

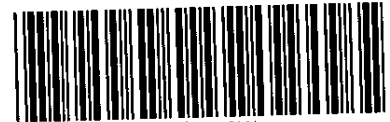
AM10

Notice of administrator's progress report



Companies House

WEDNESDAY



A05 *A904BROY* 04/03/2020 #143
COMPANIES HOUSE

1 Company details

Company number 0 3 8 1 6 9 4 7

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 Manchester

Post town

County/Region

Postcode M 2 3 A E

Country

4 Administrator's name ①

Full forename(s) David James

Surname Costley-Wood

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 1 St Peter's Square

Street Manchester

Post town

County/Region

Postcode M 2 3 A E

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6	Period of progress report															
From date	d	0	d	2	m	0	m	8	y	2	y	0	y	1	y	9
To date	d	0	d	1	m	0	m	2	y	2	y	0	y	2	y	0
7	Progress report															
<input checked="" type="checkbox"/> I attach a copy of the progress report																
8	Sign and date															
Administrator's signature	Signature <div style="display: flex; justify-content: space-between; align-items: center;"> X <i>TLRye</i> X </div>															
Signature date	d	1	d	9	m	0	m	2	y	2	y	0	y	2	y	0

AM10

Notice of administrator's progress report



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**
Manchester

Post town

County/Region

Postcode

M 2 3 A E

Country

DX

Telephone

Tel +44 (0) 161 246 4000



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 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 or email 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



Joint Administrators' progress report for the period 2 August 2019 to 1 February 2020

Late Rooms Limited - in
Administration

26 February 2020

Deemed delivered: 28 February
2020

Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

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, kpmg.co.uk/laterooms. We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 8).

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1 Executive summary

- This progress report covers the administration of Late Rooms Limited ('the Company') for the period from the date of our appointment to 1 February 2020 (the 'Period').
- The Directors resolved on 2 August 2019 to appoint us as Joint Administrators. The notice of appointment was lodged at High Court of Justice, Business and Property Courts in Manchester on 2 August 2019 and we were duly appointed.
- In addition to the Company, two other Group companies (Superbreak and MTT) were also placed into administration on 2 August 2019.
- We delivered our statement of proposals ('Proposals') to all known creditors on 1 October 2019. They were deemed approved without modification on 2 December 2019.
- Immediately following our appointment, the majority of staff were made redundant with a small number of staff retained to assist us with our strategy for the administration. Following a review of the staffing requirements during the Period, all staff have now been made redundant (Section 2 – Progress to date)
- Since appointment, we commenced a sale of business process resulting in the sale of the various intangible assets to a third party purchaser. We have also continued to collect the Company's book debts and realise other assets. (Section 2 – Progress to date)
- Given the nature of the trading entities within the Group, we have also consulted with the Regulators and put in place a clear communications strategy for all stakeholders (Section 2 – Progress to date).
- Going forward, we will continue to provide updates to customers via our dedicated communication channels, realise the Company's outstanding book debts and cash balances held in international bank accounts, settle the costs of the administration, comply with our statutory duties and, where applicable, distribute to creditors (Section 2 – Progress to date).
- To date, we have distributed £750,000 to YES Bank Limited ('the Bank'), the Secured Creditor. Based on current estimates, we anticipate that the Bank will suffer a shortfall against its lending to the Company (Section 3 - Dividend prospects and dividends paid).
- Based on current estimates, we anticipate the preferential creditors will be paid in full (Section 3 - Dividend prospects and dividends paid).
- Based on current estimates, it is uncertain whether there will be a dividend to unsecured creditors. (Section 3 - Dividend prospects and dividends paid).
- Please note: you should read this progress report in conjunction with our Proposals which were issued to the Company's creditors and can be found at kpmg.co.uk/laterooms. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



pp David Costley-Wood
Joint Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our Proposals.

2.1 Strategy and progress to date

Strategy

As detailed in our Proposals circulated to creditors on 1 October 2019, the Company was incorporated on 30 July 1999 and operated in the travel and technology sector as a traditional online travel agents through 'Laterooms.com'. It specialised in hotel only post pay booking predominantly service UK customers and corporate markets.

The Company was part of a larger group of companies, known as The Malvern Group, which was involved in the travel and technology sector. The Group structure chart is detailed in our Proposals.

On 2 August 2019, Tracey Pye and David Costley-Wood were appointed Joint Administrators of the Company. In addition to the Company, two other Group companies (Superbreak and MTT) were placed into administration on 2 August 2019.

For further information on the events leading to the administration and our strategy upon appointment, please refer to section 3.3 of our Proposals.

Upon appointment, we re-commenced the sale of business process to seek a purchaser for some or all of the Company's business and assets. On 20 September 2019, we completed a sale of certain intangible assets to a third party purchaser (See 2.2 Asset realisations).

We have also continued to realise the Company's outstanding assets, primarily book debts, cash held in international and local bank accounts and office furniture and equipment (See – 2.2 Asset realisations).

Furthermore, upon appointment service of certain company IT systems was maintained to support ongoing financial, HR and operational infrastructures and to support the sale of business and book debt collection processes. Following the sale of certain business assets and progression of the book debt collection process, we have now ceased all undertaking agreements and provision of services in respect of the critical IT systems.

During the Period, we have also made distributions to the Secured Creditor (See – 3 Dividend prospects and dividends paid).

Going forward, we will continue to provide updates to customers through our dedicated communication channels, realise the Company's outstanding book debts and cash balances held in international bank accounts, settle the costs of the administration, comply with our statutory duties and, where applicable, distribute to creditors.

2.2 Asset realisations

Realisations during the Period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the Period are provided below.

Sale of business

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

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

Book debts

As mentioned in our Proposals, we have instructed KPMG's specialist debt realisation team, RRG, to work alongside staff retained in the Company's finance function to recover the Company's outstanding ledger and retrieve relevant information from Company records prior to the wind down of retain staff requirements.

Since appointment, we have realised £701,806 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

The Company held its main trading bank accounts in multiple currencies with one financial institution in the UK. Upon appointment, we requested the transfer of funds from the Company's pre-administration bank accounts to the administration bank account.

Since appointment, we have realised £384,111 in respect of cash that was held at the Company's main trading bank accounts.

Overseas cash balances

In addition to its main trading bank accounts, the Company also held a number of other bank accounts in foreign currencies across multiple countries.

Since appointment, we have realised £65,541 in respect of cash that was held within the Company's overseas bank accounts.

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.

We have complied with the relevant statutory requirements by submitting the online director conduct assessment to the Department for Business, Energy and Industrial Strategy. The contents of our submission are confidential.

2.3 Costs

Payments made in the Period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the Period are provided below.

Agents'/Valuers' fees

We have paid Metis Partners inc. £2,687 for advice relating to the valuation of the Company's intellectual property and intangible assets.

We have paid SIA Group Limited £11,008 in relation to the sale of office fixtures and fittings.

We have also paid independent data protection advisors, MAPS, £4,900 in relation to advice on GDPR and data security.

Wages & salaries

During the Period, wage costs of £153,986 have been paid to the employees retained to assist us in achieving our strategy for the administration. The amount includes 1.5 days of August 2019 payroll paid to all staff.

A number of staff were specifically retained to assist with the sale of Intellectual Property, therefore £20,488 of this total has been allocated to fixed costs.

PAYE & NIC

The PAYE and NIC due to HMRC in respect of the employee costs incurred following our appointment has totalled £28,741

£14,983 of this total relates to fixed costs.

Data site costs

We have paid £3,329 to Merrill Corporation Limited in respect of an online data room which hosted documents and other ancillary services relating to marketing the Company in the post appointment sale of business process.

Legal fees

We have paid £667 in legal fees during the Period.

This has been paid to Addleshaw Goddard LLP for its advice in respect of the validity of our appointment.

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 £144,716 in respect of critical IT payments to date.

Utilities and service charges

We have paid £33,417 for electricity and service charges relating to our occupation of the Company's premises at Victoria Place.

2.4 Schedule of expenses

We have detailed the costs incurred during the Period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

3 Dividend prospects and dividends paid

3.1 Secured Creditors

YES Bank Limited

The Bank provided a term loan and a revolving credit facility 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 charges were created on 29 November 2019. Shoosmiths LLP ('Shoosmiths') have confirmed the validity of the Bank's security.

At the date of our appointment, the Bank was owed approximately £47 million across the Group.

During the Period, we have made total distributions of £750,000 to the Bank. Of these, £400,000 relates to fixed charge realisations and £350,000 to floating charge realisations.

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

3.2 Preferential creditors

We currently estimate the amount of preferential claims to be £89,435.

Based on current estimates, we anticipate that preferential creditors should receive a dividend of 100p in the £. The timing and amount of any dividend are dependent upon the realisations and associated costs of the administration.

3.3 Unsecured creditors

Based on current estimates, it is unlikely that there will be a dividend to unsecured creditors other than via a potential prescribed part dividend.

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 all of the Company's assets and the payment of the associated costs.

4 Joint Administrators' remuneration, disbursements and pre-administration costs

4.1 Joint Administrators' remuneration and disbursements

As detailed in Section 8.1 of our Proposals, we proposed to seek approval of the basis of our remuneration, disbursements and unpaid pre-administration costs from the Secured and preferential creditors.

Time costs

From the date of our appointment to 1 February 2020, we have incurred time costs of £549,925. These represent 1,590 hours at an average rate of £346 per hour.

Disbursements

During the Period, we have incurred disbursements of £3,033.

Additional information

We have attached a revised expenses estimate at Appendix 5.

We have attached (Appendix 6) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from our appointment to 1 February 2020. We have also attached our charging and disbursements policy.

4.2 Pre-administration costs

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

5 Future strategy

5.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- the collection of book debts owed to the Company;
- liaising with international banks to facilitate the realisation of cash balances held overseas;
- providing updates to customers and dealing with ongoing customer and creditor correspondence, where applicable;
- finalising and paying the costs of the administration;
- making distributions to the Secured, preferential and unsecured creditors, where applicable;
- obtaining tax and VAT clearance for the administration; and
- completion of all statutory duties in the administration, prior to exit by an appropriate route.

5.2 Future reporting

We will provide a further progress report within one month of 1 August 2020 or earlier if the administration has been completed prior to that time.

Appendix 1 Statutory information

Company information	
Company name	Late Rooms Limited
Date of incorporation	30 July 1999
Company registration number	03816947
Present registered office	1 St Peter's Square, Manchester, M2 3AE
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' details	Tracey Pye and David Costley-Wood
Values of the Net Property and Prescribed Part	Net Property is £902,990. Prescribed Part is £109,531. The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3).
Prescribed Part distribution	If funds do become available for a distribution under the Prescribed Part, the Joint Administrators may make a distribution to the unsecured creditors; or if appropriate, may apply to the Court to obtain an order that the Prescribed Part shall not apply on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits. Alternatively, the Prescribed Part will be automatically disapplied if the Net Property is less than £10,000 and the costs of making a distribution would be disproportionate to the benefits.
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

Appendix 2 Joint Administrators' receipts and payments account

Late Rooms Limited - in Administration			
Abstract of receipts & payments			
Statement of affairs (£)		From 02/08/2019 To 01/02/2020 (£)	From 02/08/2019 To 01/02/2020 (£)
FIXED CHARGE ASSETS			
	Property rights/Patents	749,999.00	749,999.00
	Goodwill	1.00	1.00
	Bank interest, gross	941.11	941.11
	Recharge of Data Site Costs	1,664.43	1,664.43
		<u>752,605.54</u>	<u>752,605.54</u>
FIXED CHARGE COSTS			
	Agents'/Valuers' fees	(2,686.67)	(2,686.67)
	PAYE and NIC	(14,982.77)	(14,982.77)
	Bank charges	(62.50)	(62.50)
	Data site Costs	(3,328.91)	(3,328.91)
	Critical IT payments	(103,561.28)	(103,561.28)
	Wages & salaries	(20,488.43)	(20,488.43)
		<u>(145,110.56)</u>	<u>(145,110.56)</u>
FIXED CHARGE CREDITORS			
(46,604,000.00)	Fixed charge creditor	(400,000.00)	(400,000.00)
		<u>(400,000.00)</u>	<u>(400,000.00)</u>
ASSET REALISATIONS			
5,000.00	Furniture & equipment	11,008.34	11,008.34
	Third party funds – Pension contrib.	135.58	135.58
900,000.00	Book debts	701,806.00	701,806.00
235,000.00	Cash at bank	384,111.19	384,111.19
	Overseas Cash Balances	65,541.47	65,541.47
		<u>1,162,602.58</u>	<u>1,162,602.58</u>
OTHER REALISATIONS			
	Bank interest, gross	1,572.05	1,572.05
5,000.00	Computer equipment	NIL	NIL
		<u>1,572.05</u>	<u>1,572.05</u>
COST OF REALISATIONS			
	Critical IT Payments	(41,154.38)	(41,154.38)
	Statement of affairs work	(800.00)	(800.00)
	Agents'/Valuers' fees	(15,908.34)	(15,908.34)
	Legal fees	(666.66)	(666.66)

Late Rooms Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 02/08/2019 To 01/02/2020 (£)	From 02/08/2019 To 01/02/2020 (£)
	Utilities and Service Charges	(33,417.28)	(33,417.28)
	Storage costs	(29.60)	(29.60)
	Statutory advertising	(73.00)	(73.00)
	Other property expenses	(89.17)	(89.17)
	Wages & salaries	(133,497.64)	(133,497.64)
	PAYE & NIC	(13,757.94)	(13,757.94)
	Bank charges	(162.50)	(162.50)
	Third party funds – Pension contrib.	(135.58)	(135.58)
		(239,692.09)	(239,692.09)
	PREFERENTIAL CREDITORS		
(25,000.00)	Employees' wage arrears	NIL	NIL
(25,000.00)	Employees' holiday pay	NIL	NIL
		NIL	NIL
	FLOATING CHARGE CREDITORS		
	Floating charge	(350,000.00)	(350,000.00)
		(350,000.00)	(350,000.00)
	UNSECURED CREDITORS		
(1,516,000.00)	Trade & expense	NIL	NIL
(141,000.00)	Corp tax etc/nonpref PAYE	NIL	NIL
(250,000.00)	Non-preferential VAT	NIL	NIL
		NIL	NIL
(47,416,000.00)		781,977.52	781,977.52
	REPRESENTED BY		
	Floating ch. VAT rec'able		18,595.08
	Fixed charge current		224,554.61
	Floating charge current		558,089.12
	Fixed charge VAT rec'able		21,357.57
	Fixed charge VAT payable		(150,332.88)
	Floating ch. VAT payable		(2,201.66)
	Fixed charge VAT control		111,915.68
			781,977.52

Appendix 3 Schedule of expenses

Schedule of expenses (02/08/2019 to 01/02/2020)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Fixed charge costs			
Agents'/Valuers' fees	2,686.67	0.00	2,686.67
PAYE and NIC	14,982.77	0.00	14,982.77
Bank charges	62.50	0.00	62.50
Data site Costs	3,328.91	0.00	3,328.91
Critical IT payments	103,561.28	0.00	103,561.28
Wages & salaries	20,488.43	0.00	20,488.43
Cost of realisations			
Critical IT Payments	41,154.38	0.00	41,154.38
Statement of affairs work	800.00	0.00	800.00
Agents'/Valuers' fees	15,908.34	0.00	15,908.34
Legal fees	666.66	0.00	666.66
Utilities and Service Charges	33,417.28	0.00	33,417.28
Storage costs	29.60	0.00	29.60
Statutory advertising	73.00	0.00	73.00
Other property expenses	89.17	0.00	89.17
Wages & salaries	133,497.64	0.00	133,497.64
PAYE & NIC	13,757.94	0.00	13,757.94
Bank charges	162.50	0.00	162.50
Third party funds – Pension contrib.	135.58	0.00	135.58
TOTAL	384,802.65	0.00	384,802.65

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Tom Morton at 1 St Peter's Square, Manchester, M2 3AE.

Appendix 4 Joint Administrators' revised fee estimate

Late Rooms Limited – In Administration						
	Approved estimated time costs for the engagement			Revised estimated time costs for the engagement		
	Estimated Total hours	Estimated Time cost (£)	Estimated Average hourly rate (£)	Revised Estimated Total hours	Revised Estimated Time cost (£)	Revised Estimated Average hourly rate (£)
Administration & planning						
Bankrupt/Director/Member	44.20	16,144.50	365.26	44.20	16,144.50	365.26
Cashiering	155.13	48,178.20	310.57	155.13	48,178.20	310.57
General	94.20	31,962.00	339.30	94.20	31,962.00	339.30
Statutory and compliance	412.71	141,601.40	343.10	412.71	141,601.40	343.10
Tax	44.40	19,422.00	437.43	44.40	19,422.00	437.43
Creditors						
Creditors and claims	303.27	84,953.55	280.13	303.27	84,953.55	280.13
Committees						
Employees	197.25	64,954.25	329.30	197.25	64,954.25	329.30
Investigation						
Directors	59.43	23,138.20	389.34	59.43	23,138.20	389.34
Investigations	102.00	38,100.00	373.53	189.50	58,376.00	308.05
Realisation of assets						
Asset realisation	549.65	232,717.00	423.39	549.65	232,717.00	423.39
Total	1,962.24	701,171.10	357.33	2,049.74	721,447.10	351.97

Investigations time costs have increased due to additional time taken to complete the directors conduct reporting.

It should be noted that at this stage there is no intention to seek an increased level of fee approval than what was reported in the Proposals.

Appendix 5 Joint Administrators' revised expenses estimate

Summary of Expenses from appointment				
Total for Administration				
Expenses (£)	Initial Estimates (£)	Paid to date (£)	Future costs (£)	Total (£)
Fixed charge costs				
Legal Fees and Disbursements	40,000.00	0.00	37,200.00	37,200.00
Agents Fees and Disbursements	9,000.00	2,686.67	0.00	2,686.67
Officeholders fees	0.00	0.00	150,000.00	150,000.00
PAYE and NIC	0.00	14,982.77	0.00	14,982.77
Bank charges	0.00	62.50	62.50	125.00
Data site Costs	750.00	3,328.91	0.00	3,328.91
Critical IT payments	81,482.00	103,561.28	0.00	103,561.28
Wages & salaries	0.00	20,488.43	0.00	20,488.43
Cost of realisations				
Pre-administration KPMG Fees	3,370.00	0.00	3,370.00	3,370.00
Pre-administration legal fees & disbursements	34,592.00	0.00	34,592.00	34,592.00
Officeholders fees	0.00	0.00	225,000.00	225,000.00
Officeholders disbursements	0.00	0.00	3,033.07	3,033.07
Legal fees	30,000.00	0.00	37,200.00	37,200.00
Legal fees (Addleshaw Goddard)	0.00	666.66	0.00	666.66
Agents/Valuers Fees	12,567.00	15,908.00	0.00	15,908.00
Book Debt Collection Fees	40,000.00	0.00	2,500.00	2,500.00
Insurance of assets	1,000.00	0.00	1,000.00	1,000.00
Utilities and service charges	32,842.00	33,417.00	0.00	33,417.00
Other property expenses	0.00	89.17	0.00	89.17
Staff Costs	172,063.00	133,498.00	0.00	133,498.00
PAYE & NIC	0.00	13,758.00	0.00	13,758.00
Critical IT Payments	103,561.00	41,154.38	0.00	41,154.38
Storage Costs	1,000.00	30.00	50.00	80.00
Statutory Advertising	450.00	73.00	0.00	136.00
Bank charges	200.00	162.50	100	262.50
Third party funds – Pension contrib.	0.00	135.58	0.00	135.58
Statement of Affair work	800.00	800.00	0.00	800.00
TOTAL	565,677.00	384,802.85	494,007.57	878,910.42

Appendix 6 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, pensions and health and safety advice 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 (£) for: Restructuring			
Grade	From 01 Jan 2019 £/hr	From 01 Oct 2019 £/hr	From 01 Jan 2020 £/hr
Partner	655	655	690
Director	590	590	620
Senior Manager	535	535	560
Manager	445	445	467
Senior Administrator	310	310	325
Administrator	225	225	236
Support	140	140	147

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 from the date of our appointment to 1 February 2020.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Accommodation	64.58		NIL		64.58
Meals	180.20		NIL		180.20
Mileage	NIL		54.32		54.32
Postage	82.93		NIL		82.93
Professional and legal fees	100.00		NIL		100.00
Sundry	190.00		NIL		190.00
Travel	2,361.04		NIL		2,361.04
Total	2,978.75		54.32		3,033.07

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

Narrative of work carried out for the period 2 August 2019 to 1 February 2020

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences; ■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment; ■ issuing regular press releases and posting information on a dedicated web page; ■ preparing statutory receipts and payments accounts; ■ arranging bonding and complying with statutory requirements; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same; ■ briefing of our staff on the administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ meeting with management to review and update strategy and monitor progress; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to debenture holders	<ul style="list-style-type: none"> ■ providing written and oral updates and estimated outcome documents to representatives of YES Bank Limited regarding the progress of the administration and case strategy.
Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts; ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks; ■ reviewing and processing employee expense requests; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company; ■ submitting relevant initial notifications to HM Revenue and Customs; ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; ■ working initially on tax returns relating to the periods affected by the administration; ■ analysing VAT related transactions; ■ reviewing the Company's duty position to ensure compliance with duty requirements; ■ dealing with post appointment tax compliance.
Shareholders	<ul style="list-style-type: none"> ■ providing notification of our appointment; ■ responding to enquiries from shareholders regarding the administration; ■ providing copies of statutory reports to the shareholders.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets; ■ liaising with finance companies in respect of assets subject to finance agreements; ■ liaising with agents regarding the sale of assets; ■ reviewing outstanding debtors and management of debt collection strategy; ■ liaising with Company credit control staff and communicating with debtors; ■ seeking legal advice in relation to book debt collections; ■ liaising with KPMG RRG regarding debtor recoveries; ■ reviewing the inter-company debtor position between the Company and other group companies.

Property matters	<ul style="list-style-type: none"> ■ reviewing the Company's leasehold properties, including review of leases; ■ communicating with landlords regarding rent, property occupation and other issues;
Sale of business	<ul style="list-style-type: none"> ■ planning the strategy for the sale of the business and assets, including instruction and liaison with professional advisers; ■ seeking legal advice regarding sale of business, including regarding non-disclosure agreements; ■ 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; ■ dealing with queries from interested parties and managing the information flow to potential purchasers, including setting up a data room; ■ managing site visits with interested parties, fielding due diligence queries and maintaining a record of interested parties; ■ carrying out sale negotiations with interested parties.
Health and safety	<ul style="list-style-type: none"> ■ liaising with internal 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; ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.
Open cover insurance	<ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ assessing the level of insurance premiums.
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment; ■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments; ■ holding employee briefing meetings to update employees on progress in the administration and our strategy; ■ administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns; ■ communicating and corresponding with HM Revenue and Customs; ■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office; ■ managing claims from employees; ■ ensuring security of assets held by employees.
Pensions	<ul style="list-style-type: none"> ■ collating information and reviewing the Company's pension schemes; ■ calculating employee pension contributions and review of pre-appointment unpaid contributions; ■ ensuring compliance with our duties to issue statutory notices; ■ liaising with the trustees of the defined benefit pension scheme, the Pensions Regulator and the Pensions Protection Fund concerning the changes caused to the pension scheme as a result of our appointment; ■ ensuring death-in-service cover for employees remains in place; ■ communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries.
Creditors and claims	<ul style="list-style-type: none"> ■ drafting and circulating our proposals; ■ convening and preparing for the meeting of creditors; ■ creating and updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; ■ dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging and carrying out stock inspection visits; ■ agreeing secured claims; ■ arranging distributions to the secured creditors; ■ drafting our progress report.
Investigations/ directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration; ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies; ■ arranging for the redirection of the Company's mail; ■ reviewing the questionnaires submitted by the Directors of the Company; ■ reviewing pre-appointment transactions; ■ submitting the online director conduct assessment to the relevant authority.

Time costs

SIP 9 –Time costs analysis (02/08/2019 to 01/02/2020)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Bankrupt/Director/Member			
Notification of appointment	12.20	3,184.50	261.02
Cashiering			
Fund management	1.70	527.00	310.00
General (Cashiering)	49.40	13,234.30	267.90
Reconciliations (& IPS accounting reviews)	2.60	718.60	276.38
General			
Books and records	1.00	310.00	310.00
Fees and WIP	2.60	1,069.50	411.35
Statutory and compliance			
Advising directors	1.30	403.00	310.00
Appointment and related formalities	99.80	36,056.00	361.28
Appointment documents	1.20	372.00	310.00
Bonding & Cover Schedule	1.20	426.00	355.00
Budgets & Estimated outcome statements	20.80	7,168.00	344.62
Checklist & reviews	30.50	6,735.50	220.84
Pre-administration checks	0.50	70.00	140.00
Reports to debenture holders	17.95	9,779.00	544.79
Statutory receipts and payments accounts	4.26	2,423.40	568.87
Strategy documents	49.12	19,995.30	407.07
Tax			
Initial reviews - CT and VAT	5.40	2,403.00	445.00
Post appointment corporation tax	14.90	5,330.00	357.72
Post appointment PAYE (Non Trading)	14.10	7,377.00	523.19
Post appointment VAT	10.60	4,535.00	427.83
Creditors			
Creditors and claims			
Agreement of claims	2.30	492.00	213.91
General correspondence	133.65	24,647.25	184.42
Legal claims	0.70	311.50	445.00
Notification of appointment	2.60	585.00	225.00
Payment of dividends	6.70	2,077.00	310.00
Pre-appointment VAT / PAYE / CT	0.30	120.00	400.00
ROT Claims	2.50	222.50	89.00

SIP 9 –Time costs analysis (02/08/2019 to 01/02/2020)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Secured creditors	28.39	14,631.10	515.36
Statutory reports	72.49	23,704.10	327.00
Employees			
Correspondence	204.50	63,639.30	311.19
Pensions reviews	23.10	5,241.10	226.89
Investigation			
Directors			
Correspondence with directors	0.30	93.00	310.00
D form drafting and submission	32.10	8,501.00	264.83
Directors' questionnaire / checklist	0.33	194.70	590.00
Statement of affairs	7.90	2,719.00	344.18
Investigations			
Correspondence re investigations	4.00	2,360.00	590.00
Mail redirection	1.00	55.00	55.00
Review of pre-appt transactions	173.50	51,700.00	297.98
Realisation of assets			
Asset Realisation			
Cash and investments	63.28	17,733.20	280.23
Debtors	165.00	72,699.50	440.60
Insurance	0.80	248.00	310.00
Intellectual Property	13.00	4,300.00	330.77
Leasehold property	8.93	2,814.20	315.14
Office equipment, fixtures & fittings	17.40	7,785.00	447.41
Other assets	20.90	6,619.00	316.70
Sale of business	262.72	114,315.30	435.12
Total in period	1,589.52	549,924.85	345.97
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)	1,589.52	549,924.85	
Carry forward time (appointment date to SIP 9 period end date)	1,589.52	549,924.85	

Appendix 7 Glossary

Bank / Secured Creditor	YES Bank Limited
Company	Late Rooms Limited - in Administration
Court	High Court of Justice, Business and Property Courts in Manchester
Cox & Kings India	Cox & Kings Limited (an India registered company)
Directors	John McLaughlin, Hugo Kimber and Peter Ajay Kerkar
GDPR	General Data Protection Regulation
Group	The Company together with: Superbreak Mini-Holidays 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
ICO	Information Commissioner's Office
Joint Administrators/we/our/us	Tracey Pye and David Costley-Wood
KPMG	KPMG LLP
MTT	Malvern Travel Technology Limited – in Administration
Period	2 August 2019 to 1 February 2020

Proposals	A statement of the Joint Administrators' Proposals
the Regulators	CAA and ABTA
RRG	KPMG Restructuring Realisations Group
SIA	SIA Group Limited
Shoosmiths	Shoosmiths LLP
Superbreak	Superbreak Mini-Holidays Limited – in Administration

Any references in this progress report 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 report

This report 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 to report to creditors under the Insolvency Rules (England and Wales) 2016 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 the Company or any other company in the Group.

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 (England and Wales) 2016 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.

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.

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 this report or the conduct of the administration.

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