

Former company behind Gosforth's Casa San Lorenzo owed £1.5m as it went into administration

The company behind Gosforth Italian restaurant Casa San Lorenzo went into administration owing £1.5m to creditors, including hundreds of thousands to one shareholder and investor.

An administrators' report shows San Lorenzo North East Ltd – owned by Kevin Pattison and Susan Walker – owed more than £438,000 to HMRC and more than £241,000 to unsecured trade creditors including local food suppliers.

Susan Walker, the minority co-owner and investor, was owed £350,000.

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Staff at both Lorenzo's Gosforth and Washington restaurants were owed more than £19,000 in pay, pension contributions and holiday pay and administrators said they were expected to receive a "very modest" dividend.

Administrators at FRP said it was likely that secondary preferential creditors – including HMRC – and unsecured creditors would not receive anything.

Earlier this month part of the business – including Casa San Lorenzo Gosforth and its adjoining restaurant The Lounge – were [sold out of administration, saving 15 jobs](#).

But documents show that even before the impact of the pandemic, the business made a loss of £163,000 in the year to

the end of March 2020, and directors had used short-term lenders such as IWOCA and 365 Finance to prop the business up. More than £9,000 and £75,626 are owed to those lenders respectively.

Following closures brought about by pandemic restrictions, and poor trading between lockdowns, the business fell into significant arrears with utility providers, who threatened legal action and cut off energy to Lorenzo's Washington restaurant, which was closed shortly before Christmas 2021 and 15 staff there made redundant.

At the beginning of February, the business – including all three restaurants in Gosforth and Washington – was put up for sale and seven offers were received, including two from connected parties that were rejected by administrators and the landlord.

Geoff Knowles, a barrister at Cathedral Chambers in Newcastle and a long time customer of the Gosforth restaurant, bought the leaseholds and fittings of both Gosforth restaurants for just under £70,000.

Administrators said the offer had originally been £75,000 but a reduction was requested as staff had threatened to walk out if they were not paid.

Speaking to BusinessLive recently, Mr Knowles – who himself was owed £24,000 as San Lorenzo North East Ltd collapsed – said he intended to give Casa San Lorenzo “a bit of TLC”.

He said: “San Lorenzo has been a part of Gosforth restaurant culture forever. When my kids were growing up, everybody went there.

“The idea is to bring it back to its greater days. We've got a good team in there. It's a great opportunity to breathe a bit of fire and life back into an old favourite.”

The administrators report also shows unsecured creditors including drinks giant Molson Coors was owed £126,332, Newcastle City Council was owed more than £10,000, including more than £4,000 in business rates, and North East supplier Hillheads was owed more than £37,000.

Mr Pattison has been contacted for comment.

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