

Liquidator's Annual Progress Report to Creditors

**MARYLEBONE WARWICK BALFOUR MANAGEMENT LIMITED
- IN LIQUIDATION**

27 June 2014

CONTENTS

- 1 Introduction and Statutory Information
- 2 Realisation of Assets
- 3 Investigations
- 4 Creditors
- 5 Liquidator's Remuneration
- 6 Liquidator's Expenses
- 7 Creditors' Rights
- 8 Next Report

APPENDICES

- A Receipts and Payments Account from 14 May 2013 to 13 May 2014
- B Time Analysis for the period from 14 May 2013 to 13 May 2014
- C Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9

1 Introduction and Statutory Information

1.1 I, Lane Bednash of CMB Partners UK Limited, was appointed as Liquidator of Marylebone Warwick Balfour Management Limited ("the Company") on 14 May 2013. This report provides an update on the progress in the liquidation for the year ended 13 May 2014.

1.2 The trading address of the Company was 179 Great Portland Street, London, W1W 5LS. The business operated as a management company for MWB Group Plc, which is a publicly listed hotel group and real estate company.

1.3 The registered office of the Company has been changed to CMB Partners UK Limited, 37 Sun Street, London, EC2M 2PL and its registered number is 02944316.

2 Realisation of Assets

2.1 Attached at Appendix A is my Receipts and Payments Account for the period from 14 May 2013 to 13 May 2014.

Contribution to Fees

2.2 As disclosed on my Receipts and Payments Account the amount of £7,200 was received as payment for my pre-appointment fees.

3 Investigations

3.1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills. As this is a confidential report, I am not able to disclose the contents.

3.2 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire. My investigations have revealed a number of issues which require further investigation. I am currently liaising with HM Revenue & Customs and my solicitors and I will advise creditors in my next report what, if any, action may be taken.

4 Creditors

4.1 I can confirm that there are no secured or preferential creditors

Unsecured Creditors

4.2 I have received claims totalling £28,060,336.84 from four creditors, although the statement of affairs disclosed total liabilities of £100,446. The reason for the enhanced liability is due to an unexpected large claim from HM Revenue & Customs.

4.3 I would confirm that no dividend to any class of creditor will be made in this case.

5 Liquidator's Remuneration

5.1 The creditors approved that the basis of the Liquidator's remuneration be fixed by reference to the time properly spent by them and their staff in managing the Liquidation.

5.2 My time costs for the period from 14 May 2013 to 13 May 2014 are £10,795. This represents 44 hours at an average rate of £245 per hour. Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation. To date, no time costs have been drawn on account. Below is a breakdown of the work carried out in relation to the costs incurred:

Job planning and review of file

Letters to creditors following the initial meeting of creditors

General administrative tasks

Letters to directors regarding bank analysis

Investigation work into the Director's conduct, including *inter alia*, a review of company records and bank statements

Report prepared and submitted regarding director's conduct

Review of asset position

Preparation of the annual report

5.3 Creditors previously ratified the payment of the fees and disbursements of CMB Partners UK Limited in relation to the preparation of the Director's Report and Estimated Statement of Affairs and convening of the first meeting of members and creditors. I would confirm that the amount of £7,200 has been paid in full in respect of these fees.

5.4 Attached as Appendix C is additional information in relation to this firm's policy on staffing, disbursements and details of our current charge-out rates by staff grade.

5.5 Since the date of appointment I can confirm that no Category 2 disbursements have been taken.

6 Liquidator's Expenses

The following expenses have been incurred since my appointment as Liquidator

Supplier / Service Provider	Nature of expense incurred	Amount incurred to date £	Paid to date £	Amount Outstanding £
Courts Advertising	Statutory Advertising (Pre & Post Appointment)	304 56	Nil	304 56
Marsh Limited	Insurance Premiums	30 00	Nil	30 00

7 Creditors' rights

7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report

7.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive

8 Next Report

8.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors

Yours faithfully

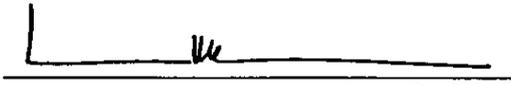


LANE BEDNASH
LIQUIDATOR

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MARYLEBONE WARWICK BALFOUR MANAGEMENT LIMITED
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs	From 14/05/2013 To 13/05/2014	From 14/05/2013 To 13/05/2014
ASSET REALISATIONS		
Contribution to Fees	7,200 00	7,200 00
	<u>7,200 00</u>	<u>7,200 00</u>
COST OF REALISATIONS		
Preparation of S of A	6,000 00	6,000 00
	<u>(6,000 00)</u>	<u>(6,000 00)</u>
UNSECURED CREDITORS		
(6,621 00) Trade and Expense Creditors	NIL	NIL
(84,156 00) Director's Loan Accounts	NIL	NIL
(9,689 00) HM Revenue & Customs - VAT	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS		
(2 00) Ordinary Shareholders	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
(100,468.00)	1,200 00	1,200.00
REPRESENTED BY		
Vat Receivable		1,200 00
		<u>1,200 00</u>


 Lane Bednash
 Liquidator

Name: **Marvlebone Warwick Balfour Management Limited**

Period: **14 May 2013 to 13 May 2014**

Time & Chargeout Summary

Classification	Partner Hours	Manager Hours	Other Senior Professionals Hours	Assistants & Support Staff Hours	Total Hours	Time Costs £	Average Hourly Rate £/hr
Administrators/Planning							
Statutory Reports & Returns	0.50	0.00	5.10	0.00	5.60	822.50	146.88
Cashiering	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Job Planning & review	0.00	5.60	4.00	0.00	9.60	1800.00	187.50
Taxation	1.40	0.00	0.00	0.00	1.40	525.00	375.00
Company Records	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Agents/Advisors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Partner/Manager Review	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	2.00	8.70	0.00	10.70	2042.50	190.89
Sub-total	1.90	7.60	17.80	0.00	27.30	5,190.00	190.11
Investigators							
Directors Correspondence	0.00	0.40	0.00	0.00	0.40	120.00	300.00
Books and Records Review	0.00	0.30	0.00	0.00	0.30	90.00	300.00
Legal Claims	12.50	0.00	0.00	0.00	12.50	4,687.50	375.00
CDDA 1986 Obligations	0.00	0.30	0.30	0.00	0.60	45.00	150.00
Asset Tracing/Searches	0.20	0.00	0.00	0.00	0.20	75.00	375.00
Other	0.10	0.00	0.50	0.00	0.60	87.50	145.83
Sub-total	12.80	0.70	0.80	0.00	14.30	5,105.00	356.99
Realisation of Assets							
Debit Collection	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of Business	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash at Bank	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Motor Vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Partner/Manager Review	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.50	0.00	0.00	0.50	150.00	300.00
Sub-total	0.00	0.50	0.00	0.00	0.50	150.00	300.00
Creditors							
Pension Schemes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Secured Creditors	0.00	0.00	0.80	0.00	0.80	80.00	100.00
Preferential Creditors/Employees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unsecured Creditors	0.00	0.80	0.30	0.00	1.10	270.00	245.45
Shareholders	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors Committee	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total	0.00	0.80	1.10	0.00	1.90	350.00	184.21
Trading							
On Site	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Employees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Director meetings	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Invoicing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchasing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total hours	14.70	9.60	19.70	0.00	44.00	10,795.00	245
Total Time Costs	5,512.50	2,700.00	2,582.50	0.00	10,795.00	10,795.00	245

Appendix C

ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES
PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)

CMB PARTNERS UK LIMITED
CHARGE OUT RATES & POLICY REGARDING THE RECHARGE OF DISBURSEMENT RECOVERY
PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9

1 CHARGE-OUT RATES

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. Details of charge-out rates effective from 1 December 2012 are as follows:

Staff	(per hour)
Partner	£350 - £400
Manager	£225 - £350
Administrator	£175 - £225
Cashier	£75 - 100

Time is charged to the cases in units of 6 minutes.

2 DISBURSEMENT RECOVERY

In accordance with Statement of Insolvency Practice 9 (SIP9) disbursements are categorised as either Category 1 or Category 2.

2.1 Category 1 Disbursements

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Where these have initially been paid by CMB Partners UK Limited and then recharged to the case, approval from creditors is not required. The amount recharged is the exact amount incurred. Category 1 disbursements can be drawn without prior approval, although an office holder should be prepared to disclose information about them in the same way as any other expenses.

Examples of Category 1 disbursements include postage, case advertising, specific bond insurance, company search fees, case management software system, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

2.2 Category 2 Disbursements

Category 2 disbursements include elements of shared or allocated costs incurred by CMB Partners UK Limited and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. Category 2 disbursements may be drawn if they have been approved in the same manner as an office holder's remuneration. When seeking approval, an office holder should explain, for each category of expenses, the basis on which the charge is being made. Examples of Category 2 disbursements are photocopying, all business mileage, internal room hire and internal storage.

The current levels of Category 2 disbursements recovered by CMB Partners UK Limited are as follows -

Disbursement	Charge
Postage - 1 st Class (circulars only, per copy & depending on size)	50p - £1.00
Postage - 2 nd Class (circulars only, per copy & depending on size)	40p - 75p
Photocopying (circulars only, per page)	15p
Faxes (incoming & outgoing, per page)	25p
Room Hire (per hour, minimum charge £25.00)	£25.00
Mileage (Insolvency Practitioner and business staff mileage re-imbursed at HMRC approved rates)	45p/mile
Storage (per box per year)	£50.00
Companies House Searches (per document)	£2.00

All costs are subject to VAT, where applicable. The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally.