

The Insolvency Act 1986

Administrator's progress report

Name of Company

LMH Realisations Limited (formerly Leisure and Marine Holdings Limited)

Company number

02068045

In the

The High Court of Justice, Chancery Division,
Companies Court

(full name of court)

Court case number

12998/09

(a) Insert full name(s)
and address(es) of
administrator(s)I / We (a) Colin Peter Dempster and Fiona Livingstone TaylorErnst & Young LLP, Ten George Street, Edinburgh, EH2 2DZ

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

from

to

(b) Insert date

(b) 8 October 2009

(b) 7 April 2010

Signed

Joint / Administrator(s)

Dated 07/04/10

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 Lennie

Ernst & Young LLP, George House, 50 George Square, Glasgow, G2 1RR

Tel 0141 626 5531

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



A33

22/05/2010

374

COMPANIES HOUSE
COMPANIES HOUSE

SATURDAY

TO MEMBERS AND ALL KNOWN CREDITORS

1 April 2010

Ref CPD/CR/AL/
Direct line 0141 626 5531
Direct Fax: 0141 626 5003
Alison Lennie

Dear Sirs

**LMH Realisations Limited (formerly Leisure and Marine Holdings Limited)
(In Administration)**

The High Court of Justice, Chancery Division, Companies Court, Number 12998/09

Registered office address: Ernst & Young LLP, Ten George Street, Edinburgh, EH2 2DZ

I write in accordance with Rule 2.118 of The Insolvency Rules 1986 to provide you with a final report on the progress of the administration. It is my intention to apply to Registrar of Companies to have the Company dissolved. The report covers the period from 8 October 2009 to 2 April 2010 and should be read in conjunction with the Joint Administrators' Statement of Proposals dated 2 June 2009 and my first Report to Creditors dated 5 November 2009.

LMH Realisations Limited (formerly Leisure and Marine Holdings Limited), registered number 02068045, entered administration on 8 April 2009 and C P Dempster and F L Taylor were appointed to act as Administrators. The appointment was made by Bank of Scotland PLC under the provisions of paragraph 14 of Schedule B1 to the Insolvency Act 1986. Under the terms of the appointment, any act required or authorised to be done by the Joint Administrators was to be done by either of them.

Summary Of Progress

On 8 April 2009, the Company's principal asset was the ownership of the Hebridean Princess. The Company's wholly owned subsidiary, Hebridean International Cruises Limited ("HICL"), operated the vessel with luxury cruises around the Western Isles of Scotland. HICL also entered Administration on 8 April 2009.

As detailed in the Administrators' Proposals, on the day of our appointment, we were approached by a trade buyer to purchase the business and assets of the Company and HICL. The potential purchaser agreed to make an immediate non-refundable payment to the administrators to fund the business for a 3 week period, including the cruises of the Princess due for departure on 9 April 2009 and 16 April 2009, in return for a 2 week exclusivity period to negotiate a sale of the business and its assets.

On 22 April 2009, the Joint Administrators completed a sale of the business and assets of the Company and HICL to All Leisure Holidays Limited ("ALHL") for a total consideration of £1.41m.



Following the sale of the business and assets of the Company and HICL to ALHL, there are no further assets to realise in the Administration

Receipts and Payments Account

I enclose at Appendix 1 a receipts and payments account for the period 8 October 2009 to 31 March 2010

Joint Administrators' Remuneration and Disbursements

As set out in the Proposals and detailed in our previous report, the Administrators believe that there will be no funds available to ordinary unsecured creditors. Accordingly, in terms Rule 2 106(5A)(b) of the Insolvency Rules 1986 the Administrators' remuneration shall be agreed by the Secured Creditors and Preferential Creditors

Details of time spent and charge our rates have been provided to the secured creditors and preferential creditors and will be made available to any other creditor upon written request to the Administrators. Our fees of £44,892.50 for the period 8 April 2009 to 2 June 2009 were approved by the Secured and Preferential Creditors

Secured Creditors

Hebridean Cruises plc, the Company's ultimate parent company, had debts of £1,691,350 owing to Bank of Scotland plc. The Company cross guaranteed this debt and this is secured by way of a mortgage over the Princess and a debenture including a fixed and floating charge over the assets of the Company

Stonefield Castle Group Limited is owed £2m by Hebridean Cruises plc. The Company cross guaranteed this debt and this is secured by a second ranking floating charge over the assets of the Company

Preferential Creditors

Unfortunately, given the significant shortfall to the Bank and as the Company has no further assets to realise, there will be no funds available for distribution to the preferential creditors

Non-preferential Creditors

As previously reported, the operation of the business was conducted by the Company's wholly owned subsidiary, HICL, and, as such, only creditor claims will be received by HICL

The Directors' Statements of Affairs indicated there were creditor balances due to the Company's other group companies of £11.6m

The Prescribed Part

In accordance with section 176A of the Insolvency Act 1986, no prescribed part was set aside on the basis that there are insufficient funds available for a distribution to be made to preferential and non-preferential creditors.

Conclusion

I can confirm that I will submit Form 2 35(B) with Register of Companies to move the Company from Administration to Dissolution.

A copy of this Form is enclosed for your reference and as this is the final report on the Administration, I would like to thank creditors for their assistance and patience during the Administration period

Yours faithfully
for LMH Realisations Limited (formerly Leisure and Manne Holdings Limited) (In Administration)

C P Dempster
Joint Administrator

Encs Joint Administrators' Receipts and Payments Account
Form 2 35(B)

The Institute of Chartered Accountants of Scotland in the UK authorises C P Dempster to act as Insolvency Practitioner under section 390(2)(a) of the Insolvency Act 1986 and The Institute of Chartered Accountants in England and Wales in the UK authorises F L Taylor to act as Insolvency Practitioner under section 390(2)(a) of the Insolvency Act 1986

The affairs, business and property of the Company are being managed by the Joint Administrators, C P Dempster and F L Taylor, who act as agents of the Company only and without personal liability

Appendix 1

LMH Realisations Limited (formerly Leisure and Marine Holdings Limited) (In Administration)

Joint Administrators' Abstract of Receipts and Payments from 8 October 2009 to 7 April 2010

	Notes	£	£
Receipts			
Brought forward		<u>924,996 00</u>	924,996 00
Payments			
Brought forward		(364 62)	
Corporation tax		(15 12)	
Administrators' fees		(44,892 50)	
Recoverable VAT	1	(6,733 88)	
Funding for Administrations of group companies		(472,989 88)	
Distribution to secured creditor		<u>(400,000 00)</u>	
			<u>(924,996 00)</u>
Balance			<u>nil</u>

Notes

- 1 LMH is part of the HICL VAT Group and the recovery of VAT will therefore be received by HICL. As the Company cross guaranteed the debt of Hebridean Cruises plc, the VAT recoverable will be distributed to the Bank of Scotland plc as the secured creditor has not been repaid in full