

The Insolvency Act 1986

Administrator's progress report

Name of Company

Pagebet Bookmakers Limited

Company Number

06008490

In the

High Court of Justice, Chancery Division,
Newcastle -upon-Tyne County Court

(full name of court)

Court case number

1458 of 2010

(a) Insert full name(s) and
address(es) of
administrator(s)

I/We (a) Craig Anthony Livesey of PricewaterhouseCoopers, 101 Barbirolli Square, Lower Mosley Street, Manchester, M2 3PW and Ian David Green of PricewaterhouseCoopers, Benson House, 33 Wellington Street, Leeds, LS1 4JP

Joint administrator(s) of the above company attach a progress report for the period

from

to

(b) 01 October 2012

(b) 31 March 2013

(b) Insert dates

Signed

Joint Administrator

Dated

25/4/13

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.

Alison Murphy

Benson House, 33 Wellington Street, Leeds, LS1 4JP

Tel 0113 289 4450

DX Number

DX Exchange

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

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COMPANIES HOUSE



**Pagebet Bookmakers Limited
(in Administration)**

**High Court of Justice, Chancery Division,
Newcastle District Registry
Case No. 1458 of 2010**

**Joint Administrators' progress report for the
period 1 October 2012 to 31 March 2013**

26 April 2013

www.pwc.co.uk/eng/issues/brs_admin/pagebet

PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds
LS1 4JP

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Abbreviations used in this report

"the Company"	Pagebet Bookmakers Limited
"the Administrators"	Craig Anthony Livesey and Ian David Green
"IA86"	The Insolvency Act 1986
"Sch B1 IA86"	Schedule B1 to the Insolvency Act 1986
"IR86"	The Insolvency Rules 1986
"Betting Office"	Licensed Betting Office
"Stan James"	Stan James (Abingdon) Limited
"Platinum"	Platinum Leisure (North East) Ltd
"Houghton House"	Houghton House, Belmont Business Park, Durham
"HMRC"	HM Revenue & Customs
"the Bank"	Lloyds TSB Bank Plc

1. Joint Administrators' progress report

1.1 Introduction

We write to provide an update on the progress of the Administration in the period from 1 October 2012 to 31 March 2013.

At this time, we anticipate that a dividend will be paid to preferential creditors. Unfortunately, no dividend will be paid to unsecured creditors

We circulated our proposals to all creditors on 5 July 2010, detailing how the purpose of the Administration would be achieved. Further reports have explained the progress of the Administration to 30 September 2012. Our reports confirmed the sale of 27 of the 53 Betting Offices to Stan James and a further three Betting Offices to Platinum, on deferred terms. All the other Betting Offices ceased to trade immediately following our appointment.

In our last report dated 5 October 2012, we explained that the key remaining issues were the sale of a property and a potential pre-appointment VAT recovery. An update on each of these is set out below

1.2 Realisation of assets

The table below is a summary of asset realisations. We can confirm there have been no receipts received in the Administration for the period 1 October 2012 to 31 March 2013. The payments made are set out in Section 3.

	£'000
Sale of business	1,546
Freehold/leasehold property (rent received)	506
Cash at bank	104
Equipment	68
Insurance	27
Refunds	22
License to occupy	5
Other	1
Total	2,279

1.2.1 Betting Offices

We previously reported that Platinum had defaulted on their agreement and failed to pay the deferred consideration which had fallen due (some £166,550). Whilst we pursued and recovered a total amount of £30,600 from Platinum and an individual guarantor, the remaining debt has now been written off and we understand Platinum has been placed into insolvency. Enforcing the security granted by Platinum was not considered to be beneficial for creditors, due to the likely costs involved and the financial position of Platinum.

1.2.2 Freehold Property

Since our appointment, we have accepted and progressed several successive offers for Houghton House towards completion. Unfortunately, several sales have fallen through

During that time, our agents have actively marketed the property and after the second party withdrew and in consultation with the secured creditor, the marketing price was reduced in February 2012

Following a continued lack of interest, the guide price for the property was removed and we have now received an offer which we have accepted and are now moving towards exchange and completion of the sale

1. Joint Administrators' progress report

1.2.3 Potential distribution from Pagebet Limited

At the date of the last audited accounts, the Company was owed £433,961 from Pagebet Limited. We have recently received a notice of intended dividend from the liquidators of Pagebet Limited and we have been advised that a dividend will be paid shortly. Creditors will be updated of any realisation from this source in the next report.

1.2.4 Potential VAT appeal

We previously reported that the Company had submitted applications to HMRC, prior to our appointment, for the repayment of overpaid VAT. The outcome of the application is dependent on case law currently going through the European Court of Justice. The case was last heard several months ago, however the Upper Tribunal has yet to hand down its decision.

Until the litigation is finally determined, we are unable to confirm if any funds will be available to the Administration estate.

1.3 Expenses statement

A statement of the expenses incurred in the period 1 October 2012 to 31 March 2013 is included at Section 4. The statement excludes any potential tax liabilities that may be payable as an expense of the Administration in due course because amounts due will depend on the position at the end of the tax accounting period.

1.4 Administrators' remuneration

Our remuneration has been approved on a time cost basis by the secured and preferential creditors. To 31 March 2013, we have drawn remuneration of £160,000 as shown on the receipts and payments account in Section 3.

The time cost charges incurred in the period covered by this report are £24,878.30. This brings total time costs incurred since our appointment to £338,177.92. However, this amount does not necessarily reflect the amount that will be drawn as remuneration in due course. In accordance with the requirements of Statement of Insolvency Practice 9, an analysis of our time costs and disbursements for the period 1 October 2012 to 31 March 2013 is provided in Section 5.

1.5 Creditors' rights

An explanation of your rights as a creditor with regards to our remuneration, can be found online at the following address:

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-to-administrators-fees-england-and-wales.pdf>

Alternatively, a copy can be obtained free of charge by telephoning Alison Murphy on 0113 289 4450.

1.6 Pre appointment costs

Information regarding the approval of the unpaid pre-Administration costs previously detailed in our proposals, can be found in Section 6.

1. Joint Administrators' progress report

1.7 Outcome for creditors

1.7.4 Secured creditors

To date, an amount of £1.6 million has been distributed to the Bank from assets realisations secured by a fixed charge granted in favour of the Bank. No distributions were made in the period covered by this report.

Future distributions are expected to become available from fixed charge assets, however the Bank is still expected to suffer a significant shortfall on its initial lending of over £4 million.

1.7.5 Preferential creditors

Preferential claims represent amounts due for arrears of wages (subject to statutory limits) and unpaid holiday pay. The preferential claims are currently being agreed and we envisage that the preferential creditors, which currently total £83,377.43, will receive a partial dividend in the near future. The agreement of the claims has been delayed due to some employees still having to make a claim from the redundancy payments office.

1.7.6 Unsecured non-preferential creditors

It is anticipated that there will be insufficient funds available in order to make a distribution to unsecured creditors via the Prescribed Part or otherwise.

1.8 Extension of the Administration

Creditors will recall from our letter dated 29 October 2012, that on 16 October 2012 the court granted a 12 month extension of the Administration until 20 November 2013.

Dependent on the progression of the sale and the outcome of the VAT matters, we may require a further extension to the period of the Administration. We will tell you in our next report if we have made a further extension application.

1.9 Ending the Administration

We continue to envisage that, once the objective of the Administration has been achieved, we will file a notice under Paragraph 84(1) Sch. B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved three months later.

We will be discharged from liability under Paragraph 98 Sch. B1 IA86 immediately upon our appointment as joint administrators ceasing to have effect, as determined by the secured and preferential creditors.

1. Joint Administrators' progress report

1.10 Next report

We will circulate our next report to creditors at the earlier of the conclusion of the Administration or in approximately six months.

Yours faithfully

For and on behalf of the Company



C A Livesey
Joint administrator
Pagebet Bookmakers Limited

Craig Anthony Livesey and Ian David Green have been appointed as joint administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The joint administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the liquidation.

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2. Statutory and other information

Court details for the Administration:	High Court of Justice Newcastle District Registry Ref: 1458 of 2010
Full name:	Pagebet Bookmakers Limited
Trading name:	Pagebet
Registered number:	06008490
Registered address:	Benson House, 33 Wellington Street, Leeds, LS1 4JP
Company directors:	Euan McCormick, Ian Blackburn, Trevor Jones, Martin Bodenham, Austin Alfred Carney, Michael Ronald Klincke.
Company secretary:	Not applicable
Shareholdings held by the directors and secretary:	Ian Blackburn – 5 Ordinary class C shares Austin Alfred Carney – 4 Ordinary class C shares, 40,552 Ordinary class B shares and 2,259,455 redeemable preference shares Michael Ronald Klincke – 40,552 Ordinary class B shares and 238,131 redeemable preference shares Trevor Jones – 4,495 Ordinary class A shares Martin Bodenham – 8,346 Ordinary class A shares
Date of the Administration appointment:	21 May 2010
Administrators' names and addresses:	Craig Anthony Livesey of PricewaterhouseCoopers LLP, 101 Barbirolli Square, Lower Mosley Street, Manchester, M2 3PW, and Ian David Green of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds LS1 4JP
Changes in office holder:	Not applicable
Details of any extension(s) to the initial period of appointment:	As confirmed in a letter to creditors dated 29 October 2012, the court granted an extension of the Administration to 20 November 2013.
Appointor's / applicant's name and address:	The directors of the Company, Houghton House, Belmont Business Park, Durham DH1 1TW
Objective being pursued by the Administrators:	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).
Division of the Administrators' responsibilities:	In relation to paragraph 100(2) Sch B1 IA86, during the period for which the Administration is in force, the joint administrators will act jointly and severally so that all functions may be exercised by any or all of the joint administrators.
Proposed end of the Administration:	Dissolution
Estimated dividend for unsecured creditors:	Nil
Estimated values of the prescribed part and the company's net property:	Nil
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	Not applicable
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

3. Receipts and payments account for the period from 1 October 2012 to 31 March 2013

	From 21-May-2010 to 30-Sep-2012	From 1-Oct- 2012 to 31-Mar- 2013	Total from 21- May-2010 to 31- Mar-2013	Directors' Statement of Affairs
	£	£	£	£
FIXED CHARGE REALISATIONS				
Sale of Business/goodwill	1,526,255 71	20,000 00	1,546,255 71	2,016,500 00
Freehold/leasehold property	506,485 92	-	506,485 92	900,000 00
Deferred consideration	30,600 00	(30,600 00)	-	-
Licence to occupy - freehold property	5,000 00	-	5,000 00	-
Service charge	146 81	-	146 81	-
Refunds	1,500 38	-	1,500 38	-
Insurance	184 40	-	184 40	-
Other fixed assets	-	-	-	1,000 00
	2,070,173.22	(10,600 00)*	2,059,573.22	2,917,500.00
FIXED CHARGE COST OF REALISATION / PAYMENTS				
Rent	(224,803 48)	-	(224 803 48)	-
Office holder fees	(50,000 00)	-	(50,000 00)	-
Agents' disbursements	(1,682 12)	-	(1,682 12)	-
Repairs and maintenance	(5,178 80)	-	(5,178 80)	-
Cleaning and site clearance	(2,190 00)	-	(2,190 00)	-
Utilities	(860 83)	-	(860 83)	-
Rates	(1,230 78)	-	(1,230 78)	-
Management charges	(2,778 00)	(555 60)	(3,333 60)	-
Regulatory fees	(350 00)	-	(350 00)	-
Bank charges	(717 53)	(120 59)	(838 12)	-
Insurance	(14,899 43)	(12,306 60)	(27,206 03)	-
Legal fees	(23,340 40)	-	(23,340 40)	-
Legal disbursements	(615 81)	-	(615 81)	-
	1,741,526.04	(12,982.79)	(1,728,543.30)	2,917,500 00
Distribution to secured creditor	(1,600,000 00)	-	(1,600,000 00)	-
BALANCE OF FIXED CHARGE FUND	141,526.04	(12,982 79)	128,543.25	2,917,500.00
FLOATING CHARGE REALISATIONS				
Cash in hand	101,586 37	-	101,586 37	-
Cash at bank	2,165 17	-	2,165 17	-
Equipment	65,750 00	-	65,750 00	-
Office equipment	1,952 53	-	1,952 53	-
Intangible assets	3 00	-	3 00	-
Book debts	181 60	-	181 60	-
Sundry debt	730 00	-	730 00	-
Refunds	20,248 31	-	20,248 31	-
Insurance/Rates Refunds	26,722 38	-	26,722 38	-
Current assets	-	-	-	178,126 00
	219,339.36	-	219,339.36	178,126 00
FLOATING CHARGE COST OF REALISATION / PAYMENTS				
Office holder fees	(110,000 00)	-	(110,000 00)	-
Office holder expenses	(2,789 02)	-	(2,789 02)	-
Agents' fees	(7,568 65)	-	(7,568 65)	-
Agents' disbursements	(3 60)	-	(3 60)	-
Consultancy fees	(2,600 00)	-	(2,600 00)	-
Betting apportionment	(797 20)	-	(797 20)	-
Net wages	(741 03)	-	(741 03)	-
Storage costs	(848 05)	-	(848 05)	-
Service charge	(555 60)	-	(555 60)	-
Bank charges	(182 03)	-	(182 03)	-
Statutory advertising	(73 62)	-	(73 62)	-
Postage, stationery and printing	(236 33)	-	(236 33)	-
Mail re-direction	(25 96)	-	(25 96)	-
Legal fees	(3,379 89)	-	(3,379 89)	-
Legal disbursements	(1,002 45)	-	(1,002 45)	-
	(130,803.43)	-	(130,803.43)	-
BALANCE OF FLOATING CHARGE FUND	88,535.93	-	88,535 93	178,126 00
VAT Control Account	(39,682 73)	(-)	(39,682 73)	-
BALANCE AT BANK	190,379 24	(23,582 79)	166,796.45	
* £10,600 - adjustment from the previous period				

4. Expenses incurred in the period

Expenses incurred by the Administrators	Paid to 31 March 2013 (included in Section 3) £	Incurred but not paid at 31 March 2013 £
Rent	224,803.48	Nil
Office holder's time costs incurred	160,000.00	178,177.92
Agents' fees (King Sturge LLP and Lithgow Sons and Partners)	7,568.65	86.00
Repairs and maintenance	5,178.80	Nil
Consultancy fees	2,600.00	Nil
Office holders disbursements (including travel, telephone, postage, bond etc)	2,789.02	767.09
Cleaning and site clearance	2,190.00	Nil
Agents disbursements	1,685.72	Nil
Utilities	860.83	Nil
Betting apportionment	797.20	Nil
Net wages	741.03	Nil
Storage costs	848.05	Nil
Management charges	3,333.60	Nil
Service charge	555.60	Nil
Regulatory fees	350.00	Nil
Bank charges	1,020.15	Nil
Statutory advertising	73.62	Nil
Mail re-direction	25.96	Nil
Legal fees (Eversheds LLP)	26,720.29	1,416.61
Legal disbursements	1,618.26	12.00
Rates	1,230.78	Nil
Insurance	27,206.03	Nil
Postage, stationery and printing	236.33	Nil

5. Administrators' time costs and Category 2 disbursements for the period 1 October 2012 to 31 March 2013

Classification of work function	Hours						Time cost £	Average hourly rate £
	Partner	Director	Senior Manager	Manager	Other	Support	Total hours	
Strategy and Planning	-	-	0 05	0 95	3 25	-	4 25	853 75
Accounting and Treasury	-	-	0 05	0 10	9 40	-	9 55	1,374 35
Reporting to appointer/committee	-	-	-	3 00	3 50	-	6 50	1,532 00
Assets	-	-	-	8 20	8 10	-	16 30	3,918 00
Creditor claims/distributions	-	-	0 05	-	15 35	-	15 40	2,672 55
Employees/Tax/VAT/Pensions	-	-	2 30	2 30	23 10	-	27 70	7,032 95
Statutory and compliance	-	1 50	1 10	5 50	30 40	-	38 50	7,494 70
Total for the period	-	1.50	3.55	20.05	93.10	-	118.20	24,878.30
Balance brought forward 30 Sept 2012	-	-	-	-	-	-	1,504.86	313,299.62
Total for 21 May 2010 to 31 March 2013	-	-	-	-	-	-	1,623.06	338,177.92

5. Administrators' time costs and Category 2 disbursements for the period 1 October 2012 to 31 March 2013

Explanation of the work undertaken from 1 October 2012 to 31 March 2013

Area of work	Work undertaken includes:
Strategy and planning	Update meetings and general discussions, six month reviews
Accounting and treasury	Bank reconciliations, dealing with charitable funds located on site
Reporting to appointer/committee	Reporting to the secured creditor
Assets	Dealing with the Houghton House property, including liaising with interested parties, agents and solicitors
Creditor claims/distributions	Agreeing preferential claims, writing to employees, reviewing all documentation and calculating claims, correspondence with the RPO
Employees/Tax/VAT/Pensions	Liaising with employees regarding preferential claims, VAT returns, VAT advice on potential sales and recovery rates
Statutory and compliance	Preparing progress report for the extension, witness statement for court, all statutory filing required

Current charge out rates	Administrators' staff	Specialist (max)
Grade	£/hr	£/hr
Partner	540	750
Director	450	600
Senior manager	395	520
Manager	310	395
Senior Associate (qual)	233	285
Senior Associate (unqualified)	172	-
Associate	146	150
Support Staff	80	-

The time charged to the administration is by reference to the time properly given by the Administrator's and their staff in attending to matters arising. It is the Administrator's policy to delegate tasks in the arrangement to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the Administrator's themselves.

Set out here are the relevant charge-out rates per hour worked for the grades of the Administrator's staff actually or likely to be involved on this assignment. Time is charged by reference to actual work carried out on the assignment. There has been no allocation of any general costs or overhead costs. In common with all professional firms, the scale rates used by the Administrator's may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. Any material amendments to these rates will be advised to the creditors and / or the creditors' committee in the next statutory report. Specialist departments within PricewaterhouseCoopers LLP, such as Tax, VAT and Pensions, do sometimes charge a small number of hours, should we require their expert advice. Their rates do vary, however, the figures shown give an indication of the maximum rate per hour.

All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged. Each grade of staff is allocated an hourly charge out rate which is reviewed from time to time.

Work undertaken by cashiers, support and secretarial staff is charged for separately and is not included in the hourly rates charged by partners or other members of staff. Time is charged by reference to actual work carried out on the assignment in 6 minute units. The minimum time chargeable is 3 minutes (ie 0.5 units).

5. Administrators' time costs and Category 2 disbursements for the period 1 October 2012 to 31 March 2013

Category 2 disbursements to 31 March 2013

		Cost to date
Photocopying	At 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying	£841 17
Mileage	At a maximum of 64 pence per mile (up to 2,000cc) or 81 pence per mile (over 2,000cc)	£576 56
Other	All other disbursements are charged at cost	£2,138 61
Total		£3,556 34

Summary of legal and other professional firms instructed in the period to 31 March 2013

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal advice	Eversheds	Expertise	Time costs
Property agents	Jones Lang La Salle	Industry knowledge and expertise	Percentage
Agents (sale of business)	King Sturge LLP	Industry knowledge and expertise	Percentage
Agents (sale of business)	Lithgow Sons and Partners	Industry knowledge and expertise	Percentage
Insurers	Wills	Industry knowledge and expertise	Industry rates
Storage	CW Harrisons	Expertise	Industry rates

6. Approval of unpaid pre appointment administration costs

The following are costs incurred prior to the appointment of Administrators but with a view to the Company entering Administration. It is proposed that the unpaid costs will be paid as an expense of the Administration.

As stated in the Proposals as it is not envisaged that the Company has sufficient property to enable a distribution to the non-preferential unsecured creditors, it will be for the secured and preferential creditors to determine these costs. To date, the secured creditor has approved these costs.

	Unpaid amount (£)	Paid amount (£)	Payment made by (if applicable)
Fees charged by the Administrators	42,261	Nil	Not applicable
Expenses incurred by the Administrators	Nil	Nil	Not applicable
Fees charged by other persons qualified to act as an insolvency practitioner	Not applicable	Not applicable	Not applicable
Expenses charged by other persons qualified to act as an insolvency practitioner	Not applicable	Not applicable	Not applicable
Total	42,261	Nil	Not applicable

Administrator's progress report**2.24B**

Name of Company

Pagebet Bookmakers Limited

Company Number

06008490

In the

High Court of Justice, Chancery Division,
Newcastle-upon-Tyne County Court

(full name of court)

Court case number

1458 of 2010

(a) Insert full name(s) and
address(es) of
administrator(s)

I / We Craig Anthony Livesey of PricewaterhouseCoopers LLP, 101 Barbirolli Square, Lower
Mosley Street, Manchester, M2 3PW and Ian David Green of PricewaterhouseCoopers LLP,
Benson House, 33 Wellington Street, Leeds, LS1 4JP

administrator(s) of the above company attach a progress report for the period

from

to

(b) 01 October 2012

(b) 31 March 2013

(b) Insert dates

Signed

Joint Administrator

Dated

25/4/13