

The Insolvency Act 1986

2.24B**Administrator's progress report**

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

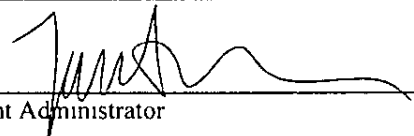
We
Jonathan Scott Pope
KPMG LLP
Arlington Business Park
Theale
Reading
RG7 4SD

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

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

from 18 September 2009	to 17 March 2010
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Signed


 Joint Administrator

Dated

13 April 2010

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.

Magdalena Głanowska
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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

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14/04/2010

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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 April 2010

SKS/MAG/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.

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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 administration order 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

Creditors have previously been informed that Jonathan Scott Pope and Richard John Hill were appointed Joint Administrators of Goodnight Inns Limited on 18 March 2009 following an application by the Bank

This report has been prepared in accordance with Rule 2.47 of the Rules and covers the period from 18 September 2009 to 17 March 2010

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

An abstract receipts and payments account showing the position as at 17 March 2010 is attached also as Appendix 2

2.1 Administrators' proposals

The Administrators' proposals were circulated to all known members and creditors on 11 May 2009, and are deemed to have been approved without modification on 25 May 2009

A six month extension to the administration order was sought from the Bank in order that the Administrators could complete the sale of the Lamb and Flag

The extension was granted on 23 February 2010

2.2 Purpose of the 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 (without first being in administration), or
- c) realising property in order to make a distribution to one or more secured or preferential creditors

As it was not considered feasible to rescue the Company as a going concern the primary purpose of the administration was to achieve a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in administration)

3 Progress of the administration

3.1 Realisation of assets

3.1.1 Knap Hotel

As previously reported, the Company owned the freehold of the Knap Hotel. The Administrators appointed Christie & Co to market the hotel, which was sold on 15 August 2009 for £390,000.

3.1.2 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. The business has continued to trade whilst it has been on the market. The Administrators are currently in negotiations with a proposed purchaser.

3.1.3 Other realisations

Book debts totalling £2,700 have been collected, no further book debts are expected to be realised. In addition, £1,000 was received from Malacara Ltd for the use of the Knap Hotel for filming.

3.1.4 Chattel assets

As previously reported, the Company's plant and machinery held at the Lamb and Flag is estimated to realise £15,000. These assets will be included in the sale of the Lamb and Flag as a going concern.

4 Costs of realisation

4.1.1 Administrators' fees

The statutory provisions relating to remuneration are set out in Rule 2.106 of the Rules, by reference to time properly given by the Administrators and their staff in attending to matters arising in the Administration. A creditors' guide to fees can be found at [http://www.13.org.uk/uploads/sip/SIP9_v5_April_2007\(1\).pdf](http://www.13.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 Magdalena Glanowska on 0118 964 2026.

In accordance with R2.106(5A) of the Rules, where the Administrators have made a statement that they think there will be insufficient property for there to be a return to unsecured creditors, other than potentially by virtue of section 176A(2)(a) of the Act, the Prescribed Part, then it is for the Secured Creditor to agree the remuneration of the Administrators.

Attached as Appendix 3 is a detailed analysis of time spent, and charge out rates, for each grade of staff for the various areas of work carried out for the period to 17 March 2010, as required by the Association of Business Recovery Professionals' Statement of Insolvency Practice No 9 ("SIP 9")

During the period covered by this report, we have incurred time costs of £69,007 representing 288 hours at an average rate of £239. This includes tax, VAT, employee and pensions advice from KPMG LLP in-house specialists. This brings the total time costs incurred for this administration to £219,327.

No remuneration has been drawn to date.

4.1.2 Legal fees

£13,980 was paid to Morgan Cole for work relating to the appointment of the Administrators and the sale of the Knap Hotel.

4.1.3 Agents' fees

£10,606 was paid to Christie & Co in relation to marketing the properties, the valuation and disposal of the Knap Hotel.

4.1.4 Insurance

£6,075 was paid to Willis in relation to insurance of the assets.

4.1.5 Other costs

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

5 Estimated outcome to creditors

5.1 Secured creditors

As previously advised, the Bank holds a debenture created on 29 March 2007 containing fixed and floating charges over the Company's assets. The Company's total indebtedness to the Bank at the date of the administration order was 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. A distribution of £300,000 has been made to the Bank.

5.2 Preferential creditors

The Administrators anticipate that there will be no preferential claims in the administration.

5.3 Unsecured creditors

In accordance with paragraph 176A(9) of Schedule B1 of the Act, the Prescribed Part serves to set aside a proportion of the Company's net assets for the benefit of unsecured creditors. It is calculated as 50% of the first £10,000 and 20% of the remainder, up to a maximum of £600,000.

As previously reported, due to the shortfall to the Bank and limited floating charge assets, there is no prospect of funds being available for a distribution to unsecured creditors by virtue of a Prescribed Part or otherwise.

6 Directors' 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 Department for Business Innovation and Skills. Its contents are confidential.

7 Future strategy

7.1 Ongoing matters

The following issues remain outstanding in the administration:

- The sale of the Lamb and Flag pub,
- Payment of outstanding costs of administration expenses, including administrators' remuneration,
- The completion of final VAT and corporation tax returns and settlement of any liability.

7.2 Extension to the period of administration

To enable the above matters to be concluded, the Administrators were granted a 6 month extension to the administrators' term of office by consent under Paragraph 76(2)(b).

Paragraph 76(2)(b) of Schedule B1 of the Act allows the Administrators to extend the administration for no more than six months with the consent of the secured creditor where the Company has insufficient property to enable a distribution to be made to unsecured creditors.

7.3 Exit from administration

In the event that there are no further distributable assets of the Company remaining and all outstanding issues have been resolved, the Company will move to dissolution in accordance with Paragraph 84(1) of the Act.

In addition, the Administrators will seek their discharge from liability under Paragraph 98 of the Act from the secured creditor

7.4 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 September 2010



Jonathan Scott Pope
Joint Administrator

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 March 2010 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 April 2010*

Appendix 2

Administrators' abstract of receipts and payments from 18 September 2009 to 17 March 2010.

Goodnight Inns Limited
(In Administration)
Administrators' Trading Account

Statement of Affairs	From 18/09/2009 To 17/03/2010	From 18/03/2009 To 17/03/2010
POST-APPOINTMENT SALES		
Sales	77,029 47	153,653 96
	<u>77,029 47</u>	<u>153,653 96</u>
PURCHASES		
Purchases Food & Drink	35,226 93	68,335 22
Purchases Cleaning	NIL	69 68
	<u>(35,226 93)</u>	<u>(68,404 90)</u>
OTHER DIRECT COSTS		
Direct labour	29,799 58	64,478 11
	<u>(29,799 58)</u>	<u>(64,478 11)</u>
TRADING EXPENSES		
Water rates	781 85	1,141 15
Heat & light	7,322 63	8,251 59
Telephone/Telex/Fax	40 86	96 61
Council tax	1,014 81	6,987 52
Professional fees	3,033 96	3,378 96
Bank charges & interest	323 64	416 30
Repairs and maintenance	NIL	515 00
	<u>(12,517 75)</u>	<u>(20,787 13)</u>
TRADING SURPLUS/(DEFICIT)	<u>(514.79)</u>	<u>(16 18)</u>

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

Statement of Affairs	From 18/09/2009 To 17/03/2010	From 18/03/2009 To 17/03/2010
890,000 00		
FIXED CHARGE ASSETS		
Freehold property	NIL	390,000 00
	NIL	390,000 00
FIXED CHARGE COSTS		
Agents'/Valuers' fees	NIL	10,605 74
Other costs	382 75	996 77
Insurance	843 26	843 26
Non-recoverable VAT	19 14	2,082 89
	(1,245 15)	(14,528 66)
(595,000 00)		
FIXED CHARGE CREDITORS		
Fixed charge creditor	300,000 00	300,000 00
	(300,000 00)	(300,000 00)
ASSET REALISATIONS		
Book debts	NIL	2,700 00
Sundry Income	NIL	1,000 00
Cash at bank	NIL	636 85
	NIL	4,336 85
COST OF REALISATIONS		
Legal fees	13,879 95	13,979 95
Heat & light	NIL	2,738 50
Other property expenses	NIL	345 00
Insurance of assets	5,232 84	5,232 84
Bank charges	NIL	151 26
	(19,112 79)	(22,447 55)
(353,750 00)	(320,872.73)	57,344.46
REPRESENTED BY		
Trade debtors		725 70
Floating ch VAT rec'able		8,146 25
Floating charge current		57,971 92
Floating ch VAT payable		(15,551 75)
Floating ch VAT control		6,052 34
		57,344 46

Jonathan Scott Pope
Administrator



Goodnight Inns Limited
– in Administration
Pursuant to Rule 2.47 of the Insolvency Rules 1986
KPMG LLP
13 April 2010

Appendix 3

Analysis of Administrators' time costs for the period 18 September 2009 to 17 March 2010.



Goodnight Inns Limited (in administration)

Time costs analysis from 18 September 2009 to 17 March 2010

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Trading							
Cashiering							
General (Cashiering)		3 20	26 80	4 20	34 20	£6,799 00	£198 80
Reconciliations (& IPS accounting reviews)			1 50	0 10	1 60	£336 00	£210 00
Employees							
Correspondence			1 10		1 10	£247 50	£225 00
Tax							
Post appointment PAYE			2 20		2 20	£495 00	£225 00
Post appointment VAT		4 40	40 45		44 85	£9,159 25	£204 22
Trading							
Cash & profit projections & strategy	15 00		3 20		18 20	£7,260 00	£398 90
Purchases and trading costs		0 50	42 40		42 90	£8 146 00	£189 88
Sales			3 05		3 05	£662 25	£217 13
Administration & planning							
General							
Books and records			0 15		0 15	£24 75	£165 00
Fees and WIP			2 00	0 40	2 40	£492 00	£205 00
Shareholders/Bankrupt							
Statutory reports			0 50		0 50	£82 50	£165 00
Statutory and compliance							
Checklist & reviews		0 20	3 40		3 60	£811 00	£225 28
Reports to debenture holders	2 50	2 20	18 50	0 50	23 70	£6 019 00	£253 97
Strategy documents	1 00	2 00	2 20		5 20	£1 668 00	£320 77
Creditors							
Creditors and claims							
General correspondence			1 90		1 90	£343 50	£180 79
Secured creditors			0 10		0 10	£22 50	£225 00
Statutory reports		1 30	25 80		27 10	£5,459 00	£201 44
Investigation							
Directors							
D form drafting and submission			0 40		0 40	£90 00	£225 00
Realisation of assets							
Asset Realisation							
Freehold property	18 00	1 00	55 25		74 25	£20,671 25	£278 40
Open cover insurance			1 05		1 05	£218 25	£207 86
Total in period					288 45	£69,006 75	£239 23
Brought forward time (appointment date to SIP9 period start date)					584 05	£150,320 25	
SIP9 period time (SIP9 period start date to SIP9 period end date)					288 45	£69 006 75	
Carry forward time (appointment date to SIP9 period end date)					872 50	£219 327 00	

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




Appendix 3 (continued)

Schedule of rates of charging

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

	Restructuring
Partner/director	£440-£515
Management	£320-£405
Case administrators	£165-£225
Support	£105

RECEIPTS		£
Brought forward from previous Abstract (if Any)		479,737 98
Sales		77,029 47
Floating ch VAT payable		8,121 38
		
Carried forward to		564,888 83
* continuation sheet / next abstract		
PAYMENTS		£
Brought forward from previous Abstract (if Any)		96,340 29
Purchases Food & Drink		35,226 93
Direct labour		29 799 58
Water rates		781 85
Heat & light		7,322 63
Telephone/Telex/Fax		40 86
Council tax		1,014 81
Professional fees		3,033 96
Bank charges & interest		323 64
Other costs		382 75
Insurance		843 26
Non-recoverable VAT		19 14
Fixed charge creditor		300,000 00
Legal fees		13,879 95
Insurance of assets		5,232 84
Floating ch VAT rec'able		6,231 97
Trade creditors		3,630 00
Floating ch VAT control		2,812 45
Carried forward to		506,916 91
* continuation sheet / next abstract		

* Delete as appropriate

* 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