

The Insolvency Act 1986

2.24B**Administrators' progress report**

Name of Company
Pontins Bingo Limited

Company number
03127498

In the High Court of Justice Companies Court <small>[full name of court]</small>
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Court case number
10298 of 2010

We

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

from	to
22 June 2011	26 October 2011

Signed

Joint Administrators

Dated

26 October 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.

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**Pontins Bingo Limited (In
Administration)**

Progress Report
For the period 22 June 2011 to
26 October 2011

KPMG LLP

26 October 2011

This report contains 6 pages

Appendices contain 7 pages

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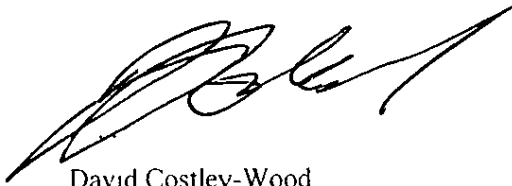


Pontins Bingo Limited (In Administration)
For the period 22 June 2011 to 26 October 2011
KPMG LLP
26 October 2011

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1 Executive Summary

- This progress report covers the final period from 22 June 2011 to 26 October 2011
- The Joint Administrators' Statement of Proposals was approved on 25 February 2011 and has not been modified
- Following appointment we were unable to sell the company or the business and the Joint Administrators' role has therefore been limited to the disposal of the remaining assets
- Based on the level of realisations no funds became available for unsecured creditors
- Full details of the Joint Administrators' Progress Report are attached together with all the relevant statutory information included by way of Appendices



David Costley-Wood
Joint Administrator

1.1 Office Holders

Joint Administrator – David Costley-Wood

Joint Administrator – Jane Bronwen Moriarty

Joint Administrator – Robert Andrew Croxon

1.2 About this report

This Report has been prepared by David Costley-Wood, Jane Bronwen Moriarty and Robert Andrew Croxon, the Joint Administrators of Pontins Bingo Limited (the Company) 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 the Company.

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 its 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.

David Costley-Wood and Robert Croxen are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of England and Wales. Jane Moriarty is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in Ireland.

The Joint Administrators act as agents for the Company 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.

2 Statement of proposals

The Joint Administrators' Statement of Proposals was circulated on 14 February 2011.

Pursuant to paragraph 52(1)(b) of Schedule B of the Insolvency Act 1986, a creditors meeting was not convened and one was not subsequently requisitioned by creditors. As a result the Statement of Proposals was deemed to have been approved on 25 February 2011 pursuant to Rule 2.33(5A) with the exception of any proposals in relation to the Joint Administrators' fees or discharge of liability.

3 Progress to date

3.1 Strategy & trading

The initial strategy was to continue normal bingo operations with the objective being to include them as part of the sale of the overall Pontins business. However, as previously reported, this could not be achieved as it was deemed, following legal advice, that the bingo operating licences were not transferable and consequently had no value.

As the operating licences had no value and the Company had no other assets (other than cash at bank which was recovered in a previous period), the Joint Administrators' proposals have therefore been completed and consequently the Company will be dissolved approximately three months after the filing of this report at Companies House.

3.2 Communication

The Joint Administrators wrote to all known creditors on 23 December 2010 advising them of their appointment.

The Joint Administrators' Statement of Proposals was circulated to all creditors of the Company on 14 February 2011.

The first Progress Report was circulated to all known creditors of the Company on 18 July 2011.



3.3 **Assets**

The Company's assets were dealt with during the previous periods of the administration

3.4 **Liabilities**

3.4.1 **Secured creditors**

As previously reported there is no security registered against the Company's assets

3.4.2 **Preferential creditors**

As previously reported as there were no employees directly employed by the Company at the date of the appointment of the Joint Administrators, there were no claims in respect of arrears of wages or holiday pay

3.4.3 **Unsecured creditors**

As the Company had limited assets no funds became available to enable a distribution to unsecured creditors

3.5 **Expenses for the period**

- The receipts and payments for the period are set out in the attached Receipts and Payments Account at Appendix 2
- The office holders' time costs for the period of this report are also attached at Appendix 3
- The basis of the fees charged is time/ costs and was approved on 18 July 2011 by unsecured creditors
- Expenses for this period total £40,487 including amounts incurred but not paid (see Appendix 4 for details)

Additional information about the expenses charged for the period is available from the office holder upon request by any secured creditor, and any other creditor or creditors owed 5% or more in value of the unsecured liabilities listed. Full details of the process to obtain more information under Rule 2.48A of the Insolvency Rules 1986 ('IR86') and to challenge the Joint Administrators' remuneration and expenses under Rule 2.109 IR86 are included in Appendix 6 should creditors wish to do so

4 Comments on the Appendices

4.1 Appendix 1: Statutory information

Information regarding the Company and details of the appointment of the Joint Administrators can be found at Appendix 1

4.2 Appendix 2: Receipts & payments account for the period

A receipts and payments for the period can be found at Appendix 2. The only major expense incurred during the final period was the Joint Administrators' remuneration which is detailed in paragraph 4.3 below

4.3 Appendix 3: Analysis of office holders' time costs

The statutory provisions relating to administrators' remuneration are set out in Rule 2.106 of the IR86

To date the Joint Administrators' time has amounted to 154 hours at a total cost of £41,819 and an average hourly rate of £272. A detailed analysis of these costs, prepared pursuant to Statement of Insolvency Practice 9, is attached to this report at Appendix 3

This includes work undertaken in respect of tax, VAT, employee pensions and health and safety advice from KPMG in-house specialists

Please note that 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 analysis of time spent. The cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates

The Joint Administrators have the approval of the unsecured creditors in this case to draw fees and a total of £13,715 has been drawn in this respect

To determine if the quantum of the fees taken is reasonable the analysis included at Appendix 3 should be reviewed and any additional information can be requested by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with Rule 2.48A of the IR86 (as amended). This request must be made within 21 days of receipt of this report. The full text of that rule can be found at Appendix 6

A creditors' guide to fees can be found at

[http://www.13.org.uk/uploads/sip/SIP9_v5April_2007\(1\).pdf](http://www.13.org.uk/uploads/sip/SIP9_v5April_2007(1).pdf)

However, if you are unable to access this guide and would like a copy please contact Carolyn Foden on 0151 473 5132

Information regarding the major time incurred during the final period is detailed below

4.3.1 Checklists and reviews

Time costs of £2,038 representing 7 hours have been incurred in reviewing files and ensuring all statutory obligations are complied with

4.3.2 Closure and related formalities

Time costs of £2,184 representing 7 hours, have been incurred in preparing the case for closure

4.3.3 Post appointment corporation tax

The Joint Administrators have prepared post-appointment corporation tax returns for the Company with the assistance of in-house tax specialists

Time costs of £4,115 representing 14 hours have been incurred to date in relation to this matter

4.3.4 Statutory reporting

Time costs of £3,224, representing 11 hours, have been incurred in preparing and distributing reports to all creditors

4.4 Appendix 4: Expenses for the period

Expenses for the period are summarised in Appendix 4 which include the time costs as analysed in Appendix 3 and costs which have been incurred during the period but not yet paid

Creditors are reminded that the basis on which fees have been reported has been agreed. However to determine if the quantum of the fees taken is reasonable the analysis included at Appendix 3 should be reviewed and any additional information can be requested by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with rule 2.48A IR86. This request must be made within 21 days receipt of the report. The full text of that rule can be found at Appendix 5.

In addition creditors are reminded that the quantum can be challenged by unsecured creditor(s) with at least 10% in value excluding that creditor's claim by making an application to court in accordance with rule 2.109 IR86. The full text of this rule can also be found at Appendix 6.

4.5 Appendix 5: Joint Administrators' proposals

A copy of the Joint Administrators' proposals was sent to all known creditors on 14 February 2011 as part of the initial report to creditors. The proposals are summarised at Appendix 5. There were no amendments to or deviations from the Joint Administrators' proposals.

Consequently, in accordance with Resolution 1 of the proposals, it is our intention to apply to have the Company dissolved.



Pontins Bongo Limited (In Administration)
For the period 22 June 2011 to 26 October 2011
KPMG LLP
26 October 2011

4.6 **Appendix 6: Extract from the Insolvency rules 1986**

Additional information about the expenses charged for the period is available from the office holders upon request by any secured creditors and any unsecured creditor or creditors owed 5% or more in value of the unsecured liabilities listed. Full details of the process to obtain more information under Rule 2.48A IR86 and to challenge the Joint Administrators' remuneration and expenses under Rule 2.109 are included in Appendix 6 should creditors wish to do so.

5 Appendix 1: Statutory information

Appointment	
Company name & trading style	Pontins Bingo Limited
Administration	The Administration Order was made on 22 December 2010 in the High Court of Justice, Companies Court Court administration number 10 298 of 2010
Date of appointment	22 December 2010
Office holders details	<p>David Costley-Wood was appointed on 22 December 2010 and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of England and Wales</p> <p>Jane Bronwen Moriarty was appointed on 22 December 2010 and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in Ireland</p> <p>Robert Andrew Croxen was appointed on 22 December 2010 and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of England and Wales</p>
Application of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations
Company Information	
Company registration number	03127498
Previous registered office	c/o Pontins Holiday Centre, Shore Road Southport PR8 2PZ
Present registered office	KPMG LLP St James Square, Manchester M2 6DS



Pontins Bingo Limited (In Administration)
For the period 22 June 2011 to 26 October 2011
KPMG LLP
26 October 2011

6 Appendix 2: Office holders' receipts and payments account for the period 22 June 2011 to 26 October 2011

Pontins Bingo Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 22/06/2011 To 26/10/2011	From 22/12/2010 To 26/10/2011
ASSET REALISATIONS		
	NIL	1 286 25
12 525 00 V A I refunds (pre-app'ent)	NIL	12 499 97
Cash at bank	NIL	13 786 22
COST OF REALISATIONS		
Joint Administrators' fees	13 714 51	13 572 37
Irrecoverable V A I	40 74	5 20
Storage costs	25 99	25 99
Bank charges	50 65	182 66
	(13 831 89)	(13 786 22)
12,525 00	(13,831 89)	0 00
REPRESENTED BY		
		NIL

7 Appendix 3: Analysis of office holders' time costs for the period 22 June 2011 to 26 October 2011

Consolidated time spent by grade Activity	Partner/ director	Manager	Adminis- trator	Support	Total hours	Total cost £	Average rate £
Administration & planning							
Statutory receipts & payments	0 00	0 00	0 40	0 00	0 40	96 00	240 00
Strategy documents	0 00	0 50	1 70	0 00	2 20	620 50	282 05
Closure & related formalities	0 00	3 20	4 50	0 00	7 70	2 184 00	283 64
Checklists and reviews	2 50	0 00	4 00	0 00	6 50	2 037 50	313 46
Fees & WIP	0 00	0 00	1 35	0 00	1 35	324 00	240 00
Books and records	0 00	0 00	0 40	0 00	0 40	96 00	240 00
General cashing	0 00	0 00	1 60	0 60	2 20	359 00	163 18
Reconciliations	0 00	0 00	0 10	0 00	0 10	24 00	240 00
Initial C/I & VAT reviews	0 00	0 00	1 50	0 00	1 50	360 00	240 00
Post appointment VAT	0 00	0 00	3 20	0 00	3 20	621 75	194 30
Post appointment C/I	0 00	4 90	8 60	0 00	13 50	4 114 50	304 78
	2 50	8 60	27 35	0 60	39 05	10 837 25	277 52
Investigation							
D/I form drafting/submission	0 00	1 30	0 00	0 00	1 30	448 50	345 00
	0 00	1 30	0 00	0 00	1 30	448 50	345 00
Creditors							
Creditor correspondence	0 00	0 00	3 05	0 00	3 05	602 00	197 38
Reports to creditors	1 00	5 00	5 45	0 00	11 45	3 223 50	281 53
Pension funds	0 00	0 00	0 60	0 00	0 60	124 50	207 50
	1 00	5 00	9 10	0 00	15 10	3 950 00	261 59
Total hours/cost	3 50	14 90	36 45	0 60	55 45	15 235 75	274 77

Fees drawn		Hours/Costs to date	
B/I	0 00	98 50	26 654 75
In the period	13 714 51	55 45	15 235 75
C/I	<u>13 714 51</u>	<u>153 95</u>	<u>41 890 50</u>



Pontins Bingo Limited (In Administration)
For the period 22 June 2011 to 26 October 2011
KPMG LLP
26 October 2011

8 **Appendix 4: Schedule of expenses for the period 22 June 2011 to 26 October 2011**

Section	Account	Accrued	Paid	Total
Cost of realisations	Joint Administrators' fees	26,654.75	13,714.51	40,369.26
	Inrecoverable VAT	-	40.74	40.74
	Storage costs	-	25.99	25.99
	Bank charges	-	50.65	50.65
TOTAL		26,654.75	13,831.89	40,486.64

9 **Appendix 5: Joint Administrators' proposals**

The Joint Administrators proposed the following

- To continue to do all such things reasonably expedient and generally exercise all their powers as contained in Schedule 1 to the Act as Joint Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of the Company
- To seek an extension to the Administration period if deemed necessary by the Joint Administrators pursuant to paragraph 76 of Schedule B1 to the Act
- When it is considered that no further distributions to creditors will be made and that the Joint Administrators have concluded their duties to take the necessary steps to move the Company from Administration to dissolution, pursuant to paragraph 84 of Schedule B1 to the Act
- That the Administrators are discharged from liability in respect of any action of theirs as Administrators pursuant to paragraph 98(1) of Schedule B1 to the Act upon registration of the notice given pursuant to paragraph 84 of Schedule B1 to the Act, and

In relation to Joint Administrators' fees

- That in the event that no creditors' committee is formed or if no determination of the creditors' committee is reached, the Joint Administrators will seek approval from the unsecured creditors. The Joint Administrators will be authorised to draw fees on account from the assets of Pontins Bingo Limited from time to time during the period of Administration based on time properly spent at charge out rates that reflect the complexity of the assignment. Also, the Joint Administrators will seek approval to draw disbursements from time to time and
- That the costs of KPMG LLP Pension, Tax and VAI advice provided to the Joint Administrators be based upon time costs and shall be paid out of the assets of Pontins Bingo Limited

10 Appendix 6: Extract from the Insolvency Rules 1986

IR86

2.48A Creditors' request for further information

- (1) If- (a) **within 21 days of receipt of a progress report under Rule 2 47-**
- (i) a secured creditor or
 - (ii) an unsecured creditor with the concurrence of **at least 5% in value** of the unsecured creditors (including the creditor in question), or
- (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc) the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either—
- (a) providing all of the information asked for, or
 - (b) so far as the administrator considers that—
 - (i) the time or cost of preparation of the information would be excessive or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1) may apply to the court within 21 days of—
- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1)
- and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just

2 109 Creditors' claim that remuneration is or other expenses are excessive

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of **at least 10% in value of the unsecured creditors** (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) An application may be made on the grounds that—
- (a) the remuneration charged by the administrator
 - (b) the basis fixed for the administrator's remuneration under Rule 2 106
 - (c) expenses incurred by the administrator
- is or are in all the circumstances excessive or in the case of an application under subparagraph (b) inappropriate
- (1B) The application must subject to any order of the court under Rule 2 48A(4) be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question (the relevant report)
- (2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed the court shall fix a venue for it to be heard and give

notice to the applicant accordingly

(3) The applicant shall at least 14 days before the hearing send to the administrator a notice stating the venue and accompanied by a copy of the application and of any evidence which the applicant intends to adduce in support of it

(4) If the court considers the application to be well-founded it must make one or more of the following orders—

(a) an order reducing the amount of remuneration which the administrator was entitled to charge

(b) an order fixing the basis of remuneration at a reduced rate or amount

(c) an order changing the basis of remuneration,

(d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,

(e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

(5) Unless the court orders otherwise the costs of the application shall be paid by the applicant and are not payable as an expense of the administration