

## The Insolvency Act 1986

**Notice of move from  
administration to dissolution****2.35B**

Name of Company <b>Mercury Inns Group Limited</b>	Company number <b>04362325</b>
In the <b>The Royal Courts of Justice</b> <small>[full name of court]</small>	Court case number <b>21120 of 2009</b>

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

I/We (a) Antony David Nygate of BDO LLP 55 Baker Street, London, W1U 7EU and Tracey Lee Pye of 3 Hardman Street, Spinningfields, Manchester M3 3AT

(b) Insert name and address of registered office of company

having been appointed administrator(s) of (b) Mercury Inns Group Limited whose registered office is situated at c/o BDO LLP, 55 Baker Street, London, W1U 7EU

(c) Insert date of appointment

On (c) 23 November 2009 by (d) Barclays Bank Plc of One Churchill Place, Canary Wharf London E14 5HP

(d) Insert name of applicant / appointor

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

I/We attach a copy of the final progress report.

Signed

  
 Joint/administrator(s)

Dated

17-11-10

**Contact Details:**

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

BDO LLP, 55 Baker Street, London,	
W1U 7EU, .	
Our Ref 7/JBS/Form/C15	Tel 020 7486 5888
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at  
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

TUESDAY



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14/12/2010

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COMPANIES HOUSE



Tel +44 (0)20 7486 5888  
Fax +44 (0)20 7935 3944  
DX 9025 West End W1  
www.bdo.co.uk

55 Baker Street  
London W1U 7EU

17 November 2010

Our Ref 7/JBS/ADM965/A6

Please ask for John Strowger  
DDI 0207 893 2945

## TO ALL CREDITORS

Dear Sirs

Mercury Inns Group Limited ("MIG")  
Mercury Inns Limited ("MI")  
GW1016 Limited ("GW")  
All in Administration (the "Companies")

I now supply my final report in respect of these Administrations.

### 1 Receipts & Payments

I enclose, for your information, a summary of my receipts and payments to date for each of the Companies, together with a copy of my abstract receipts and payments account covering the final six month period. The receipts and payments to date show a final balance in hand.

The receipts and payments accounts to date are, for the most part, self explanatory. However, I would comment specifically on the following:

#### 1.1 Sale of Freehold and Leasehold Premises

The sale of the Companies' four freehold properties was concluded on 7 May 2010 and the proceeds, totalling £4.018m, have been received in full.

A chargeable gain of £134,105 arose in MIG, following the sale of its freehold interest in the Samuel Pepys. However, this gain was offset by utilising capital losses in GW arising from the sale of The Villa. The Companies made a net capital loss, overall.

As reported previously, I closed the Companies' three leasehold sites immediately upon my appointment. A total of £99,431 was received in full from the sale of the fixtures and fittings and stock of site, and the refunding of rent deposits.

#### 1.2 Trading

All invoices received from suppliers have been paid.

7/JBS/ADM965



As such, the Companies' final trading profits, adjusted for closing stock and before my costs attributable to trading, are as follows:

MIG.	N/A
MI.	£11,846
GW.	£1,369

Once my costs attributable to trading are included, the Companies made a loss before tax. Therefore, no corporation tax is payable.

## **2 Future of the Companies**

The Joint Administrators' proposals were deemed to be accepted on 1 February 2010, pursuant to paragraph 52 of Schedule B1 of the Insolvency Act 1986 (the "Act"), and it was held that the Joint Administrators' should dissolve the Companies under paragraph 84 of Schedule B1 of the Act.

Please find attached copies of forms 2.35B, which give notice of the Companies' move from Administration to Dissolution. Upon registration of these notices at Companies House, the Administrations will end and the Companies will be dissolved three months from this date.

## **3 Prospects for Creditors**

### **4.1 Secured Creditor**

As at the date of my appointment, the Companies owed Barclays Bank Plc ("Barclays") £6,386,356. The debt was secured against a debenture held by Barclays over all of the Companies together with individual charges over each of the four freehold premises.

Barclays has received total distributions of £3,705,770 under its fixed charge, leaving a shortfall to the bank of £2,680,586.

Creditors will recall that Scottish and Newcastle UK Limited ("S&N") holds a secondary security over the Companies that ranks behind that held by Barclays. Due to the shortfall to Barclays, there will be no distribution to S&N under its security.

### **4.2 Preferential and Unsecured Creditors**

Under the provisions of Section 176A of the Insolvency Act 1986, the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the company has granted a floating charge due to a creditor after 15 September 2003. MIG, MI & GW have each granted security to floating charge creditors after this date and therefore the prescribed part will apply.

I can confirm that, as advised in each of my previous reports to creditors, the value of the Companies' net property available for distribution to preferential and unsecured creditors is £nil, and therefore there will be no distribution to unsecured creditors.

**4 Statutory Information.**

The Joint Administrators are Antony David Nygate of 55 Baker Street, London, W1U 7EU and Tracey Lee Pye of 3 Hardman Street, Spinningfields, Manchester M3 3AT and they were appointed in respect of the above Companies on 23 November 2009. Under the provisions of paragraph 100(2) of schedule B1 of the Act, the Administrators carry out their functions jointly and severally and neither Administrator has exclusive power to exercise any function

The Joint Administrators were appointed by Barclays Bank Plc being a Qualifying Floating Charge Holder, pursuant to Paragraph 14 of schedule B1 of the Act.

The Companies' registered office is situated at BDO LLP, 55 Baker Street, London and the Administration proceedings are dealt with in the The Royal Courts of Justice. The court case numbers and registered numbers are shown below

Company Name	Registered Number	Court Number
MIG	04362325	21120 of 2009
MI	04361891	21119 of 2009
GW	05034544	21117 of 2009

**5 Joint Administrators' Remuneration**

The creditors have already approved my remuneration on a time costs basis. To date, I have drawn £200,000 in respect of remuneration as shown on the attached receipts and payments accounts. I also attach schedules that summarise the time costs accrued to date and which indicate the work undertaken in that respect. The Joint Administrators will draw no further fees in the Administrations

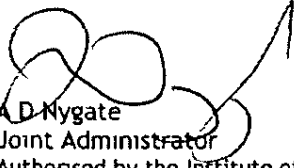
**Disbursements**

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. I therefore report that since my last report the sum of £1,275 has been drawn in respect of category 1 disbursements. Disbursements charged include statutory advertising, statutory bordereau and printing recharges in respect of statutory reports to creditors

Some administrators recharge other expenses, for example postage, stationery, photocopying charges, telephone and fax costs, which cannot be economically recorded in respect of each specific case. Such expenses require the approval of creditors before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP is not to charge any category 2 disbursements.

17 November 2010

Yours faithfully  
For and on behalf of  
The Companies



A.D. Nygate  
Joint Administrator  
Authorised by the Institute of Chartered Accountants in England & Wales

Enc

**Mercury Inns Group Limited**  
**In Administration**

**Summary of Joint Administrators' Receipts & Payments from 1 June 2010 to 17 November 2010**

	Estimate to realise as per the directors' Statement of Affairs £	Movement in last six month period £	To date £
<b>RECEIPTS</b>			
Leasehold Property	800,000		505,132
Goodwill	-		1,000
Bank Interest	-	3	13
Charles Russell Receipt	-		1,150
Furniture & Equipment	-	-	6,500
Tax Refund	-	-	126
Insurance Refund	-	2,300	7,782
Business Rates Refund	-	50	466
	<u>800,000</u>	<u>2,353</u>	<u>522,169</u>
<b>PAYMENTS</b>			
Bank Charges		40	60
Repair & Renewals		-	285
Professional Fees		-	500
Administrators' Fees		1,028	34,862
Administrators' Expenses		992	992
Legal Fees & Disbursements		-	5,683
Stamp Duty		-	2,000
Agents' Fees & Disbursements		-	5,739
		<u>1,120</u>	<u>50,121</u>
<b>PAYMENTS TO CREDITORS</b>			
Distribution to Barclays Bank Plc Under Fixed Charge			472,048
Balance in Hand			Nil
		<u>1,120</u>	<u>522,169</u>
<b>BDO LLP</b> 55 Baker Street London W1U 7EU			<b>AD Nygate &amp; T L Pye</b> Joint Administrators 17 November 2010

Mercury Inns  
in Administration

Summary of Joint Administrators' Receipts & Payments from 1 June 2010 to 17 November 2010

	Estimate to realise as per the directors' Statement of Affairs £	Movement in last six month period £	To date £
<b>RECEIPTS</b>			
Property	2,050,000	-	1,664,561
Goodwill	-	-	2
Interest Gross	-	-	42
Sundry Receipt	-	-	1,000
Information Technology	-	-	3
Furniture & Equipment	110,000	-	105,584
Stock	-	-	43,963
Book debts	-	-	17,211
Cash at Bank	-	-	1,642
Sales	-	-	826,011
Business Rates Refunds	-	-	13,207
Sundry Refunds	-	-	901
	<u>2,160,000</u>	<u>-</u>	<u>2,674,127</u>
<b>PAYMENTS</b>			
Purchases - Wine & Beer		(2,814)	128,538
Food Purchases		2,216	197,386
Material Purchases		143	148
PAYE & NIC		-	52,760
Hire of Equipment		114	3,549
Repairs & Renewals		11	19,438
Other Direct Costs		-	2,480
Wages		3,672	274,971
Duress creditors		-	21,078
Indirect Labour & Cleaning		210	11,145
Electricity		15,107	25,663
Gas		2,908	26,705
Telephone		(144)	2,964
Business Rates & Council Tax		3	19,062
Water Rates		322	6,470
Insurance		9,438	20,975
Professional Fees		4,434	29,460
Hire of Equipment		-	3,313
Travel & Accommodation		-	249
Stationery and Postage		-	5,498
Waste & Refuse Collections		132	4,784
Fuel & Oil		-	4,431
Sundry Expenses		-	8,683
Security		-	292
Administrators fees		31,983	112,306
Administrators disbursements		233	2,234
Legal Fees & Disbursements		290	47,095
Agents Fees & Disbursements		-	49,397
Allowance for Stock Rebate		-	1,074
Licences		201	200
Bank Charges		414	7,794
Storage		1,992	1,992
		<u>70,866</u>	<u>1,092,134</u>
<b>PAYMENTS TO CREDITORS</b>			
Distribution to Barclays Bank Plc Under Fixed Charge		41,597	1,581,993
Balance in Hand			Nil
		<u>112,463</u>	<u>2,674,127</u>

BDO LLP  
55 Baker Street  
London  
W1U 7EU

AD Nygate & T L Pye  
Joint Administrators  
17 November 2010

GW1016 Limited  
In Administration

Summary of Joint Administrators' Receipts & Payments from 1 June 2010 to 17 November 2010

	Estimate to realise as per the directors Statement of Affairs £	Movement in last six month period £	To date £
<b>RECEIPTS</b>			
Property	1,900,000	-	1,710,000
Furniture & Equipment			64,997
Goodwill		-	1
Information Technology		-	1
Stock			13,000
Work In Progress			1
Book debts		-	12,944
Cash at Bank	-	-	571
Sales	-	-	424,388
Business Rates Refund	-	-	2,976
Interest Gross	-	9	80
	<u>1,900,000</u>	<u>9</u>	<u>2,228,959</u>
<b>PAYMENTS</b>			
Purchases Wine & Beer		301	41,507
Food Purchases		-	76,456
Material Purchases		-	1,044
PAYE & NIC		-	38,942
Duress creditors		3,210	44,291
Hire of Equipment		178	9,448
Repairs & Renewals			9,952
Other Direct Costs			3,927
Wages		800	163,852
Indirect Labour & Cleaning			8,917
Electricity		14,587	14,587
Gas		-	13,955
Telephone		791	1,849
Business Rates & Council Tax		(74)	8,700
Water Rates			3,531
Insurance			746
Professional Fees		1,385	9,797
Equipment			3,390
Travel & Accommodation			129
Stationery and Postage		-	4,931
Waste & Refuse Collections			1,042
Sundry Expenses		271	7,041
Administrators' fees		3,521	52,831
Administrators Disbursements		50	782
Legal Fees & Disbs		-	10,177
Agents Fees & Disbs		-	36,279
Bank Charges		83	3,916
Storage		5,213	5,213
		<u>30,316</u>	<u>577,232</u>
<b>PAYMENTS TO CREDITORS</b>			
Distribution to Barclays Bank Plc Under Fixed Charge		-	1,651,727
Balance in Hand			Nil
		<u>30,316</u>	<u>2,228,959</u>
<b>BDO LLP</b> 55 Baker Street London W1U 7EU			<b>AD Nygate &amp; T L Pye</b> Joint Administrators 17 November 2010



Mercury Inns Group Limited - In Administration

Summary of Time Charged and Rates Applicable for the Period From 23 November 2009 to 17 November 2010

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AV RATE
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	£
B. Steps on Appointment							9.16	1,835.00					9.16	1,835.00	200.33
C. Planning and Strategy			1.00	379.00									1.00	379.00	379.00
D. General Administration			4.93	1,687.80			10.05	2,401.50					24.43	5,948.18	223.19
E. Assets Realisation/Realising			44.95	17,988.05			14.30	3,879.10			2.25		61.25	21,867.13	337.01
F. Trading Related Matters	12.30	8,042.30	11.00	5,478.00			5.45	1,356.00					29.15	14,894.90	511.03
G. Employee Matters			0.30	113.70			0.70	168.00					11.25	1,408.20	125.26
H. Creditor Claims							2.65	635.10					2.65	635.10	239.66
I. Reporting	3.00	1,933.00	11.80	4,948.30			24.65	5,916.00	3.00	330.00			42.45	13,179.20	309.29
J. Distribution and Closure			1.00	379.00			1.00	242.50					2.00	421.50	310.75
K. Work*	1.00	699.00											1.00	699.00	699.00
	16.30	10,696.30	75.00	30,973.75	6.00	0.00	70.16	16,433.20	27.65	3,118.20	2.25		118.00		

\*Time charged to work was spent with respect to asset realisation negotiations

Net Total	186.36	61,419.79	329.22
Other Disbursements		992.21	
Billed		35,854.38	
Grand Total		26,557.38	

# Mercury Inns - In Administration

Summary of Time Charged and Rates Applicable for the Period From 23 November 2009 to 17 November 2010

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR EXECUTIVE		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AV RATE	
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	£	£
B. Steps on Appointment							9.72	2,332.00					9.72	2,332.00	239.92	
C. Planning and Strategy			19.50	8,937.50			22.35	5,364.00					41.85	14,301.50	341.73	
D. General Administration			21.15	8,263.40			44.95	10,758.70					101.40	23,957.10	234.24	
E. Assets Realisation/Realising	9.50	4,127.50	78.65	29,608.35			43.30	10,375.20			13.30	1,188.00	131.45	44,311.05	252.31	
F. Trading Related Matters			3.00	1,137.00			153.13	34,682.65					156.63	37,942.15	242.24	
G. Employee Matters			0.30	113.70			11.90	2,847.95					61.49	7,842.15	127.62	
H. Creditors Claims			1.00	379.00			22.30	5,349.95					23.30	5,728.95	245.88	
I. Reporting			23.50	8,527.50			28.80	6,912.00					52.05	15,232.00	298.21	
J. Distribution and Closure			1.00	387.00			23.50	5,730.00					34.00	8,524.00	253.71	
K. Work	5.70	3,714.30	47.00	15,084.00			4.77	1,201.00					64.21	20,962.80	325.50	
	15.20	9,841.80	194.10	72,617.65	9.50	2,489.00	244.72	87,573.45	5.25	772.50	1.50	132.00	15.00	1,321.00		

\*Time allocated to work was charged in respect of time properly spent dealing with creditor enquiries drafting and reviewing creditor reports and correspondence and the Joint Administrators' staff attending the Company's premises upon appointment

Net Total	674.07	183,444.70	271.27
Other Disbursements		2,333.82	
Billed		114,339.55	
Grand Total		71,148.97	

**Summary of Time Charged and Rates Applicable for the Period From 23 November 2009 to 17 November 2010**

*Time allocated to work was charged in respect of time properly spent dealing with creditor enquiries and drafting creditor reports*

Net Total	293.97	78 724.35	267.80
Other Disbursements		782.49	
Billed		53 812.39	
Grand Total		25 895.45	