

The Insolvency Act 1986

2.24B**Administrator's progress report**

Name of Company Goodnight Inns Limited	Company number 03451999
In the Cardiff District Registry [full name of court]	Court case number 204 of 2009

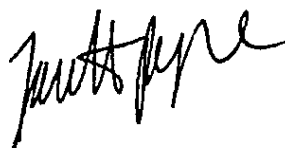
We
Jonathan Scott Pope
KPMG LLP
Arlington Business Park
Theale
Reading
RG7 4SD
United Kingdom

Richard John Hill
KPMG LLP
Arlington Business Park
Theale
Reading
RG7 4SD
United Kingdom

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

from	to
18 March 2009	17 September 2009

Signed



Joint Administrator

Dated

13 October 2009

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

Deirdre Cox
KPMG LLP
Arlington Business Park
Theale
Reading
RG7 4SD
DX Number DX 146800 (Theale) 2

Tel
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



ANWUUE3M

A16

14/10/2009

144

COMPANIES HOUSE



*Goodnight Inns Limited
– in Administration
Progress Report
KPMG LLP*

**Goodnight Inns Limited
– in Administration**

Progress Report

Pursuant to Rule 2.47 of the Insolvency Rules 1986

KPMG LLP
13 October 2009

sks/dmc/g931995337



Notice: About this Report

This Report has been prepared by Jonathan Scott Pope and Richard John Hill, the Joint Administrators of Goodnight Inns Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context. This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Goodnight Inns Limited.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors. Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Jonathan Scott Pope is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association. Richard John Hill is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales. The Joint Administrators act as agents for Goodnight Inns Limited and contract without personal liability.

The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.

Contents

1	Glossary	1
2	Introduction	1
2.1	Administrators' proposals	2
2.2	Purpose of administration	2
3	Progress of the Administration	2
3.1	Knap Hotel	2
3.2	Lamb and Flag	2
3.3	Other realisations	3
3.4	Chattel assets	3
3.5	Investigations	3
4	Costs of realisation	3
4.1	Administrators' fees	3
4.2	Other costs	4
5	Other matters	4
5.1	Statement of Affairs	4
5.2	Director's report	4
6	Estimated outcome to creditors	4
6.1	Secured Creditor	4
6.2	Preferential creditors, unsecured creditors and the Prescribed Part	4
7	Future strategy	5
7.1	Ongoing matters	5
7.2	Exit from administration	5
7.3	Future reporting	5
8	Appendices (see attached)	6
8.1	Appendix 1: Statutory information	6
8.2	Appendix 3: Administrators' receipts & payments accounts	6
8.3	Appendix 3: Administrators' time costs	6

1 Glossary

Administrators	Jonathan Scott Pope and Richard John Hill of KPMG LLP
Administration Order	The Administration Order granted in the Cardiff District Registry Court case number 204 of 2009
The Company	Goodnight Inns Limited (Company Registered Number 03451999)
Registered Office	c/o KPMG LLP, Arlington Business Park, Theale, Reading RG7 4SD
The Secured Creditor	HSBC Bank plc (“the Bank”)
The Director	Timothy James Warwick
Company Secretaries	Nicola Davies and Doreen Jean Oliver
The Act	The Insolvency Act 1986
The Rules	The Insolvency Rules 1986

The references in this report to sections, paragraphs or rules are to the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 respectively.

2 Introduction

As previously advised, Jonathan Scott Pope and Richard John Hill of KPMG LLP were appointed Administrators of Goodnight Inns Limited on 18 March 2009 following an application by the Bank.

This report has been prepared for the purposes of Rule 2.47 of the Insolvency Rules 1986 and covers the period from 18 March 2009 to 17 September 2009.

Statutory information required by Rule 2.47 of the Insolvency Rules 1986 is attached as Appendix 1.

A receipts and payments account showing the position as at 17 September 2009 is also attached at Appendix 2.

In accordance with Paragraph 100(2) of Schedule B1 Insolvency Act 1986 the functions of the Administrators are being exercised by either or both of the Administrators.

EC regulations will apply and these proceedings will be the main proceedings as defined in Article 3 of the EC Regulations. The centre of main interest of the Company is in England within the EC.

2.1 Administrators' proposals

The Administrators' proposals were circulated to all known members and creditors on 11 May 2009. However, in accordance with Paragraph 52(1)(b) of Schedule B1 of the Act, a meeting of creditors was not convened as it was not anticipated that there would be any distribution to unsecured creditors other than potentially by virtue of the Prescribed Part.

As mentioned in the proposals, creditors were entitled to requisition a meeting provided that they had the support of at least 10% in value of the overall creditors and their request was made within 12 days of the date of the report. There were no requests from creditors for a meeting to be convened and therefore the Administrators' proposals are deemed to have been approved without modification.

2.2 Purpose of administration

An Administrator of a company must perform his functions with one of the following main objectives:

- a) rescuing the company as a going concern, or
- b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up, or
- c) realising property in order to make a distribution to one or more secured or preferential creditors.

Rescuing the Company was not achievable in this case and therefore the primary purpose of the administration has been to realise assets in order to make a distribution to the Secured Creditor.

3 Progress of the Administration

3.1 Knap Hotel

As previously reported, the Company owned the freehold of the Knap Hotel. The Administrators appointed Christie & Co to market the Knap Hotel, which did not trade during the administration period. On 15 August 2009 the Administrators sold the Hotel for £390,000.

3.2 Lamb and Flag

As previously reported, the Company owns the freehold of the Lamb and Flag pub. The Administrators appointed Christie & Co to market the Lamb and Flag, which continues to trade. Christie & Co continue to market this property. Interested parties should contact

Christie & Co at Embassy House, Queens Avenue, Clifton, Bristol BS8 1SB, by telephone on 0117 946 8500 or by e-mail to Bristol@christie.com.

A trading account relating to the Lamb and Flag during the administration period is included in Appendix 2.

3.3 Other realisations.

To date book debts totalling £2,700 have been collected. No further sums are due. In addition, £1,000 was received from Malacara Ltd for the use of the hotel for filming.

3.4 Chattel assets

According to the Director's statement of affairs, the Company's plant & machinery is estimated to realise £15,000. The Administrators have not to date taken steps to obtain a separate valuation of any chattel assets. These assets will be included in any sale of the Lamb and Flag as a going concern.

3.5 Investigations

The Administrators' investigations have been completed. The Administrators do not believe that any causes of action exist against third parties to provide recoveries for unsecured creditors.

4 Costs of realisation

4.1 Administrators' fees

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Insolvency Rules 1986. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which can be obtained upon request to the Administrators or by logging onto the R3 website at [http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007\(1\).pdf](http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007(1).pdf). However, if you are unable to access this guide and would like a copy please contact Deirdre Cox on 0118 373 1313.

In accordance with R2.106(5A) of the Rules, since the Company has insufficient property to enable a distribution to be made to unsecured creditors, other than potentially by virtue of section 176A(2)(a) of the Act (the Prescribed Part), and as there are no preferential creditors, then it is for the Secured Creditor to agree the remuneration of the Administrators.

The analysis attached as Appendix 3 shows that the Joint Administrators' time costs from 18 March 2009 to 17 September 2009 are £150,224, representing 584 hours at an average hourly rate of £257.34.

No remuneration has been drawn to date.

4.2 Other costs

Costs incurred in respect of bank charges, legal fees and other property expenses are listed in the attached receipts and payments account.

5 Other matters

5.1 Statement of Affairs

The Director's statement of affairs was submitted to the Registrar of Companies on 14 May 2009.

5.2 Director's report

As required by the Company Directors Disqualification Act 1986, the Administrators have submitted a report on the conduct of the Director. This report has been lodged with the Insolvency Service. Its contents are confidential.

6 Estimated outcome for creditors

6.1 Secured Creditor

As previously reported, the Company granted a debenture dated 29 March 2007 containing fixed and floating charges over all of the Company's assets to the Bank. The Company's total borrowing is approximately £600,000 excluding interest and charges.

The outcome for the Bank will be dependent on the level of realisations and associated costs, but it is expected the Bank will suffer a shortfall.

6.2 Preferential creditors, unsecured creditors and the Prescribed Part

The Administrators anticipate that there will be no preferential claims in the administration. As previously reported, due to the shortfall to the fixed charge creditor and the limited floating charge assets, there is no prospect of funds being available for a distribution to unsecured creditors, under the Prescribed Part or otherwise.

7 Future strategy

7.1 Ongoing matters

The following matters remain outstanding in the administration:

- The sale of the Lamb and Flag
- Payment of any outstanding administration expenses
- The completion of final corporation tax returns and settlement of any liability

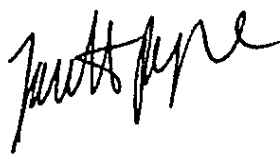
7.2 Exit from administration

Under the terms of the Administrators' proposals, once all outstanding issues have been resolved the Company will move to dissolution in accordance with Paragraph 84(1) of the Act.

The Administrators will also need to seek their discharge from liability under Paragraph 98 of the Act from the Secured Creditor.

7.3 Future reporting

In accordance with Rule 2.47 of the Insolvency Rules 1986 the Administrators will provide a further progress report within one month of 18 March 2010 should the Administration not have been completed prior to that time.



Jonathan Scott Pope
Joint Administrator



*Goodnight Inns Limited
– in Administration
Pursuant to Rule 2.47 of the Insolvency Rules 1986
KPMG LLP
13 October 2009*

8 Appendices (see attached)

8.1 Appendix 1: Statutory information

8.2 Appendix 2: Administrators' receipts & payments account

The Administrators' receipts and payments accounts for the Company for the period from 18 March to 17 September 2009 are attached. The figures on the accounts are shown net of VAT.

8.3 Appendix 3: Administrators' time costs

Appendix 1

Statutory information

Company name & Trading style	Goodnight Inns Limited		
Administration Order	The Administration Order was granted in the Cardiff District Registry. Court case number 204 of 2009		
Date of appointment	18 March 2009		
Administrators details	Jonathan Scott Pope is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association Richard John Hill is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales		
Functions	The functions of the Administrators are being exercised by either or both of them in accordance with Paragraph 100(2) of Schedule B1 of the Act.		
Application of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations.		
Company Directors	Timothy James Warwick	From: 20 January 1998	To: To date
Company Secretaries	Nicola Davies and Doreen Jean Oliver		
Date of incorporation	21 October 1997		
Company registration number	03451999		
Previous registered office	1-4 The Parade, Barry, Vale of Glamorgan CF62 6SD		
Present registered office	c/o KPMG LLP, Arlington Business Park, Theale, Reading RG7 4SD		
Employees	13		



*Goodnight Inns Limited
– in Administration
Pursuant to Rule 2.47 of the Insolvency Rules 1986
KPMG LLP
13 October 2009*

Appendix 2

Administrators' receipts and payments accounts

* Delete as
appropriate

RECEIPTS		£
Brought forward from previous Abstract (if Any)		0.00
Cash difference		4.88
Freehold property		390,000.00
Book debts		2,700.00
Sundry Income		1,000.00
Cash at bank		636.85
Trade debtors		84,696.74
Floating ch. VAT rec'able		1,430.09
Carried forward to * continuation sheet / next abstract		480,468.56
PAYMENTS		£
Brought forward from previous Abstract (if Any)		0.00
Direct labour		31,257.08
Bank charges & interest		92.66
Agents'/Valuers' fees		10,605.74
Other costs		614.02
Non-recoverable VAT		2,063.75
Legal fees		100.00
Heat & light		2,738.50
Bank charges		151.26
Trade creditors		41,414.06
Floating ch. VAT payable		4,063.33
Floating ch. VAT control		3,239.89
Cash held in safe		730.58
Carried forward to * continuation sheet / next abstract		97,070.87

* Delete as
appropriate

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the administrator since he was appointed.

Goodnight Inns Limited
(In Administration)
Administrators' Trading Account

Statement of Affairs	From 18/03/2009 To 17/09/2009	From 18/03/2009 To 17/09/2009
POST-APPOINTMENT SALES		
Sales	76,624.49	76,624.49
	<u>76,624.49</u>	<u>76,624.49</u>
PURCHASES		
Purchases Food & Drink	34,241.69	34,241.69
Purchases Cleaning	69.68	69.68
	<u>(34,311.37)</u>	<u>(34,311.37)</u>
OTHER DIRECT COSTS		
Direct labour	31,257.08	31,257.08
	<u>(31,257.08)</u>	<u>(31,257.08)</u>
TRADING EXPENSES		
Water rates	359.30	359.30
Heat & light	928.96	928.96
Telephone/Telex/Fax	56.61	56.61
Council tax	5,972.71	5,972.71
Professional fees	345.00	345.00
Bank charges & interest	92.66	92.66
Repairs and maintenance	515.00	515.00
	<u>(8,270.24)</u>	<u>(8,270.24)</u>
TRADING SURPLUS/(DEFICIT)	<u><u>2,785.80</u></u>	<u><u>2,785.80</u></u>

Goodnight Inns Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 18/03/2009 To 17/09/2009	From 18/03/2009 To 17/09/2009
890,000.00	FIXED CHARGE ASSETS		
	Freehold property	<u>390,000.00</u>	<u>390,000.00</u>
		390,000.00	390,000.00
	FIXED CHARGE COSTS		
	Agents'/Valuers' fees	10,605.74	10,605.74
	Other costs	3,352.52	3,352.52
	Non-recoverable VAT	<u>2,063.75</u>	<u>2,063.75</u>
		(16,022.01)	(16,022.01)
(595,000.00)	FIXED CHARGE CREDITORS		
	Fixed charge creditor	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
15,000.00	ASSET REALISATIONS		
	Plant & machinery	NIL	NIL
	Book debts	2,700.00	2,700.00
	Sundry Income	1,000.00	1,000.00
	Cash at bank	<u>636.85</u>	<u>636.85</u>
		4,336.85	4,336.85
	OTHER REALISATIONS		
	Trading Surplus/(Deficit)	<u>2,785.80</u>	<u>2,785.80</u>
		2,785.80	2,785.80
	COST OF REALISATIONS		
	Legal fees	100.00	100.00
	Other property expenses	345.00	345.00
	Bank charges	<u>151.26</u>	<u>151.26</u>
		(596.26)	(596.26)
(5,000.00)	PREFERENTIAL CREDITORS		
	Employees' wage arrears & holiday pay	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
(480,000.00)	UNSECURED CREDITORS		
	Trade & expense	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
(178,750.00)	DISTRIBUTIONS		
	Ordinary shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(353,750.00)</u>		<u>380,504.38</u>	<u>380,504.38</u>
	REPRESENTED BY		
	Trade debtors		4,147.15
	Floating ch. VAT rec'able		962.99
	Floating charge current		383,397.69
	Trade creditors		(4,934.39)
	Floating ch. VAT payable		(3,069.06)

380,504.38

.....
Jonathan Scott Pope
Administrator

Appendix 3

Administrators' time costs

The current hourly charge-out rates for staff engaged on the Administration are as follows:

	Restructuring to 31 March 2009	Restructuring 1 April 2009 onwards
Director/Partner	£400 - £465	£440 - £515
Management	£290 - £365	£320 - £405
Administrators	£150 - £205	£165 - £225
Support	£95	£105



Goodnight Inns Ltd (in administration)

Time cost analysis 18 March 2009 to 17 September 2009

	Partner / Director	Manager	Administrator / support	Total hours	Time cost	Average hourly rate
Trading						
Asset Realisation						
Health & safety		4.50	1.80	6.30	£1,621.00	£257.30
Cashiering						
Fund management			0.30	0.30	£31.50	£105.00
General (Cashiering)		0.90	23.70	24.60	£3,754.50	£152.62
Reconciliations (& IPS accounting reviews)			4.50	4.50	£706.50	£157.00
Employees						
Correspondence			17.10	17.10	£3,431.50	£200.67
Tax						
Initial reviews - CT and VAT		3.60	12.30	15.90	£3,422.50	£215.25
Post appointment PAYE			4.80	4.80	£1,050.00	£218.75
Post appointment VAT	0.20	5.50	33.30	39.00	£7,960.50	£204.12
Trading						
Cash & profit projections & strategy	14.00	8.50	5.60	28.10	£10,574.50	£376.32
Purchases and trading costs		2.70	33.95	36.65	£7,294.25	£199.02
Sales		0.30	11.95	12.25	£2,291.25	£187.04
Administration & planning						
General						
Books and records			6.80	6.80	£1,170.00	£172.06
Fees and WIP			0.60	0.60	£63.00	£105.00
Statutory and compliance						
Appointment and related formalities	3.00	2.00	11.85	16.85	£3,925.75	£232.98
Bonding and bordereau		0.10	1.00	1.10	£173.00	£157.27
Checklist & reviews		5.00	3.90	8.90	£2,842.50	£319.38
Reports to debenture holders	13.70	7.90	5.30	26.90	£10,213.00	£379.67
Statutory advertising			0.80	0.80	£76.00	£95.00
Strategy documents	3.30	3.00	5.85	12.15	£3,730.75	£307.06
Creditors						
Creditors and claims						
Agreement of preferential claims			1.00	1.00	£225.00	£225.00
General correspondence		0.30	12.45	12.75	£2,388.75	£187.35
Notification of appointment			2.50	2.50	£402.50	£161.00
Secured creditors		0.30		0.30	£121.50	£405.00
Statutory reports	1.00	3.50	11.45	15.95	£4,101.75	£257.15
Investigation						
Directors						
D form drafting and submission		1.30	16.45	17.75	£4,081.25	£229.93
Directors' questionnaire / checklist			1.00	1.00	£95.00	£95.00
Statement of affairs		1.00	3.20	4.20	£995.00	£236.90
Investigations						
Mail redirection			4.45	4.45	£716.25	£160.96
Review of pre-appt transactions			1.50	1.50	£247.50	£165.00
Realisation of assets						
Asset Realisation						
Cash and investments			1.80	1.80	£405.00	£225.00
Debtors			1.30	1.30	£256.50	£197.31
Freehold property	45.50	44.40	151.75	241.65	£68,113.25	£281.87
Leasehold property			6.50	6.50	£1,462.50	£225.00
Open cover insurance		0.20	3.10	3.30	£635.50	£192.58
Other assets			0.20	0.20	£45.00	£225.00
Sale of business	4.00			4.00	£1,600.00	£400.00
Total in period				583.75	£150,224.25	£257.34

Summary of disbursements

Travel	168.10
Subsistence	27.00
Total	195.10

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the above analysis of time spent.

The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.