

**Liquidator's Progress Report****S.192****Pursuant to Sections 92A, 104A and 192 of the  
Insolvency Act 1986**

To the Registrar of Companies

Company Number

05237994

Name of Company

(a) Insert full name of  
company

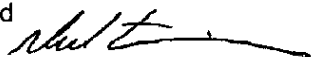
(a) Prestbury Hotel Holdings Limited ✓

(b) Insert full name(s)  
and address(es)

We (b) Neil David Gostelow and John David Thomas Milsom

15 Canada Square, Canary Wharf, London, E14 5GL and 15 Canada Square, Canary Wharf,  
London, E14 5GLthe liquidators of the company attach a copy of our Progress Report  
under section 192 of the Insolvency Act 1986The Progress Report covers the period from 30 June 2015  
to 29 June 2016  
✓

Signed



Date 24 August 2016

Presenter's name,  
address and reference  
(if any)

FRIDAY



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26/08/2016

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COMPANIES HOUSE



*cutting through complexity™*

## **Prestbury Hotels Group - in Liquidation**

Joint Liquidators' progress report for the  
period 30 June 2015 to 29 June 2016

24 August 2016

# Notice to creditors

This report provides an update on the liquidation of the Companies listed in Appendix 5

We have included (Appendix 2) an account of all amounts received and payments made during the period from the date of our appointment on 30 June 2015 to 29 June 2016

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

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

A glossary of the abbreviations used throughout this document is attached (Appendix 5)

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

**Please also note that an important legal notice about this report is attached (Appendix 6)**



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# 1 Executive summary

- We, Neil Gostelow and John Milsom, were appointed Joint Liquidators of the Companies at meetings of creditors held on 30 June 2015
- This report covers the first year of the liquidations from the date of our appointment to 29 June 2016
- The only realisable assets are debts due to two of the Companies (Section 2 - Progress to date)
- A distribution was made to the secured creditor from two of the companies in the period. Further distributions are anticipated (Section 3 - Dividend prospects and dividends paid)
- The Companies have no preferential creditors (Section 3 - Dividend prospects and dividends paid)
- It is likely that there will be a dividend available to unsecured creditors of two of the Companies. There will be no dividend available to the unsecured creditors of Prestbury Hotel Holdings Limited, the other company included in this report (Section 3 - Dividend prospects and dividends paid)
- Please note you should read this report in conjunction with any previous reports issued to the Companies' creditors. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT



Neil Gostelow  
Joint Liquidator

## 2 Strategy and progress to date

Meetings of members were held on 30 June 2015 at which we were appointed Joint Liquidators of the Companies

Our appointment was confirmed at the meetings of creditors also held on 30 June 2015

This section updates you on our strategy for the liquidations and on our progress to date. It follows the information provided in the reports to the meetings of creditors

### 2.1 Strategy to date

#### Background

The Companies are part of the Prestbury Hotel Holdings group of companies (the Group), a property investment group which established in 2004 to acquire 136 budget hotels, let at the time to Travelodge Hotels Limited. The Group also acquired a further portfolio of 17 hotels from the same seller in 2005. The portfolio was debt financed at a high level of leverage, as was typical at that stage in the property investment and banking cycle.

As a result of the CVA process which Travelodge went through in the summer of 2012, the Group defaulted on the terms of its credit agreements. The maturity dates for the two loans financing the portfolios fell due within approximately two years following the Travelodge default and the directors, together with the asset manager and lender, undertook an assessment of the best route for the Group considering the expiry of the loan facilities in the short term.

Following a review by KPMG of the disposal options available, the directors, after taking legal advice and obtaining the support of the bank, took the decision to pursue a sale of the property portfolio outside of an insolvency process with a view to maximising realisations for the creditors as a whole. After an extensive marketing campaign, all properties were sold with the proceeds used to repay the bank debt to the fullest extent possible, although there remained a shortfall overall. As the Companies had no realisable assets but remained guarantors under group bank facilities, the directors did not consider the Companies to be a going concern and took the decision to place them in creditors' voluntary liquidation.

#### Strategy

The assets listed on the directors' Statement of Affairs for the Companies include intercompany debtors, shareholder loans and corporation tax and VAT receivable.

Amounts stated as due to HMRC are stated before the application of group relief or brought forward losses. We have submitted all relevant information to HMRC and have received a VAT refund in one of the group companies (see section 2.3).

The intercompany debtor balances stated are owed by group companies which are also in liquidation. However, all group companies have signed non-competition clauses in the guarantees provided to the secured creditor which mean that they cannot prove in the liquidations of other group companies in competition with the secured creditor, or apply set off in respect of intercompany debt unless the secured creditor consents.

The shareholder loans were acquired, by novation, by Uberior Ventures Limited, a subsidiary of Lloyds Banking Group, and upon appointment of the liquidators were offset against the secured debt. The loans therefore have no estimated to realise value and are not recoverable in the liquidations. All known liabilities were settled prior to the liquidators' appointment. Accordingly, the transactions are not reflected in the receipts and payments account.



## **2.2 Receipts and payments accounts**

We attach receipts and payments accounts for Prestbury Hotels Limited and Prestbury Hotels Assets Limited

We have not attached a receipts and payments account for Prestbury Hotel Holdings Limited as there have been no receipts or payments during the period covered by this progress report, namely the first year of the liquidation

## **2.3 Asset realisations**

Realisations during the period are set out in the attached receipts and payments accounts (Appendix 2)

A VAT refund of £1.26 million was received in the period by Prestbury Hotels Assets Limited as representative VAT member of the Prestbury Hotels Holdings Group. As a result of its insolvency, Prestbury Hotels Assets Limited is not able to transfer the corresponding share of the VAT credit owed to the other members of the VAT Group. Consequently Prestbury Hotels Limited and Prestbury Hotels Finance Limited have an unsecured claim against Prestbury Hotels Assets Limited for monies owed to them, however, these claims are covered by the non-competition clauses referred to in section 2.1 above.

A dividend is also expected in Prestbury Hotels Assets Limited from Travelodge Hotels Limited (in Company Voluntary Arrangement). The quantum of the dividend is not yet known but we expect to receive the distribution during September 2016.

A mandatory cost refund totalling £293,978 was received in Prestbury Hotels Limited during the period. No further realisations are anticipated for this Company.

Prestbury Hotel Holdings Limited does not have any realisable assets.

Investigations

We have complied with the relevant statutory requirements to provide information on the conduct of the Companies' directors and any shadow directors to the Department for Business, Innovation and Skills. The contents of our submission are confidential.

## **2.4 Costs**

Payments made in this period are set out in the attached receipts and payments accounts (Appendix 2).

## **2.5 Schedule of expenses**

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedules of expenses attached (Appendix 4) for the two companies where realisations have been made or are expected, Prestbury Hotels Limited and Prestbury Hotels Assets Limited.



## 3 Dividend prospects and dividends paid

### 3.1 Secured creditor

The last claim received from the Bank in June 2015 detailed the total debt across the Prestbury Hotels group at £83,045,777. The secured creditor valued its secured debt at £37,418,078 leaving an unsecured balance that is subject to cross guarantees of £45,627,699.

Distributions were made to the secured creditor during the period of £100,840 and £600,000 from Prestbury Hotels Limited and Prestbury Hotels Assets Limited respectively all of which relates to floating charge realisations.

We expect a future distribution will be available to the secured creditor from both Prestbury Hotels Limited and Prestbury Hotels Assets Limited, however, there will be a significant shortfall owing to the secured creditor.

### 3.2 Preferential creditors

We are not aware of any preferential claims against any of the Companies.

### 3.3 Unsecured creditors

In the Directors' Statement of Affairs for each of the Companies, the only unsecured creditors are Bank of Scotland plc, HMRC, intercompany creditors and accruals.

For the two Companies where realisations have been made or are anticipated, the following unsecured liabilities are estimated (please note that the Bank of Scotland liability is taken from the last claim received from the Bank in June 2015 as detailed in section 3.1, and the remaining figures are from the directors' Statement of Affairs).

<b>Prestbury Hotels Limited</b>	Unsecured liabilities, £
Bank of Scotland	45,627,699
Prestbury Hotels Assets Limited*	6,066,584
TLLC Bridgeco1 Limited*	2,262,060
TLLC Bridgeco2 Limited*	5,509,983
TLLC Bridgeco5 Limited*	1,667,004
TLLC Bridgeco6 Limited*	479,431
TLLC CMpropco1 Limited*	15,985,226
TLLC CMpropco2 Limited*	24,682,456
TLLC CMpropco3 Limited*	30,709,320
TLLC CMpropco4 Limited*	4,716,285
TLLC CMpropco10 Limited*	4,869,172
TLLC Levpropco2 Limited*	20,869,193
TLLC Levpropco8 Limited*	7,411,409
TLLC Levpropco10 Limited*	11,402,748
Bank of Scotland loans	100,236,317
Total	<u>282,494,887</u>
<b>Prestbury Hotels Assets Limited</b>	Unsecured liabilities, £
Bank of Scotland	45,627,699
Fee accruals	14
Total	<u>45,627,713</u>

\* subject to non-competition provisions (See section 2.1)





Based on current estimates, it is likely that the unsecured creditors of Prestbury Hotels Limited and Prestbury Hotels Assets Limited will receive a dividend. We have yet to determine the amount of this, but we will do so when we have completed the realisation of assets and payment of associated costs.

There will not be a dividend available to unsecured creditors of Prestbury Hotel Holdings Limited.



## 4 Joint Liquidators' remuneration and disbursements

At the meetings of creditors held on 30 June 2015 the creditors passed resolutions for each of the Companies providing approval that

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff according to the charge-out rates included in Appendix 4
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 4

### Remuneration

Our remuneration and disbursements for Prestbury Hotel Holdings Limited are being settled by a third party under separate terms of engagement and, therefore, are not detailed in this report

### Time costs

Our remuneration for Prestbury Hotels Limited and Prestbury Hotels Assets Limited will be met from the respective estates

From the date of our appointment to 29 June 2016 for these companies, we have incurred time costs as follows

	Total time costs £	Hours	Average rate/hour £
Prestbury Hotels Limited	13,347	34.8	384
Prestbury Hotels Assets Limited	44,021	120	367

During the period, we have drawn pre-appointment remuneration of £2,000 from Prestbury Hotels Assets Limited. No other amounts have been drawn.

### Disbursements

During the period, we have not incurred any disbursements.

### Additional Information

We have attached (Appendix 4) 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 29 June 2016 for Prestbury Hotels Limited and Prestbury Hotels Assets Limited. We have also attached our charging and disbursements policy.



# 5 Future strategy

## 5.1 Future conduct of the liquidation

The following matters are still ongoing in the liquidations

- Debtor realisations, by way of a distribution from the company voluntary arrangement of Travelodge Hotels Limited, in Prestbury Hotels Assets Limited,
- distributions to the secured creditor,
- confirmation of position regarding funds for unsecured creditors in Prestbury Hotels Limited and Prestbury Hotels Assets Limited,
- agreement of creditor claims where appropriate,
- finalisation of the tax affairs of the Companies, and
- statutory and compliance obligations

## 5.2 Future reporting

We will report again on the progress of this liquidation by 29 August 2017 or in the draft final report if matters have been concluded earlier



## Appendix 1 Statutory information

### Company information

Company name	Prestbury Hotels Limited
Previous company names if applicable	None
Date of incorporation	4 October 2004
Company registration number	5248775
Previous registered office	Cavendish House, 18 Cavendish Square, London, W1G 0PJ
Present registered office	15 Canada Square, London, E14 5GL
Trading address	Cavendish House, 18 Cavendish Square, London, W1G 0PJ
Nature of business	Property investment

### Liquidation information

Appointed by	Members and creditors pursuant to Section 98 of the Insolvency Act 1986
Date of appointment	30 June 2015
Joint Liquidators' details	Neil Gostelow and John Milsom
Joint Liquidators' address	15 Canada Square, Canary Wharf, London, E14 5GL
Values of the Net Property and Prescribed Part	Net Property is £247,500 Prescribed Part is £52,500 The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3)
Prescribed Part distribution	The Joint Liquidators intend to distribute the Prescribed Part
Functions	The functions of the Joint Liquidators are being exercised by them individually or together in accordance with Section 231(2) of the Insolvency Act 1986
EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations



### Company information

Company name	Prestbury Hotels Assets Limited
Previous company names if applicable	None
Date of incorporation	4 October 2004
Company registration number	5248776
Previous registered office	Cavendish House, 18 Cavendish Square, London, W1G 0PJ
Present registered office	15 Canada Square, London, E14 5GL
Trading address	Cavendish House, 18 Cavendish Square, London, W1G 0PJ
Nature of business	Property investment

### Liquidation information

Appointed by	Members and creditors pursuant to Section 98 of the Insolvency Act 1986
Date of appointment	30 June 2015
Joint Liquidators' details	Neil Gostelow and John Milsom
Joint Liquidators' address	15 Canada Square, Canary Wharf, London, E14 5GL
Estimated values of the Net Property and Estimated Prescribed Part	Estimated Net Property is £1,283,300 Estimated Prescribed Part is £259,700 The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3)
Prescribed Part distribution	The Joint Liquidators intend to distribute the Prescribed Part
Functions	The functions of the Joint Liquidators are being exercised by them individually or together in accordance with Section 231(2) of the Insolvency Act 1986
EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations



### Company information

Company name	Prestbury Hotel Holdings Limited
Previous company names if applicable	Bravemanor Limited
Date of incorporation	22 September 2004
Company registration number	5237994
Previous registered office	Cavendish House, 18 Cavendish Square, London, W1G 0PJ
Present registered office	15 Canada Square, London, E14 5GL
Trading address	Cavendish House, 18 Cavendish Square, London, W1G 0PJ
Nature of business	Property investment

### Liquidation information

Appointed by	Members and creditors pursuant to Section 98 of the Insolvency Act 1986
Date of appointment	30 June 2015
Joint Liquidators' details	Neil Gostelow and John Milsom
Joint Liquidators' address	15 Canada Square, Canary Wharf, London, E14 5GL
Values of the Net Property and Prescribed Part	Net Property is £nil Prescribed Part is £nil The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3)
Prescribed Part distribution	The Prescribed Part was automatically disapplied given that the estimated Net Property is less than £10,000 and the costs of making a distribution are anticipated to be disproportionate to the benefits
Functions	The functions of the Joint Liquidators are being exercised by them individually or together in accordance with Section 231(2) of the Insolvency Act 1986
EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations



## Appendix 2 Joint Liquidators' receipts and payment account

### Prestbury Hotels Limited - in Liquidation

#### Abstract of receipts & payments

Statement of affairs (£)	From 30/06/2015 To 29/06/2016 (£)	From 30/06/2015 To 29/06/2016 (£)
<b>ASSET REALISATIONS</b>		
Mandatory cost refund	185,782 09	185,782 09
Mandatory cost refund—statutory interest	108,195 83	108,195 83
	<u>293,977 92</u>	<u>293,977 92</u>
<b>OTHER REALISATIONS</b>		
Bank interest, gross	758 55	758 55
Sundry refunds	14 72	14 72
	<u>773 27</u>	<u>773 27</u>
<b>COST OF REALISATIONS</b>		
Legal fees	(20,000 00)	(20,000 00)
Legal fees (2)	(252 00)	(252 00)
Bank charges	(43 00)	(43 00)
	<u>(20,295 00)</u>	<u>(20,295 00)</u>
<b>FLOATING CHARGE CREDITORS</b>		
Floating charge	(100,840 00)	(100,840 00)
	<u>(100,840 00)</u>	<u>(100,840 00)</u>
	<b>173,616 19</b>	<b>173,616 19</b>
<b>REPRESENTED BY</b>		
VAT receivable		4,036 20
Current account		173,616 19
Floating charge VAT control		(4,036 20)
		<u>173,616 19</u>

# **Prestbury Hotels Assets Limited - in Liquidation**

## **Abstract of receipts & payments**

Statement of affairs (£)	From 30/06/2015 To 29/06/2016 (£)	From 30/06/2015 To 29/06/2016 (£)
ASSET REALISATIONS		
VAT refunds (pre-liq )	1,260,027 23	1,260,027 23
VAT repayment supplement	50 00	50 00
	<u>1,260,077 23</u>	<u>1,260,077 23</u>
OTHER REALISATIONS		
Bank interest, gross	0 12	0 12
	<u>0 12</u>	<u>0 12</u>
COST OF REALISATIONS		
Statement of affairs work	(2,000 00)	(2,000 00)
Bank charges	(25 00)	(25 00)
	<u>(2,025 00)</u>	<u>(2,025 00)</u>
FLOATING CHARGE CREDITORS		
Floating charge	(600,000 00)	(600,000 00)
	<u>(600,000 00)</u>	<u>(600,000 00)</u>
	<b>658,052 35</b>	<b>658,052 35</b>
REPRESENTED BY		
VAT receivable		400 00
Current account		657,652 35
		<u><b>658,052 35</b></u>





## Appendix 3 Schedule of expenses

### Prestbury Hotels Limited

#### Schedule of expenses (30/06/2015 to 29/06/2016)

Expenses (£)	Incurring and paid in the period (£)	Incurring in the period not yet paid (£)	Total (£)
<b>Cost of realisations</b>			
Joint Liquidators' fees	0 00	13,346 50	<b>13,346 50</b>
Legal fees	20,000 00	0 00	<b>20,000 00</b>
Legal expenses	252 00	0 00	<b>252 00</b>
Bank charges	43 00	0 00	<b>43 00</b>
<b>TOTAL</b>	<b>20,295 00</b>	<b>13,346 50</b>	<b>33,641 50</b>

### Prestbury Hotels Assets Limited

#### Schedule of expenses (30/06/2015 to 29/06/2016)

Expenses (£)	Incurring and paid in the period (£)	Incurring in the period not yet paid (£)	Total (£)
<b>Cost of realisations</b>			
Joint Liquidators' fees	0 00	44,020 75	<b>44,020 75</b>
Statement of affairs work	2,000 00	0 00	<b>2,000 00</b>
Bank charges	25 00	0 00	<b>25 00</b>
<b>TOTAL</b>	<b>2,025 00</b>	<b>44,020 75</b>	<b>46,045 75</b>

## 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 report, you must do so in writing within 21 days of receiving this 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 report, you must do so by making an application to Court within eight weeks of receiving this 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 Kerry O'Sullivan at KPMG LLP, 15 Canada Square, London, E14 5GL



## Appendix 4 Joint Liquidators' charging and disbursements policy

The information below is applicable to Prestbury Hotels Limited and Prestbury Hotels Assets Limited only

### Joint Liquidators' charging policy

The time charged to each respective liquidation is by reference to the time properly given by us and our staff in attending to matters arising in the liquidation. 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 liquidation 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 Liquidators' 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/liquidators-fees>

If you are unable to access this guide and would like a copy, please contact Kerry O'Sullivan on 01223 582036

### Hourly rates

Set out below are the relevant charge-out rates per hour worked for the grades of our staff actually or likely to be involved on this liquidation. Time is charged by reference to actual work carried out on the liquidation

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

Charge-out rates (£) for Restructuring		
Grade	From 01 Oct 2014 £/hr	From 01 Oct 2015 £/hr
Partner	595	595
Director	535	535
Senior Manager	485	485
Manager	405	405
Senior Administrator	280	280
Administrator	205	205
Support	125	125

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the liquidation. 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 not incurred any disbursements during the period

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

Category 2 disbursements have been approved in the same manner as our remuneration

Narrative of work carried out for the period 30 June 2015 to 29 June 2016

The key areas of work for each of these liquidations have been

Statutory and compliance	<ul style="list-style-type: none"><li>■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences,</li><li>■ providing initial statutory notifications of our appointment to the Registrar of Companies, creditors and other stakeholders, and advertising our appointment,</li><li>■ preparing statutory receipts and payments accounts,</li><li>■ arranging bonding and complying with statutory requirements,</li><li>■ ensuring compliance with all statutory obligations within the relevant timescales</li></ul>
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"><li>■ formulating, monitoring and reviewing the liquidation strategy</li><li>■ briefing of our staff on the liquidation strategy and matters in relation to various work-streams,</li><li>■ regular case management and reviewing of progress, including regular team update meetings and calls,</li><li>■ reviewing and authorising junior staff correspondence and other work,</li><li>■ dealing with queries arising during the appointment,</li><li>■ reviewing matters affecting the outcome of the liquidation,</li><li>■ allocating and managing staff/case resourcing and budgeting exercises and reviews,</li><li>■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters,</li></ul>



	<ul style="list-style-type: none"> <li>■ complying with internal filing and information recording practices, including documenting strategy decisions</li> </ul>
Reports to debenture holders	<ul style="list-style-type: none"> <li>■ providing written and oral updates to representatives of Bank of Scotland regarding the progress of the liquidations and case strategy</li> </ul>
Cashiering	<ul style="list-style-type: none"> <li>■ setting up liquidation bank accounts and dealing with the Companies' pre-appointment accounts,</li> <li>■ preparing and processing vouchers for the payment of post-appointment invoices,</li> <li>■ creating remittances and sending payments to settle post-appointment invoices,</li> <li>■ reconciling post-appointment bank accounts to internal systems,</li> <li>■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments</li> </ul>
Tax	<ul style="list-style-type: none"> <li>■ gathering initial information from the Companies' records in relation to the taxation position of the Company,</li> <li>■ submitting relevant initial notifications to HM Revenue and Customs,</li> <li>■ reviewing the Companies' pre-appointment corporation tax and VAT position,</li> <li>■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations,</li> <li>■ working initially on tax returns relating to the periods affected by the liquidation,</li> <li>■ analysing VAT related transactions,</li> <li>■ reviewing the Companies' duty position to ensure compliance with duty requirements,</li> <li>■ dealing with post appointment tax compliance</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>■ providing notification of our appointment,</li> <li>■ responding to enquiries from shareholders regarding the liquidation,</li> <li>■ providing copies of statutory reports to the shareholders</li> </ul>
General	<ul style="list-style-type: none"> <li>■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9,</li> <li>■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage</li> </ul>
Asset realisations	<ul style="list-style-type: none"> <li>■ collating information from the Companies' records regarding the assets,</li> <li>■ reviewing the inter-company debtor position between the Company and other group companies</li> </ul>
Creditors and claims	<ul style="list-style-type: none"> <li>■ convening and preparing for the meetings of creditors,</li> <li>■ creating and updating the list of unsecured creditors,</li> <li>■ arranging distributions to the secured creditor,</li> <li>■ drafting our report</li> </ul>
Investigations/ directors	<ul style="list-style-type: none"> <li>■ reviewing Company and directorship searches and advising the directors of the effect of the liquidation,</li> <li>■ liaising with management to produce the statement of affairs and filing this document with the Registrar of Companies,</li> <li>■ arranging for the redirection of the Companies' mail,</li> <li>■ reviewing the questionnaires submitted by the directors of the Companies,</li> <li>■ reviewing pre-appointment transactions,</li> <li>■ drafting the statutory report and submitting to the relevant authority</li> </ul>

## Time costs

### Prestbury Hotels Limited

#### SIP 9 –Time costs analysis (30/06/2015 to 29/06/2016)

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Bankrupt/Director/Member			
Statutory reports	0 50	297 50	595 00
Cashiering			
Fund management	0 30	145 50	485 00



**SIP 9 –Time costs analysis (30/06/2015 to 29/06/2016)**

	Hours	Time Cost (£)	Average Hourly Rate (£)
General (Cashiering)	3 60	838 00	232 78
Reconciliations (& IPS accounting reviews)	1 20	332 00	276 67
General			
Fees and WIP	0 80	347 00	433 75
Statutory and compliance			
Appointment and related formalities	0 40	194 00	485 00
Checklist & reviews	2 00	447 50	223 75
Reports to debenture holders	0 50	267 50	535 00
Strategy documents	3 60	1,826 00	507 22
Tax			
Post appointment corporation tax	7 60	3,142 00	413 42
Post appointment VAT	4 00	1,173 50	293 38
<b>Creditors</b>			
Creditors and claims			
Pre-appointment VAT / PAYE / CT	1 10	533 50	485 00
Secured creditors	4 60	1,879 00	408 48
Employees			
Pensions reviews	0 20	56 00	280 00
<b>Investigation</b>			
Directors			
D form drafting and submission	1 30	364 00	280 00
Investigations			
Review of pre-appt transactions	0 10	48 50	485 00
<b>Realisation of assets</b>			
Asset Realisation			
Debtors	0 40	194 00	485 00
Freehold property	1 20	582 00	485 00
Pre-appointment tax & VAT refunds	1 40	679 00	485 00
<b>Total in period</b>	<b>34 80</b>	<b>13,346 50</b>	<b>383 52</b>

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)	34 80	13,346 50
Carry forward time (appointment date to SIP 9 period end date)	34 80	13,346 50



## Prestbury Hotels Assets Limited

### SIP 9 –Time costs analysis (30/06/2015 to 29/06/2016)

	Hours	Time Cost (£)	Average Hourly Rate (£)
<b>Administration &amp; planning</b>			
Bankrupt/Director/Member			
Statutory reports	1 00	595 00	595 00
Cashiering			
General (Cashiering)	2 20	473 50	215 23
Reconciliations (& IPS accounting reviews)	0 50	158 50	317 00
General			
Fees and WIP	4 40	1,580 50	359 20
Statutory and compliance			
Appointment and related formalities	2 20	985 00	447 73
Reports to debenture holders	2 75	1,471 25	535 00
Strategy documents	2 10	1,098 50	523 10
Tax			
Initial reviews - CT and VAT	0 30	145 50	485 00
Post appointment corporation tax	9 20	3,950 00	429 35
Post appointment VAT	50 60	12,310 00	243 28
<b>Creditors</b>			
Creditors and claims			
Pre-appointment VAT / PAYE / CT	0 80	224 00	280 00
Secured creditors	5 00	1,745 00	349 00
Employees			
Pensions reviews	0 20	56 00	280 00
<b>Investigation</b>			
Directors			
D form drafting and submission	1 50	420 00	280 00
Directors' questionnaire / checklist	1 30	487 00	374 62
Investigations			
Review of pre-appt transactions	0 10	48 50	485 00
<b>Realisation of assets</b>			
Asset Realisation			
Debtors	0 30	145 50	485 00
Freehold property	1 00	485 00	485 00
Leasehold property	0 20	97 00	485 00
Other assets	1 20	418 00	348 33



**SIP 9 –Time costs analysis (30/06/2015 to 29/06/2016)**

	Hours	Time Cost (£)	Average Hourly Rate (£)
Pre-appointment tax & VAT refunds	<b>33 00</b>	17,127 00	519 00
<b>Total in period</b>	<b>119 85</b>	<b>44,020 75</b>	<b>367 30</b>

Brought forward time (appointment date to SIP 9 period start date)	0 00	0 00
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SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	119 85	44,020 75
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Carry forward time (appointment date to SIP 9 period end date)	119 85	44,020 75
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All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

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



## Appendix 5      Glossary

<b>Company</b>	Prestbury Hotels Limited  Prestbury Hotels Assets Limited  Prestbury Hotel Holdings Limited  (all in liquidation)
<b>Joint Liquidators/we/our/us</b>	Neil Gostelow and John Milsom
<b>KPMG</b>	KPMG LLP
<b>Secured creditor/bank</b>	Bank of Scotland plc

Any references in this 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 1986 respectively





## Appendix 6      Notice   About this report

This progress report has been prepared by Neil Gostelow and John Milsom, the Joint Liquidators of the Companies listed in Appendix 5, solely to comply with their statutory duty under the Insolvency Act and Rules 1986 to provide members and creditors with an update on the progress of the liquidation of the estates, and for no other purpose

This report has not been prepared in contemplation of it being used, and is not suitable to be used to inform any decision in relation to the debt of or any financial interest in the Companies or any other company in the Group

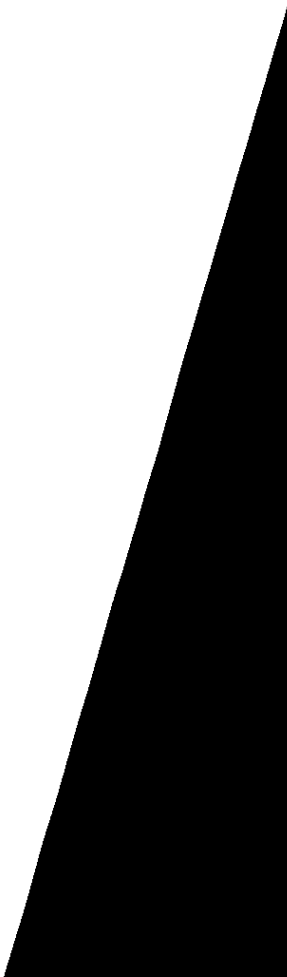
Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Act and Rules 1986 (as amended) does so at their own risk. Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for individual creditors

Neil David Gostelow and John David Thomas Milsom 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 appointments of the Joint Liquidators 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 liquidations





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