

Administrator's progress report 2.24B

Name of Company Pagebet Bookmakers Limited	Company Number 06008490
In the High Court of Justice, Chancery Division Newcastle District Registry (full name of court)	Court case number 1458 of 2010

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

We (a) 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

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

From

to

(b) 21 May 2010

(b) 20 November 2010

Signed



(b) Insert dates

Joint Administrator (IP No 9186)

Dated 14 December 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.

Ruth Turner	
PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP	
	Tel 0113 289 4326
DX Number	DX Exchange



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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

FRIDAY



To all known creditors

14 December 2010

Our Ref SJH/Pagebet/prog1

Dear Sirs

Pagebet Bookmakers Limited - In Administration ("the Company")

In accordance with Rule 2 47 of the Insolvency Rules 1986 ("IR86"), the Joint Administrators ("the Administrators") write to provide creditors with details of the progress of the above administration in the six months since their appointment on 21 May 2010

Statutory and financial information

I enclose the following for your information

- Appendix A Statutory information,
- Appendix B Receipts and payments account for the period 21 May 2010 to 20 November 2010,
- Appendix C Expenses incurred in the period,
- Appendix D Approval of unpaid pre administration costs, and,
- Appendix E Form 2 24B Administrators' progress report

Purpose of the administration

As detailed in the Administrators' Proposals for achieving the purposes of administration ("the Proposals") dated 5 July 2010, the purpose of the administration is to achieve 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) The Proposals were deemed to be approved by the Company's creditors in accordance with Rule 2 33(5) of IR86

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Revision to the Proposals

To date, no formal revisions to the Administrators Proposals have been proposed

Steps taken by the Administrators

Licensed Betting Offices ("LBO's")

As stated in the Proposals, immediately following appointment, the business and assets of 27 of the 53 LBO's were sold to Stanjames (Abingdon) Limited ("Stan James"), realising some £1 89 million

A sale of the business and assets of a further 3 LBO's completed to Platinum Leisure (North East) Ltd ("Platinum") for the sum of £166,500 on deferred terms (£61,500 to be paid on or before 21 September 2010 and £5,000 per month thereafter). A sum of £12,961 76 was received upon completion in relation to the licence fee for the leasehold LBO's

A total of 144 employees from the above LBO's were transferred to the relevant purchaser upon completion

Platinum have defaulted on their agreement and have failed to pay any of the deferred consideration which has fallen due to date. The Administrators are now pursuing an individual who provided a personal guarantee that secured the obligation of Platinum. A statutory demand has recently been issued and the Administrators intend to pursue this matter further if no settlement can be agreed.

Immediately following the Administrators' appointment, the remaining 23 unsold LBO's were shut down. In line with advice received from King Sturge, the Administrators' agents, little or no realisations have been generated from the unsold LBO's. To date, the Administrators have agreed a surrender of 9 of these leases.

Leasehold Property

The Company also holds leasehold storage premises at Dragonville Industrial Park, Durham. Little or no realisations are anticipated from this source, therefore the Administrators are in negotiations with the landlord of these premises in relation to their surrender.

Freehold property

Prior to the administration, the Company had accepted an offer over Houghton House, Belmont Business Park, Durham ("Houghton House"). Upon appointment, the Administrators agreed to proceed with the sale, however the party withdrew its interest in August. Consequently, the Administrators' agents placed the property on the open market for sale and a new offer was received. This sale process was substantially progressed by the Administrators' solicitors. However, in October,



the sale fell away shortly before completion due to a change in the purchaser's requirements
Marketing efforts have re-commenced however no offers have been received to date

Following the sale of LBO's to Stan James, the Administrators granted a licence to occupy Houghton House and a fee of £5,000 has been received. The licence has now expired and Stan James have vacated the premises.

Other assets

Prior to administration, the Company sold four LBO's to Keith Hodson Racing Limited, the consideration for which included an element of deferred payment supported by a personal guarantee from one of the Directors. The Administrators have been pursuing the remaining unpaid funds, however a settlement has not yet been reached. We are currently in negotiations with the Director who is seeking to raise finance to settle his personal guarantee.

As stated in the Proposals the only other assets held by the Company are a small amount of fixtures and fittings situated in the closed branches. The Administrators have realised some of these items and collected £17,637.53 to date. However, it is anticipated that further realisations from this source will be minimal.

The Administrators have collected £251.60 of book debts, £11,850.81 of business rates refunds and also cash in the sum of £101,586.37 that was situated at the closed LBO's at the date of our appointment.

The fulfilment of the Administrators' statutory duties

The Administrators have a duty to review the conduct of everyone who has acted as a director of the Company in the three years prior to the administration and report to the Department for Business, Innovation and Skills on their findings. I can confirm that the Administrators have complied with this requirement, however for confidentiality reasons we are unable to give any further information.

All statutory matters are completed on an ongoing basis.

Receipts & payments account

Attached at Appendix B is an abstract of the receipts and payments for the period from appointment to 20 November 2010.



Expenses Statement

A statement of the expenses incurred by the Administrators in the period to 20 November 2010 is attached at Appendix C. This should be read in conjunction with the receipts and payments account at Appendix B. Any expense is incurred with the objective of preserving the maximum realisable value for the creditors as a whole.

The statement does not include any potential tax liabilities that may be payable as an expense of the administration.

Pre-Administration costs

Details of the costs incurred prior to the administration are set out in Appendix D. 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.

Administrators' fees and disbursements

The basis for the Administrators' remuneration under Rule 2.106 IR86 is fixed by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No 9) are charged in accordance with the Administrators' firm's policy.

As stated in the Proposals, the Administrators believe that the Company has insufficient property to enable a distribution to be made to non-preferential unsecured creditors. Therefore, the Administrators' fees and disbursements were agreed by the secured creditor and preferential creditors. To date £120,000 has been drawn in relation to the Administrators' fees and £2,325 has been drawn in relation to disbursements.

Estimated outcome for creditors

Secured creditors

Lloyds TSB Bank Plc ("the Bank") holds a fixed and floating charge over the Company's assets, which was created on 3 April 2008 and a fixed charge over Houghton House, which was registered on 11 April 2008. At the date of the Administrators' appointment, the Bank had outstanding lending of just over £4 million. It is anticipated that the Bank will suffer a significant shortfall.



Preferential creditors

Preferential claims represent amounts due for arrears of wages (subject to statutory limits) and holiday pay. Preferential claims total £83,894 and it is likely that there will be sufficient funds in order to make a small distribution to preferential creditors.

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.

Ending the administration

The Administrators currently envisage that, once the objective of the administration has been achieved, the Administrators will file a notice under Paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 with the Registrar of Companies, following registration of which the Company will be dissolved three months later.

Future reporting

Pursuant to Rule 2.47 IR86, the Administrators will provide you with a further report in six months time, or at the end of the administration, whichever is sooner.

Yours faithfully
for and on behalf of the Company

A handwritten signature in black ink, appearing to read 'C Livesey', written over a horizontal line.

C Livesey
Joint Administrator

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.

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Appendix A

Statutory and other information

Court details for the Administration:	High Court of Justice, Newcastle District Registry, 1458 of 2010
Full name (and registered number).	Pagebet Bookmakers Limited (06008490)
Trading name:	Pagebet
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 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
Appointor's name and address.	The directors of the Company, Houghton House, Belmont Business Park, Durham DH1 1TW
Objective being pursued by the Administrators.	(b) 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
Any other information which the Administrators think necessary to enable creditors to decide whether or not to vote for adoption of the proposals	Not applicable

Pagebet Bookmakers Limited (in administration) Administrators' receipts and payments account from 21 May 2010 to 20 November 2010				
	Fixed (£)	Floating (£)	Total (£)	Directors' statement of affairs (£)
Receipts				
Sale of Business/goodwill	1,486,255 71	-	1,486,255 71	2,016,500
Leasehold property	463,425 92	-	463,425 92	900,000
Licence to occupy - freehold property	5,000 00	-	5,000 00	
Insurance	184 40	-	184 40	
Service charge	146 81	-	146 81	
Cash in hand	-	101,586 37	101,586 37	
Equipment	-	65,750 00	65,750 00	
Office equipment	-	1,887 53	1,887 53	
Intangible assets	-	3 00	3 00	
Book debts	-	181 60	181 60	
Sundry debt	-	90 00	90 00	
Refunds	-	11,589 61	11,589 61	
Other fixed assets	-	-	-	1,000
Current assets	-	-	-	178,126
	1,955,012 84	181,088.11	2,136,100 95	3,095,626
Payments				
Distribution to chargeholder	1,200,000 00	-	1,200,000 00	
Rent	214,699 31	-	214,699 31	
Office holder fees	50,000 00	70,000 00	120,000 00	
Agents' fees	-	7,558 90	7,558 90	
Repairs and maintenance	5,178 80	-	5,178 80	
Consultancy fees	-	2,600 00	2,600 00	
Office holder expenses	-	2,324 82	2,324 82	
Cleaning and site clearance	2,190 00	-	2,190 00	
Agents disbursements	-	1,648 52	1,648 52	
Utilities	860 83	-	860 83	
Betting apportionment*	-	797 20	797 20	
Net wages	-	741 03	741 03	
Storage costs	-	611 80	611 80	
Management charges	555 60	-	555 60	
Service charge	-	555 60	555 60	
Regulatory fees	350 00	-	350 00	
Bank charges	208 19	55 31	263 50	
Statutory advertising	-	73 62	73 62	
Mail re-direction	-	25 96	25 96	
	1,474,042 73	86,992 76	1,561,035 49	
VAT Control account			(35,179 52)	
Balance in hand	480,970.11	94,095.35	539,885.94	

* Net effect of closed and winning bets to be honoured by Stanjames, at the date of sale

Expenses incurred by the Administrators	Paid to 20 November 2010 (included in Appendix B) £	Incurred but not paid at 20 November 2010 £
Rent	214,699 31	Nil
Office holder fees time costs incurred	120,000 00	83,459 00
Agents' fees (King Sturge LLP and Lithgow Sons and Partners)	7,558 90	Nil
Repairs and maintenance	5,178 80	Nil
Consultancy fees	2,600 00	Nil
Office holders disbursements (including travel, telephone, postage etc)	2,324 82	435 00
Cleaning and site clearance	2,190 00	Nil
Agents disbursements	1,648 52	Nil
Utilities	860 83	Nil
Betting apportionment	797 20	Nil
Net wages	741 03	Nil
Storage costs	611 80	200 00
Management charges	555 60	Nil
Service charge	555 60	Nil
Regulatory fees	350 00	Nil
Bank charges	263 50	Nil
Statutory advertising	73 62	Nil
Mail re-direction	25 96	Nil
Administrators statutory bonding requirement	Nil	528
Legal fees (Eversheds LLP)	Nil	22,740 40
Legal disbursements	Nil	615 78



Appendix D

Approval of unpaid pre 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.

	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