of BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU

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

(b) Insert dates

From (b) 17 August 2013

To (b) 7 February 2014

Signed 
For the Joint Administrators

Dated 13/2/14

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.

Bryan A Jackson 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX Tel 0141 248 3761 DX Number DX Exchange
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Companies House receipt date barcode

When you have completed and signed this form

Companies House, Crown Way, Car

THURSDAY



Q323GYXT
QIQ 20/02/2014 #45
COMPANIES HOUSE

123 Leeds Limited formerly Optical Express (Southern) Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 17/08/2013 To 07/02/2014	From 02/10/2012 To 07/02/2014
ASSET REALISATIONS			
468,709 00	Stock	NIL	NIL
632,661 00	Book Debts	NIL	NIL
12,081 00	Cash at Bank	(55,057 72)	11,351 24
	Rates Refunds	NIL	NIL
	Sale and Purchase Agreement	NIL	175,000 00
13,444 00	Cash in Hand	NIL	28,186 48
	Bank Interest Gross	45 18	376 48
	Bank Interest Net of Tax	NIL	18 98
1,387,749 00	Tangible Fixed Assets	NIL	NIL
55,406 00	Sales Receivable	NIL	NIL
		(55,012 54)	214,933 18
COST OF REALISATIONS			
	Agents Commission	NIL	NIL
		NIL	NIL
COST OF ADMINISTRATION			
	Public Notices	NIL	69 75
	Insurance of Assets	NIL	332 42
	Corporation Tax	77 65	77 65
	Bank Charges	3 00	3 37
	Administrators Fees	80,000 00	80,000 00
	Administrators Outlays	914 90	914 90
	Pre Appointment Costs and Expenses	NIL	46,335 61
	Legal Fees	8,861 50	39,355 50
		(89,857 05)	(167,089 20)
PREFERENTIAL CREDITORS			
(442,926 00)	Employees	NIL	NIL
		NIL	NIL
FLOATING CHARGE CREDITORS			
(26,022,414 00)	The Royal Bank of Scotland Plc	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(151,437,703 00)	Trade & Expense Creditors	NIL	NIL
(2,601,199 00)	Employees	NIL	NIL
(554,101 00)	HM Revenue & Customs - CT	NIL	NIL
(10,900,327 00)	HM Revenue & Customs - VAT	NIL	NIL
	HM Revenue & Customs - Stamp Duty	NIL	NIL
(14,977,673 00)	Intercompany	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			
(641,704 90)	Ordinary Shareholders	NIL	NIL
(1,000 00)	Deferred Shareholders	NIL	NIL
		NIL	NIL
(205,008,997.90)		(144,869.59)	47,843 98

REPRESENTED BY

VAT Receivable	33,328 95
The Royal Bank of Scotland plc - Licen	123,937 38
The Royal Bank of Scotland plc	14,515 03
Licence Fee Deposit - Rent & Service	(123,937 38)
	<hr/>
	47,843.98
	<hr/>

Bryan A Jackson
Joint Administrator

SIP9 Analysis of OfficeHolders Timecosts for period 02/10/2012 to 16/08/2013

Client: 4022734 123 Leeds Limited

Tasks	Grade	Partner / Director	Manager	Supervisor / Senior Administrator	Administrator / Assistant	Total
	Average Cost per hour.	Amount (£)	Hours	Amount (£)	Hours	Amount (£)
Partner/Senior Manager Review		6,606 35	20 45	0 00	0 00	6,606 35
Planning & Monitoring		281 70	0 90	188 95	0 75	450 65
Cashiering Function Generally		576 50	1 70	1,274 80	6 50	5,952 79
Office Holders Tax Liabilities		60 50	0 25	1,261 35	5 90	1,340 00
CDDA 1986 Work		0 00	0 00	1,731 60	7 80	1,731 60
Official Receiver/DTI/Court		0 00	0 00	19 20	0 10	19 20
Secured Creditors (reporting/accounting for funds, etc)		0 00	0 00	1,266 45	5 75	1,829 55
Partly Secured Creditors (including of lease and HP)		1,486 75	4 75	39,169 75	200 75	42,527 65
Non Preferential Creditors		0 00	0 00	1,257 55	5 55	5,965 25
Employee Claims		0 00	0 00	67 75	0 25	814 35
Fixed Asset Realisation		234 75	0 75	682 50	3 55	925 35
Other Asset Realisations		78 25	0 25	893 05	4 60	1,310 95
Post Appointment Trading		0 00	0 00	774 25	4 10	861 15
Insurance & Bonding		0 00	0 00	621 60	2 80	632 40
Legal Correspondence/Litigation		0 00	0 00	3,862 60	18 05	3,935 20
General Administration		8,400 75	25 05	72,936 65	316 30	99,553 10
Statutory Compliance (including CRO returns and lodges)		328 65	1 05	15,637 50	69 65	16,738 65
Pre Appointment Work (including investigation work)		0 00	0 00	0 00	0 00	0 00
Pension Schemes/Liasing with Independent Trustee)		0 00	0 00	441 60	2 30	441 60
Computerisation/IPS		0 00	0 00	0 00	0 00	131 94
Secretarial		0 00	0 00	0 00	0 00	913 80
		18,054 20	55 15	142,067 15	654 70	192,681 53
				23,221 60	172 40	1,006 85

Summary of Time Charged and Rates Applicable for the Period From 17/08/2013 to 07/02/2014

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AV RT
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
C Planning and Strategy	1 00	428 00											1 00	428 00	428 00
D General Administration	4 75	2,082 50	139 45	32,182 85	87 65	14,900 50	5 25	917 50	1 65	283 80	8 25	420 75	247 00	50,787 90	205 62
F Assets Realisation/Dealing	3 00	1,284 00			0 35	59 50							3 35	1,343 50	401 04
G Employee Matters			0 30	75 60	23 05	3,918 50	0 50	79 50			0 35	34 65	24 20	4,108 25	169 76
H Creditor Claims	1 00	428 00	1 05	264 60	2 85	484 50							4 90	1,177 10	240 22
I Reporting	0 50	214 00											0 50	214 00	428 00
K Work	0 50	214 00	2 70	585 75							0 60	35 40	3 80	835 15	219 78
	10 75	4,650 50	143 50	33,108 80	113 90	19,363 00	5 75	997 00	1 65	283 80	9 20	490 80			
													284 75	58,893 90	
										Total					

13 February 2014

TO ALL KNOWN CIRCULARS

Your ref
Our ref 4022734/BAJ/AB/ER-
SADM2400Please ask for Elaine Ramage
Direct line 0141 249 8441
Email elaine.ramage@bdo.co.uk

Dear Sirs

123 Leeds Limited formerly Optical Express (Southern) Limited ["the Company"]**In Administration****Report to creditors on the progress of the Administration pursuant to Rule 2.47 of the Insolvency Rules 1986**

I write to give you a progress report on the conduct of the Administration for the period from 17 August 2013 to 7 February 2014

The following schedules are attached to this report:

- a) Appendix 1 Form 2.24B
- b) Appendix 2 Statutory information
- c) Appendix 3 A summary of the Joint Administrators' receipts and payments account for the period of the report
- d) Appendix 4 An analysis of the time charged to the Administration

1. General overview and Progress of the Administration

- 1.1. In accordance with Rule 2.47 of the Insolvency Rules 1986 ["the Rules"] I present a progress report on the Administration of the Company. This report should be read in conjunction with the Joint Administrators' Proposals which were issued on 27 November 2012 and progress reports issued on 30 April 2013 and 22 August 2013
- 1.2 The Joint Administrators are continuing to deal with patient claims and liaise with patients, their Solicitors, OEL and the Company's insurers
- 1.3. As previously reported, there are a small number of leases under the Licence to Occupy given to Optical Express Limited ["OEL"] that have yet to be assigned and it was anticipated that the assignments would be completed prior to the Administration ending on 1 April 2014. Unfortunately, 4 leases still remain to be assigned and despite the intentions of OEL that these leases will be dealt with prior to 1 April 2014, regrettably, the Joint Administrators are unable to move to dissolve the Company until all assignments have completed and, therefore, the Joint Administrators intend to extend the Administration for a further 12 months by consent of the Court. Any creditor wishing to object to the proposed extension should notify the Joint Administrators, in writing, within 14 days of the date of this letter



- 1.4 Attached at Appendix 3 is a copy of the Joint Administrators' Receipts and Payments Account. You will note that the funds in hand total £14,515.03. These funds are subject to the costs of the Administration.
- 1.5 As previously reported, there will be insufficient funds to make a distribution to unsecured creditors.
- 1.6 It is still anticipated that the exit route will be via dissolution of the Company. As soon as all matters have been finalised the Joint Administrators will file a notice with the Registrar of Companies to have the Company dissolved. On receipt of the notice from the Joint Administrators the Registrar shall register it and the appointment of the Joint Administrators will cease to have effect. At the end of the period of 3 months beginning with the date of registration of the notice the Company is deemed to be dissolved. Paragraph 84(7) of the Schedule allows the period of 3 months (i.e. the period after which the Company is deemed to be dissolved) to be extended or suspended on application to the Court by the Joint Administrators or another interested party. A copy of the notice of move from Administration to dissolution will be sent to all known creditors.

2. Asset realisations

Sale and Purchase Agreement

- 2.1 As previously reported, the net sum realised from the SPA was £175,000. The purchaser took on substantial obligations/liabilities.
- 2.2 The following assets were excluded from the SPA:

Cash in Hand

- 2.3 The sum of £28,186.48 was realised, this sum represents the petty cash, till floats and some pre-appointment takings which had not been banked in the Company's bank account at the date of appointment.

Cash at Bank

- 2.4 The sum of £66,408.96 was received from Allied Irish in respect of the balance held in the Company's account however, as previously reported, the sum of £55,057.72 was due to OEL under the SPA and this amount has now been paid.

Bank Interest

- 2.5 To date, bank interest of £395.46 has been received.

3. Creditors

Secured Creditor

- 3.1 The Royal Bank of Scotland plc was granted a debenture on 12 June 2009 which was registered at Companies House on 30 June 2009, creating fixed and floating charges over the assets of the Company.

- 3.2. The Company's bank accounts at The Royal Bank of Scotland plc, at the date of Administration, were overdrawn by £1,087,134.59
- 3.3. The Company had a Group Banking Facility with the Royal Bank of Scotland plc and is, therefore, contingently liable for the Group's debt. The total Group indebtedness (including the Company's overdrawn account) at the date of appointment was £22,920,414.59
- 3.4. As you are aware, the Royal Bank of Scotland plc sold its entire debt and assigned the security previously held by it and the Joint Administrators have been required not to disclose the identity of the new secured creditor. All matters relating to the secured creditor will be dealt with on a confidential basis.

Preferential creditors

- 3.5. The employees were transferred under the Transfer of Undertakings (Protection of Employment) Regulations 2006 and, therefore, there are no preferential creditors

Unsecured creditors

- 3.6. As at the date of appointment the Company had estimated liabilities to unsecured creditors of £151,437,703 (excluding HM Revenue & Customs). This amount includes landlords' claims taking into consideration the full term of the leases, obviously these claims will require to be mitigated. To date, claims of £14,838,102.71 have been received
- 3.7. There will be insufficient funds to make a distribution to unsecured creditors

Crown Creditor - HM Revenue & Customs

- 3.8. The sum due in respect of VAT, per the Company's records, is approximately £10,900,327
- 3.9. Per the Company's records, the sum of £554,101 was due in respect of Corporation Tax. A claim for £472,523.47 has been received.
- 3.10. HM Revenue & Customs has submitted a claim in the sum of £235,444 in respect of Stamp Duty Land Tax.

Prescribed Part

- 3.11. Section 176A of the Insolvency Act 1986 requires the Administrators to set aside a prescribed amount of the Company's "net property" towards the satisfaction of unsecured debts. Net property is the amount of property that would otherwise be available for satisfaction of holders of debentures secured by, or holders of, any floating charge created by the Company after 15 September 2003
- 3.12. Unfortunately, there are insufficient funds to enable a distribution from the prescribed part.

4. Pre-appointment costs

- 4.1. As previously advised, all pre appointment costs have been approved and paid

5. Costs incurred other than Administrators' expenses

- 5.1 As shown in the attached Receipts and Payments account, the Joint Administrators have incurred the following costs during the period 17 August 2013 to 7 February 2014

• Corporation Tax	77 65
• Bank Charges	3.00
• Administrators' Fees	80,000 00
• Administrators' Outlays	914 90
• Legal Fees	<u>8,861 50</u>
	<u>89,857 05</u>

6. Remuneration and disbursements

- 6.1. The Joint Administrators are to be remunerated on a time cost basis by reference to BDO (UK) LLP, previously PKF (UK) LLP's, normal charge out rates for the time spent by them and their staff.
- 6.2. As there will be insufficient funds available to enable a distribution to unsecured creditors, in accordance with Rule 2 106(5A), the Joint Administrators sought approval of their remuneration from the secured creditor.
- 6.3. The Joint Administrators' time costs for the period 17 August 2013 to 7 February 2014 are £58,893 90 (exclusive of VAT). This represents 284 75 hours at an average hourly rate of £206.82. The total time costs incurred during the period 2 October 2012 (Date of Administration) to 7 February 2014 are £251,575.43 (exclusive of VAT). This represents 1291 60 hours at an average hourly rate of £194 77. To date, a fee of £100,000 has been approved of which £80,000 has been paid.
- 6.4 A detailed analysis of the time costs incurred is attached at Appendix 4 and the charge out rates for the period are summarised as follows -

	Average rate (£ per hour)
Partner / Director	274-428
Senior Manager/Manager	189-274
Supervisor / Senior Administrator	128-170
Administrator / Support Staff	59-159

- 6.5 These amounts are derived from BDO LLP, previously PKF (UK) LLP's, normal rates for time properly spent by the Administrators and their staff in attending to matters arising in the Administration. Where members of staff have been employed on this case they have been so based on their experience and abilities in dealing with a case of this nature. Where appropriate, certain staff have dealt with a specific area of the Administration due to their specialist skills in that area.

- 6.6. All staff who have worked on this matter, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the enclosed analysis. 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. It should be noted that BDO LLP's scale rates may increase from time to time over the period of an assignment.
- 6.7. A creditors' guide to fees, which provides information regarding creditors' rights in relation to insolvency practitioners' fees can be obtained by visiting our website at www.bdo.co.uk/cgtf. Alternatively a copy can be sent to any creditor upon request.
- 6.8. The Joint Administrators have not incurred any disbursements in the period 17 August 2013 to 7 February 2014.
- 6.9. Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, advertising, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.
- 6.10. All category 1 disbursements are charged at the actual cost incurred.
- 6.11. Category 2 disbursements will comprise cost allocations which may arise on some of the category 1 expenses where supplied internally typically, items such as room hire and document storage. Also typically included will be routine or more specialist copying and printing, and allocated communication costs.

7. Concluding Comments

Administration Extension

- 7.1. For the reasons stated earlier in this report, the Joint Administrators will seek an extension of the period of the Administration, from the Court, for a further 12 months commencing on 2 April 2014 in order that the assignments of the outstanding leases can be completed.

I trust the above provides you with sufficient information, but if you require further information or have any questions please contact Elaine Ramage on 0141 249 8441.

Yours sincerely

Bryan A Jackson

Administrator

Encs

The Administrators contract to act as agents of the Company and without personal liability.

STATUTORY INFORMATION

Company name	123 Leeds Limited formerly Optical Express (Southern) Limited
Registration number	01873281
Registered office address	BDO LLP, 1 Bridgewater Place, Water lane, Leeds, LS11 5RU
Court details	High Court of Justice, Chancery Division, Companies Court No. 7631 of 2012
Administrator(s) details	<p>Bryan A Jackson BDO LLP 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX Appointed. 02/10/2012 Resigned</p> <p>Anne Buchanan BDO LLP 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX Appointed 02/10/2012 Resigned:</p> <p>Ian Schofield BDO LLP 1 Bridgewater Place, Water lane, Leeds, LS11 5RU Appointed: 02/10/2012 Resigned</p>
Function (Schedule B1 para 100(2))	The joint administrators are to act jointly and severally in all matters relating to the administration
Appointor's details	The Directors