

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

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 2010	to 24 February 2011
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Signed


Joint Administrator

Dated

2 March 2011

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 Glanowska KPMG LLP Arlington Business Park Theale Reading RG7 4SD DX Number DX 146800 (Theale) 2	Tel 01189 64 2026 DX Exchange
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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

THURSDAY



A39

A1QKES4V
03/03/2011
COMPANIES HOUSE

328

RECEIPTS

£

Brought forward from previous Abstract (if Any)	831 052 40
Sundry refunds	448 17
Floating ch VAT control	22 757 28

* Delete as
appropriate

Carried forward to
* continuation sheet / next abstract

854 257 85

PAYMENTS

£

Brought forward from previous Abstract (if Any)	594 422 70
Administrators' fees	100 000 00
Administrators' expenses	2 224 45
Legal fees	5 148 00
Legal disbursements	13 00
Other costs	664 36
Fixed charge creditor	127 102 26
Agents'/Valuers' fees	1 682 44
Legal fees	1 000 00
Legal disbursements	35 00
Bank charges	33 28
Floating ch VAT rec'able	21 030 58
Fixed charge VAT rec'able	901 78

* Deleted as
appropriate

Carried forward to
* continuation sheet / next abstract

854 257 85

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)
Final Progress Report
KPMG LLP

Goodnight Inns Limited (in administration)

Final Progress Report
Pursuant to Rule 2.110 of the
Insolvency Rules 1986 (as amended)

KPMG LLP
2 March 2011

DMC/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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Appendices (see attached)

Appendix 1 Statutory information

Appendix 2 Administrators' abstract of receipts and payments

Appendix 3 Administrators' time costs

Appendix 4 Administrators' proposals



1 Glossary

The Act	The Insolvency Act 1986
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)
The Director	Timothy James Warwick
Registered Office	c/o KPMG LLP, Arlington Business Park, Theale, Reading RG7 4SD
The Rules	The Insolvency Rules 1986
The Secured Creditor	HSBC Bank plc ('the Bank')

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 (as amended)

2 Introduction

Further to my report dated 11 October 2010, I write to provide a final report on the administration in accordance with Rule 2.110 of the Rules. A form 2.35B is enclosed providing formal notice to that effect.

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

An abstract of the Administrators' receipts and payments account showing the final position as at 24 February and covering period from 18 September 2010 to 24 February 2011 is attached as Appendix 2. The figures on the account are shown net of VAT.

2.1 Administrators' proposals

The Administrators' proposals were circulated to all known members and creditors on 11 May 2009 and were deemed to have been approved without modification in accordance with Rule 2.33(5) of the Rules on 22 May 2009.

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 Outcome 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

The Company also owned the freehold of the Lamb and Flag pub. The Administrators appointed Christie & Co to market the Lamb and Flag and the business continued to trade whilst it was on the market. The administrators completed the sale of the Lamb and Flag on 17 August 2010 for £190,000.

3.1.3 Other realisations

Book debt collection has now been concluded. A total of £2,700 has been collected during the course of the administration. In addition, £1,000 was received from Malacara Limited for the use of the Knap Hotel for filming.

3.1.4 Chattel assets

As previously reported, the Company's fixtures and fittings held at the Lamb and Flag were estimated to realise £15,000. These assets were included in the sale of the Lamb and Flag as a going concern.

4 Costs of realisations

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 <https://www.r3.org.uk/uploads/sip/Statement%20of%20Insolvency%20Practice%20-%209%20Version%205.pdf>. However, if you are unable to access this guide and would like a copy please contact Magdalena Głanowska on 0118 964 2026.

The analysis attached as Appendix 3 shows that the Administrators' time costs from 18 September 2010 to 24 February 2011 are £16,475 representing 63 hours at an average hourly rate of £261. This includes tax, VAT, employee and pension advice from KPMG LLP in-house specialists. This brings the total time costs incurred for this administration to £319,453.

The secured creditor has approved the Administrators' fees and also agreed to the Administrators' request for a six month extension. A further six month extension was granted by the High Court of Justice to complete the outstanding issues post-sale of the Lamb and Flag.

With the consent of the Bank, the Administrators have drawn fees of £100,000 and disbursements of £2,224 plus VAT, from the asset realisations of the Company.

4.1.2 Other costs

These are listed in the attached receipts and payments account.

5 Outcome to creditors

5.1 Secured creditor

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 was approximately £600,000 excluding interest and charges.

An interim distribution of £300,000 was made to the Bank on 19 October 2009. A further final distribution of £127,102 has been made to the Bank. This brings total distribution to the Bank to £427,102.

5.2 Preferential creditors

There were no preferential claims in the administration.

5.3 Unsecured creditors and Prescribed Part

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.

There were insufficient floating charge realisations to facilitate the distribution to unsecured creditors by virtue of a Prescribed Part or otherwise.

6 Investigations

The Administrators have a duty to investigate the conduct of the Directors and to submit a return to the Department for Business, Innovation and Skills (formerly the Department for Business, Enterprise and Regulatory Reform) on the conduct of those directors or shadow directors who were in office in the three years prior to the administration. The Administrators have complied with their obligations described above.

7 Taxation

The Administrators instructed KPMG Tax specialists to prepare the necessary returns in order to finalise the tax position.

These returns have been completed and submitted to HM Revenue and Customs.


8 Final matters

8.1 Exit from administration

Since there were no distributable funds available to the unsecured creditors and as all outstanding matters have been dealt with, the administration can now be concluded.

The Administrators have sought their discharge from liability in respect of any action of theirs as Administrators as required by paragraph 98 of the Act from the Secured creditor.

The Company will, therefore, be dissolved three months, from the filing of this final report and registration of form 2.35B with the Registrar of Companies.



Jonathan Scott Pope
Joint Administrator



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 2.110 of the Insolvency Rules 1986 (as amended)
KPMG LLP
2 March 2011

Appendix 2

Administrators' abstract of receipts and payments from 18 September 2010 to 24 February 2011

Goodnight Inns Limited
(In Administration)
Administrators' Trading Account

Statement of Affairs	From 18/09/2010 To 28/02/2011	From 18/03/2009 To 28/02/2011
POST-APPOINTMENT SALES		
Sales	NIL	216,696 17
Council tax and Rates refund	NIL	1,221 93
	NIL	217,918 10
PURCHASES		
Purchases Food & Drink	NIL	98,347 29
Purchases Cleaning	NIL	69 68
	NIL	(98,416 97)
OTHER DIRECT COSTS		
Direct labour	NIL	87,249 01
	NIL	(87,249 01)
TRADING EXPENSES		
Indirect labour	NIL	2,646 71
Rates	NIL	5,010 50
Water rates	NIL	1,783 24
Heat & light	NIL	12,930 79
Telephone/Telex/Fax	NIL	135 16
Council tax	NIL	7,514 22
Professional fees	NIL	4,724 16
Bank charges & interest	NIL	416 30
	NIL	(35,161 08)
TRADING SURPLUS/(DEFICIT)	NIL	(2,908.96)

Goodnight Inns Limited
(In Administration)
Administrators' Trading Account

**Statement
of Affairs**

**From 18/09/2010
To 24/02/2011**

**From 18/03/2009
To 24/02/2011**

POST-APPOINTMENT SALES

Sales	NIL	216,696 17
Council tax and Rates refund	NIL	1,221 93
	NIL	217,918 10

PURCHASES

Purchases Food & Drink	NIL	98,347 29
Purchases Cleaning	NIL	69 68
	NIL	(98,416 97)

OTHER DIRECT COSTS

Direct labour	NIL	87,249 01
	NIL	(87,249 01)

TRADING EXPENSES

Indirect labour	NIL	2,646 71
Rates	NIL	5,010 50
Water rates	NIL	1,783 24
Heat & light	NIL	12,930 79
Telephone/Telex/Fax	NIL	135 16
Council tax	NIL	7,514 22
Professional fees	NIL	4,724 16
Bank charges & interest	NIL	416 30
	NIL	(35,161 08)

TRADING SURPLUS/(DEFICIT)

NIL (2,908 96)

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

Statement of Affairs		From 18/09/2010 To 24/02/2011	From 18/03/2009 To 24/02/2011
	FIXED CHARGE ASSETS		
890,000 00	Freehold property	NIL	564,999 00
	Goodwill	NIL	1 00
		NIL	565,000 00
	FIXED CHARGE COSTS		
	Administrators' fees	100,000 00	100,000 00
	Administrators' expenses	2,224 45	2,224 45
	Legal fees	5,148 00	13,984 00
	Legal disbursements	13 00	13 00
	Agents'/Valuers' fees	NIL	14,790 51
	Other costs	224 36	3,959 63
	Insurance	NIL	843 26
	Non-recoverable VAT	NIL	2,082 89
		(107,609 81)	(137,897 74)
	FIXED CHARGE CREDITORS		
(595,000 00)	Fixed charge creditor	127,102 26	427,102 26
		(127,102 26)	(427,102 26)
	ASSET REALISATIONS		
15,000 00	Plant & machinery	NIL	NIL
	Furniture & equipment	NIL	15,000 00
	Book debts	NIL	2,700 00
	Sundry Income	NIL	1,000 00
	Cash at bank	NIL	891 73
		NIL	19,591 73
	OTHER REALISATIONS		
	Sundry refunds	448 17	448 17
	Trading Surplus/(Deficit)	NIL	(2,908 96)
		448 17	(2 460 79)
	COST OF REALISATIONS		
	Agents'/Valuers' fees	1,682 44	1,682 44
	Legal fees	1,000 00	6,143 95
	Legal disbursements	35 00	35 00
	Other property expenses	NIL	1,237 38
	Insurance of assets	NIL	7,515 68
	Bank charges	33 28	516 49
		(2,750 72)	(17,130 94)
	PREFERENTIAL CREDITORS		
(5,000 00)	Employees' wage arrears & holiday pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(480,000 00)	Trade & expense	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(178,750 00)	Ordinary shareholders	NIL	NIL
		NIL	NIL

(353,750.00)

(237,454.62)

(0.00)

REPRESENTED BY

NIL

Jonathan Scott Pope
Administrator



Goodnight Inns Limited (in administration)
Pursuant to Rule 2.110 of the Insolvency Rules 1986 (as amended)
KPMG LLP
2 March 2011

Appendix 3

Analysis of Administrators' time costs for the period 18 September 2010 to 24 February 2011

Goodnight Inns Limited (in administration)

Time costs analysis from 18 September 2010 to 24 February 2011

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
Cashiering							
General (Cashiering)		3 25	1 75	4 20	9 20	£1 895 00	£205 98
Reconciliations (& IPS accounting reviews)	1 00	0 30	0 10	1 30	2 70	£726 50	£269 07
General							
Fees and WIP		2 30	3 10		5 40	£1 537 50	£284 72
Statutory and compliance							
Checklist & reviews		0 30	1 65		1 95	£417 25	£213 97
Closure and related formalities		0 40	2 30		2 70	£540 50	£200 19
Reports to debenture holders	1 00	3 70	1 00		5 70	£1 951 50	£342 37
Strategy documents		0 70			0 70	£241 50	£345 00
Tax							
Post appointment corporation tax		3 50	0 15		3 65	£1,233 75	£338 01
Post appointment PAYE			1 00		1 00	£240 00	£240 00
Post appointment VAT	1 00	1 00	3 45		5 45	£1,400 75	£257 02
Creditors							
Creditors and claims							
General correspondence		0 35	1 30		1 65	£348 25	£211 06
Secured creditors		2 20			2 20	£759 00	£345 00
Statutory reports		4 45	11 05		15 50	£3 475 00	£224 19
Realisation of assets							
Asset Realisation							
Cash and investments		1 35	0 20		1 55	£510 75	£329 52
Freehold property	2 00		0 40		2 40	£970 00	£404 17
Trading							
Purchases and trading costs			1 30		1 30	£227 50	£175 00
Total in period					63 05	£16,474 75	£261 30

Brought forward time (appointment date to SIP9 period start date)	1 251 05	£302,978 00
SIP9 period time (SIP9 period start date to SIP9 period end date)	63 05	£16 474 75
Carry forward time (appointment date to SIP9 period end date)	1 314 10	£319 452 75

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.

Disbursements

Travel	235 00
SoA production	1 500 00
Other costs	489 00
	<u>2 224 00</u>



Appendix 3 (continued)

Schedule of rates of charging

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

	until 30 September 2010	from 1 October 2010
Partner/director	£440 - £515	£460 - £535
Management	£320 - £405	£345 - £425
Administrators	£165 - £225	£175 - £240
Support	£105	£110

Appendix 4

Administrators' proposals

The Administrators propose the following

- To continue to do all such things reasonably expedient and generally exercise all their powers as Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of the Company in accordance with the objective as set out above
- To investigate and, if appropriate, pursue any claims the Company may have
- To seek an extension to the administration period if deemed necessary by the Administrators
- That the Administrators be permitted to pay any realisations to the Secured Creditors and then take the appropriate steps to dissolve the Company
- That if they become aware of a cause of action that would be better pursued by a Liquidator, the Administrators will petition the Court for a winding up order placing the Company into compulsory liquidation and appointing Jonathan Scott Pope and Richard Hill as Liquidators of the Company without any further recourse to creditors. Any act required or authorised under any enactment to be done by the liquidators may be done by one of them
- In the event the Administrators deem that liquidation is not appropriate and there are no other outstanding matters that require to be dealt with, then the Administrators shall file the appropriate notices at Companies House under Paragraph 84 of the Act and the Company will subsequently be dissolved