

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
--

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

(b) From 8 February 2014

(b) To 7 February 2014

Signed 
For the Joint AdministratorsDated 21/8/14

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 Number DX Exchange

FRIDAY



A08 *A3ETWYRU* #202
22/08/2014
COMPANIES HOUSE

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



Tel. +44 (0)141 248 3761
Fax +44 (0)141 248 1653
LP 55 Glasgow - 6
www.bdo.co.uk

4 Atlantic Quay
70 York Street
Glasgow
G2 8JX

Private & Confidential

21 August 2014

Our ref 04022734-SADM 2400

Please ask for Lexi McGettigan

Direct Dial 0141 249 8453

Email lexi.mcgettigan@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 8 February 2014 to 7 August 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, 22 August 2013 and 13 February 2014
- 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. As these leases still remained to be assigned and despite assurances from OEL that these leases will be dealt with prior to 1 April 2014, the Joint Administrators were unable to move to dissolve the Company until all assignments have completed and, therefore, the Joint Administrators extended the Administration for a further 12 months by consent of the Court. This was achieved by the Joint Administrators and the period of the Administration has been extended to 1 April 2015



- 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 £1,808.56. 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 £400.05 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 £15,548,056.18 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 8 February 2014 to 7 August 2014 are £46,544 20 (exclusive of VAT) This represents 235 65 hours at an average hourly rate of £198 17. The total time costs incurred during the period 2 October 2012 (Date of Administration) to 7 August 2014 are £298,872 03 (exclusive of VAT) This represents 1,529 55 hours at an average hourly rate of £208.51 To date, a fee of £100,000 has been approved and has been fully 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 8 February 2014 to 7 August 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

Concluding Comments

Administration Extension

- 6.12. For the reasons stated earlier in this report, the Joint Administrators have extended 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 David Lowe on 0141 249 5231.

Yours faithfully

For and on behalf of 123 Leeds Limited formerly Optical Express (Southern) Limited

Bryan Alan Jackson

Joint Administrator

Encs

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

Bryan A Jackson is authorised to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland Office holder number 5194,
Anne Buchanan is authorised to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland Office holder number 9302, and
Ian Schofield is authorised to act as an insolvency practitioner by The Institute of Chartered Accountants in England & Wales Office holder number 2647

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
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[full name of court]

Court case number (For court use only)
7631 of 2012

Insert full name(s) and
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administrators of the above company attach a progress report for the period


(b) Insert dates

From

(b)
8 February 2014

To

(b)
7 February 2014

Signed 
For the Joint Administrators

Dated 26/8/14

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

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

Statement of Affairs		From 08/02/2014 To 07/08/2014	From 02/10/2012 To 07/08/2014
	ASSET REALISATIONS		
468,709 00	Stock	NIL	NIL
632,661 00	Book Debts	NIL	NIL
	Utility Co- Compensation	25 00	25 00
12,081 00	Cash at Bank	NIL	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	2 70	381 07
	Bank Interest Net of Tax	NIL	18 98
1,387,749 00	Tangible Fixed Assets	NIL	NIL
55,406 00	Sales Receivable	NIL	NIL
		<u>27 70</u>	<u>214,962 77</u>
	COST OF REALISATIONS		
	Agents Commission	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	COST OF ADMINISTRATION		
	Public Notices	NIL	69 75
	Insurance of Assets	NIL	332 42
	Corporation Tax	NIL	77 65
	Non Recoverable VAT	26,657 81	26,657 81
	Bank Charges	(32 00)	(28 63)
	Administrators Fees	20,000 00	100,000 00
	Administrators Outlays	NIL	914 90
	Pre Appointment Costs and Expenses	NIL	46,335 61
	Court Fees	32 00	32 00
	Legal Fees	(669 00)	38,686 50
		<u>(45,988 81)</u>	<u>(213,078 01)</u>
	PREFERENTIAL CREDITORS		
(442,926 00)	Employees	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	FLOATING CHARGE CREDITORS		
(26,022,414 00)	The Royal Bank of Scotland Plc	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	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
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(641,704 90)	Ordinary Shareholders	NIL	NIL
(1,000 00)	Deferred Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>

(205,008,997.90)

(45,961.11)

1,884.76

REPRESENTED BY

VAT Receivable

76 20

The Royal Bank of Scotland plc - Licens

118,189 61

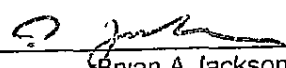
The Royal Bank of Scotland plc

1,808 56

Licence Fee Deposit - Rent & Service

(118,189 61)

1,884.76


Bryan A Jackson
Joint Administrator

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