

The Insolvency Act 1986

Administrator's progress report

Name of Company
Merchant Inns Limited

Company number
3872646

In the High Court of Justice, Companies Court (full name of court)
--

Court case number 19529 of 2009

(a) Insert full
name(s) and
address(es) of
administrator(s)

I/We (a)
Neville Barry Kahn
Deloitte LLP
PO Box 810
66 Shoe Lane
London
EC4A 3WA

Nicholas Guy Edwards
Deloitte LLP
PO Box 810
66 Shoe Lane
London
EC4A 3WA

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From
(b) 12 April 2010

To
(b) 11 October 2010

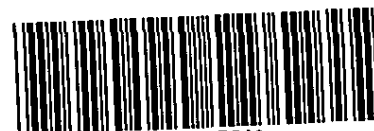
Signed


Joint Administrator

Dated

10/11/2010

THURSDAY



A40 *AH95GP0A* 2
11/11/2010
COMPANIES HOUSE

**Merchant Inns Group Limited
Merchant Inns Limited**

**Case No. 19502 of 2009
Case No. 19529 of 2009**

(Both In Administration) ("the Companies")

**SIX MONTHLY PROGRESS REPORT TO CREDITORS
PURSUANT TO RULE 2.47 OF THE INSOLVENCY RULES 1986**

10 November 2010

This report has been prepared for the sole purpose of advising the Creditors. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by Creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.

The Administrators act as agents of the Companies and without personal liability

**Neville Barry Kahn and Nicholas Guy Edwards
Deloitte LLP
PO BOX 810
66 Shoe Lane
London
EC4A 3WA**

CONTENTS

1.	INTRODUCTION	
2.	THE ADMINISTRATORS' PROPOSALS	4
3.	ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT	7
4.	DISTRIBUTIONS TO CREDITORS	8
5.	ADMINISTRATORS FEES AND EXPENSES	9
6.	OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS	13

APPENDICES

1	Statutory information
2.	Administrators' receipts and payments account for the period from 12 April 2010 to 11 October 2010
3.	Administrators' time costs analysis as at 30 September 2010
4.	Form 4 25 Proof of Debt
5	Heading required by Article 42(1) of Council Regulation (EC) No 1346/2000 of 29.5.2000, OJ L 160, p12

Important Notice: Partners, Associate Partners and Directors acting as receivers and administrators contract without personal liability. Unless otherwise shown, all appointment taking Partners, Associate Partners and Directors are authorised by The Institute of Chartered Accountants in England and Wales. In addition Brian William Milne is a Licensed Insolvency Practitioner authorised by The Institute of Chartered Accountants of Scotland. All licensed insolvency practitioners of Deloitte LLP are licensed in the UK to act as insolvency practitioners.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom.

Deloitte LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu ("DTT"), a Swiss Verein, whose member firms are legally separate and independent entities. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTT and its member firms.

Member of Deloitte Touche Tohmatsu



official professional services provider
to the Olympic and Paralympic Games

ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"The Act"	Insolvency Act 1986 (as amended)
"The Rules"	Insolvency Rules 1986 (as amended)
"the Administrators"	Refers to the Administrators, N B Kahn and N G Edwards
"Coutts" / "the Bank"	Coutts & Co
"the Companies"	Merchant Inns Group Limited and Merchant Inns Limited
"the Group"	Merchant Inns Group comprising MIGL and MIL
"Deloitte"	Deloitte LLP
"HMRC"	HM Revenue & Customs
"MIGL"	Merchant Inns Group Limited
"MIL"	Merchant Inns Limited
"the Secured Lenders"	The Bank and Wallace
"Wallace"	Wallace Estates Limited
"the Court"	High Court, Chancery Division, Companies Court

1. INTRODUCTION

1.1 Introduction

This report has been prepared in accordance with Rule 2.47 of The Rules to provide creditors with an update on the progress of the Administrations of the Companies during the six month period from 12 April 2010 to 11 October 2010

Given the information previously provided to creditors in our reports to creditors dated 3 December 2009 and 7 May 2010, we have not included detailed background information and we would refer you to these reports, copies of which can be obtained free of charge by writing to the Administrators at the address at the front of this report

A schedule of statutory information in respect of the Companies is attached at Appendix 1

1.2 Details of the appointment of the Administrators

Neville Barry Kahn and Nicholas Guy Edwards, both partners of Deloitte LLP, were appointed Administrators of the Companies on 12 October 2009. The appointments were made by the High Court in London, following the filing of a Notice of Appointment of Administrators by Qualifying Floating Charge Holder, Coutts & Co, 440 Strand, London, WC2R 0QS

For the purposes of Paragraph 100 (2) of Schedule B1 of the Act the Administrators are authorised to carry out all functions, duties and powers either jointly or severally

An application was made to the Court on 6 October 2010, to extend the administrations by six months, this application was granted and the Administrations will cease on or before 11 April 2011

2 THE ADMINISTRATORS' PROPOSALS

2.1 Introduction

As previously reported to creditors, the Administrators concluded that the first part of the prescribed objective under Rule 3(1)(a) namely "rescuing the companies (the legal entity) as a going concern" will not be achievable in respect of the Companies

Consequently the Administrators have performed their functions in relation to the Companies with the objective set out in Paragraph 3(1)(b) of Schedule B1 of the Act which is "to achieve a better result for the companies' creditors as a whole than would be likely if the companies were wound up"

The Administrators' proposals in order to achieve this objective were deemed to be approved by the creditors of the Companies on 19 December 2009

The Administrators subsequently wrote to all creditors of the Companies on 21 September 2010 to seek their approval to make a substantial revision to the original proposals. Following a meeting of all creditors for both Companies, which was held by correspondence, a revision to proposal nine was agreed and the following are the revised approved proposals

Proposal Number	Proposal
1	The Administrators continue to manage the affairs and any remaining assets of the Companies and the settlement of all Administration expenses,
2	The Administrators continue with their enquiries into the conduct of the directors of the Companies and continue to assist any regulatory authorities with their investigation into the affairs of the Companies,
3	The Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against each of the Companies unless the Administrators conclude, in their reasonable opinion, that a Company will have no assets available for distribution,
4	The Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
5	That, in the event the creditors of each Company so determine, at meetings of creditors, a Creditors Committee be appointed in respect of each or any Company comprising of not more than five and not less than three creditors of that Company or Companies,
6	That, in respect of each Company, the Creditors' Committee, if one is appointed, shall be asked to agree that the Administrators' fees be fixed by reference to the time given in attending to matters arising in the Administrations and asked to agree the Administrators' expenses,
7	In the absence of a Creditors' Committee, the secured creditors of the Companies shall be asked to agree the Administrators' fees, in accordance with Rule 2.106(5A)(b), by reference to the time given in attending to matters arising in the Administration and that the Administrators' expenses for mileage be calculated by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte LLP at the time when the mileage is incurred (presently up to 40p per mile),
8	That, following the realisation of assets and resolution of all matters in the Administrations, and as quickly and efficiently as is reasonably practicable, the

Proposal Number	Proposal
	Administrators implement the most cost effective steps to formally conclude the Administrations. This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Companies or alternatively, seeking to put each or any of the Companies into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,
9	That if the Company were to be placed into CVL, the Joint Administrators propose that Ian Holland of Ian Holland & Co be appointed Liquidator and any Creditors' Committees appointed will become Liquidation Committees pursuant to R4 174 of the Rules. As per paragraph 83(7) of Schedule B1 of the Act and R2 117 (3) of the Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the amended proposal is approved by creditors, and
10	In the absence of Creditors' Committees, the secured creditors of the Companies shall be asked to agree that the Administrators be discharged from liability per paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Administrators' filing their final report to creditors

2.2 Progress on the approved proposals

We have summarised below the progress and current status in respect of each of the approved proposals

Proposal Number	Current status
1	<p>The business and assets of the Companies were sold on 30 July 2010 to West Register (Hotels Number 3) Limited. There is a transitional agreement in place for the provision of merchant facilities. It is envisaged that this agreement will cease in the next month as the buyers enter into new contracts. There will, however, be a number of tasks still requiring the Administrators' time, namely finalising the trading obligations and agreeing and paying all remaining supplier and utility invoices.</p> <p>The vast majority of outstanding debts have been realised. The Administrators are continuing to pursue a small number of outstanding debts at the current time, the total value of which is c£60k.</p> <p>The corporation tax returns for the trading period are currently being prepared.</p> <p>Once all trading actions have been accounted for, it will be necessary to account to the proposed liquidator for any surplus funds for distribution to unsecured creditors.</p>
2	As required by the regulatory authorities, the Administrators have submitted their report on the conduct of the directors (see section 6.1)
3	We believe that there will be insufficient realisations to enable a distribution to unsecured creditors, other than under the Prescribed Part for all of MIL's unsecured creditors (see section 4.3). We currently estimate that there may be funds available to make a distribution to unsecured creditors in addition to the Prescribed Part to the unsecured creditors in MIGL. To date no distributions have been made.

4	Coutts have been fully repaid following the sale of the business and assets of the Companies
5	No Creditors' Committee was appointed
6	No Creditors' Committee was appointed
7	<p>Approval sought and obtained from secured and preferential creditors of MIL when the proposals were issued on 3 December 2009</p> <p>The Administrators now believe there may be funds available to make a distribution to unsecured creditors in addition to the Prescribed Part to the unsecured creditors in MIGL. Accordingly, approval has been sought and obtained for the time costs in relation to MIGL in accordance with Rule 2.106(5) of the Rules</p>
8 - 10	<p>The Administrators, on conclusion of their obligations will take steps to finalise the Administrations in the most expedient and cost effective manner which will involve the appointment of an alternative Liquidator once the Administration has been concluded</p> <p>The Administrators have applied to Court for an extension of six months to the Administration which was granted in order to undertake the following</p> <ul style="list-style-type: none"> • Complete collection of trade debtors, • Complete settlement of trading period liabilities, • Finalise the tax position in respect of the Companies, and <p>Account to the proposed Liquidator any funds for distribution to the unsecured creditors</p>

3 ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

3.1 Introduction

Attached at Appendix 2 is a Receipts and Payments account covering the six month period from 12 April 2010 to 11 October 2010 for the Companies

The statement has been prepared on the basis that

- 1 All trading income and expenditure has been recognised in MIL only
- 2 Distress payments were made to suppliers in respect of pre-appointment balances where there was no alternative in order to realise the trading strategy of the business
- 3 The Companies are registered for VAT and the net amount payable will be paid in due course
- 4 All funds are held in interest bearing bank accounts and corporation tax payable on interest will be paid in due course

In this section, we have summarised the main asset realisations during the six month period since 12 April 2010

3.2 Asset realisations

On 30 July 2010 the entire business and assets of the Companies were sold to West Register (Hotels Number 3) Limited. The sale followed a period of negotiation and resulted in all employees of the Companies being transferred to the purchaser under Transfer of Undertakings (Protection of Employment) Regulations ("TUPE")

At the date of the Administrators' appointment, trade debtors were £121k, of which approximately £110k has been collected to date. As at 30 September 2010 trade debtors of £60k were outstanding relating to the period of trading between 12 October 2009 and 30 July 2010. The Administrators are actively pursuing all outstanding debtor balances.

4. DISTRIBUTIONS TO CREDITORS

4.1 Secured creditors

The Companies' secured debt due to Coutts and Wallace at the date of the appointment of the Administrators was approximately £21.8m. In addition, Coutts has a cross-guarantee in place for any debt between MIL and MIGL and Wallace have a second ranking charge for MIL debt only.

Following the sale of the Companies' business and assets on 30 July 2010, Coutts were paid a total of £14.6m from MIL and MIGL, which represented their total indebtedness. The Administrators have made no further distributions to the Secured Lenders.

4.2 Preferential creditors

There are preferential claims in the Administration of MIL in relation to arrears of wages and holiday pay.

4.3 Prescribed Part

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs to be set aside for unsecured creditors. This equates to:

- 50% of net property up to £10,000
- 20% of net property in excess of £10,000
- Subject to a maximum of £600,000

Currently we estimate that there will be a nominal Prescribed Part in both MIL and MIGL.

4.4 Unsecured creditors

The Administrators do not anticipate that there will be any dividend payable to the unsecured creditors of MIL other than by way of the Prescribed Part.

The Administrators currently estimate that there may be nominal funds available to the unsecured creditors in MIGL, in addition to the Prescribed Part.

4.5 Claims Process

Due to the possible distribution to unsecured creditors under the Prescribed Part you are requested to submit claims to the Administrators, Deloitte LLP, PO BOX 810, 66 Shoe Lane, London, EC4A 3WA, marked for the attention of Edd Castledine. Please find attached a proof of debt form at Appendix 4.

5. ADMINISTRATORS' FEES AND EXPENSES

5.1 Administrators' Fees

In MIL, there will be no funds available to the unsecured creditors other than by virtue of Section 176A(2)(b) of the Act, the Prescribed Part. Fixing of Administrators' remuneration and disbursements was approved in accordance with Rule 2.106(5A) of the Rules, which is outlined as follows:

- Where the Administrators have made a statement under Paragraph 52(1)(b), and in the absence of a Creditors' Committee, the Administrators' remuneration may be fixed (in accordance with paragraph (2)) by the approval of
 - (a) each secured creditor of the company; or
 - (b) if the Administrator has made or intends to make a distribution to preferential creditors
 - (i) each secured creditor of the company, and
 - (ii) preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval.

In line with paragraph 52(1)(b) of Schedule B1 of the Act outlined above, there is no requirement for unsecured creditors to pass a resolution in respect of Administrators' remuneration. The Administrators' remuneration has been approved in line with Rule 2.106(5A)(b).

In MIGL, after completion of the sale to West Register (Hotels Number 3) Limited, the Administrators are estimating that a small distribution may be payable to the unsecured creditors in MIGL. As a result, the Administrators have written to all creditors of MIGL and have received their approval of their remuneration in accordance with Rule 2.106(5) of the Rules.

The Administrators of MIGL have not drawn any fees to date.

The Administrators' time costs for the Administration are summarised in the tables below. A detailed analysis of the time spent by work function is attached at Appendix 3.

- **Administration and planning** includes case planning, case set-up, notification of appointment, maintenance of our case files and insolvency case record, statutory reporting, compliance, cashing and accounting.
- **Investigations** includes investigating the companies' affairs and in particular any antecedent transactions and also reporting on the conduct of its directors.
- **Realisation of assets** includes identifying, securing and insuring assets, sale of business, transition of contracts, property issues, disposal of stocks, collection of debts, realisation of other fixed assets and VAT and taxation matters.
- **Trading** includes planning, identifying strategy, preparation of trading forecasts, monitoring of performance against the forecasts, managing operations, dealing with supplier and landlord issues to ensure continuity of operations, accounting and employees (including pensions and other staff benefits).
- **Creditors** includes set-up of creditor records, creditor communications, preferential claims, unsecured claims, secured and employee claims.
- **Other matters** includes employee-related issues, VAT and Corporation Tax issues.

5.2 Disbursements

A summary of the Administrators' expenses (excluding VAT if applicable) which relate to direct expenses such as travel are set out by company below. Please note that the Administrators' expenses for mileage are calculated by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte LLP at the time when the mileage is incurred (presently up to 40p per mile).

5.3 Charge out rates

Our charge out rates for the staff involved in this assignment are as follows:

Grade	£
Partners (Inc. Directors)	735 to 895
Managers (Inc. Assistant Directors)	410 to 500
Assistant Managers	330 to 345
Assistants and Support Staff	80 to 265

All partners and technical staff (including cashiers) assigned to the case record their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

5.4 Time costs and Disbursements

The Administrators' time costs for MIL in the period 12 October 2009 to 30 September 2010 are set out below:

	Partners & Directors	Managers	Assistant Managers	Assistants	TOTAL
	Hours	Hours	Hours	Hours	Hours
Administration and Planning	32.8	182.2	80.7	222.5	518.3
Investigations	9.3	-	8.3	3.2	20.8
Trading	75.3	462.7	121.0	310.3	969.3
Realisation of Assets	71.0	159.0	53.0	108.0	391.0
Creditors	20.0	114.9	72.7	46.0	253.6
Other Matters	92.6	27.9	10.4	28.3	159.1
TOTAL HOURS	301.1	946.7	346.1	718.3	2,312.2
TOTAL COST £	238,084	419,472	115,859	154,459	927,874
AVERAGE HOURLY RATE £	791	443	335	215	401

To date the Administrators of MIL have drawn fees of £691,994.75.

The disbursements incurred by the Administrators' of MIL in the period 12 October 2009 to 30 September 2010 are set out below

Disbursements	£
Accommodation	4,821 42
Bordereau	1,584 00
Courier	1,260 00
Other	1,051 00
Subsistence	847 78
Telephone Costs	523 34
Travel Costs	7,076 48
	<u>17,164 02</u>

To date the Administrators of MIL have charged £16,482 76 of disbursements

The Administrators' time costs for MIGL in the period 12 October 2009 to 30 September 2010 are set out below

	Partners & Directors	Managers	Assistant Managers	Assistants	TOTAL
	Hours	Hours	Hours	Hours	Hours
Administration and Planning	8 0	80 3	49 9	103 4	241 5
Investigations	4 7	-	4 2	1 6	10 4
Trading	41 7	278 3	113 0	155 2	588 2
Realisation of Assets	34 5	29 5	26 0	-	90 0
Creditors	10 0	90 4	48 6	23 0	172 0
Other Matters	26 3	17 1	0 3	40 2	83 9
TOTAL HOURS	125 2	495 6	242 0	323 3	1,186 0
TOTAL COST £	96,343	222,978	80,994	71,574	471,888
AVERAGE HOURLY RATE £	770	450	335	221	398

To date the Administrators of MIGL have not drawn any fees, however fees of £341,522 49 have been approved

The disbursements incurred by the Administrators' of MIGL in the period 12 October 2009 to 30 September 2010 are set out below

Disbursements	£
Bordereau	528 00
Courier	15 00
Storage	263 18
	<u>806 18</u>

To date the Administrators of MIGL have not charged for any disbursements

5.5 Other professional costs

Farrer & Co were instructed by the Administrators to advise on appropriate legal matters. Fees and Disbursements of £199,978.05 (plus VAT) have been paid to date.

Michael Conn Goldsobel Solicitors ("MCG") were instructed by the Administrators to advise on appropriate legal matters in relation to the conduct of the directors. Fees of £18,960 (plus VAT) have been paid to MCG to date.

Joelson Wilson LLP, a firm of solicitors that specialise in the licensed sector, were instructed by the Administrators to arrange the novation of the premises licenses for all of the units following our appointment. Fees of £5,320.09 (plus VAT) have been paid to Joelson Wilson LLP to date.

To advise on the valuation of the freehold units and to run the sales process of all the units, the Administrators instructed Colliers Robert Barry ("Colliers"), a firm of agents with appropriate expertise and experience in dealing with businesses of this size and nature. Following the sale of the business and assets, MIL has paid £42,989.62 (plus VAT) and MIGL has paid £21,267.38 (plus VAT) to Colliers.

Christie & Co ("Christies"), a firm of valuers, were instructed to comment on the sales and marketing process undertaken by Colliers. Fees of £7,500 (plus VAT) have been paid to Christies to date.

Licensed Solutions, a firm of consultants specialising in the licensed trade were engaged. Fees of £23,518.19 (plus VAT) have been paid to Licensed Solutions to date.

All professional costs are reviewed and analysed before payment is approved.

6. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

6.1 Investigations

As required by legislation, reports on the Directors' conduct in the three years prior to the Administrators' appointment have been submitted to the Department for Business, Innovation and Skills

The reports and their contents are confidential and cannot be disclosed to creditors

6.2 Exit

Pursuant to the Insolvency Act, all Administrations automatically come to an end after one year. The Court has granted the Administrators a six month extension to 12 April 2010 to allow the Administrators sufficient time to conclude all matters in relation to the administration

It is currently proposed that the Companies be placed into Creditors' Voluntary Liquidation, with the appointment of an alternative Liquidator

6.3 SIP 13 – Transactions with connected parties

The Companies trade with certain entities that are connected by virtue of common shareholders. Transactions included the provision of staff services to the Companies

6.4 EC Regulations

As stated in the appointment documentation in respect of the Companies, Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation

Statutory Information

Company Name	Merchant Inns Group Limited (In Administration)	Merchant Inns Limited (In Administration)
Company Number	06244330	03872646
Date of Incorporation	11 May 2007	3 November 1999
Trading Names	Carnarvon Arms, Lambert Arms, Talbot Inn, Horse & Groom, Black Boy, Saracens Head and The Mermaid Inn	
Directors	Colin Barry Wagman and Gareth Wilson Jones	Colin Barry Wagman
Company Secretary	Howard Goldsobel	Howard Goldsobel
Ordinary issued and called up share capital	1,000,000 A Ordinary Shares of £1 each 1,000,000 B Ordinary Shares of £1 each 1 Preference Share of £1	15,030,207 Deferred Shares of £0.05 each 5,352,880 Ordinary Shares of £0.05 each
Shareholders	Sir John Henry Ritblat – 1,000,000 Ordinary shares Robert Roddick Acknill Breare – 1,000,000 Ordinary shares Creditincome Limited – 1 Preference share	Merchant Inns Group Limited – 100%
Bankers	Coutts & Co HSBC Bank PLC	
Auditors	Baker Tilly UK Audit LLP	
Registered Office	Hill House, 1 Little New Street, London EC4A 3TR	
Court Ref (High Court, Chancery Division, Companies Court)	19502 of 2009	19529 of 2009
Administrators	N B Kahn and N G Edwards	
Date of Appointment	12 October 2009	
Date of Court Extension	6 October 2010	
Person who made the application	Coutts & Co	
Joint appointment provisions pursuant to paragraph 100(2) of Schedule B1 of IA86	The Administrators are authorised to carry out all functions, duties and powers either jointly or severally	

**MERCHANT INNS LIMITED (IN ADMINISTRATION) RECEIPTS AND PAYMENTS FOR THE PERIOD 12 APRIL 2010
to 11 OCTOBER 2010**

	12 October 2009 to 11 April 2010	12 April 2010 to 11 October 2010	Total
	£	£	£
RECEIPTS			
Trading Sales	2,734,297 51	2,086,045 33	4,820,342 84
WEL Funding	100,000 00	100,000 00	200,000 00
Freehold Land & Property	0 00	9,299,995 00	9,299,995 00
Fixtures	0 00	800,000 00	800,000 00
Stock	0 00	35,151 00	35,151 00
Goodwill	0 00	1 00	1 00
Intellectual Property Rights	0 00	1 00	1 00
Chattels	0 00	5 00	5 00
Bank Interest Gross	917 34	2,918 43	3,835 77
Cash Floats	0 00	1,000 00	1,000 00
Booking Fees	0 00	1 00	1 00
Customer Contracts	0 00	1 00	1 00
Pre-Appointment Realisations	12,556 49	779 65	13,336 14
VAT Payable	441,325 22	367,656 82	808,982 04
	3,289,096.56	12,693,555 23	15,982,651.79
PAYMENTS			
Bespoke Hotels Control Account	0 00	10,369 46	10,369 46
Sub Contractors	0 00	9,573 47	9,573 47
Booking Agency Payments	10,725 66	19,924 87	30,650 53
Sales and Marketing	23,224 14	10,536 28	33,760 42
Utilities	63,523 63	108,174 57	171,698 20
F & B Suppliers	579,698 49	638,388 74	1,218,087 23
Telecommunications	53,762 61	32,026 70	85,789 31
Payroll	1,100,973 75	753,772 81	1,854,746 56
Events	21,713 92	20,571 43	42,285 35
Other Suppliers	203,807 81	254,839 41	458,647 22
Distress Payments	39,030 48	0 00	39,030 48
Lease/HP Payments	1,229 01	4,440 24	5,669 25
Hire of Equipment	40,880 40	15,650 65	56,531 05
Repairs & Maintenance	33,546 11	21,258 25	54,804 36
Sundry Expenses	240 66	4,548 71	4,789 37
Sales Commission	8,980 55	5,735 78	14,716 33
Insurance	2,546 47	0 00	2,546 47
Advertising	3,323 90	9,671 60	12,995 50
Stationery	5,666 25	3,104 87	8,771 12
Postage	2,353 25	256 80	2,610 05
Licence Fees	1,006 06	9,456 20	10,462 26
Rent	9,354 16	7,084 10	16,438 26
Rates	68,313 82	85,837 83	154,151 65
Bank Charges	16,721 56	25,097 90	41,819 46
Heat and Light	5,977 60	51,174 61	57,152 21
Interest	7,416 65	1,854 16	9,270 81
Consultancy	30,867 64	10,542 18	41,409 82
Balance Carried Forward	2,334,884.58	2,113,891.62	4,448,776 20

**MERCHANT INNS LIMITED (IN ADMINISTRATION) RECEIPTS AND PAYMENTS FOR THE PERIOD 12 APRIL 2010
to 11 OCTOBER 2010**

	12 October 2009 to 11 April 2010	12 April 2010 to 11 October 2010	Total
PAYMENTS	£	£	£
Balance Brought Forward	2,334,884.58	2,113,891.62	4,448,776.20
Agents Fees	0 00	42,989 62	42,989 62
Legal and Professional	23,538 72	133,051 68	156,590 40
Administrators' Fees	0 00	691,994 75	691,994 75
Administrators' Expenses	0 00	1,056 00	1,056 00
Third Party Disbursements	0 00	2,311 00	2,311 00
Expenses Incurred	0 00	13,115 76	13,115 76
Telephone Telex & Fax	0 00	1,935 00	1,935 00
Bank Charges	0 00	251 80	251 80
Coutts & Co	0 00	8,881,933 80	8,881,933 80
VAT Receivable	120,436 99	305,797 52	426,234 51
PAYE Payable	289,824 17	275,923 76	565,747 93
VAT Paid to HM R&C	93,247 72	355,242 52	448,490 24
	2,861,932.18	12,819,494 83	15,681,427 01
Balance In Hand	427,164.38	(125,939.60)	301,224.78
	3,289,096 56	12,693,555.23	15,982,651 79

MERCHANT INNS GROUP LIMITED (IN ADMINISTRATION) RECEIPTS AND PAYMENTS FOR THE PERIOD 12 APRIL 2010 to 11 OCTOBER 2010

	12 October 2009 to 11 April 2010 £	12 April 2010 to 11 October 2010 £	Total £
RECEIPTS			
Transfer from MIL	18,121 83	3,000 00	21,121 83
Property	0 00	5,999,998 00	5,999,998 00
Fixtures	0 00	150,000 00	150,000 00
Stock	0 00	21,404 00	21,404 00
Goodwill	0 00	1 00	1 00
Intellectual Property Rights	0 00	1 00	1 00
Chattels	0 00	2 00	2 00
Bank Interest Gross	80 58	87 64	168 22
Cash Floats	0 00	500 00	500 00
Booking Fees	0 00	1 00	1 00
Customer Contracts	0 00	1 00	1 00
	18,202.41	6,174,995.64	6,193,198.05
PAYMENTS			
Bank Charges	14,239 74	6,882 09	21,121 83
Agents Fees	0 00	21,267 38	21,267 38
Legal Fees	0 00	83,864 08	83,864 08
Coutts & Co	0 00	5,030,306 74	5,030,306 74
Coutts & Co - Cross Guarantee	0 00	685,671 46	685,671 46
VAT Receivable	0 00	18,080 53	18,080 53
	14,239 74	5,846,072.28	5,860,312.02
Balance In Hand	3,962 67	328,923.36	332,886.03
	18,202 41	6,174,995 64	6,193,198 05

Notes

- 1 Bank charges for the use of credit card terminals in the units are charged to MIGL, however these are funded by the trading in MIL
- 2 All other trading income and expenditure is recognised in MIL only

MERCHANT INNS LIMITED (IN ADMINISTRATION) – ADMINISTRATORS' TIME COSTS ANALYSIS FOR THE PERIOD TO 11 OCTOBER 2010

	Partners & Directors		Managers		Assistant Managers		Assistants		TOTAL		Average Hourly Rate
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning											
Cashiering and Statutory Filing			82.5	38,625	75.9	25,642	168.7	42,048	327.2	196,513	328
Case Supervision, Management and Closure	23.8	17,408	70.7	31,700	4.8	1,507	47.3	9,925	146.6	80,627	414
Initial Actions (e.g. Notification of Appointment, Securing Assets)	9.0	7,050	27.5	8,938			6.5	1,105	43.0	17,093	396
Liaison with Other Insolvency Practitioners			1.5	815					1.5	815	419
	32.8	24,548	182.2	80,077	80.7	27,148	222.5	53,078	518.3	184,848	357
Investigations											
Investigations	9.3	6,880			8.3	2,780	3.2	681	20.8	10,301	484
Reports on Directors' Conduct											
	9.3	6,880			8.3	2,780	3.2	681	20.8	10,301	484
Trading											
Trading and Ceasing to Trade	75.3	55,640	462.7	200,280	121.0	40,530	310.3	59,080	969.3	355,530	367
	75.3	55,640	462.7	200,280	121.0	40,530	310.3	59,080	969.3	355,530	367
Realisation of Assets											
Book Debts			28.0	11,720			26.0	5,500	54.0	17,310	321
Other Assets (e.g. Stock)							21.5	4,623	21.5	4,623	215
Plant and Equipment, Fixtures and Fittings and Vehicles											
Property - Freehold and Leasehold			5.0	2,430	2.0	860	22.5	4,275	29.5	7,365	250
Retention of Title			5.0	2,050	26.0	8,580			31.0	10,630	343
Sale of Business / Assets	71.0	52,298	114.0	52,740	22.0	7,280	38.0	8,170	245.0	129,488	492
Third Party Assets			7.0	3,010	3.0	1,020			10.0	4,030	403
	71.0	52,298	156.0	71,950	53.0	17,520	108.0	22,658	391.0	184,425	421
Creditors											
Employees			7.9	3,279	31.5	10,524	48.0	11,480	87.4	25,283	296
Preferential											
Secured	15.3	11,270	79.3	34,580	7.3	2,420			102.0	48,250	473
Shareholders											
Unsecured	4.7	3,430	27.7	11,717	33.8	11,283			66.2	26,429	399
	20.0	14,700	114.9	49,586	72.7	24,227	48.0	11,480	253.6	99,983	384
Other Matters Include											
Litigation			4.0	2,000					4.0	2,000	500
Pensions											
Tax and VAT	44.0	40,729	23.9	15,809	9.7	3,444	28.3	7,488	105.9	87,287	838
Other	48.7	43,312			0.7	230			49.4	43,542	883
	92.7	84,041	27.9	17,608	10.4	3,674	28.3	7,488	159.1	112,808	708
TOTAL HOURS & COST	391.1	238,084	946.7	419,472	348.1	115,858	718.3	154,458	2,312.2	927,874	401
TOTAL FEES DRAWN TO DATE											991,995

MERCHANT INNS GROUP LIMITED (IN ADMINISTRATION) – ADMINISTRATORS' TIME COSTS ANALYSIS FOR THE PERIOD TO 11 OCTOBER 2010

	Partners & Directors		Managers		Assistant Managers		Assistants		TOTAL		Average Hourly Rate Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning											
Cashiering and Statutory Filing	8.0	5,880	45.3	21,197	45.7	15,440	100.8	25,008	199.7	81,854	322
Case Supervision Management and Closure			33.5	14,471	4.2	1,270	2.6	306	48.3	21,827	454
Initial Actions (e.g. Notification of Appointment, Securing Assets)			1.5	815					1.5	815	410
Liaison with Other Insolvency Practitioners	8.0	5,880	80.3	36,283	49.9	16,719	103.4	25,314	241.6	84,168	348
Investigations											
Investigations	4.7	3,430			4.2	1,380	1.6	340	10.4	5,150	484
Reports on Directors Conduct	4.7	3,430			4.2	1,380	1.6	340	10.4	5,150	484
Trading											
Trading and Ceasing to Trade	41.7	30,780	278.3	120,350	113.0	37,935	155.2	29,540	588.2	218,585	372
	41.7	30,780	278.3	120,350	113.0	37,935	155.2	29,540	588.2	218,585	372
Realisation of Assets											
Book Debts											
Other Assets (e.g. Stock)											
Plant and Equipment, Fixtures and Fittings and Vehicles			1.5	680					1.5	680	453
Property Freehold and Leasehold											
Retention of Title											
Sale of Business / Assets	34.5	25,485	28.0	13,920	20.0	8,580			88.5	47,985	542
Third Party Assets	34.5	25,485	28.0	13,920	20.0	8,580			88.5	47,985	542
Creditors											
Employees			3.9	1,640	15.8	5,202	23.0	5,740	42.7	12,842	296
Preferential											
Secured	7.7	5,835	59.2	25,055	3.7	1,210			70.6	32,800	465
Shareholders	2.3	1,715	27.3	11,413	29.2	9,703			58.8	22,921	390
Unsecured	10.0	7,350	90.4	38,008	48.8	16,285	23.0	5,740	172.0	68,363	397
Other Matters include											
Litigation											
Pensions	0.5	445	17.1	12,737			40.2	10,840	57.8	23,824	413
Tax and VAT	25.8	22,001			0.3	115			26.2	23,106	883
Other	28.3	23,438	17.1	12,737	0.3	115	40.2	10,840	83.9	46,830	559
TOTAL HOURS & COST	125.2	96,343	495.6	222,978	242.0	80,994	323.3	71,874	1,186.0	471,885	389
TOTAL FEES DRAWN TO DATE											

Rule 4.73

Form 4.25

PROOF OF DEBT - GENERAL FORM

In the matter of **Merchant Inns Limited**

and in the matter of **The Insolvency Act 1986**

Date of Administration 12 October 2009

1.	Name of Creditor	
2.	Address of Creditor	
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4.	Details of any document by reference to which the debt can be substantiated (Note the liquidator may call for any document or evidence to substantiate the claim at his discretion)	
5.	If the total amount shown above includes Value Added Tax, please show:- (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6.	If total amount above includes outstanding uncapitalised interest please state amount	£
7.	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9.	Particulars of how and when debt incurred.	
10.	Particulars of any security held, the value of the security, and the date it was given	£
11.	Particulars of any reservation of title claimed, including details of goods supplied, their value and when supplied	
12.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

Rule 4.73

PROOF OF DEBT - GENERAL FORM (CONTD...)

Form 4.25

Admitted to Vote for

£

Date

Liquidator

Admitted preferentially for

£

Date

Liquidator

Admitted non-preferentially for

£

Date

Liquidator

NOTE: A company goes into liquidation if it passes a resolution for voluntary winding up or an order for its winding up is made by the court at a time when it has not already gone into liquidation by passing such a resolution.

Rule 4.73

Form 4.25

PROOF OF DEBT - GENERAL FORM

In the matter of Merchant Inns Group Limited

and in the matter of The Insolvency Act 1986

Date of Administration 12 October 2009

1.	Name of Creditor	
2.	Address of Creditor	
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4.	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5.	If the total amount shown above includes Value Added Tax, please show:- (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6.	If total amount above includes outstanding uncapitalised interest please state amount	£
7.	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8.	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9.	Particulars of how and when debt incurred	
10.	Particulars of any security held, the value of the security, and the date it was given	£
11.	Particulars of any reservation of title claimed, including details of goods supplied, their value and when supplied.	
12.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

Rule 4.73

PROOF OF DEBT - GENERAL FORM (CONTD...)

Form 4.25

Admitted to Vote for

£

Date

Liquidator

Admitted preferentially for

£

Date

Liquidator

Admitted non-preferentially for

£

Date

Liquidator

NOTE: A company goes into liquidation if it passes a resolution for voluntary winding up or an order for its winding up is made by the court at a time when it has not already gone into liquidation by passing such a resolution

Heading required by Article 42(1) of Council Regulation (EC) No 1346/2000 of 29.5.2000, OJ L 160, p12

(EC Regulation on Insolvency Proceedings 2000)

« Convocatoria para la presentación de créditos Plazos aplicables ».

» Opfordring til anmeldelse af fordringer Vær opmærksom på fristerne «

„ Aufforderung zur Anmeldung einer Forderung Etwaige Fristen beachten! ”

« Προ΄ σκληση για αναγγελι΄ α απαιτη΄ σεως Προσοχη΄ στις προθεσμίες »

‘ Invitation to lodge a claim. Time limits to be observed ’

« Invitation à produire une créance. Délais à respecter »

« Invito all’insinuazione di un credito. Termine da osservare »

„ Oproep tot indiening van schuldvorderingen. In acht te nemen termijnen ”

« Aviso de reclamação de créditos. Prazos legais a observar »

" Kehotus saatavan ilmoittamiseen. Noudatettavat maaraajat "

" Anmodan att anmala fordran. Tidsfrister att iaktta "

Pozvání až k bydlit jeden činit si nárok na něco. Čas hranice až k být konat

Zaproszenie do wniesienia wniosku o odszkodowanie. Termin wniesienia wniosku jest obarczony obostrzeniami

Invitáció követelés benyújtására. Idő határok betartandók.

vabilo v spraviti v zapor a trditi čas višek v obstatí držati se postav

Приглашение к подаче иска Соблюдайте установленные сроки.

Pasiūlymas paduoti skunda. Reikia atsižvelgti į terminus

Stedina biex tagħmel talba. It-termini taz-zmien għandhom jigu mharsa

Uzaicinājums prasības pieteikšanai. Prasības pieteikšanas laiks stingri ierobežots.

Palve esitada nõue. Palun jälgige aja piiranguid.

Покана за предявяване на иск. Да бъде направена в обявления срок

Invitația de a prezenta pretenția în limite de timp agreeate