

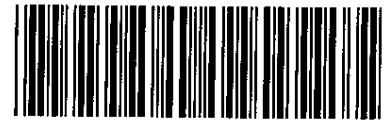
# AM03

## Notice of administrator's proposals



Companies House

TUESDAY



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A08

01/10/2019

#128

COMPANIES HOUSE

### 1 Company details

Company number 03816947

Company name in full Late Rooms Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Tracey Lee

Surname Pye

### 3 Administrator's address

Building name/number 1 St Peter's Square

Street

Post town Manchester

County/Region

Postcode M23AE

Country

### 4 Administrator's name

Full forename(s) David James

Surname Costley-Wood

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address

Building name/number 1 St Peter's Square

Street

Post town

County/Region Manchester

Postcode M23AE

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

AM03  
Notice of Administrator's Proposals

**6** Statement of proposals

<input checked="checked" type="checkbox"/> I attach a copy of the statement of proposals	
--	--

**7** Sign and date

Administrator's Signature	Signature <input checked="checked" type="checkbox"/> <i>TCRye</i> <input checked="checked" type="checkbox"/>									
Signature date	<table border="1"><tr><td><sup>d</sup>2</td><td><sup>d</sup>7</td><td><sup>m</sup>0</td><td><sup>m</sup>9</td><td><sup>y</sup>2</td><td><sup>y</sup>0</td><td><sup>y</sup>1</td><td><sup>y</sup>9</td></tr></table>	<sup>d</sup> 2	<sup>d</sup> 7	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9	
<sup>d</sup> 2	<sup>d</sup> 7	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9			

# AM03

## Notice of Administrator's Proposals



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Tom Morton
Company name	KPMG LLP
Address	1 St Peter's Square
Post town	Manchester
County/Region	
Postcode	M 2 3 A E
Country	
DX	
Telephone	Tel +44 (0) 20 7311 1000



### Checklist

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



### Important information

**All information on this form will appear on the public record.**



### Where to send

**You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:**

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**



# Joint Administrators' proposals

Late Rooms Limited - in  
Administration

27 September 2019

Date delivered: 1 October 2019

# Notice to creditors

We have made this document available to you to set out the purpose of the administration and to explain how we propose to achieve it.

We have also explained why the Company entered administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in the document such as the proposed basis of our remuneration.

A glossary of the abbreviations used throughout this document is attached (Appendix 7).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.kpmg.co.uk/laterooms>. We hope this is helpful to you.

**Please also note that an important legal notice about this statement of proposals is attached (Appendix 8).**



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# 1 Executive summary

- Late Rooms Limited (the 'Company') was incorporated on 30 July 1999, it operated as a traditional online travel agent through 'Laterooms.com' and it employed 128 staff.
- The Company was part of a wider group structure, known as The Malvern Group (the 'Group'), which was ultimately owned by an investment fund (registered in the Cayman Islands) and Cox & Kings Limited ('Cox & Kings India'). Please note, Cox & Kings India is an India registered company, separate to that of Cox & Kings Travel Limited (a UK registered entity).
- The Company was loss-making. It had experienced reducing sales volumes and revenues, due to increasing competition in the online travel sector together with restricted marketing and brand spend. As a result, the Company's cash position deteriorated and the Group Directors approached its ultimate shareholder, Cox & Kings for support.
- Cox & Kings India was also experiencing cash flow problems, therefore no further funding support was available. As a result the Group Directors contacted their secured lender, YES Bank (based in Mumbai), for funding support. In order to extend any funding support, the Bank required a meeting and additional information.
- KPMG was initially introduced to the Group by the Group's solicitors. Following a meeting between KPMG, the Directors and the Bank, KPMG was engaged by the Group to undertake an early options process, which included marketing of the Group for sale, together with considering the other options available, including contingency planning.
- It was not possible to market the Group business for sale beyond a period of approximately three weeks, due to the cash flow and creditor pressures that the Group was experiencing. An additional funding request to the Bank in order to allow a longer marketing period was declined.
- The Directors received one offer for part of the Group's business and assets as a going concern. However, due to the Group's financial position and lack of funding support, the prospective buyer was unable to transact in the timeframes required.
- A notice of intention to appoint an Administrator for three companies within the Group (the Company, Superbreak Mini-Holidays Limited and Malvern Travel Technology Limited) was filed at Court by the Directors on 1 August 2019. As a result of the notice of intention to appoint an Administrator filing, all three companies ceased to trade.
- As such, Tracey Lee Pye and David Costley-Wood were appointed Joint Administrators of the Company on 2 August 2019.
- Immediately following our appointment, the majority of staff were made redundant. Our ongoing strategy is to maximise asset realisations by way of a sale of the assets of the business and book debt realisations. Given the nature of the trading entities within the Group, we have also consulted with the Regulators (CAA and ABTA) and put in place a clear communications strategy for all stakeholders.
- Based on current estimates, YES Bank will suffer a significant shortfall against their lending to the Company (Section 5 - Dividend prospects).
- Based on current estimates the preferential creditors will be paid in full (Section 5 - Dividend prospects).
- Based on current estimates, it is uncertain whether there will be a dividend to unsecured creditors (Section 5 - Dividend prospects).



- The proposals will be deemed approved eight business days following the delivery to creditors (Section 7 – Approval of proposals).
- We propose that our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate and charge-out rates provided. We will seek approval for our remuneration from the Secured and preferential creditors (Section 8 - Joint Administrators' remuneration, disbursements and pre-administration costs).
- We anticipate the most likely exit route will be dissolution (Section 6 - Ending the administration).
- This document in its entirety is our statement of proposals. A summary list of the proposals is shown in Section 9 together with all relevant statutory information included by way of appendices. Unless stated otherwise, all amounts in the proposals and appendices are stated net of VAT.



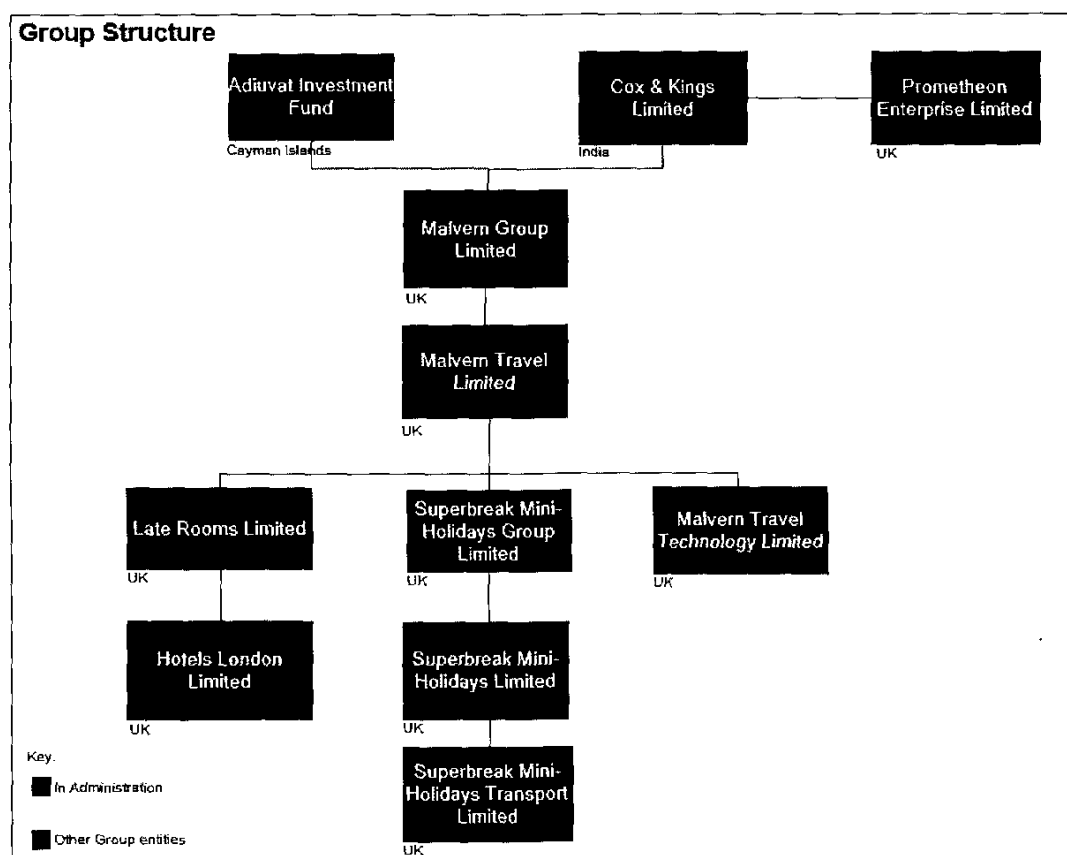
Tracey Pye  
Joint Administrator



## 2 Group structure

On 2 August 2019, we were appointed Joint Administrators of the Company. The Company was part of a larger group of companies, known as The Malvern Group, and was involved in the travel and technology sector.

In addition to the Company, two other Group companies (Superbreak and MTT) were placed into administration on 2 August 2019. The Group structure chart is below as well as a brief overview of each of the three companies in administration:



**Late Rooms Limited – in Administration**

The Company is wholly owned by Malvern Travel Limited. Further Company information is available in Appendix 1 – Statutory information.

**Superbreak Mini-Holidays Limited – in Administration**

Superbreak is wholly owned by its non-trading parent entity, Superbreak Mini-Holidays Group Limited, which itself is owned by Malvern Travel Limited. It operated as a short break holiday, attractions and transport booking website serving the UK and overseas.

**Malvern Travel Technology Limited – in Administration**



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MTT is wholly owned subsidiary of Malvern Travel Limited. MTT was a non-trading entity which held the intellectual property rights to an internally developed booking platform.

## **3 Background and events leading to the administration**

### **3.1 Background information**

The Company was incorporated on 30 July 1999 and operated in the travel and technology sector as a traditional online travel agent through 'Laterooms.com'. It specialised in hotel only post pay bookings predominantly serving UK customers and corporate markets.

The Company employed 128 staff and operated from a leasehold head office located at Victoria Place, Manchester, M4 4FB.

### **3.2 Funding and financial position of the Company**

#### **Funding**

The Bank provided funding to the Group, comprising a £29m term loan and an £18m revolving credit facility.

The Bank's funding was secured by way of a debenture containing fixed and floating charges over the Company. The Bank also held a fixed charge over the Company's shares.

The Company was also funded by Cox & Kings India. Please note, Cox & Kings India is an Indian registered company, separate to that of Cox & Kings Travel Limited (a UK registered entity).

#### **Financial Position and Performance**

The Company's statutory accounts for the year to 31 March 2018 showed turnover of £25.0 million, a profit after tax of £2.0 million and net assets of £7.3 million.

In the year to 31 March 2019, the Company's Management Accounts showed turnover of £12.8 million, a loss before tax of £3.8 million and net assets of £3.5 million.

As part of an ongoing Group strategy to transition from the 'business to consumer' market into a 'business to business' provider, significant investment was made in MTT to research and develop a new digital platform technology. Due to the level of investment required to develop this new technology, brand development and marketing spend in key areas across the Company and Superbreak was significantly restricted.

This reduction in brand development and marketing spend, combined with increasing competition in the online travel sector, led to declining revenues for the Company.

Financial support from the Group's shareholder (49% owner), Cox & Kings India, was essential to alleviate cash flow pressures for the Company.

### **3.3 Events leading to the administration**

In June 2019 the Group's shareholder, Cox & Kings India, defaulted on a commercial loan. Following this default, the Directors worked closely with Cox & Kings India to establish whether funding for the business could be maintained despite the default. Given the



uncertainty, the Directors sought legal advice in respect of this matter in the event that future funding became unavailable.

On 10 July 2019, KPMG was engaged by the Group to run an early options process and explore the restructuring options available to the Group, due to its distressed financial position.

Given the increasing uncertainty around the availability of funding and reducing cash position, the Group further engaged KPMG to undertake a contingency planning process on 19 July 2019. This was in order to ensure an orderly insolvency process could be carried out if administration was unavoidable, in the event the sale of business process was unsuccessful.

During this time Management requested further funding from the Bank to support a longer sale process than the Group's cash flow would allow, to enable a solvent solution to be achieved. This request was reviewed by the Bank but subsequently declined.

As part of the sale of business process, 178 parties received an initial information memorandum. The parties consisted of trade parties, distressed investors and technology investors. A total of 26 non-disclosure agreements were signed and returned with a deadline for initial bids set at 26 July 2019. These parties were subsequently provided with access to the data room containing further information to enable them to carry out further due diligence process.

One offer was received for part of the Group, however the party was unable to transact in the timeframes available. At this point, the Group's cash position had deteriorated significantly and the Company was facing increasing creditor pressure.

On 1 August 2019, a Notice of intention to appoint an administrator was filed at Court and the Company ceased to trade with immediate effect. We were subsequently appointed Joint Administrators of the Company on 2 August 2019.

At the time of our appointment, we disclosed details of the work carried out by KPMG up to that time to the Court.

We are satisfied that the work carried out by KPMG before our appointment, including the pre-administration work summarised below, has not resulted in any relationships which create a conflict of interest or which threaten our independence.

Furthermore, we are satisfied that we are acting in accordance with the relevant guides on professional conduct and ethics.

### **3.4 Pre-administration work**

The following work was carried out prior to our appointment with a view to placing the Company into administration:

- Preparing and reviewing appointment documentation, liaising with solicitors and liaising with Company Directors regarding the appointment. KPMG has incurred costs of £3,370 in respect of its pre-administration work up to the date of our appointment;
- Shoosmiths drafted appointment documentation and provided general legal advice ahead of our appointment. Shoosmiths has incurred £34,592 in respect of this work.

The above work was necessary in order to place the Company into administration.



KPMG's work on the early options process and contingency planning was carried out under engagement letters, with the Group, dated 10 July 2019 and 19 July 2019, respectively.

These costs have not been paid to date. Approval will be sought from the Secured and preferential creditors (See Section 8 – Joint Administrators' remuneration, disbursements and pre-administration costs).

### **3.5 Appointment of Joint Administrators**

The Directors resolved on 1 August 2019 to appoint Tracey Lee Pye and David Costley-Wood as Joint Administrators.

The notice of appointment was lodged at the High Court of Justice, Business and Property Courts in Manchester on 2 August 2019 and we were duly appointed on that date.

## **4 Strategy and progress of the administration to date**

### **4.1 Strategy to date**

#### **Overview**

As the Company ceased to trade (including processing bookings) prior to our appointment, we determined that it was not feasible to trade the Company in administration.

Our strategy to date has been driven by the key areas identified by our prior contingency planning process as follows:

1. Sale of business
2. Communications
3. Employees
4. Information Technology
5. Other asset realisations

Our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

Further information on our strategy is detailed below:

1. Sale of business

Following our appointment, we immediately re-commenced the sale of business process. All those parties that had expressed an interest in the Group and the Company prior to appointment were invited to re-join the process and new parties also entered the process as a result of the administration. As such, 159 parties were approached, with 56 parties returning an NDA.

A deadline in respect of offers for the Company plus other Group entities in administration was set at 19 August 2019.



In total, 11 offers were received for the Company on a standalone basis and 4 offers were received for the Company plus another Group entity in administration.

After consideration of the offers received in line with our statutory objectives, consultation with Metis (independent intellectual property agents) and with the consent of the Secured creditor, we accepted an offer for the Company on a standalone basis (See – Asset realisations).

As such, a sale of certain assets was completed on Friday 20 September 2019 for £750,000 plus VAT.

## 2. Communications

The Company operated as a hotel only post pay bookings website and therefore customers with existing bookings were unaffected. However, given the nature of the trade of other Group company insolvencies and their association with the 'Late Rooms' brand, we deemed it necessary to have a specific customer communication strategy for the Company.

Since our appointment, we have provided information to the Company's customers, suppliers, trade partners and the media to assist them in understanding the impact of the administration.

On filing the Notice of intention to appoint an Administrator on 1 August 2019, the Company issued detailed communications to all stakeholders to advise that the Company had ceased to trade and outlined the actions to take in respect of all bookings.

On the date of our appointment we reissued an updated version of the communications to formally notify all stakeholders of the appointment, directing them to a dedicated website which provided comprehensive information regarding the process and specific email enquiry addresses to make the process as efficient as possible.

We issued press releases via our internal press team to the media to assist customers and other stakeholders in understanding the impact of the administration. We have remained proactive in terms of press releases and provided comments to the media, where necessary, to provide updated information on the progress of the administration to date.

We will continue to provide updates regarding the administration on our dedicated website - [www.kpmg.co.uk/laterooms](http://www.kpmg.co.uk/laterooms).

## 3. Employees

At the date of our appointment, the Company employed 128 staff, of which 98 staff were made redundant immediately.

We identified 30 Company employees to support the administration in the initial post-appointment period. As the requirements for the various roles decreased, the overall staffing levels have been reduced accordingly.

As at 19 September 2019, 4 employees continue to be retained to assist us. These roles are essential to maximising the realisation of assets via the sale of the business and assets and book debt collection processes.

Since our appointment, we have utilised the KPMG employee specialist team to:

- Issue letters to all redundant staff;
- Assist with all queries in respect of claims to the Redundancy Payments Office;



- Provide a Day 1 FAQ to all known employees on appointment; and
- Continue the processing of payroll.

#### 4. Information Technology

Several of the Company's IT systems were critical to the ongoing financial, HR and operational infrastructures of the Company during the administration process and to support the sale of business and debtor collection processes. As such, through our contingency planning, we have assessed the critical IT systems, prepared a schedule of those essential systems and corresponding suppliers and agreed a strategy with the Bank to ensure the appropriate level of service was retained.

In addition to the above we have also instructed independent data protection advisors, MAPS, to provide us with advice in respect of GDPR risks and data security.

Further detail on the critical suppliers is outlined below:

##### Data Centre Provider

The Company was historically one of the Data Centre Provider's largest clients. The supplier operated the main data centre for the Company, which included digital backups of certain systems and data.

The Data Centre Provider is deemed essential to the administration strategy in order to:

- Maintain access to Company financial information and debtor payment portals to support book debt collections in the administration;
- Maintain up to date access to customer booking information to ensure accurate and timely visibility upon appointment and the days following; and
- Support digital working environments (such as e-mail and VPN) for retained staff.

##### Domain Name Registrar

The Domain Name Registrar issued the rights to various internet domain names used by the Company and the wider Group.

We have identified the Company owned domain names and renewed these as they expired following our appointment in order to protect value in the Company's intangible assets and to ensure that domain names carrying customer communication remained live.

#### 5. Other asset realisations

##### Book debts

We have instructed KPMG's specialist debt realisation team, RRG, to work alongside staff retained in the Company's finance function in order to assess and recover the Company's outstanding ledger.

In addition to trade debtors there are amounts due to the Company from other Group companies, which we will seek to recover as appropriate.

##### Cash at bank

The Company held its trading bank accounts in multiple currencies with one financial institution in the UK.



The Company also held a number of other bank accounts in foreign currencies across multiple countries.

We have arranged for these funds to be transferred to the administration bank account and will continue to liaise with the banks in respect of ongoing and future transfers.

#### Office furniture and equipment

SIA have been instructed to provide a valuation of the Company's computer equipment and office fixtures and fittings at the Company's leasehold premises in Manchester. A valuation of £35,000 in situ and £10,000 ex situ has been provided. A sale has been finalised for consideration of £10,000, although funds are yet to be received.

#### Leasehold property

The Company operated from leasehold premises at Victoria Place, Manchester, M4 4FB. Prior to our appointment, the Company had paid rent in advance up to 30 September 2019.

Our strategy is to continue to use the Property in the short term. It is anticipated that the Property will be vacated prior to 27 September 2019. The Landlord (Peninsula) and the Managing Agent of the Property have been made aware of the administration appointment and our intentions regarding occupation.

Peninsula has exercised its contractual right in relation to service charge and utility costs re-charges associated with the Property. As such, we have provided an undertaking to pay these costs from the date of our appointment until we vacate the Property on a weekly invoicing basis.

## **4.2 Asset realisations**

Realisations from the date of our appointment to 19 September 2019 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations to date are provided below.

#### **Book debts**

To date, we have realised £448,489 in respect of book debts.

Some book debts continue to be received into the Company's pre-administration bank account and we continue to liaise with the Company's pre-administration bankers to arrange regular transfers of these funds to the administration bank account.

#### **Cash at bank**

As detailed above, we have requested the transfer of funds from the Company's pre-administration bank accounts to the administration bank account.

To date, we have received £424,268 in respect of cash that was held within the Company's bank accounts pre-appointment.

#### **Sale of business**

The following assets were sold on 20 September 2019 as part of the sale of business to the Purchaser, a third party, for total consideration of £750,000 allocated as follows:



<b>Assets sold and consideration</b>	
<b>Asset category</b>	<b>Consideration (£)</b>
Intellectual property rights, business information and social media accounts	749,999.00
Goodwill	1.00
<b>Total consideration</b>	<b>750,000.00</b>

## Investigations

We are reviewing the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to Tom Morton at KPMG LLP, 1 St Peter's Square, Manchester, M2 3AE, United Kingdom.

## 4.3 Costs

An estimate of all costs anticipated to be incurred throughout the duration of the administration is set out in the attached summary of expenses (Appendix 4).

Payments made from the date of our appointment to 19 September 2019 are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made to date are provided below.

### Critical IT Payments

As previously detailed, a number of the Company's IT systems were essential to support the administration process. As well as being used to assist the sale of business process, these IT costs primarily relate to acquiring accurate and timely customer records for sharing with the Regulators and facilitating the collection of outstanding book debts.

In total, we have paid £101,286 in respect of critical IT payments to date, of which £100,772 relates to the Data Centre Provider, £299 relates to the Domain Name Registrar, £175 relates to a consultancy fee to obtain Google Analytics data required by potential purchasers and £40 relates to ICO compliance fees.

### Agents'/Valuers' fees

We have paid Metis £1,667 for their advice relating to and valuation of the Company's intellectual property.

### Electricity and Service Charges

To date, we have paid Peninsula £20,742 for electricity and service charge relating to our occupation of the Company's premises at Victoria Place since our appointment.

### Employee costs

Wage costs of £124,927 have been paid to the employees retained to assist us in achieving our administration strategy. This amount includes 1.5 days of August 2019 payroll paid to all staff.

The PAYE and NIC due to HMRC in respect of the wages incurred following our appointment has totalled £24,228.





## 5 Dividend prospects

### 5.1 Secured creditor

YES Bank Limited

The Bank provided a term loan and a revolving credit facility which we understand to be secured by way of a debenture containing fixed and floating charges over the Company. The Bank also held a fixed charge over the Company's shares. Both charges were created on 29 November 2019.

At the date of our appointment, the Bank was owed approximately £47.0 million across the Group.

Shoosmiths have confirmed the validity of the Bank's security.

Based on current estimates, we anticipate that the Bank will suffer a shortfall in respect of the funding provided to the Group.

### 5.2 Preferential creditors

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially.

We estimate the amount of preferential claims at the date of our appointment to be £50,000.

Based on current estimates, we anticipate that preferential creditors should receive a dividend. We have yet to determine the amount of this, but we will do so when we have completed the realisation of assets and the payment of associated costs.

### 5.3 Unsecured creditors

Based on current estimates, it is uncertain whether there will be a dividend to unsecured creditors.

Any dividend is dependent upon the level of realisations from the Company's book debts. We will review the position when we have completed the realisation of assets and the payment of associated costs.

## 6 Ending the administration

### 6.1 Exit route from administration

We consider it prudent to retain all of the options available to us, as listed in Section 9 to bring the administration to a conclusion.

However, at this stage we anticipate that the most likely exit route will be dissolution.



## **6.2 Discharge from liability**

We propose to seek approval from the Secured and preferential creditors that we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to obtain discharge from liability.

# **7 Approval of proposals**

## **7.1 Deemed approval of proposals**

The administrators' proposals will be deemed approved, with no requirement to seek deemed consent or use a decision procedure, as it appears that the Company has insufficient property to enable us to make a distribution to the unsecured creditors other than by virtue of the Prescribed Part, as detailed in Appendix 1.

On expiry of eight business days from the date our proposals are delivered to the creditors, they will be deemed to have been approved by the creditors unless 10% in value of creditors request that a decision procedure is convened. Further details of the steps to convene a procedure are detailed below.

## **7.2 Creditors' right to request a decision**

We will use a decision making procedure or deemed consent to seek approval of our proposals (1) if asked to do so by creditors whose debts amount to at least 10% of the total debts of the Company, and (2) if the procedures set out below are followed.

Requests for a decision must be made within eight business days of the date on which our proposals were delivered. They must include:

- a statement of the requesting creditor claim;
- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration;
- written confirmation of their concurrence from each concurring creditor; and
- a statement of the purpose of the proposed meeting;

In addition, the expenses of the decision procedure at the request of a creditor must be paid by that creditor. That creditor is required to deposit security for such expenses with us.

If you wish to request a decision, please complete and return the decision requisition form attached to the cover letter.

## 8 Joint Administrators' remuneration, disbursements and pre-administration costs

### 8.1 Approval of the basis of remuneration and disbursements

We propose to seek approval from the Secured and preferential creditors that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5.

Agreement to the basis of our remuneration and the drawing of Category 2 disbursements is subject to specific approval. It is not part of our proposals.

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to seek approval for the basis of remuneration and the drawing of Category 2 disbursements.

#### Time costs

From the date of our appointment to 19 September 2019, we have incurred time costs of £365,489. These represent 985 hours at an average rate of £362 per hour.

#### Disbursements

We have incurred disbursements of £1,118 during the period. None of these have yet been paid.

#### Additional information

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the disbursements paid directly by KPMG for the period from our appointment to 19 September 2019. We have also attached our charging and disbursements recovery policy.

### 8.2 Pre-administration costs

The following pre-administration costs have been incurred in relation to the pre-administration work detailed in Section 3.4:

Pre-Administration costs			
£	Paid	Unpaid	Total
Shoosmiths LLP fees & disbursements	-	34,592.25	34,592.25
KPMG fees & disbursements	-	3,370.00	3,370.00
<b>Total</b>		<b>37,962.25</b>	<b>37,962.25</b>



The payment of unpaid pre-administration costs as an expense of the administration is subject to the same approval as our remuneration, as outlined above. It is not part of our proposals.

## 9 Summary of proposals

As the Company had ceased to trade prior to our appointment, rescuing the Company in accordance with Paragraph 3(1)(a) is not achievable.

Therefore our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:

### General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, 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, to pursue any claims the Company may have;
- to seek an extension to the administration period if we consider it necessary.

### Distributions

- to make distributions to the secured and preferential creditors where funds allow;
- to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, where applicable.

### Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the Directors;
- formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate;
- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, Tracey Pye and David Costley-Wood, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;
- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Tracey Pye and David Costley-Wood, as Joint Liquidators of the Company without further recourse to creditors. Any

action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together;

- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

Joint Administrators' remuneration and pre-administration costs

We propose that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the charge-out rates included in Appendix 5.;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5;
- unpaid pre-administration costs be an expense of the administration.

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.



## Appendix 1 Statutory information

Company information	
Company and Trading name	Late Rooms Limited
Date of incorporation	30 July 1999
Company registration number	03816947
Trading address	The Peninsula Building, Victoria Place, Manchester, M4 4FB
Previous registered office	N/a
Present registered office	1 St Peter's Square, Manchester, M2 3AE
Company Directors	Ajay Kerkar Hugo Kimber John McLaughlin
Company Secretary	Not applicable

Administration information	
Administration appointment	The administration appointment granted in High Court of Justice, Business and Property Courts in Manchester, CR-2019-MAN-000755
Appointor	Directors
Date of appointment	2 August 2019
Joint Administrators	Tracey Pye and David Costley-Wood
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2).
Current administration expiry date	1 August 2020
Prescribed Part	The Prescribed Part is applicable on this case.  It has been taken into account when determining the dividend prospects for unsecured creditors (Section 5).
Estimated values of the Net Property and Prescribed Part	Estimated Net Property is £1,095,000. Estimated Prescribed Part is £222,000.
Prescribed Part distribution	The Joint Administrators do not intend to apply to Court to obtain an order that the Prescribed Part shall not apply. Accordingly, the Joint Administrators intend to make a distribution to the unsecured creditors.
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.

## Appendix 2 Joint Administrators' receipts and payments account

### Receipts and payments

<b>Late Rooms Limited - in Administration</b>			
<b>Abstract of receipts &amp; payments</b>			
Statement of affairs (£)		From 02/08/2019 To 19/09/2019 (£)	From 02/08/2019 To 19/09/2019 (£)
<b>FIXED CHARGE ASSETS</b>			
Nil	Website and associated platforms	NIL	NIL
		NIL	NIL
<b>FIXED CHARGE CREDITORS</b>			
(46,604,000.00)	Fixed charge creditor	NIL	NIL
		NIL	NIL
<b>ASSET REALISATIONS</b>			
5,000.00	Furniture & equipment	NIL	NIL
900,000.00	Book debts	448,489.30	448,489.30
235,000.00	Cash at bank	424,268.16	424,268.16
		872,757.46	872,757.46
<b>OTHER REALISATIONS</b>			
5,000.00	Computer equipment	NIL	NIL
Nil	Deferred tax	NIL	NIL
Nil	Accrued income and prepayments	NIL	NIL
		NIL	NIL
<b>COST OF REALISATIONS</b>			
	Critical IT Payments	(101,286.46)	(101,286.46)
	Agents'/Valuers' fees	(1,666.67)	(1,666.67)
	Utilities and Service Charges	(20,741.76)	(20,741.76)
	Other property expenses	(89.17)	(89.17)
	Wages & salaries	(124,926.91)	(124,926.91)
	PAYE & NIC	(24,228.05)	(24,228.05)
	Bank charges	(75.00)	(75.00)
		(273,014.02)	(273,014.02)
<b>PREFERENTIAL CREDITORS</b>			
(25,000.00)	Employees' wage arrears	NIL	NIL
(25,000.00)	Employees' holiday pay	NIL	NIL
		NIL	NIL
<b>UNSECURED CREDITORS</b>			
(1,516,000.00)	Trade & expense	NIL	NIL



# **Late Rooms Limited - in Administration**

## **Abstract of receipts & payments**

Statement of affairs (£)		From 02/08/2019 To 19/09/2019 (£)	From 02/08/2019 To 19/09/2019 (£)
(141,000.00)	Corp tax etc/nonpref PAYE	NIL	NIL
(250,000.00)	Non-preferential VAT	NIL	NIL
		NIL	NIL
<b>(47,416,000.00)</b>		<b>599,743.44</b>	<b>599,743.44</b>
REPRESENTED BY			
	Floating ch. VAT rec'able		24,736.07
	Floating charge current		575,007.37
			<b>599,743.44</b>



## Appendix 3 Joint Administrators' fees estimate

Estimated time costs for the engagement				
	Narrative	Estimated total hours	Estimated time cost (£)	Estimated average hourly rate (£)
<b>Administration &amp; Planning</b>				
<b>Bankrupt/Director/Member</b>		44.20	16,144.50	365.26
<b>Cashiering</b> - processing receipts, payments and bank reconciliations	Note 1	155.13	48,178.20	310.57
<b>General</b> - books & records, fees & work in progress	Note 2	94.20	31,962.00	339.30
<b>Statutory and compliance</b> - appointment & related formalities, bonding, checklist & reviews, reports to secured creditors, advertising, strategy	Note 3	412.71	141,601.40	343.10
<b>Tax</b> - VAT & Corporation tax, initial reviews, pre and post appointment tax	Note 4	44.40	19,422.00	437.43
<b>Creditors</b>				
<b>Committees</b> - committee meetings and reports to the committee	Note 5	0.00	0.00	0.00
<b>Creditors and claims</b> - general correspondence, notification of appointment, statutory reports	Note 6	303.27	84,953.55	280.13
<b>Employees</b> - correspondence	Note 7	197.25	64,954.25	329.30
<b>Investigations</b>				
<b>Directors</b> - correspondence, statement of affairs, questionnaires	Note 8	59.43	23,138.20	389.34
<b>Investigations</b> - director conduct and affairs of the Company	Note 9	102.00	38,100.00	373.53
<b>Realisation of Assets</b>				
<b>Asset Realisation</b> - including insurance of assets	Note 10	549.65	232,717.00	423.39
<b>Total</b>		<b>1,962.24</b>	<b>701,171.10</b>	<b>357.33</b>

Whilst specific notes have been provided below to give more context around the fees estimate, these should be read in conjunction with the report as a whole.

### Note 1 – Cashiering

New bank accounts have been opened and will be maintained in the administration. Receipts and payments will be authorised and processed, which we will reconcile to internal systems. Cashiering will also include payroll being processed for salary payments in respect of retained employees.

### Note 2 – General

Time will include general time spent on administration matters, including collecting, downloading and handling Company books and records, reviewing time costs and producing reports which are compliant with Statement of Insolvency Practice 9.

### Note 3 – Statutory and compliance

We are required to comply with our statutory obligations. Time will be spent updating and maintaining the strategy for the administration, including preparing checklists and reviews. We will also need to comply with bonding requirements, and liaise with secured and unsecured creditors under statute.



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#### Note 4 – Tax

The Company will be required to complete VAT returns to HMRC. Tax specialists will also compute corporation tax, as well as any other tax obligations. We will also utilise tax specialists to analyse the VAT and tax position of the sale of business and other asset disposals. We have notified HMRC of our appointment, and will liaise with HMRC on all other tax matters during the administration, including seeking tax clearance prior to exit from administration.

#### Note 5 – Committees

We are not anticipating the formation of a creditors committee.

#### Note 6 – Creditors and claims

Time will be spent communicating with creditors, which will include notifying creditors of our appointment, dealing with ROT claims and responding to general enquiries. Time will also be spent preparing updates on the progress of the administration, including drafting and circulating our proposals and progress reports.

#### Note 7 – Employees

We will deal with statutory employment related matters and employee queries. We also convened employee consultation meetings and dealt with issues arising from redundancies. We will agree employee claims, as applicable, and communicate with the Redundancy Payments Office regarding all employee matters. Time will also be spent making payment of wages and salaries in relation to employees retained by us in the administration.

#### Note 8 – Directors

We will correspond with the Directors throughout the administration, including to ensure the delivery of the Statement of Affairs and directors' questionnaires.

#### Note 9 – Investigations

A return on the conduct of the Directors will be drafted and submitted confidentially to the BEIS. We will review pre-administration transactions and the performance and position of the Company prior to insolvency.

#### Note 10 – Asset Realisation

Estimated time costs in respect of the sale of business and to realise the Company's assets excluded from the proposed sale of business (primarily book debts). This includes, but is not limited to, computer equipment, fixtures and fittings and book debts. We will spend time seeking valuations and liaising with advisors in order to achieve asset realisations.

## Appendix 4 Joint Administrators' expenses estimate

Summary of Expenses from appointment				
				Total for Administration
Expenses (£)	Notes	Paid to date (£)	Future costs (£)	Total (£)
<b>Fixed</b>				
Legal fees & disbursements	1	-	40,000	40,000
Agents' fees & disbursements	2	-	9,000	9,000
Critical IT payments	3	-	81,482	81,482
Dataroom hosting costs	4	-	750	750
<b>Floating</b>				
Pre-administration KPMG fees	5	-	3,370	3,370
Pre-administration legal fees & disbursements	6	-	34,592	34,592
Legal fees & disbursements	7	-	30,000	30,000
Agents' fees & disbursements	8	1,667	4,900	6,567
GDPR agents' fees & disbursements	9	-	6,000	6,000
Book debt collection fees	10	-	40,000	40,000
Insurance of assets	11	-	1,000	1,000
Property holding costs	12	20,831	12,011	32,842
Staff costs	13	149,155	22,908	172,063
Critical IT payments		101,286	2,275	103,561
Storage costs		-	1,000	1,000
Statutory advertising		-	450	450
Statement of affairs work		800	-	800
Bank charges		75	125	200
<b>TOTAL</b>		<b>273,814</b>	<b>289,863</b>	<b>563,677</b>

### Fixed

#### Note 1 – Legal fees & disbursements

Estimated legal fees and disbursements to be incurred in the administration directly relating to the realisation of fixed charge assets, including but not be limited to:

- Shoosmiths advising us on the sale of business as well as preparation and review of the sale and purchase agreement;
- Shoosmiths reviewing the validity of the Bank's security and offering general legal advice in respect of fixed charge assets throughout the course of the administration.

#### Note 2 – Agents' fees & disbursements

As mentioned, Metis has been engaged to provide a valuation of the Company's intangible assets a provide advice in relation to offers received. Metis has also estimated disbursements to be incurred in providing this advice.

#### Note 3 – Critical IT payments

A previously detailed, a number of the Company's IT systems are essential to support our strategy for the administration and to maintain value in the Company's business and assets. Further detail on the nature of critical IT payments is outlined in Section 4.1 – Strategy to date.

#### Note 4 – Dataroom hosting costs



Costs associated with the hosting of the dedicated online dataroom used to securely share information with interested parties as part of the sale of business process.

### ***Floating***

#### **Note 5 – Pre-administration KPMG fees**

Costs incurred by KPMG prior to our appointment, as detailed in section 3.4 – Pre-administration work.

#### **Note 6 – Pre-administration legal fees & disbursements**

Costs incurred by Shoosmiths prior to our appointment, as detailed in section 3.4 – Pre-administration work.

#### **Note 7 – Legal fees & disbursements**

Estimated legal costs and disbursements to be incurred by Shoosmiths throughout the administration including, but not limited to, the provision of general insolvency advice throughout the course of the administration.

#### **Note 8 – Agents' fees & disbursements**

Estimated agents' fees to be incurred throughout the administration in relation to valuing the Company's tangible assets and facilitating their sale. SIA has also estimated disbursements incurred whilst providing their services.

#### **Note 9 – GDPR agents' fees & disbursements**

Estimated consultancy fees and disbursements to be incurred by MAPS in relation to their advice on GDPR and data security.

#### **Note 10 – Book debt collection fees**

Estimated costs relating to instructing third party debt collection agents when pursuing outstanding book debts owed to the Company.

#### **Note 11 – Insurance of assets**

We have engaged Marsh to provide the Company with insurance cover for its assets. The quantum of insurance costs will depend on the time taken to realise the assets. Marsh has also provided open cover to the Joint Administrators upon appointment.

#### **Note 12 – Property holding costs**

Estimated costs in relation to the Company's leasehold property, including utilities and security.

#### **Note 13 – Staff costs**

Estimated staff costs in respect of the wages, salaries and HMRC payments for staff retained in the administration to assist us.

Due to the historical infrastructure arrangements, a proportion of critical IT systems relate to Superbreak and MTT. As the administration progresses, we will review the requirement to re-charge these costs to the respective administration estates where required.



## Appendix 5 Joint Administrators' charging and disbursements policy

### Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee and pensions from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact Tom Morton on 0161 6187375.

### Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Charge-out rates (£)	
Grade	From 01 Jan 2019 £/hr
Partner	655
Director	590
Senior Manager	535
Manager	445
Senior Administrator	310
Administrator	225
Support	140

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

## Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

*Category 1 disbursements:* These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

*Category 2 disbursements:* These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following disbursements during the period 2 August 2019 to 19 September 2019.

### Disbursements

<b>SIP 9 - Disbursements</b>					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Accommodation		64.58		NIL	<b>64.58</b>
Meals		17.50		NIL	<b>17.50</b>
Mileage		NIL		54.32	<b>54.32</b>
Postage		82.93		NIL	<b>82.93</b>
Professional and legal fees		100.00		NIL	<b>100.00</b>
Sundry		0.00		NIL	<b>0.00</b>
Travel		798.24		NIL	<b>798.24</b>
<b>Total</b>		<b>1,063.25</b>		<b>54.32</b>	<b>1,117.57</b>

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements are to be approved in the same manner as our remuneration.



## Narrative of work carried out for the period 2 August 2019 to 19 September 2019

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> <li>■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences;</li> <li>■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment;</li> <li>■ issuing press releases and posting information on a dedicated web page;</li> <li>■ preparing statutory receipts and payments accounts;</li> <li>■ arranging bonding and complying with statutory requirements;</li> <li>■ ensuring compliance with all statutory obligations within the relevant timescales.</li> </ul>
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> <li>■ formulating, monitoring and reviewing the administration strategy, including the decision not to trade and meetings with internal and external parties to agree the same;</li> <li>■ briefing of our staff on the administration strategy and matters in relation to various work-streams;</li> <li>■ regular case management and reviewing of progress, including regular team update meetings and calls;</li> <li>■ meeting with management to review and update strategy and monitor progress;</li> <li>■ reviewing and authorising junior staff correspondence and other work;</li> <li>■ dealing with queries arising during the appointment;</li> <li>■ reviewing matters affecting the outcome of the administration;</li> <li>■ allocating and managing staff/case resourcing and budgeting exercises and reviews;</li> <li>■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters;</li> <li>■ complying with internal filing and information recording practices, including documenting strategy decisions.</li> </ul>
Reports to debenture holders	<ul style="list-style-type: none"> <li>■ providing written and oral updates to representatives of the secured creditors regarding the progress of the administration and case strategy.</li> </ul>
Cashiering	<ul style="list-style-type: none"> <li>■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts;</li> <li>■ preparing and processing vouchers for the payment of post-appointment invoices;</li> <li>■ creating remittances and sending payments to settle post-appointment invoices;</li> <li>■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks;</li> <li>■ reviewing and processing employee expense requests;</li> <li>■ reconciling post-appointment bank accounts to internal systems;</li> <li>■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.</li> </ul>
Tax	<ul style="list-style-type: none"> <li>■ gathering initial information from the Company's records in relation to the taxation position of the Company;</li> <li>■ submitting relevant initial notifications to HM Revenue and Customs;</li> <li>■ reviewing the Company's pre-appointment corporation tax and VAT position;</li> <li>■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations;</li> <li>■ working initially on tax returns relating to the periods affected by the administration;</li> <li>■ analysing VAT related transactions;</li> <li>■ reviewing the Company's duty position to ensure compliance with duty requirements;</li> <li>■ dealing with post appointment tax compliance.</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>■ providing notification of our appointment;</li> <li>■ responding to enquiries from shareholders regarding the administration;</li> <li>■ providing copies of statutory reports to the shareholders.</li> </ul>
General	<ul style="list-style-type: none"> <li>■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9;</li> <li>■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.</li> <li>■ negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions, in order to ensure continued support;</li> <li>■ communicating and negotiating with customers regarding ongoing supplies, including agreeing terms and conditions</li> </ul>
Asset realisations	<ul style="list-style-type: none"> <li>■ collating information from the Company's records regarding the assets;</li> <li>■ liaising with finance companies in respect of assets subject to finance agreements;</li> <li>■ liaising with agents regarding the sale of assets;</li> <li>■ reviewing outstanding debtors and management of debt collection strategy;</li> <li>■ liaising with Company credit control staff and communicating with debtors;</li> <li>■ seeking legal advice in relation to book debt collections;</li> </ul>



	<ul style="list-style-type: none"> <li>liaising with the KPMG specialist debt collection team regarding debtor recoveries;</li> <li>reviewing the inter-company debtor position between the Company and other group companies;</li> <li>securing petty cash on site and monitoring spend;</li> </ul>
Property matters	<ul style="list-style-type: none"> <li>reviewing the Company's leasehold properties, including review of leases;</li> <li>communicating with landlords regarding rent, property occupation and other issues;</li> <li>performing land registry searches.</li> </ul>
Sale of business	<ul style="list-style-type: none"> <li>planning the strategy for the sale of the business and assets, including instruction and liaison with professional advisers;</li> <li>seeking legal advice regarding sale of business, including regarding non-disclosure agreements;</li> <li>collating relevant information and drafting information memorandum in relation to the sale of the Company's business and assets and advertising the business for sale;</li> <li>dealing with queries from interested parties and managing the information flow to potential purchasers, including setting up a data room;</li> <li>managing site visits with interested parties, fielding due diligence queries and maintaining a record of interested parties;</li> <li>carrying out sale negotiations with interested parties.</li> </ul>
Health and safety	<ul style="list-style-type: none"> <li>liaising with health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with;</li> <li>liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.</li> </ul>
Open cover insurance	<ul style="list-style-type: none"> <li>arranging ongoing insurance cover for the Company's business and assets;</li> <li>liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place;</li> <li>assessing the level of insurance premiums.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>dealing with queries from employees regarding various matters relating to the administration and their employment;</li> <li>dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments;</li> <li>holding employee briefing meetings to update employees on progress in the administration and our strategy;</li> <li>administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns;</li> <li>communicating and corresponding with HM Revenue and Customs;</li> <li>dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office;</li> <li>managing claims from employees;</li> <li>ensuring security of assets held by employees.</li> </ul>
Pensions	<ul style="list-style-type: none"> <li>collating information and reviewing the Company's pension schemes;</li> <li>calculating employee pension contributions and review of pre-appointment unpaid contributions;</li> <li>ensuring compliance with our duties to issue statutory notices;</li> <li>communicating with employees concerning the effect of the administration on pensions.</li> </ul>
Creditors and claims	<ul style="list-style-type: none"> <li>drafting and circulating our proposals;</li> <li>creating and updating the list of unsecured creditors;</li> <li>responding to enquiries from creditors regarding the administration and submission of their claims;</li> <li>reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records;</li> <li>dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging and carrying out stock inspection visits.</li> </ul>
Investigations/directors	<ul style="list-style-type: none"> <li>reviewing Company and directorship searches and advising the directors of the effect of the administration;</li> <li>liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies;</li> <li>arranging for the redirection of the Company's mail.</li> </ul>

## Time costs

### SIP 9 Pre-Administration costs

Pre-Administration costs (23/07/2019 to 01/08/2019)						
	Hours					Average
	Partner / Director	Manager	Administrator	Support	Total	Hourly Rate (£)
Pre-Administration Sale of business - preparation		1.00			1.00	445.00
Advising directors		1.00	3.00		4.00	343.75
Appointment documents		2.00	1.00		3.00	400.00
Pre-administration checks				2.50	2.50	140.00
<b>Total</b>	<b>0.00</b>	<b>4.00</b>	<b>4.00</b>	<b>2.50</b>	<b>10.50</b>	<b>320.95</b>

### SIP 9 –Time costs analysis

SIP 9 –Time costs analysis (02/08/2019 to 19/09/2019)			
	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Bankrupt/Director/Member			
Notification of appointment	12.20	3,184.50	261.02
Cashiering			
Fund management	1.70	527.00	310.00
General (Cashiering)	11.40	3,058.00	268.25
Reconciliations (& IPS accounting reviews)	0.70	284.50	406.43
General			
Books and records	78.25	24,257.50	310.00
Fees and WIP	2.50	1,010.50	404.20
Statutory and compliance			
Advising directors	1.30	403.00	310.00
<i>Appointment and related formalities</i>	86.20	28,811.00	334.23
Appointment documents	1.20	372.00	310.00
Bonding & Cover Schedule	1.20	426.00	355.00
Budgets & Estimated outcome statements	12.10	4,471.00	369.50
Checklist & reviews	7.90	1,097.50	138.92
Pre-administration checks	0.50	70.00	140.00
Reports to debenture holders	7.20	3,406.50	473.13
Statutory receipts and payments accounts	4.06	2,395.40	590.00
Strategy documents	31.62	13,509.30	427.24



**SIP 9 –Time costs analysis (02/08/2019 to 19/09/2019)**

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Tax</b>			
Initial reviews - CT and VAT	<b>3.10</b>	1,379.50	445.00
Post appointment corporation tax	<b>7.50</b>	3,180.00	424.00
Post appointment PAYE (Non Trading)	<b>13.50</b>	7,110.00	526.67
Post appointment VAT	<b>2.10</b>	651.00	310.00
<b>Creditors</b>			
Creditors and claims			
General correspondence	<b>61.45</b>	5,548.25	90.29
Notification of appointment	<b>2.60</b>	585.00	225.00
Pre-appointment VAT / PAYE / CT	<b>0.10</b>	31.00	310.00
ROT Claims	<b>2.50</b>	222.50	89.00
Secured creditors	<b>19.69</b>	10,089.60	512.42
Statutory reports	<b>38.99</b>	13,446.10	344.86
<b>Employees</b>			
Correspondence	<b>139.20</b>	45,939.00	330.02
Pensions reviews	<b>17.75</b>	3,860.75	217.51
<b>Investigation</b>			
Directors			
Correspondence with directors	<b>0.30</b>	93.00	310.00
Directors' questionnaire / checklist	<b>0.33</b>	194.70	590.00
Statement of affairs	<b>7.00</b>	2,440.00	348.57
<b>Investigations</b>			
Correspondence re investigations	<b>4.00</b>	2,360.00	590.00
Mail redirection	<b>1.00</b>	55.00	55.00
<b>Realisation of assets</b>			
Asset Realisation			
Cash and investments	<b>38.38</b>	11,171.20	291.07
Debtors	<b>122.00</b>	54,316.00	445.21
Insurance	<b>0.80</b>	248.00	310.00
Intellectual Property	<b>13.00</b>	4,300.00	330.77
Leasehold property	<b>2.93</b>	1,464.20	499.73
Office equipment, fixtures & fittings	<b>12.00</b>	4,980.00	415.00
Other assets	<b>0.90</b>	419.00	465.56
Sale of business	<b>213.92</b>	95,121.80	444.66
<b>Total in period</b>	<b>985.07</b>	<b>356,489.30</b>	<b>361.89</b>



**SIP 9 –Time costs analysis (02/08/2019 to 19/09/2019)**

	Hours	Time Cost (£)	Average Hourly Rate (£)
Brought forward time (appointment date to SIP 9 period start date)	0.00	0.00	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	985.07	356,489.30	
Carry forward time (appointment date to SIP 9 period end date)	985.07	356,489.30	

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 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.

All time shown in the above analysis is charged in units of six minutes.

## Appendix 6 Statement of Affairs, including creditor list

This is the Statement of Affairs for the Company as at the date of our appointment, as provided by Company director – John McLaughlin.

We have not carried out anything in the nature of an audit on the information provided. The figures do not take into account the costs of the administration.

Rule 3.30

### Statement of Affairs

Name of company Laterooms Limited	Company number 03816947
In the High Court of Justice, Business and Property Courts in Manchester (full name of court)	Court case number CR-2019-MAN-000755

Statement as to the affairs of

Laterooms Limited, The Peninsula Building, Victoria Place, Manchester, M4 4FB.

(a) Insert name and address of registered office of the company

on the (b) 02 08 2019 the date that the company entered administration

(b) Insert date of appointment

### Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 2 August 2019, the date that the company entered administration

Full name John McLaughlin  
Signed J. McLaughlin  
Dated 11/9/19



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## A - Summary of Assets

	Book Value £'000	Estimated Realisable Value £'000
<b><u>Assets Specifically Pledged:</u></b>		
Intangible Assets - Website and associated platforms	3,648	-
Customer database	-	-
<b>Less: Sums due to secured creditor (Yes Bank)</b>		<b>(46,604)</b>
<b>Estimated surplus/(deficiency) as regards secured creditor</b>		<b>(46,604)</b>
<b><u>Assets Not Specifically Pledged:</u></b>		
Computer equipment	81	5
Fixtures and Fittings	112	5
Cash at Bank	235	235
Trade debtors (excluding intercompany amounts)	2,848	900
Deferred tax	4,771	-
Accrued income and prepayments	677	-
<b>Estimated total assets available for preferential creditors</b>		<b>1,145</b>

Signature

*J. K. Singh*

Date

11/9/19



## A1 - Summary of Liabilities

	£000s	£000s
Estimated total assets available for preferential creditors (carried from page A)		1,145
<b>Liabilities</b>		
Preferential Creditors: (No 112)		
Employee pay		(25)
Holiday pay		(25)
Estimated surplus/(deficiency) as regards preferential creditors		1,095
Less uncharged assets		
<b>Net Property</b>		1,095
Estimated prescribed part of net property where applicable		50% of first £10k 20% of bal up to £600k 5 217
Estimated total assets available to floating charge holders		873
Debts secured by floating charge Yes Bank b/d		(46,604)
Estimated surplus/(deficiency) after floating charges		(45,731)
Estimated prescribed part of net property b/d		222
Uncharged assets		-
Estimated total assets available to unsecured creditors		222
<b>Unsecured non preferential claims (excluding any shortfall to floating charge holders)</b>		
Trade Creditors (excluding intercompany amounts)	(1,516)	
HMRC PAYE	(141)	
HMRC VAT	(250)	
Other - employee	-	
		(1,906)
Estimated (deficiency)/surplus as regards unsecured creditors		(1,684)
Shortfall to fixed charge holders (brought down)		(46,604)
Shortfall to preferential creditors (brought down)		-
Shortfall to floating charge holders (brought down)		0
Estimated deficiency/Surplus as regards creditors		(46,288)
Issued and called up capital		
Share capital		-
Estimated (deficiency)/surplus as regards members		(46,288)

Signature

*J. K. Laughton*

Date

11/7/19



## Appendix 1 - Secured creditor

Name	Address	Nature of charge	Value of security (£)	Date of charge	Balance (£)
YES Bank	Yes Bank Ltd IFSC Banking Unit Unit No - 901, Block 13 B Hiranandani Signature Building, GIFT SEZ Gujarat International Finance Tec City Gandhinagar - 382355	Fixed and floating	46,604,000	29/11/2018	46,604,000
<b>Total</b>					<b>46,604,000</b>

Signature

*J. R. Kanga*

Date

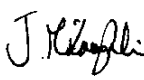

11/9/19







### Appendix 3 - PAYE / VAT

Name	Address	Balance (£)
HMRC PAYE	Direct BX5 5BD	140 548
HMRC VAT	Newcastle NE98 1ZZ	250 000
Total		<u>390,548</u>
Signature	Date	
		



## Appendix 5- Shareholders

Name	Address	No of shares	Nominal value (£)
Malvern Travel Limited	3rd Floor 30 Millbank London, United Kingdom, SW1P 4DU	14,287	14,287
Total		14,287	14,287

Signature

*J. Kyle*

Date

*11/1/19*



## Appendix 7      Glossary

<b>Bank / Secured creditor</b>	YES Bank Limited
<b>BEIS</b>	<i>Department for Business, Energy &amp; Industrial Strategy</i>
<b>CAA</b>	Civil Aviation Authority
<b>Court</b>	High Court of Justice, Business and Property Courts in Manchester
<b>Company</b>	Late Rooms Limited- in Administration
<b>Cox &amp; Kings India</b>	Cox & Kings Limited (an India registered company)
<b>Directors</b>	<i>John McLaughlin, Hugo Kimber and Peter Ajay Kerkar</i>
<b>GDPR</b>	General Data Protection Regulation
<b>Group</b>	The Company together with:  Superbreak Mini-Holiday Limited and Malvern Travel Technology Limited (both in administration); and  Hotels London Limited, Superbreak Mini-Holidays Group Limited; Superbreak Mini-Holidays Transport Limited; Malvern Travel Limited; and Malvern Group Limited.
<b>ICO</b>	Information Commissioner's Office
<b>Joint Administrators/we/our/us</b>	Tracey Pye and David Costley-Wood
<b>KPMG</b>	KPMG LLP



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<b>Metis</b>	Metis Partners Inc.
<b>MTT</b>	Malvern Travel Technology Limited – in Administration
<b>Peninsula</b>	Peninsula Business Services Limited
<b>the Period</b>	2 August 2019 to 19 September 2019
<b>the Regulators</b>	CAA and ABTA
<b>RRG</b>	KPMG Restructuring Realisations Group
<b>SIA</b>	SIA Group Limited
<b>Shoosmiths</b>	Shoosmiths LLP
<b>Superbreak</b>	Superbreak Mini-Holidays Limited – in Administration

Any references in these proposals to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.



## Appendix 8 Notice: About this statement of proposals

This statement of proposals ('proposals') has been prepared by Tracey Pye and David Costley-Wood, the Joint Administrators of Late Rooms Limited – in Administration (the 'Company'), solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes 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.

These proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the same group.

Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their 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 these proposals.

Tracey Lee Pye and David James Costley-Wood are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – [home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html](https://home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html).

The Joint Administrators act as agents for the Company 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 these proposals or the conduct of the administration.



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