

Section 106

Form 4.72

Return of Final Meeting in a
Creditors' Voluntary Winding Up

Pursuant to Section 106 of the
Insolvency Act 1986

To the Registrar of Companies

S.106

Company Number

00543409

Name of Company

Marybone Hotels Holdings Limited

I / We

Lisa Rickelton, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD

Chad Griffin, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD

Note: The copy account must be
authenticated by the written
signature(s) of the Liquidator(s)

1 give notice that a general meeting of the company was duly held on/summoned for 20 January 2017 pursuant to section 106 of the Insolvency Act 1986, for the purpose of having an account (of which a copy is attached) laid before it showing how the winding up of the company has been conducted, and the property of the company has been disposed of, and that the same was done accordingly / no quorum was present at the meeting.

2 give notice that a meeting of the creditors of the company was duly held on/summoned for 20 January 2017 pursuant to Section 106 of the Insolvency Act 1986, for the purpose of having the said account laid before it showing how the winding up the company has been conducted and the property of the company has been disposed of and that the same was done accordingly/no quorum was present at the meeting

The meeting was held at 200 Aldersgate St, London, EC1A 4HD

The winding up covers the period from 2 February 2016 (opening of winding up) to the final meeting (close of winding up)

The outcome of any meeting (including any resolutions passed) was as follows

Signed

Lisa Rickelton

Date 20 January 2017

FTI Consulting LLP
200 Aldersgate
Aldersgate Street
London
EC1A 4HD

Ref QMH02/LR/CG/pn/WJM

SATURDAY



QIQ

Q5Z2CVQX

28/01/2017

COMPANIES HOUSE

#24


**Marybone Hotels Holdings Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
From 2 February 2016 To 20 January 2017**

S of A £	£	£
		<u>NIL</u>

REPRESENTED BY

NIL

Note



Lisa Rickelton
Joint Liquidator

20 JANUARY 2017



JOINT LIQUIDATORS' FINAL REPORT

MARYBONE HOTELS HOLDINGS LIMITED (COMPANY NUMBER: 00543409
("MARYBONE" OR "THE COMPANY")
2 FEBRUARY 2016 TO 20 JANUARY 2017



A19

28/01/2017
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#143

CRITICAL THINKING
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1. Introduction

- 1.1 Lisa Rickelton and Chad Griffin were appointed as Joint Liquidators of the Company on 2 February 2016. Full details of the statutory formalities in relation to this appointment are set out in Appendix A.
- 1.2 As insolvency practitioners we are bound by the Insolvency Code of Ethics. Prior to our appointment we considered potential ethical threats in undertaking the liquidation in accordance with the Code, and we did not consider that there were any matters preventing us taking this appointment.
- 1.3 Pursuant to Rules 4.49C, Rule 4.49D and 4.126 of the Insolvency Rules 1986 (as amended) ("the Rules") this report sets out the activities undertaken by the Liquidators during the period 2 February 2016 to 20 January 2016. Pursuant to Rule 4.49D of the Rules, this report represents final report into the liquidation.

Creditors' right to challenge remuneration and/or expenses

- 1.4 Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 4.131 of the Rules), challenging the amount or the basis of the remuneration which the Liquidators are entitled to charge or otherwise challenging some or all of the expenses incurred. Such applications must be made within eight weeks of receipt by the applicant(s) of the report detailing the remuneration and/or expenses being complained of, in accordance with Rule 4.131(1B) of the Rules.

Creditors' right to request information

- 1.5 Any secured creditor or unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with leave of the Court, may, in writing, request the Administrators to provide additional information regarding remuneration or expenses to that already supplied with this document. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 4.49E(2)(b) of the Rules.

Meetings of creditors and members

- 1.6 In accordance with Section 106 of the Insolvency Act 1986 (as amended) ("the Act") and pursuant to rule 4.126 of the Rules final meetings of the members and creditors of the Company were convened for 20 January 2016.
- 1.7 No quorum was present at either meeting. We therefore consider that our release will be granted on the filing of this report.
- 1.8 On the filing of this final report we intend to seek the dissolution of the Company.
- 1.9 A creditors' guide to liquidators fees can be found at the following address:
http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2015/guide_to_liquidators_fees_oct_2015.ashx?la=en
- 1.10 A guide to insolvency in general can be found at the following address:
<http://www.creditorinsolvencyguide.co.uk/>
- 1.11 Creditors requiring hard copies of any of this guidance, or those creditors with any other queries should contact William Marsden at william.marsden@fticonsulting.com or by telephone on 020 3727 1342.

2. Background

- 2.1 The Company was part of a wider group of companies that owned hotels ("the Group"). A simplified group structure chart is shown in Appendix B. The Company's balance sheet had remained broadly unchanged for a number of years by the time of our appointment as shown below.

Marybone Hotels Holdings Limited				
£'000	2014	2013	2012	2011
Assets				
Group Debtors	42,911	42,912	42,912	42,912
	42,911	42,912	42,912	42,912
Liabilities				
Creditors due 1+ years	(44,723)	(47,945)	(46,470)	(48,138)
	(44,723)	(47,945)	(46,470)	(48,138)
Shareholders' deficit	(1,812)	(5,033)	(3,558)	(5,226)

- 2.2 The Company provided finance to other Group companies. Movements in the creditor balance for Marybone were as a result of currency fluctuations which altered the value of Marybone's preference shares (shown as long term debt on its balance sheet, but which were actually an equity instrument, so not payable on liquidation)
- 2.3 The sole asset of the Company was an inter-company receivable due from its parent QMH Limited
- 2.4 The Company is a guarantor to Mezzanine debt owed by its parent QMH Limited, and consequently is insolvent on the basis that these contingent liabilities could be called at any time
- 2.5 In the event that these contingent liabilities were called, the Mezzanine lenders had the right to subordinate any inter-company balances due to below the level of the Mezzanine debt, making the inter-company receivables due from QMH Limited effectively of nil value, as the assets of QMH Limited are considered to be less than the amount of its mezzanine debt
- 2.6 Consequently, the inter-company receivables held by the Company with its parent, QMH Limited was considered to be of no realisable value
- 2.7 As the Company was insolvent the director took steps to seek the winding up of the Company, following receipt of consent from the Mezzanine Lenders, in order to reduce the cost of maintaining the non-trading entity within the wider group. The Company was no longer required by the Group and was insolvent. The Company could not be struck off due to the size of its share capital balances

Inter-company claims

- 3.1 The Company had inter-company receivables of £42,911,585 at the date of liquidation. However, as detailed in the statement of affairs for the Company, these receivables were expected to be of no value, as the claims were against the Company's parent as set out above
- 3.2 As noted above, the Company was guarantor to debts owed by its parent QMH Limited to the Mezzanine Lenders. As part of the Mezzanine Lenders' security over the assets of the Company, they could require the liquidators to collect the inter-company loans due from QMH Limited, in order to turn over these proceeds to the Mezzanine Lenders. On 27 June 2016, the Mezzanine Lenders confirmed to the Liquidators that they were not required to seek to collect these debts as to do so would likely trigger the insolvency of the Parent
- 3.3 As these loans had no value to the insolvency estate due to the operation of subordination provisions under the Mezzanine Lenders' security (as set out above) on 11 October 2011, a deed of release was signed between the Company and QMH Limited, whereby the receivables were waived by the liquidators

Receipts and payments during period

- 3.4 As the Company had no other assets of value at the date of appointment, there have been no realisations or payments as shown below

Marybone Hotels Holdings Limited (in Liquidation)
Liquidators' Account of Receipts and Payments

Statement of Affairs		2 February 2016 to 20 January 2017	Total
£		£	£
Receipts			
42,911,585	Inter-company receivables	0	0
42,911,585	Total	0	0
Payments			
	No payments	0	0
	Total	0	0

4. Estimated outcomes

Secured creditors

- 4 1 At the date of appointment the Mezzanine Lenders were owed £120 7m, by QMH Limited and the Company was a guarantor to these loans
- 4 2 The Mezzanine Lenders have not received any distributions from the liquidation estate. As discussed above, the Mezzanine Lenders waived the requirement for the liquidator to collect the inter-company receivables due from QMH Limited, the main debtor under the Mezzanine lending

Preferential creditors

- 4 3 The Company has no known preferential creditors

Unsecured creditors

- 4 4 Unsecured creditors rank behind both secured and preferential creditors
- 4 5 Under Section 176A of the Act where after 15 September 2003 the Company has granted a creditor a floating charge, a proportion of the net property of the company achieved from floating charge asset realisations must be made available for the unsecured creditors ("the Prescribed Part")
- 4 6 There are insufficient funds to repay both the secured creditors in full, and therefore returns to unsecured creditors, if any, would come from the Prescribed Part only
- 4 7 The Prescribed Part applies where there are net floating charge realisations (i.e. after costs of realisation) available to unsecured creditors and is calculated as follows
 - 50% of net property up to £10k
 - Plus 20% of net property in excess of £10k
 - Subject to a maximum of £600k
- 4 8 Pursuant to Rule 11.7 of the Insolvency Rules 1986 (as amended) ("the Rules") there have been no realisations and therefore there will be no Prescribed Part payment to unsecured creditors or further dividend
- 4 9 In any case, the Company has not received any unsecured claims

5. Final meeting and next report

- 5 1 Final meetings of the members and creditors were convened for 20 January 2017. No quorum was present at either meeting. We therefore consider that our release will be granted on the filing of this report
- 5 2 On the filing of this final report we intend to seek the dissolution of the Company three months from the date of filing.

Joint Liquidators' Final Report

Should you have any queries in the meantime please do not hesitate to contact us at william.marsden@fticonsulting.com or by telephone on 020 3727 1342

For and on behalf of the Company



Lisa Rickelton
Joint Liquidator

Lisa Rickelton and Chad Griffin are licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales, under Section 390(2)(a) of the Insolvency Act 1986

Appendix A – Statutory information

Company Information

Marybone Hotels Holdings Limited	
Trading names	N/A
Registered number	00543409
Registered office	C/O FTI Consulting LLP, 200 Aldersgate St, London, EC1A 4HD
Appointment date	2 February 2016
Appointer	QMH Limited (as shareholder)
Appointers address	C/O FTI Consulting LLP, 200 Aldersgate St, London, EC1A 4HD
Director(s)	Martin Quinn
Company secretary	Sally Coughlan
Directors' shareholdings	N/A

Liquidators' Information

	Liquidator 1	Liquidator 2
Name	Lisa Rickelton	Chad Griffin
Address	200 Aldersgate St, London, EC1A 4HD	200 Aldersgate St, London, EC1A 4HD
Authorising body	ICAEW	ICAEW

In accordance with Section 84 of the Insolvency Act 1986 (as amended) ("the Act") on 2 February 2016 the members of the Company passed a resolutions to wind up the Company and to appoint Lisa Rickelton and Chad Griffin of FTI Consulting LLP ("FTI") as Joint Liquidators of the Company

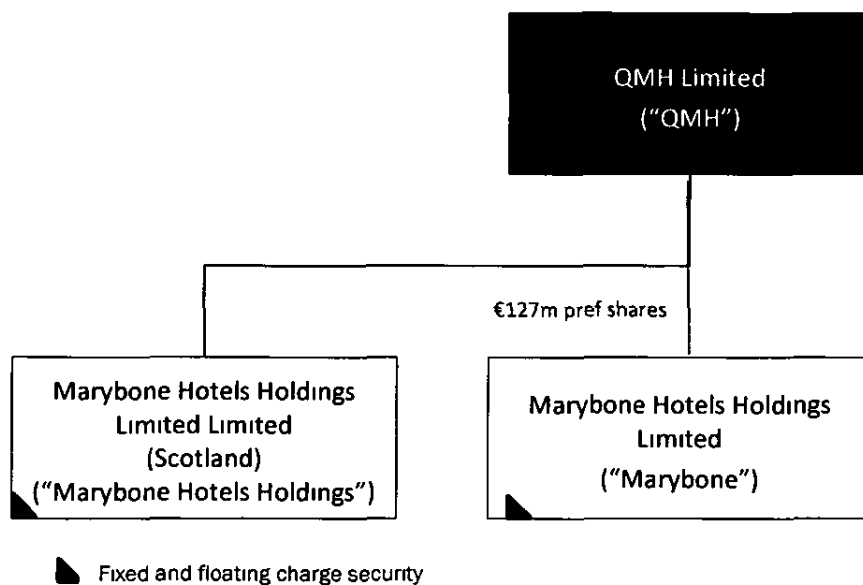
Following meetings of the creditors of the Company convened in accordance with s98 of the Act for 15 February 2016, the appointment of the liquidators was confirmed and the liquidations were deemed to have commenced on 2 February 2016

Pursuant to s231 of the Act, any function of the Liquidators by be exercised by any or all of the Liquidators named above

The centre of main interest of each of the Companies is the United Kingdom. Therefore, the EC Regulations on Insolvency Proceedings 2000 apply to the Liquidations. The proceedings are main proceedings as defined by Article 3 of those regulations

The Company is subject to a debenture dated 23 February 2005 in favour of Goldman Sachs Credit Partners, L.P. as Security Trustee on behalf of the Mezzanine Lenders, which grants fixed and floating charge security over the assets of the Company

Appendix B – Group structure chart



Appendix C – Liquidators' remuneration

Liquidators' fee basis

Pursuant to r4 127 of the Rules the remuneration of the Liquidators can be fixed on the basis of one of the following

- a as a percentage of the value of property with which he has to deal,
- b by reference to time properly given by the Liquidator and his staff attending to matters arising in the Liquidation, or
- c a set amount

The basis of the Liquidators' fees was determined by a meeting of members of the Companies to be fixed in accordance with option c above. As there was no quorum at the creditors' meeting the resolutions of the members were taken to have fixed the remuneration of the liquidators.

The proposed quantum of the liquidators' fees was also approved by both the director of the Companies and the Secured Lenders.

Fee approval

The company secretary of the QMH Limited (the Company's Parent) requested that we assist the planning for and act as liquidators of the Company in the creditors voluntary liquidation of the Company.

Following discussion with the company secretary, it became clear that the Parent wished to have a fixed price estimate to liquidate the Company and wished to be able to recover VAT on the costs of any liquidation. It was therefore considered that this work would be carried out under a separate letter of engagement with the Parent with the costs of the liquidation being paid by the Parent and not being drawn from the insolvency estates of the Company.

This was not considered to be detrimental to any of the creditors of the Company, since no drawings were to be made from the insolvency estates of the Company, thus increasing the amount of assets available to creditors of the Company (were there to be any). This approach was also supported by the Mezzanine Lender, who was by far the largest creditor of the Company.

Consequently it was considered that there was no requirement to pass resolutions approving the basis of the liquidators' fees in the liquidation of the Company, since these would be paid by the Parent in accordance with the separate contractual terms between the liquidators and the Parent.

The fees of £10,000 plus VAT and out-of-pocket expenses for the liquidation were paid by QMH Limited under a separate letter of engagement between FTI Consulting LLP and QMH Limited, dated 26 May 2015.

Further disclosure

As a result of the fee arrangements above, and the fact that there have been no fee drawings from the liquidation estate, we have not undertaken any further disclosure in respect of fees pursuant to SIP9. Should creditors require any additional information in respect of our fees in this matter, they should contact us at william.marsden@fticonsulting.com or by telephone on 020 3727 1342.

Appendix D – Additional Information in relation to Liquidators' fees

Detailed below is FTI's policy in relation to

- staff allocation and the use of sub contractors,
- professional advisors, and
- disbursements

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Senior Managing Director, Managing Director, Director, Senior Consultant and Consultant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several Senior Consultants/Consultants may be allocated to meet the demands of the case

With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged Only if there is a large block of time incurred by a member of the secretarial team, eg, report compilation and distribution, do we seek to charge and recover our time in this regard

Professional advisors

On this assignment we have not used any professional advisors

Disbursements

Category 1 disbursements do not require approval by creditors The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case

Category 2 disbursements do require approval from creditors These disbursements can include costs incurred which relate to payments due to associated companies for the provision of services to the office holder

Category 2 disbursements are sometimes incurred for the classes of activity shown below We have indicated alongside the basis of calculation of these costs

Type of expense	Basis of incurring cost
Postage and fulfilment by Williams Lea	Costs incurred based on numbers of letters printed
Mileage	40 pence per mile
IT equipment ordered internally	Cost price
Subsistence for meetings	Charge based on number of attendees per meeting
Data Management (14 Units)	£30 per unit per month

No Category 2 expenses have been incurred in this matter

Charge-out rates

A schedule of FTI's charge-out rates for this assignment is as follows. Please note our minimum time units are 6 minutes.

Grade	2016 £ (Per hour)	2017 £ (Per hour)
Senior Managing Director	795	830
Managing Director	695	715
Senior Director	645	660
Director	595	595
Senior Consultant	505	525
Consultant	440	450
Analyst (experienced)	285	295
Analyst (junior)	210	215



020 3727 1342
william.marsden@fticonsulting.com

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About FTI Consulting

FTI Consulting LLP is a global business advisory firm dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring.

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