

The Insolvency Act 1986

Notice of court order ending administration 2.33B

Name of Company

The Reservation Company Limited

Company number

05716644

In the High Court of Justice, Chancery Division,
Companies Court, London*For court use only*
10718 of 2008(a) Insert full name(s) and
address(es) of administrators

We (a) Paul John Clark, Jason James Godefroy and Philip Francis Duffy of MCR, 43-45 Portman Square, London, W1H 6LY

(b) Insert name and address of
the registered office of companyhaving been appointed Joint Administrators of (b) The Reservation Company Limited,
43-45 Portman Square, London, W1H 6LY ("the Company")

(c) Insert date of appointment

On (c) 2 December 2008 by (d) the directors of the Company

(d) Insert name of appointor

hereby give notice that the court has ordered that the Administration shall end on (e) 26
November 2009 and a copy of the court order is attached.

(e) Insert date

We attach to this notice a copy of the final progress report.

Signed


Joint Administrator

Dated

26 - 11 - 2009**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 searches of

MCR
43-45 Portman Square
London
W1H 6LY

Tel: 0207 487 7240

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



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PC3

09/12/2009

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COMPANIES HOUSE

WEDNESDAY

IN THE HIGH COURT OF JUSTICE

NO 10715, 10716, 10717, 10718, 10719

11392 of 2008

CHANCERY DIVISION

COMPANIES COURT

BEFORE MR JUSTICE NORRIS

ON THE 26TH DAY OF NOVEMBER 2009



IN THE MATTER OF FOLIO HOTELS MANAGEMENT LIMITED (IN
ADMINISTRATION)

FOLIO HOTELS OPERATIONS LIMITED (IN ADMINISTRATION)

FOLIO DEVELOPMENTS LIMITED (IN ADMINISTRATION)

THE RESERVATION COMPANY LIMITED (IN ADMINISTRATION)

FOLIO HOTELS LIMITED (IN ADMINISTRATION)

AND FOLIO HOTELS SERVICES LIMITED (IN ADMINISTRATION)

("THE COMPANIES")

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

ORDER

UPON THE PETITIONS of Paul John Clark, Jason James Godfrey and Philip Francis Duffy of MCR, 43-45 Portman Square, London, W1H 6LY, the Joint Administrators of the Companies (whose registered offices are at the offices of MCR, 43-45 Portman Square, London, W1H 6LY), presented on 11 November 2009

AND UPON HEARING counsel for the Petitioners

AND UPON THE UNDERTAKING of solicitors for the Petitioner to file amended petitions correcting the error in paragraph five of each petition

AND UPON READING the evidence

AND UPON the court being satisfied that the EC Regulation does apply and that these proceedings are main proceedings as defined in Article 3 of the EC Regulation on Insolvency Proceedings (No 1346/2000)

IT IS ORDERED:-

1. That the appointment of the joint administrators shall forthwith cease to have effect pursuant to paragraph 79 of Schedule B1 to the Insolvency Act 1986.
2. That the requirements for advertisement of the petitions imposed by the Insolvency Rules 1986, rules 4.7(9) and 4.23(1) be dispensed with, together with the requirements for service of the petitions on the companies.
3. That Folio Hotels Management Limited, Folio Hotels Operations Limited, Folio Developments Limited, The Reservation Company Limited, Folio Hotels Limited and Folio Hotels Services Limited be wound up by the Court under the provisions of the Insolvency Act 1986.
4. That Paul John Clark, Jason James Godfrey and Philip Francis Duffy be appointed as joint liquidators of Folio Hotels Management Limited, Folio Hotels Operations Limited, Folio Developments Limited, The Reservation Company Limited, Folio Hotels Limited and Folio Hotels Services Limited in the liquidations detailed above, pursuant to section 140 of the Insolvency Act 1986.
5. That Paul John Clark, Jason James Godfrey and Philip Francis Duffy be released from all liability as joint administrators pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986 28 days after the filing of their final receipts and payments account.
6. That the costs of each of the petitions be costs in the administration of the company which is the subject of the petition.

26 November 2009

NO 10715, 10716, 10717, 10718, 10761,
11392 of 2008
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

IN THE MATTER OF FOLIO HOTELS
MANAGEMENT LIMITED (IN
ADMINISTRATION)
FOLIO HOTELS OPERATIONS LIMITED
(IN ADMINISTRATION)
FOLIO DEVELOPMENTS LIMITED (IN
ADMINISTRATION)
THE RESERVATION COMPANY LIMITED
(IN ADMINISTRATION)
FOLIO HOTELS LIMITED (IN
ADMINISTRATION)
AND FOLIO HOTELS SERVICES
LIMITED (IN ADMINISTRATION)

AND IN THE MATTER OF THE
INSOLVENCY ACT 1986

ORDER

Solicitors

Dundas & Wilson LLP
North-West Wing, Bush House
Aldwych,
London, WC2B 4EZ

Folio Developments Limited
Folio Hotels Limited
Folio Hotels Management Limited
Folio Hotels Operations Limited
The Reservation Company Limited
Folio Hotels Services Limited
(Formerly all in Administration)
("the Companies" and together "the Group")

Joint Administrators' Final Progress Report to Creditors
Pursuant to Rule 2.110 of the Insolvency Rules 1986 (as amended)

7 December 2009

Names of Joint Administrators: Paul John Clark
Jason James Godefroy
Philip Francis Duffy

Date of appointments: 2 December 2008 (All except Folio Hotels Services Limited)
19 December 2008 (Folio Hotels Services Limited)

Date of report: 7 December 2009

Appointed by: The Directors of the Companies

Court references:

Company	High Court of Justice Number
Folio Developments Limited	10717 of 2008
Folio Hotels Limited	10761 of 2008
Folio Hotels Management Limited	10715 of 2008
Folio Hotels Operations Limited	10716 of 2008
The Reservation Company Limited	10718 of 2008
Folio Hotels Services Limited	11392 of 2008

MCR
43-45 Portman Square
London
W1H 6LY

DEFINITIONS

Paul John Clark, Jason James Godefroy and Philip Francis Duffy	the Joint Administrators
The Insolvency Act 1986	the Act
The Insolvency Rules 1986	the Rules
the Joint Administrators' Proposals	the Proposals
Transfer of Undertakings (Protection of Employment) Regulations 2006	TUPE
Statement of Insolvency Practice	SIP
MCR Receivables Management Limited	MCR RM
HM Revenue and Customs	HMRC
Department for Business Innovation and Skills	BIS
EC Regulations on Insolvency Proceedings 2000	EC Regulations

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1. INTRODUCTION

- 1.1 Paul John Clark, Jason James Godefroy and Philip Francis Duffy of MCR were appointed Joint Administrators of the following companies on 2 December 2008, by the directors of the Companies, pursuant to Paragraph 22 of Schedule B1 to the Act:
- Folio Developments Limited ("FDL")
 - Folio Hotels Limited ("FHL")
 - Folio Hotels Management Limited ("FHML")
 - Folio Hotels Operations Limited ("FHOL")
 - The Reservation Company Limited ("TRC")
- 1.2 Subsequently, Paul John Clark, Jason James Godefroy and Philip Francis Duffy of MCR were appointed Joint Administrators of Folio Hotels Services Limited ("FHSL") on 19 December 2008, by the directors of FHSL, pursuant to Paragraph 22 of Schedule B1 to the Act.
- 1.3 In accordance with Paragraph 100(2) of Schedule B1 to the Act, the functions of the Joint Administrators are being exercised by any of the Administrators.
- 1.4 The purpose of this report is to provide creditors with a final account of the progress of the Administrations in accordance with Rule 2.110 of the Rules and to provide details of the Joint Administrators' applications to end the Administrations and for Winding Up Orders to be granted on 26 November 2009 pursuant to Rule 2.114 of the Rules.
- 1.5 The purpose of moving the Companies from Administration into Compulsory Liquidation was to comply with requests from HMRC, a significant creditor of the Companies. It is intended that early meetings of creditors be convened in the Compulsory Liquidations to replace Jason Godefroy and Philip Duffy as Joint Liquidators with Nick Nicholson of Haslers, in order to comply with HMRC's requests.

2. JOINT ADMINISTRATORS' PROPOSALS

- 2.1 The Joint Administrators issued their Report to Creditors, together with their Statement of Proposals, on 16 January 2009. In accordance with Rule 2.110 of the Rules, attached at Appendix 5 is a copy of the Proposals.
- 2.2 As advised in the Proposals, the Joint Administrators must perform their functions with the purpose of achieving one of the following hierarchical objectives:
- Rescuing the Companies as going concerns; or
 - Achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in Administration); or
 - Realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.3 The Joint Administrators believe that the second objective has been achieved as a result of the sales of the businesses and assets of all 32 hotels in the Group to various purchasers, which has resulted in distributions to Bank of Scotland plc ("BoS"). It is anticipated that there will also be funds available for prescribed part distributions to creditors in FHL and FHML.

- 2.4 The sales of all 32 hotels, as going concerns, has also minimised preferential claims against the Companies as the majority of the employees transferred to the respective purchasers under TUPE.

3. PROGRESS OF THE ADMINISTRATIONS

- 3.1 The manner in which the affairs and businesses of the Companies have been managed since the appointment of Joint Administrators to 26 November 2009 are set out below.

Administration Trading

- 3.2 The Joint Administrators traded the businesses following their appointments in order to market the businesses and assets of the Companies to interested parties.
- 3.3 The Joint Administrators were successful in gaining the ongoing support of the key suppliers and employees and were therefore able to maintain business as usual for all parts of the businesses. All hotels continued to trade and no hotels were closed. Christmas and New Year events were staged as planned and therefore customer deposits for such events paid pre-Administration were honoured during the Administration trading period.
- 3.4 As a result, the Joint Administrators were successful in achieving going concern sales of all 32 hotels in the Group to various purchasers. Further details are set out below.
- 3.5 The Joint Administrators' receipts and payments accounts for the Administration trading period are attached at Appendix 2 in accordance with SIP7.

Folio Developments Limited

- 3.6 FDL was, in the main, a cost centre that received no direct revenues from customers and was funded by the other Companies in the group by way of management charges. To date, FDL has received £136,690 from FHML, FHL and FHOL by way of management charges.
- 3.7 The trading period receipts and payments account is showing a surplus of £5,000 but it is anticipated that, following payment of the final Administration trading period costs, it will show a breakeven position.

Folio Hotels Limited

- 3.8 The trading period receipts and payments account is showing a surplus of £199,423 following the collection of most of the Administration period sales monies and settlement of the majority of the Administration trading period costs.
- 3.9 The Joint Administrators project that FHL will benefit from a surplus once all trading period matters have been finalised.

Folio Hotels Management Limited

- 3.10 The trading period receipts and payments account is currently showing a deficit of £117,614 following the collection of most of the Administration period sales monies and payment of the majority of the Administration trading period costs.

- 3.11 The Joint Administrators project that FHML will breakeven or generate a trading surplus once all outstanding trading matters have been finalised.

Folio Hotels Operations Limited

- 3.12 The trading period receipts and payments account is currently showing a deficit of £135,706 following the collection of most of the Administration period sales monies and payment of the majority of the Administration trading period costs.
- 3.13 The Joint Administrators project that FHOL will ultimately suffer a deficit once all trading period matters have been finalised.
- 3.14 It is intended that the Joint Liquidators continue to pursue the collection of the Group's remaining outstanding Administration period sales and finalise the payment of the few remaining outstanding Administration trading period costs.

Sales of Businesses and Assets

- 3.15 The Joint Administrators sold the businesses and assets of all 32 hotels in the Group as going concerns. 19 hotels were sold to Mulbourn Limited, 9 hotels were sold to Callbridge Hotels Limited, 3 hotels were sold to Galleon Taverns Limited and 1 hotel was sold to Royel Hospitality Limited.

Sale 1: Mulbourn Limited ("ML")

- 3.16 The Joint Administrators successfully completed the sale of certain of the businesses and assets of the Group, including 18 hotels to ML, for a total consideration of £300,000.
- 3.17 The Joint Administrators were successful in negotiating a rent free period in respect of these hotels during the Administration trading period, yielding an additional benefit to the estate of c£1m in terms of the consequent cost saving.
- 3.18 Under the terms of the sale and purchase agreement, ML received the benefit of the trading income from 22 December 2008 and also met the associated costs from this date.
- 3.19 Further to the consideration of £300,000 mentioned above, additional sums of £227,146 and £189,708 were received on 6 January 2009 and 9 January 2009 respectively in respect of various apportionments, as agreed with ML. The apportionments included cash floats, arrears of employees' wages, rent deposits and leisure club direct debits. The consideration received was apportioned across the Companies based on the appropriate realisations from each of the hotels.
- 3.20 In accordance with SIP13, the Joint Administrators are required to disclose information to creditors about related party transactions. In this regard, ML is a new company that was established for the specific purpose of this acquisition. ML's management team consists of certain of the Group's management team, including Mr Alan Murray and Mr Matthew Welbourn, who are both directors of ML. The shareholders of ML include Mr Murray, Mr Welbourn, Charles Holmes and certain other former employees of the Group.
- 3.21 The Joint Administrators also understand that, at that time, Nicholas Crawley, a director of the Companies, is involved in the management of ML, but he is not an appointed director.

Sale 2: Callbridge Hotels Limited ("CHL")

- 3.22 The Joint Administrators successfully completed a subsequent sale of the businesses and assets of a further 9 hotels to CHL on 14 January 2009. The sale preserved the hotels as going concerns and saved the employees jobs at all 9 hotels. The consideration paid by CHL was a nominal sum of £1, together with an amount equal to the cash floats, the guest-in-house ledger payment less any deposits, all totalling £30,484, which was all payable on completion. In addition, the amount equal to the purchase orders for orders placed where the goods had yet to be delivered, totalling £20,148, was payable five days after the completion date as was an adjustment for the movement in the guest ledger to reflect the actual value of the guest-in-house ledger as at completion totalling £35,096 in favour of the Company. These sums have been received in full.
- 3.23 The consideration received related to hotels within FHML only.
- 3.24 CHL is a company connected to the landlord of these nine hotels, being Washington Hotels.
- 3.25 The Joint Administrators were again successful in negotiating a rent free period with the landlord of the nine hotels for the duration of the Administration trading period. The consequent cost saving achieved was of the order of £600,000.
- 3.26 It should be noted that the following the sale, the Joint Administrators continue to work with CHL regarding the reconciliation of book debts and other monies received by CHL which belong to FHML and vice-versa. On 24 November 2009, a full and final settlement was reached with CHL in this regard subject to CHL verifying certain book debt receipts the Joint Administrators understand CHL banked which belonging to the relevant Group company.

Sale 3: Galleon Taverns Limited ("Galleon")

- 3.27 The Joint Administrators successfully completed a further sale of the businesses and assets of a further 3 hotels to Galleon on 14 January 2009 for a nominal consideration of £1, together with amounts equal to the cash floats, the guest ledger, purchase orders for orders placed where the goods had yet to be delivered and the cash deposit, all totalling £32,757, which were all payable on completion. In addition, an amount equal to the guest ledger movement to reflect the actual value of the guest-in-house ledger as at completion and the cash float movement was payable two days after the completion date. This sum has been received in full.
- 3.28 The consideration received related to hotels within FHL only.
- 3.29 The Joint Administrators successfully agreed with the landlord of the hotels that no rent would be paid for the period from 2 December 2008 to 14 January 2009. This has resulted in a cost saving to the Administration of approximately £200,000.
- 3.30 It should be noted that the following the sale, the Joint Administrators continue to work with Galleon regarding the reconciliation of book debts and other monies received by Galleon which belong to FHL and vice-versa. Although a settlement was not reached during the Administration, it is anticipated that a full and final settlement will be reached during the early part of the Compulsory Liquidation.

Sale 4: Royel Hospitality Limited ("Royel")

- 3.31 The Joint Administrators successfully completed a further sale of the business and assets of the Cisswood House Hotel to Royel on 22 January 2009 for a nominal consideration of £1, together with a sum equal to the cash floats and purchase orders for orders placed where the goods had yet to be delivered, less an amount previously received by the Joint Administrators in respect of health club receipts paid in advance and due to Royel, all totalling £778, which was paid in full on completion.
- 3.32 The Joint Administrators successfully agreed with the landlord of the hotel that no rent would be payable for the period from 2 December 2008 to 22 January 2009. This has resulted in a cost saving to the Administration.
- 3.33 It should be noted that the following the sale, the Joint Administrators continue to work with Royel regarding the reconciliation of book debts and other monies received by Royel which belong to FHO and vice-versa. Although a settlement was not reached during the Administration, it is anticipated that a full and final settlement will be reached during the early part of the Compulsory Liquidation.

Sale 5: Mulbourn Limited ("ML")

- 3.34 The business and assets of the remaining hotel, being The Makeney Hall Hotel, was sold to ML on 26 January 2009 for a total consideration of £1, together with an amount of £74,062.52. This sum was not paid in cash but was deducted from monies subsequently received through the merchant services facilities and due to ML.
- 3.35 It should be noted that the following the sale, the Joint Administrators continue to work with ML regarding the reconciliation of book debt and other monies received by ML which belong to FHML, FHL and/or FHO and vice-versa. On 25 November 2009, a full and final settlement was reached with ML in this regard.
- 3.36 A schedule of the sale completion dates in respect of each of the hotels is attached at Appendix 4.

Book Debts

- 3.37 As reported in the Proposals, the Joint Administrators instructed MCR RM to collect the Group's book debts.
- 3.38 Each of the Group's 32 leasehold hotels operated its own individual sales ledger. These sales ledgers have been grouped into the respective company for the purpose of the figures reported below. A summary of the current position is set out below.

Company	Opening Balance	Collections to Date	Unallocated Collections	Outstanding Balance
	£	£	£	£
Folio Developments Limited	14,267	8,390	5,877	-
Folio Hotels Limited	541,826	466,880	4,455	70,491
Folio Hotels Management Limited	1,666,460	1,220,168	14,581	431,711
Folio Hotels Operations Limited	209,445	111,925	30,351	67,169
The Reservation Company Limited	227,125	123	10,750	216,252
Folio Hotels Services Limited	-	-	-	-
Total	2,659,123	1,807,486	66,014	785,623

- 3.39 The column titled "Unallocated Collections" above refers to monies received from debtors that have yet to be reconciled with outstanding invoices due to, for example, limited or no remittance advice slips from customers or similar to be able to allocate the receipts.
- 3.40 MCR RM are continuing to reconcile the unallocated debtor receipts and collect the outstanding balances. As at 12 November 2009, MCR RM estimated further book debt collections of approximately £11,800. Some of these debts have since been collected and are included in the Joint Administrators' final Receipts and Payments Accounts attached at Appendix 2.
- 3.41 It should be noted that a significant proportion of the outstanding balance is likely to be written off in due course as it relates to inter-Group activity, bad debts, valid credit notes, disputes and other similar issues. The Joint Liquidators anticipated finalising the book debt collection process during the course of the Compulsory Liquidations.

Terminal Loss Relief

- 3.42 The Joint Administrators wrote to HMRC to establish whether any Corporation Tax terminal loss relief is available.
- 3.43 Following communications with HMRC, no terminal loss relief is available to the Group.

Business Rates Refunds

- 3.44 The Joint Administrators instructed their agents, CAPA, to review whether any business rates refunds were due to the Companies in respect of each of the 32 hotels.
- 3.45 As a result, business rates refunds totalling £217 for FDL, £78,045 for FHL, £64,875 for FHML and £10,576 for FHOL, have been received to date. No further refunds are anticipated.

Loans to Employees

- 3.46 As previously reported, FDL issued four loans to various senior employees of the Company in May 2007 totalling £145,000 for the purpose of acquiring shares issued by the Company.
- 3.47 The senior employees have disputed that these loans are repayable. The Joint Administrators are liaising with these employees in order to resolve the matter.
- 3.48 This matter should be finalised during the course of the Compulsory Liquidations.

Insurance Claims

- 3.49 The Companies pre-paid insurance premiums prior to the Joint Administrators' appointments and the Joint Administrators instructed their insurance agents to liaise with the Companies' insurance company with a view to obtaining a refund.
- 3.50 The Joint Administrators' agents are continuing to pursue this issue and it is likely to be finalised during the course of the Compulsory Liquidations.

- 3.51 The Joint Administrators were also pursuing three principal insurance claims in respect of incidents which occurred prior to the Joint Administrators' appointments. To date, the Joint Administrators have received an interim payment of £10,000 in respect of a "power outage" claim regarding the Honiley Court Hotel. The Joint Administrators' insurance agents are in communications with loss adjusters to finalise the remainder of this claim.
- 3.52 The Joint Administrators have settled a water damage claim which occurred at the Brownsover Hall Hotel for £8,547 and a lightening damage claim which occurred at the Redwood Hotel and Country Club for £4,733. The settlements had the appropriate insurance policy excesses deducted before payments were made to the Joint Administrators.
- 3.53 The Joint Administrators' insurance agents are pursuing the remaining outstanding insurance claims and it is anticipated that it will be concluded during the course of the Compulsory Liquidations.

Other Matters

- 3.54 During the course of the Administrations, the Joint Administrators received a number of Retention of Title ("ROT") claims. Following the sales of the businesses and certain assets of the Companies to the various purchasers, as detailed above, the Joint Administrators referred the ROT claimants to the respective purchasers.

Receipts and payments account

- 3.55 Attached at Appendix 2 are the Joint Administrators' receipts and payments accounts for each of the Companies, together with separate receipts and payments accounts for the Administration trading periods in respect of FDL, FHL, FHML and FHOL in accordance with SIP7.
- 3.56 The Joint Administrators received monies belonging to the purchasers via the Companies' merchant facilities and by customers paying funds to the Companies in error for debts relating to the purchasers of the hotels. These funds are not assets of the Group and have not been included in the Joint Administrators' receipts and payments accounts. The majority of these third party funds have already been paid to the third parties and the remaining funds will also be paid to the third parties, subject to final reconciliation, in the Compulsory Liquidations.

4. JOINT ADMINISTRATORS' REMUNERATION

- 4.1 The time costs of the Joint Administrators and their staff are analysed at Appendix 3 in accordance with SIP9. The Joint Administrators' time costs to 26 November 2009 in respect of each of the Companies are set out in the table below.

Company	Time costs (£)	Remuneration (£)
Folio Developments Limited	63,834	15,161
Folio Hotels Limited	563,752	450,000
Folio Hotels Management Limited	880,493	610,572
Folio Hotels Operations Limited	249,705	130,124
The Reservation Company Limited	38,764	0
Folio Hotels Services Limited	7,827	0
Total	1,804,375	1,205,857

- 4.2 In accordance with Rule 2.33(5) of the Rules, the Proposals were deemed approved by the creditors on the expiry of the period in which meetings could have been requisitioned.
- 4.3 To date, the Joint Administrators have drawn £450,000 from FHL, £610,572 from FHML, £130,124 from FHOL and £15,161 from FDL following specific approval from the secured creditors, BoS and, for FDL only, HXRUK (KP) Limited ("HKL").

5. DIVIDEND PROSPECTS / PRESCRIBED PART

Secured creditors

Bank of Scotland plc ("BoS")

- 5.1 In consideration for monies advanced, the Companies granted BoS the following debentures, which confer fixed and floating charges over all of the assets of the respective Companies.

Company	Debenture date
Folio Developments Limited	21 June 2007
Folio Hotels Limited	19 May 2006
Folio Hotels Management Limited	7 July 2006
Folio Hotels Operations Limited	13 June 2007
The Reservation Company Limited	13 June 2007
Folio Hotels Services Limited	21 June 2007

- 5.2 In addition, BoS has a comprehensive cross guarantee from each of the Companies in respect of the indebtedness of every other Company in the Group.
- 5.3 At the date of the Joint Administrators' appointment, the Group's indebtedness to BoS was approximately £5.2m, subject to accruing interest and charges.
- 5.4 The Joint Administrators have made the following distributions to BoS:
- Fixed charge distribution pursuant to BoS' fixed charge of £10,010 from FDL;
 - Fixed charge distribution pursuant to BoS' fixed charge of £134,168 from FHL;
 - Floating charge distribution pursuant to BoS' floating charge and/or subrogated preferential dividend of £489,191 from FHL, and;
 - Floating charge distribution pursuant to BoS' floating charge and/or subrogated preferential dividend of £830,144 from FHML.
- 5.5 A summary of the Bank's position is set out below:

	FDL	FHL	FHML	FHOL	TRC	FHSL	Total
BOS - Overdraft	(493,396)	(1,134,410)	(159,603)	(1,409,005)	28,004	-	(3,168,410)
BOS - Term Loan	(1,000,000)	-	-	(1,000,000)	-	-	(2,000,000)
	(1,493,396)	(1,134,410)	(159,603)	(2,409,005)	28,004	-	(5,168,410)
Distributions - Fixed	10,010	134,168	-	-	-	-	144,178
Distributions - Floating	-	489,191	830,144	-	-	-	1,319,995
	(1,483,386)	(511,051)	670,541	(2,409,005)	28,004	-	(3,704,237)

5.6 It is anticipated that BoS will ultimately suffer a shortfall on its remaining indebtedness from the Group.

5.7 The Joint Administrators understand that Nicholas Crawley has provided BoS with a personal guarantee limited to £3m.

HXRUK (KP) Limited ("HKL") – FDL only

5.8 According to Companies House records, HKL registered a rent deposit deed against FDL on 20 September 2006 in respect of the head office, located in Swindon.

5.9 There are insufficient realisations to enable a distribution to HKL.

UK Regional Hotel Property Fund Manager Limited ("UKRH") – FDL only

5.10 According to Companies House records, UKRH registered a share charge against FDL on 12 April 2007, in respect of the entire issued ordinary share capital of FHSL.

5.11 On 2 December 2008, Form 403a, being a declaration of satisfaction of a mortgage or charge, was signed by the director of FDL. This was filed at Companies House on 4 December 2008.

5.12 On this basis, the Joint Administrators are satisfied that UKRH are not a creditor of FDL.

Preferential Creditors

5.13 There are likely to be preferential claims in respect of claims from employees made redundant during the Administration trading period in FDL only. In addition, there may be a substantial subrogated preferential claim from BoS in respect of payments of wages and salaries made to the Companies' staff just prior to the appointment of the Joint Administrators.

5.14 The Joint Administrators estimate that the quantum of the subrogated claims of BoS is likely to be up to £1.1m. The Joint Administrators advise that BoS' subrogated preferential claims will be addressed during the Compulsory Liquidations.

5.15 Whilst the Joint Administrators are yet to receive notification of the preferential creditors' claims, at this stage it is possible that there will be sufficient funds available to enable a distribution to the preferential creditors of the Companies.

5.16 A proportion of the preferential claims made by former employees were subrogated to BIS, following payment by the Redundancy Payments Office.

5.17 As a result of the going concern sales of the businesses and assets of the Group to the various purchasers, the majority of employees transferred to the purchasers under TUPE. This has minimised the quantum of preferential claims against the Companies.

Prescribed Part

5.18 Pursuant to Section 176A of the Act, where a floating charge is created after 15 September 2003 a prescribed part of a company's net property shall be made available to non-preferential creditors.

- 5.19 The Joint Administrators are of the opinion, based on current information, that there will be sufficient asset realisations to enable a distribution from the prescribed part in respect of FHL and FHML. However, there will be insufficient asset realisations to enable a distribution from the prescribed part in respect of the other Companies. This is subject to amendment and further information will be provided to creditors in due course.

Non-Preferential Creditors

- 5.20 Based upon the Group's books and records, the non-preferential creditors for each of the Companies are approximately as follows:

	FDL	FHL	FHML	FHOL	TRC	FHSL	Totals
Trade Creditors	486,075	1,769,607	3,548,320	559,474	14,634	-	6,378,110
HMRC - PAYE/NI	332,084	725,044	1,466,356	284,903	19,558	-	2,827,945
HMRC - VAT (see 5.20)	4,055,718	-	372,685	-	30,643	-	4,459,046
HMRCs - SDLT	-	606,889	228,472	-	-	-	835,361
HMRC - Other	18,773	16,577	5,677	325	1,413	-	42,765
	<u>4,892,650</u>	<u>3,118,117</u>	<u>5,621,510</u>	<u>844,702</u>	<u>66,248</u>	<u>-</u>	<u>14,543,227</u>

- 5.21 The figures shown above in respect of PAYE/NI and VAT relate to the individual Companies of the Group. All of the Companies except FHSL are Group registered for VAT purposes and therefore these companies are jointly and severally liable for the VAT debts.
- 5.22 Based upon current information available, there will be insufficient realisations to enable a distribution to the non-preferential creditors of the Group, other than the anticipated prescribed part monies in FHL and FHML.

6. CREDITORS' MEETINGS

- 6.1 In accordance with Paragraph 52(1)(b) of Schedule B1 to the Act, creditors' meetings were not required to be held as it was anticipated that there would be insufficient realisations to enable a distribution to non-preferential creditors, other than the prescribed part, if any.
- 6.2 No meetings were convened and, in accordance with Rule 2.33(5) of the Rules, the Proposals were deemed to have been approved by creditors.
- 6.3 In addition, the Joint Administrators wrote to the secured creditors of the Companies to seek the approval of certain resolutions set out in Section 12.3 of the Proposals.

7. END OF THE ADMINISTRATIONS

- 7.1 The Proposals advised that the Administrations automatically come to an end after one year, unless an extension is granted by the Court or with the creditors' consent.
- 7.2 On 30 April 2009, the Joint Administrators received requests from HM Revenue & Customs for meetings of creditors to be convened for the purpose of placing each company of the Group into Liquidation and for the appointment of two partners from Haslers Insolvency and Recovery Services ("Haslers") as Liquidators.
- 7.3 The meeting requests from HMRC were received a significant period after the expiry of the 12 day period in which creditors can request an initial meeting of creditors in accordance with Rule 2.37 of the Rules. However, the Joint Administrators recognise that HMRC is a major creditor of the Group and therefore their interests should be properly considered.

- 7.4 Following various communications with HMRC to include a meeting held at MCR on 20 May 2009, HMRC indicated that their primary concern was to maximise recoveries for HMRC and to further certain investigations into the affairs of the Companies for the period prior to the Joint Administrators' appointments.
- 7.5 At the time of the meeting requests and during the subsequent communications with HMRC, the Joint Administrators were of the view that the Group was not in a position to move from Administrations to Liquidations due to various key issues which remained outstanding. For example, the Joint Administrators felt that the requests, if effected at that time, were likely to prejudice book debt and credit sales collections and other asset recoveries, to the detriment of the creditors.
- 7.6 In order to act in the interests of the creditors, the Joint Administrators advised HMRC that they were willing to move the Group into Liquidations at the request of HMRC and suggested a joint appointment between MCR and Haslers. It was felt that a joint appointment would avoid unnecessary costs and ensure future asset recoveries are protected as far as possible. HMRC subsequently indicated their agreement to the proposal.
- 7.7 The Joint Administrators wrote to BoS, the other principal creditor of the Group, who indicated they had no objection to the Group being placed into Liquidation in due course and supported the joint appointment of the partners of MCR and Haslers as Joint Liquidators in due course.
- 7.8 In this regard, the Joint Administrators took the necessary steps to conclude the Administrations prior to their automatic ends and for the Companies to be placed into Compulsory Liquidations in order to comply with HMRC requests. The Companies were placed into Compulsory Liquidation via a Court Order dated 26 November 2009.
- 7.9 As previously mentioned, it is intended that the Joint Liquidators convene early meetings of creditors for all Companies to replace Jason Godefroy and Philip Duffy as Joint Liquidators with Nick Nicholson of Haslers, in order to comply with HMRC's wishes.

8. OTHER MATTERS

- 8.1 There are a number of matters which remain outstanding and will be required to be dealt with during the course of the Compulsory Liquidations. The principal issues that remain outstanding are as follows:
- To conclude payment of the few remaining outstanding Administration trading period supplier liabilities;
 - To collect the Companies' outstanding book debts and Administration trading period credit sales ledgers to conclusions;
 - To finalise Corporation Tax matters;
 - Conclude the reconciliation of funds between the Companies and the various purchasers where full and final settlements have not been agreed;
 - To conclude on the outstanding employee loans matters;

- To finalise the outstanding insurance matters;
- To assess and pay non-preferential dividends pursuant to the prescribed part, as appropriate.
- To finalise and make final distributions to the Companies' secured creditors as appropriate.
- To conclude and formally agree BoS' subrogated preferential claims and make distributions as appropriate;
- Collect any outstanding remaining assets, and;
- Other routine case matters.

8.2 Should you have any queries, please contact my colleague Gurjit Bansal in the first instance.

For and on behalf of
Folio Developments Limited
Folio Hotels Limited
Folio Hotels Management Limited
Folio Hotels Operations Limited
The Reservation Company Limited
Folio Hotels Services Limited



Paul Clark
Joint Liquidator
Former Joint Administrator

Encs.

The affairs, business and property of the Companies were being managed by the Joint Administrators Paul Clark, Jason Godefroy and Philip Duffy who acted as agents for the Companies and without personal liability. All are licensed by the Insolvency Practitioners Association.

APPENDIX 1

STATUTORY INFORMATION

Folio Developments Limited

Date of incorporation	21 February 2006
Registered number	05716643
Company directors	Nicholas Crawley, Ogbourne Maizey Manor, Ogbourne Maizey, Marlborough, Wiltshire, SN8 1RY Charles Holmes, The Stables, 73A Grove Road, Bladon, Oxfordshire, OX20 1RJ
Directors' remuneration	Year Ended 30 December 2007 £314,868
Dividends	Year Ended 30 December 2007 £Nil
Company secretary	Alan Murray
Shareholders	Nicholas Crawley 87% Charles Holmes 3% Alan Murray 0.67% Others (including staff) 9.33%
Head Office address	56 Cherry Orchard East, Kembrey Park, Swindon, Wiltshire, SN2 8UQ
Registered Office	Current: 43-45 Portman Square London W1H 6LY Formerly: 56 Cherry Orchard East Kembrey Park Swindon Wiltshire SN2 8UQ
Any other Trading Names	None

Financial information	52 week period ended 30 December 2007 Consolidated draft financial accounts	Year ended 31 December 2006 Consolidated audited accounts
Profit and Loss Account	£	£
Turnover	64,315,567	38,523,401
Gross profit	21,881,627	10,563,309
Retained profit/(loss)	(5,497,914)	(875,982)
Balance Sheet		
Fixed assets	9,112,560	7,025,293
Current assets	13,183,476	7,653,848
Current liabilities	(22,927,593)	(10,022,741)
Creditors > 1yr	(168,831)	(1,033,641)
Net assets	(800,389)	3,622,759
Called up share capital	1,178	1,000
Share premium	981,744	-
Merger reserve	4,152,927	3,806,251
Other reserves	196,262	196,262
Profit and loss account	(6,912,685)	(1,414,771)
Minority interests	780,185	1,034,017
Shareholders funds	(800,389)	3,622,759

Folio Hotels Limited

Date of incorporation	26 November 2004
Registered number	05298270
Company directors	Nicholas Crawley, Ogbourne Maizey Manor, Ogbourne Maizey, Marlborough, Wiltshire, SN8 1RY Charles Holmes, The Stables, 73A Grove Road, Bladon, Oxfordshire, OX20 1RJ
Directors' remuneration	Year Ended 30 December 2007 £241,250
Dividends	Year Ended 30 December 2007 £Nil
Company secretary	Alan Murray
Shareholders	Nicholas Crawley 80% Martyn Levitt 10% Charles Holmes 10%
Head Office address	56 Cherry Orchard East, Kembrey Park, Swindon, Wiltshire, SN2 8UQ
Registered Office	Current: 43-45 Portman Square London W1H 6LY Formerly: 56 Cherry Orchard East Kembrey Park Swindon Wiltshire SN2 8UQ
Hotel Names	See Appendix 4

Financial information	September 2008 Management Accounts	52 week period ended 30 December 2007 draft accounts	Year ended 31 December 2006 audited
Profit and Loss Account	£	£	£
Turnover	2,634,342	22,413,622	14,755,314
Gross Profit	Uncertain	7,776,080	4,388,796
Retained profit/(loss)	(264,908)	696,340	(152,179)
Balance Sheet			
Fixed assets	22,655,532	22,950,109	4,906,064
Current assets	8,975,301	6,323,087	1,495,741
Current Liabilities	(8,824,765)	(7,020,010)	(1,968,091)
Creditors >1yr	(62,692)	(22,321)	(33,641)
Net Assets	<u>22,743,375</u>	<u>22,230,865</u>	<u>4,400,073</u>
Called up share capital	5,000,000	5,000,000	5,000,000
Refurbishment reserve	17,234,452	-	-
Other reserves	256,851	17,391,003	256,551
Profit and loss account	252,072	(160,138)	(856,478)
Shareholders funds	<u>22,743,375</u>	<u>22,230,865</u>	<u>4,400,073</u>

Folio Hotels Operations Limited

Date of incorporation	28 November 2006	
Registered number	06012172	
Company directors	Nicholas Crawley, Ogbourne Maizey Manor, Ogbourne Maizey, Marlborough, Wiltshire, SN8 1RY Charles Holmes, The Stables, 73A Grove Road, Bladon, Oxfordshire, OX20 1RJ	
Directors' remuneration	Year Ended 30 December 2007	£Nil
Dividends	Year Ended 30 December 2007	£Nil
Company secretary	Alan Murray	
Shareholders	Folio Developments Limited	100%
Head Office address	56 Cherry Orchard East Kembrey Park Swindon Wiltshire SN2 8UQ	
Registered Office	Current: 43-45 Portman Square London W1H 6LY	Formerly: 56 Cherry Orchard East Kembrey Park Swindon Wiltshire SN2 8UQ
Hotel Names	See Appendix 4	

Financial information	September 2008 management accounts	Period ended 31 December 2007 draft financial accounts
	£	£
Profit and Loss Account		
Turnover	953,494	8,084,342
Gross profit	Uncertain	6,952,299
Retained profit/(loss)	111,693	(1,415,743)
Balance Sheet		
Fixed assets	787,095	456,334
Current assets	1,314,487	1,446,181
Current liabilities	(3,909,975)	(3,338,257)
Creditors > 1yr	-	-
Net Assets	<u>(1,808,392)</u>	<u>(1,415,742)</u>
Called up share capital	1	1
Profit and loss account	(1,808,393)	(1,415,743)
Shareholders funds	<u>(1,808,392)</u>	<u>(1,415,742)</u>

Folio Hotels Management Limited

Date of incorporation	8 May 1997
Registered number	03367444
Company directors	Nicholas Crawley, Ogbourne Maizey Manor, Ogbourne Maizey, Marlborough, Wiltshire, SN8 1RY Charles Holmes, The Stables, 73A Grove Road, Bladon, Oxfordshire, OX20 1RJ
Directors' remuneration	Year Ended 30 December 2007 £Nil
Dividends	Year Ended 30 December 2007 £Nil
Company secretary	Alan Murray
Shareholders	Folio Developments Limited 100%
Head Office address	56 Cherry Orchard East Kembrey Park Swindon Wiltshire SN2 8UQ
Registered Office	Current: 43-45 Portman Square London W1H 6LY Formerly: 56 Cherry Orchard East Kembrey Park Swindon Wiltshire SN2 8UQ
Hotel Names	See Appendix 4

Financial information	September 2008 management Accounts	Year ended 31 December 2006 audited accounts	Year ended 31 December 2005 audited accounts
	£	£	£
Profit and Loss Account			
Turnover	3,797,874	23,593,629	451,413
Gross Profit	Uncertain	6,089,560	(288,407)
Retained profit/(loss)	(205,887)	172,783	(291,579)
Balance Sheet			
Fixed assets	2,864,230	1,719,949	30,871
Current assets	6,444,643	6,203,096	141,951
Current Liabilities	(17,434,725)	(7,669,417)	(1,091,977)
Creditors > 1yr	(1,062,991)	(1,000,000)	-
Net Assets	<u>(9,188,843)</u>	<u>(746,372)</u>	<u>(919,155)</u>
Called up share capital	2	2	2
Profit and loss account	<u>(9,188,845)</u>	<u>(746,374)</u>	<u>(919,157)</u>
Shareholders funds	<u>(9,188,843)</u>	<u>(746,372)</u>	<u>(919,155)</u>

The Reservation Company Limited

Date of incorporation	21 February 2006
Registered number	05716644
Company directors	Nicholas Crawley, Ogbourne Maizey Manor, Ogbourne Maizey, Marlborough, Wiltshire, SN8 1RY Alistair Cattnach, 2 Badsey Fields Lane, Badsey, Evesham, WR11 7EX
Directors' remuneration	Year Ended 30 December 2007 £Nil
Dividends	Year Ended 30 December 2007 £Nil
Company secretary	Alan Murray
Shareholders	Folio Developments Limited 100%
Trading address	Reservations Sales Office Elgar House Shrub Hill Road Worcester WR4 9EE
Registered Office	Current: Formerly: 43-45 Portman Square 56 Cherry Orchard East London Kembrey Park W1H 6LY Swindon Wiltshire SN2 8UQ

Any Other Trading Names None

Financial information	52 week period ended 30 December 2007
Profit and Loss Account	£
Turnover	589,815
Gross Profit	254,006
Retained profit/(loss) for the year	2,902
Balance Sheet	
Fixed assets	-
Current assets	339,594
Current Liabilities	(336,691)
Creditors >1yr	-
Net Assets	<u>2,903</u>
Called up Share Capital	1
Profit and Loss Reserve	<u>2,902</u>
Shareholders funds	<u>2,903</u>

Folio Hotels Services Limited

Date of incorporation	7 March 2007
Registered number	06143671
Company directors	Nicholas Crawley, Ogbourne Maizey Manor, Ogbourne Maizey, Marlborough, Wiltshire, SN8 1RY Charles Holmes, The Stables, 73A Grove Road, Bladon, Oxfordshire, OX20 1RJ
Directors' remuneration	Year Ended 30 December 2007 £Nil
Dividends	Year Ended 30 December 2007 £Nil
Company secretary	Alan Murray
Shareholders	Folio Developments Limited 100%
Head Office address	56 Cherry Orchard East Kembrey Park Swindon Wiltshire SN2 8UQ
Registered Office	Current: 43-45 Portman Square London W1H 6LY Formerly: 56 Cherry Orchard East Kembrey Park Swindon Wiltshire SN2 8UQ
Any Other Trading Names	Freshname No. 375 Limited

Financial information For the Period
7 March 2007 to
30 December 2007
unaudited

Profit and Loss Account	£
Turnover	-
Gross Profit	-
Retained profit/(loss) for the year	-
Balance Sheet	
Fixed assets	-
Current assets	1
Current Liabilities	-
Creditors >1yr	
Net Assets	<u>1</u>
Called up Share Capital	1
Profit and Loss Reserve	-
Shareholders funds	<u>1</u>

APPENDIX 2
RECEIPTS AND PAYMENTS ACCOUNTS

Folio Developments Limited
(Formerly in Administration)
Joint Administrators' Receipts & Payments Account
For the period 2 December 2008 to 26 November 2009

	Statement of Affairs Estimated to Realise	Fixed	Floating	Total
notes	£	£	£	£
ASSET REALISATIONS				
Trading Surplus/(Deficit)	-	0	5,000	5,000
Rent deposit	20,000	20,000	0	20,000
Sundry realisations	-	0	11,500	11,500
Debtors	40,000	0	8,390	8,390
Access fee re CRO	-	0	8,483	8,483
Unallocated debtor receipts	-	0	5,877	5,877
Business rates refunds	-	0	217	217
Bank Interest gross	-	8	121	130
Interest from sales consideration	-	0	29	29
Other assets	-	8	0	8
Leasehold property	-	1	0	1
Car lease deposits	66,821	0	0	0
Managed Hotels - Chequers	1 1,086	0	0	0
Managed Hotels - De La Bere	1 725	0	0	0
Managed Hotels - Roman Way	1 2,956	0	0	0
Floats	90	0	0	0
	131,678	20,017	39,617	59,634
COST OF REALISATIONS				
Joint Administrators' remuneration		(6,000)	(9,161)	(15,161)
Legal fees		0	(2,000)	(2,000)
Agents' / valuers' fees		(2,000)	0	(2,000)
Mailing costs		0	(1,426)	(1,426)
Employment consultancy		0	(1,200)	(1,200)
Bank charges		(1)	(183)	(183)
Statutory advertising		0	(67)	(67)
		(8,001)	(14,037)	(22,037)
DISTRIBUTIONS				
Fixed charge distributions to BOS		(10,010)	0	(10,010)
		2,007	25,580	27,587
REPRESENTED BY AND SUMS TRANSFERRED TO THE LIQUIDATION				
BOS Floating bank account				11,619
Fixed Bank Account				1,107
Barclays Floating bank account				12,399
General VAT control account				1,563
General Fixed VAT receivable				900
				27,587

Notes:

1. The "Trading Receipts and Payments Account" shows amounts realised from "Managed Hotels" as compared to the Statement of Affairs estimated to realise figures.

**Folio Developments Limited
(Formerly in Administration)
Joint Administrators' Trading Account
For the period 2 December 2008 to 26 November 2009**

	£
RECEIPTS	
Funding from FHL, FHML & FHOL	136,690
Miscellaneous income	6,650
Management charges	4,340
	<hr/> 147,680
PAYMENTS	
Direct labour	(64,250)
PAYE / NI	(59,009)
Group income protection	(7,289)
Pension contributions	(4,930)
Purchases	(3,770)
Life assurance	(2,786)
Employee expenses	(613)
Utilities	(33)
	<hr/> (142,680)
TRADING SURPLUS/(DEFICIT)	<hr/> 5,000 <hr/>

Notes:

The Joint Administrators Trading Account has been prepared on a cash basis and remains subject to change due to outstanding trading period liabilities that remain to be settled.

Folio Hotels Limited
(Formerly in Administration)
Joint Administrators' Receipts & Payments Account
For the period 2 December 2008 to 26 November 2009

	Statement of Affairs Estimated to Realise	Fixed	Floating	Total
	£	£	£	£
ASSET REALISATIONS				
Debtors	538,724	0	466,880	466,880
Cash in transit	-	0	343,841	343,841
SPA - Leasehold property	-	243,987	0	243,987
Trading Surplus/(Deficit)	-	0	199,423	199,423
SPA - Guest ledger payment	125,826	0	124,005	124,005
Business rates refund	-	0	78,045	78,045
Unallocated debtor receipts	-	0	4,455	4,455
SPA - Cash floats	17,405	0	17,990	17,990
Other receipts	-	0	8,563	8,563
SPA - Stock	-	0	13,887	13,887
SPA - Cash deposit	-	0	12,000	12,000
SPA - Rent deposit	-	0	4,571	4,571
Bank interest gross	-	95	889	984
Insurance refund	-	0	500	500
SPA - Other assets	-	0	1	1
Sundry prepayments	150,000	0	0	0
	831,955	244,082	1,275,051	1,519,133
COST OF REALISATIONS				
Joint Administrators' remuneration		(46,000)	(404,000)	(450,000)
Agents / valuers fees		(23,000)	0	(23,000)
CAPA - Rates refund commission		0	(13,258)	(13,258)
Legal fees		(34,000)	(54,203)	(88,203)
ROT settlement		0	(2,000)	(2,000)
Debt collection costs		0	(30,748)	(30,748)
Mailing costs		0	(8,952)	(8,952)
Public Relations		0	(2,000)	(2,000)
Bank Charges		(1)	(1,137)	(1,137)
Statutory Advertising		0	(67)	(67)
Storage Costs		0	(34)	(34)
		(103,001)	(516,399)	(619,399)
DISTRIBUTIONS				
Fixed charge distribution to BOS		(134,168)	0	(134,168)
Floating charge distribution to BOS and/or Subrogated preferential dividend to BOS		0	(489,191)	(489,191)
		6,913	269,461	276,374
REPRESENTED BY AND SUMS TRANSFERRED TO THE LIQUIDATION				
BOS Floating bank account				139,502
Barclays Floating bank account				93,528
BOS Fixed bank account				13
General VAT control account				36,430
General Fixed VAT receivable				6,900
				276,374

Folio Hotels Limited
(Formerly in Administration)
Joint Administrators' Trading Account
For the period 2 December 2008 to 26 November 2009

	£
RECEIPTS	
Credit card sales	1,077,945
Trading receipts	235,698
Administration credit account sales	203,503
	<hr/> 1,517,146
PAYMENTS	
Direct labour	(465,672)
Food and beverages	(275,236)
PAYE / NI	(183,877)
Other purchases	(68,776)
Utilities	(87,987)
Essential supplier payments	(54,626)
Rates	(50,510)
Bank charges (trading account)	(18,920)
Agency commission	(19,366)
IT costs	(11,412)
Sub contractors	(10,694)
Payroll services	(4,742)
Pension contributions	(1,768)
Insurance	(1,512)
Funding of TRC	(12,498)
Funding of FDL	(49,900)
Group income protection	(228)
	<hr/> (1,317,723)
TRADING SURPLUS/(DEFICIT)	<hr/> 199,423 <hr/>

Notes:

The Joint Administrators Trading Account has been prepared on a cash basis and remains subject to change due to outstanding trading period liabilities that remain to be settled.

Folio Hotels Management Limited
(Formerly in Administration)
Joint Administrators' Receipts & Payments Account
For the period 2 December 2008 to 26 November 2009

	Statement of Affairs Estimated to Realise	Fixed	Floating	Total
	£	£	£	£
ASSET REALISATIONS				
Debtors	1,652,771	0	1,220,168	1,220,168
Cash in transit	-	0	458,946	458,946
SPA - Guest ledger payment	401,897	0	166,266	166,266
Unallocated debtor receipts	-	0	14,581	14,581
Business rates refund	-	0	64,875	64,875
SPA - Cash floats	28,898	0	29,415	29,415
SPA - Stock	-	0	24,997	24,997
Insurance refund	-	0	23,335	23,335
Other receipts	-	0	7,048	7,048
SPA - Rent deposit	-	0	1,480	1,480
Bank interest gross	-	0	1,072	1,072
Council tax refund	-	0	708	708
SPA - Leasehold property	-	10	0	10
SPA - Other assets	-	0	1	1
General pre-paid costs at hotels	300,000	0	0	0
Rent deposits - Brownsover	3,535	0	0	0
Rent deposits - Honiley	1,000	0	0	0
Security deposit - G4S	950	0	0	0
Trading Surplus/(Deficit)	-	0	117,614	117,614
	2,389,051	10	2,130,507	2,130,517
COST OF REALISATIONS				
Joint Administrators' remuneration		0	(610,572)	(610,572)
Legal fees		0	(138,733)	(138,733)
Debt collection costs		0	(73,228)	(73,228)
Mailing costs		0	(15,421)	(15,421)
CAPA - Rates refunds commission		0	(11,280)	(11,280)
SPA - Apportionment for deposits		0	(8,282)	(8,282)
Agents' / valuers' fees		0	(2,817)	(2,817)
Public relations		0	(2,000)	(2,000)
Bank charges		(4)	(1,564)	(1,569)
Storage costs		0	(467)	(467)
Menzies re tax		0	(400)	(400)
Statutory advertising		0	(67)	(67)
		(4)	(864,831)	(864,835)
DISTRIBUTIONS				
Floating charge distribution to BOS and/or Subrogated preferential dividend to BOS		0	(830,144)	(830,144)
		6	435,531	435,537
REPRESENTED BY AND SUMS TRANSFERRED TO THE LIQUIDATION				
BOS Floating bank account				58,666
Bardays Floating bank account				324,079
General VAT control account				52,786
Bardays Fixed bank account				6
				435,537

Folio Hotels Management Limited
(Formerly in Administration)
Joint Administrators' Trading Account
For the period 2 December 2008 to 26 November 2009

£

RECEIPTS

Credit card sales	1,256,778
Trading receipts	691,669
Administration credit account sales	507,824
	<hr/> 2,456,271

PAYMENTS

Direct labour	(883,013)
Funding of FDL	(78,474)
Funding of TRC	(20,135)
Food and beverage purchases	(347,551)
Other purchases	(264,491)
PAYE / NI	(288,491)
Utilities	(186,383)
Bank charges (trading account)	(34,030)
Essential supplier payments	(63,031)
Business rates	(48,373)
Agency commission	(42,680)
IT costs	(33,402)
Gas - Calor Gas Limited	(15,344)
Insurance	(9,842)
Payroll services	(8,524)
Sub contractors	(7,942)
Indirect labour	(2,521)
Council tax	(1,165)
Attachment of earnings orders	(1,116)
Pension contributions	(1,067)
Group income protection	(568)
Holiday pay	(417)
Rents	(97)
	<hr/> (2,338,656)

TRADING SURPLUS/(DEFICIT)

117,614

Notes:

The Joint Administrators Trading Account has been prepared on a cash basis and remains subject to change due to outstanding trading period liabilities that remain to be settled.

Folio Hotels Operations Limited
(Formerly in Administration)
Joint Administrators' Receipts & Payments Account
For the period 2 December 2008 to 26 November 2009

	Statement of Affairs Estimated to Realise	Fixed	Floating	Total
	£	£	£	£
ASSET REALISATIONS				
Debtors	206,873	0	111,925	111,925
Cash In transit	-	0	96,449	96,449
Unallocated debtor receipts	-	0	30,351	30,351
SPA - Guest ledger payment	47,460	0	34,246	34,246
SPA - Stock	-	0	11,110	11,110
Business rates refund	-	0	10,576	10,576
SPA - Cash floats	9,550	0	9,250	9,250
Sundry receipts	-	0	5,439	5,439
SPA - Leasehold property	-	6,001	0	6,001
SPA - Apportionment of purchase orders	-	0	1,835	1,835
Bank interest gross	-	2	472	474
SPA - Other assets	-	0	1	1
General prepaid costs at hotels	50,000	0	0	0
Trading Surplus/(Deficit)	-	0	(135,706)	(135,706)
	313,883	6,003	175,947	181,951
COST OF REALISATIONS				
Joint administrators' remuneration		(5,101)	(125,023)	(130,124)
Legal fees		0	(5,000)	(5,000)
Agents' / valuers' fees		0	(2,500)	(2,500)
SPA - Royal Hospitality Limited sales		0	(2,008)	(2,008)
Mailing costs		0	(2,331)	(2,331)
CAPA - Rates refund commission		0	(1,874)	(1,874)
Public relations		0	(1,000)	(1,000)
Bank charges		0	(558)	(558)
Statutory advertising		0	(67)	(67)
		(5,101)	(140,361)	(145,462)
DISTRIBUTIONS				
Fixed or floating charge distributions to BOS		0	0	0
		903	35,586	36,489
REPRESENTED BY AND SUMS TRANSFERRED TO THE LIQUIDATION				
Floating bank account				24,576
BOS Fixed bank account				2
General VAT control account				11,010
General Fixed VAT receivable				900
				36,489

Folio Hotels Operations Limited
(Formerly in Administration)
Joint Administrators' Trading Account
For the period 2 December 2008 to 26 November 2009

£

RECEIPTS

Credit card sales	166,595
Trading receipts	65,082
Administration credit account sales	31,072
	<hr/> 262,749

PAYMENTS

Funding of TRC	(2,083)
Funding of FDL	(8,317)
Direct labour	(134,815)
Food and beverages	(62,115)
PAYE / NI	(65,082)
Other purchases	(11,494)
Wages and salaries	(30,697)
Essential supplier payments	(27,261)
Business rates	(20,848)
Fuel Oil	(19,491)
Gas - Calor Gas Limited	(5,817)
Agency commission	(5,078)
Payroll services	(2,069)
IT Costs	(1,801)
Insurance	(599)
Pension contributions	(406)
Bank charges (trading account)	(312)
Group income protection	(115)
Attachment of earnings orders	(57)
	<hr/> (398,455)

TRADING SURPLUS/(DEFICIT)

(135,706)

Notes:

The Joint Administrators Trading Account has been prepared on a cash basis and remains subject to change due to outstanding trading period liabilities that remain to be settled.

The Reservation Company Limited
(Formerly in Administration)
Joint Administrators' Receipts & Payments Account
For the period 2 December 2008 to 26 November 2009

	Statement of Affairs Estimated to Realise	Fixed	Floating	Total
	£	£	£	£
ASSET REALISATIONS				
Funding from FHL, FHML & FHOL	-	0	34,716	34,716
Unallocated debtor receipts	-	0	10,750	10,750
Business rates refund	-	0	2,354	2,354
Sundry receipts	-	0	289	289
Council tax refund	-	0	163	163
Debtors	30,000	0	123	123
Bank interest - gross	-	0	0	0
Floats	150	0	0	0
Car lease deposits	2,808	0	0	0
General prepaid costs at hotels	4,504	0	0	0
	37,462	0	48,394	48,394
COST OF REALISATIONS				
Direct labour		0	(26,209)	(26,209)
PAYE / NI		0	(9,321)	(9,321)
Bank charges (trading account)		0	(42)	(42)
Mailing costs		0	(29)	(29)
Bank charges		0	(9)	(9)
		0	(35,610)	(35,610)
DISTRIBUTIONS				
Fixed or floating charge distributions to BOS		0	0	0
		0	12,784	12,784
REPRESENTED BY AND SUMS TRANSFERRED TO THE LIQUIDATION				
Barclays Floating bank account				12,651
BOS Floating bank account				132
VAT Receivable				1
				12,784

**Folio Hotels Services Limited
(Formerly in Administration)
Joint Administrators' Receipts & Payments
For the period 19 December 2008 to 26 November 2009**

	Statement of Affairs Estimated to Realise £	Fixed £	Floating £	Total £
ASSET REALISATIONS				
None		-	-	-
		<u>0</u>	<u>0</u>	<u>0</u>
COST OF REALISATIONS				
None		-	-	-
		<u>0</u>	<u>0</u>	<u>0</u>
		<u>0</u>	<u>0</u>	<u>0</u>
REPRESENTED BY AND SUMS TRANSFERRED TO THE LIQUIDATION				
BOS Floating bank account				
Barclays Floating bank account				
				<u>0</u>

APPENDIX 3
SCHEDULE OF JOINT ADMINISTRATORS' TIME COSTS

Folio Developments Limited (Formerly in Administration)

Analysis of Joint Administrators' time costs for the period 2 December 2008 to 26 November 2009

Classification of Work Function	Hours					Total Hours	Time Cost	Average Hourly Rate
	Partner	Manager	Senior	Assistants	Support			
							£	£
Strategy planning & control	12.00	6.80	4.30	26.70		49.80	11,675.50	234.45
General admin		22.50	10.20	16.90		49.60	10,484.00	211.37
Cashiering & accounting	1.00	8.50	8.70	29.80		48.00	9,831.00	204.81
Trading - operations	0.30	15.60	1.10	23.20		40.20	6,614.50	164.54
Sale of business	5.40	7.10	0.80	0.20		13.50	5,131.00	380.07
Employee matters		2.10	8.30	12.30		22.70	3,742.00	164.85
CDDA, reports & Communicaton	0.40	0.70	11.50	7.60		20.20	3,416.00	169.11
Unsecured creditors		5.50		10.90		16.40	2,726.50	166.25
Statutory matters	0.40	0.70	8.30	3.00		12.40	2,455.50	198.02
General correspondence	1.30	2.60	0.90	3.10		7.90	1,950.00	246.84
Trading - accounting		1.80	1.60	0.50		3.90	945.00	242.31
IPS set up & maintenance		0.40	1.00	4.90		6.30	776.00	123.17
Retention of title		0.20		9.10		9.30	750.00	80.65
Secured Creditors		1.90				1.90	557.50	293.42
Forensic Sales Ledger Investigation				3.70		3.70	518.00	140.00
Floating charge assets			1.90			1.90	484.50	255.00
Book debts			0.30	4.60		4.90	470.00	95.92
Statement of affairs		0.80	0.80	0.30		1.90	458.50	241.32
Preferential creditors			1.30	0.10		1.40	295.00	210.71
Proposals		0.10		2.50		2.60	216.00	83.08
Financial review and investigations			0.90			0.90	196.50	218.33
Meetings		0.20		0.60		0.80	141.00	176.25
Total Hours	20.80	77.50	61.90	160.00		320.20	63,834.00	195.48
Total Fees Claimed (£)	9,360.00	23,274.00	13,294.50	17,905.50			63,834.00	

Analysis of category 2 disbursements

Classification of Work Function	Details of Payee	£
None		-
Total		-

Folio Hotels Limited (Formerly in Administration)

Analysis of Joint Administrators' time costs for the period 2 December 2008 to 26 November 2009

Classification of Work Function	Hours					Total Hours	Time Cost £	Average Hourly Rate £
	Partner	Manager	Senior	Assistants	Support			
Trading - operations	2.20	229.80	73.70	323.30		629.00	113,607.00	180.62
Strategy planning & control	41.90	131.40	29.70	98.20		301.20	74,935.50	248.79
Sale of business	2.50	96.10	128.00	50.00		276.60	70,565.00	255.12
Trading - accounting		47.90	224.60	3.30		275.80	68,473.00	248.27
General admin		113.50	97.80	94.70		306.00	63,113.00	206.25
Book debts		41.60	39.90	156.50		238.00	34,952.50	146.86
Cashiering & accounting	5.80	45.60	42.30	43.90		137.60	32,218.00	234.14
Unsecured creditors		18.10	39.10	130.20		187.40	28,020.00	149.52
Retention of title	0.50	40.70	13.00	37.10		91.30	18,705.50	204.88
General correspondence	2.50	22.60	15.30	22.20		62.60	14,114.00	225.46
Meetings		17.70	14.90	6.80		39.40	9,727.50	246.89
Statutory matters	3.40	14.30	15.80	0.20		33.70	9,325.00	276.71
Employee matters		14.00	11.00	19.40		44.40	8,365.50	188.41
Proposals		10.50	4.00	0.70		15.20	3,950.50	259.90
CDDA, reports & Communicaton	0.40	2.10	13.30	2.10		17.90	3,707.00	207.09
Preferential creditors		7.40	5.80			13.20	3,639.00	275.68
Financial review and investigations		7.00	0.80	1.50		9.30	2,222.50	238.98
Secured Creditors		3.70	3.60	0.10		7.40	2,009.50	271.55
Floating charge assets		1.80	2.00	0.90		4.70	1,169.00	248.72
Fixed charge assets		1.00				1.00	360.00	360.00
Statement of affairs		0.50	0.40	0.60		1.50	319.00	212.67
IPS set up & maintenance		0.20	0.50	0.30		1.00	185.00	185.00
Closings			0.30			0.30	68.50	228.33
Total Hours	59.20	867.50	775.80	992.00		2,694.50	563,751.50	230.43
Total Fees Claimed (£)	26,574.00	252,511.00	183,714.50	100,952.00			563,751.50	

Analysis of category 2 disbursements

Classification of Work Function	Details of Payee	£
Book debt collections	MCR Receivables Management	30,747.60
Total		30,747.60

Folio Hotels Management Limited (Formerly in Administration)

Analysis of Joint Administrators' time costs for the period 2 December 2008 to 26 November 2009

Classification of Work Function	Hours					Total Hours	Time Cost	Average Hourly Rate
	Partner	Manager	Senior	Assistants	Support			
Trading - operations	1.00	349.70	178.60	681.80		1,211.10	£ 203,174.50	£ 167.76
Sale of business	26.70	214.10	104.30	94.40		439.50	£ 118,385.50	£ 269.36
Strategy planning & control	127.10	123.40	50.50	139.90		440.90	£ 117,351.50	£ 266.16
Trading - accounting		157.60	248.20	7.20		413.00	£ 107,295.50	£ 259.80
General admin		105.70	131.30	214.00		451.00	£ 79,076.00	£ 175.33
Book debts		163.40	58.00	32.40		253.80	£ 56,295.00	£ 221.81
Unsecured creditors		23.40	22.40	313.60		359.40	£ 43,479.00	£ 120.98
Cashiering & accounting	6.20	46.40	65.70	69.70		188.00	£ 40,753.50	£ 216.77
Retention of title		76.60	3.20	124.60		204.40	£ 32,447.00	£ 158.74
General correspondence	3.40	18.30	26.30	82.80		130.80	£ 20,473.50	£ 156.53
Meetings		15.80	16.10	31.80		63.70	£ 11,728.50	£ 184.12
Employee matters		8.60	7.10	80.00		95.70	£ 11,574.00	£ 120.94
Statutory matters	0.40	20.60	10.70	6.50		38.20	£ 9,854.00	£ 257.96
Proposals		0.60	38.70			39.30	£ 7,911.00	£ 201.30
Preferential creditors		20.10	7.50			27.60	£ 7,592.50	£ 275.09
CDDA, reports & Communicaton	0.70	2.60	10.80	11.50		25.60	£ 4,296.00	£ 167.81
Financial review and investigations		9.80	6.20			16.00	£ 3,740.50	£ 233.78
Floating charge assets	0.60	3.70	1.10			5.40	£ 1,635.00	£ 302.78
Secured Creditors		4.60	0.10	0.10		4.80	£ 1,369.50	£ 285.31
Statement of affairs		1.80	1.10	1.40		4.30	£ 874.00	£ 203.26
Fixed charge assets		1.60				1.60	£ 531.00	£ 331.87
Closings		1.30				1.30	£ 331.50	£ 255.00
IPS set up & maintenance		0.50	0.70			1.20	£ 297.00	£ 247.50
Creditors committee				0.30		0.30	£ 27.00	£ 90.00
Total Hours	166.10	1,370.20	988.60	1,892.00		4,416.90	£ 880,492.50	£ 215.42
Total Fees Claimed (£)	74,733.00	398,796.00	224,510.00	182,453.50			£ 880,492.50	

Analysis of category 2 disbursements

Classification of Work Function	Details of Payee	£
Book debt collections	MCR Receivables Management	73,227.90
Total		73,227.90

Folio Hotels Operations Limited (Formerly in Administration)
Analysis of Joint Administrators' time costs for the period 2 December 2008 to 26 November 2009

Classification of Work Function	Hours					Total Hours	Time Cost £	Average Hourly Rate £
	Partner	Manager	Senior	Assistants	Support			
Trading - operations	0.30	152.10	62.50	81.60		296.50	64,843.50	218.70
Sale of business	0.90	20.00	86.10	27.70		134.70	30,913.50	229.50
Strategy planning & control	21.90	32.50	26.10	34.00		114.50	29,668.00	259.11
Trading - accounting	0.50	56.30	26.20	2.70		85.70	23,021.50	268.63
General admin		34.20	24.50	55.20		113.90	20,612.50	180.97
Cashiering & accounting	2.80	24.10	28.80	26.10		81.80	18,739.00	229.08
Book debts	0.20	32.10	28.60	0.40		61.30	16,180.00	263.95
Unsecured creditors	0.20	8.10	8.30	65.20		81.80	11,557.00	141.28
Retention of title		20.60	0.90	39.00		60.50	9,045.50	149.51
General correspondence	1.30	9.20	2.10	6.70		19.30	4,369.00	226.37
Statutory matters	0.40	5.00	11.40	1.00		17.80	4,352.50	244.52
Preferential creditors		15.20				15.20	4,347.00	285.99
Employee matters		8.90	0.20	9.10		18.20	3,306.00	181.65
Proposals		0.70	11.70			12.40	2,539.50	204.80
CDDA, reports & Communicaton	0.40	2.30	6.90	1.30		10.90	2,422.50	222.25
Meetings		1.90	4.40	2.10		8.40	1,870.50	222.68
Floating charge assets		1.20	1.50			2.70	814.50	301.67
Secured Creditors		2.20		0.30		2.50	687.00	274.80
IPS set up & maintenance		0.40	0.70	0.10		1.20	272.00	226.67
Statement of affairs		0.20		0.30		0.50	103.50	207.00
Financial review and investigations			0.20			0.20	40.00	200.00
Total Hours	28.90	427.20	331.10	352.80		1,140.00	249,704.50	225.67
Total Fees Claimed (£)	12,975.00	121,834.00	77,838.50	37,057.00			249,704.50	

Analysis of category 2 disbursements

Classification of Work Function	Details of Payee	£
None		-
Total		-

The Reservation Company Limited (Formerly in Administration)

Analysis of Joint Administrators' time costs for the period 2 December 2008 to 26 November 2009

Classification of Work Function	Hours					Total Hours	Time Cost	Average Hourly Rate
	Partner	Manager	Senior	Assistants	Support			
Trading - Operations		6.50	10.40	48.00		64.90	9,306.50	143.40
Strategy planning & control	6.40	9.10	2.20	9.40		27.10	7,206.50	265.92
Sale of business		4.80	13.00			17.80	5,043.00	283.31
General admin		0.90	8.50	27.70		37.10	4,503.00	121.37
Book debts		7.40				7.40	2,397.50	323.99
Cashiering & accounting		3.30	2.40	5.80		11.50	2,311.00	200.96
CDDA, reports & Communicaton	0.50	0.50	6.60	0.30		7.90	1,752.00	221.77
Statutory matters	0.30	0.70	5.20	1.10		7.30	1,505.50	206.23
Unsecured creditors		0.30		13.20		13.50	1,295.00	95.93
Retention of title		2.50		3.10		5.60	991.50	177.05
General correspondence	0.70	1.20	0.50	1.00		3.40	897.00	263.82
Trading - Accounting		0.30	1.20	1.50		3.00	541.50	180.50
Employee matters		0.50		0.80		1.30	306.00	235.38
IPS set up & maintenance		0.20	0.50	0.30		1.00	203.00	203.00
Proposals			1.00			1.00	200.00	200.00
Meetings			0.60			0.60	153.00	255.00
Secured Creditors		0.20				0.20	65.00	325.00
Statement of affairs				0.30		0.30	46.50	155.00
Financial review and investigations			0.20			0.20	40.00	200.00
Total Hours	7.90	38.40	52.30	112.50		211.10	38,763.50	183.63
Total Fees Claimed (£)	3,555.00	12,354.00	11,972.00	10,882.50			38,763.50	

Analysis of category 2 disbursements

Classification of Work Function	Details of Payee	£
None		-
Total		-

Folio Hotels Services Limited (Formerly in Administration)

Analysis of Joint Administrators' time costs for the period 2 December 2008 to 26 November 2009

Classification of Work Function	Hours					Total Hours	Time Cost	Average Hourly Rate
	Partner	Manager	Senior	Assistants	Support			
Strategy planning & control	4.70	0.50	1.00	5.60		11.80	£ 3,323.00	£ 281.61
General admin		2.00	3.50	1.40		6.90	1,532.00	222.03
CDDA, reports & Communicaton	0.40	0.40	4.60	0.30		5.70	1,271.00	222.98
Cashiering & accounting		0.50	0.80	1.60		2.90	564.50	194.66
Statutory matters	0.30	0.30	0.80	0.10		1.50	416.00	277.33
Unsecured creditors		0.70		0.10		0.80	223.50	279.37
General correspondence	0.20	0.20	0.20			0.60	195.00	325.00
Statement of affairs		0.20		0.50		0.70	147.00	210.00
IPS set up & maintenance			0.40	0.10		0.50	98.00	196.00
Meetings		0.20				0.20	57.00	285.00
Total Hours	5.60	5.00	11.30	9.70		31.60	7,827.00	247.69
Total Fees Claimed (£)	2,520.00	1,580.00	2,392.00	1,335.00			7,827.00	

Analysis of category 2 disbursements

Classification of Work Function	Details of Payee	£
None		-
Total		-

APPENDIX 4
SCHEDULE OF COMPLETION DATES

Folio Hotels Group (In Administration)
Sale of Business Purchasers schedule

Number	Hotel Name	Company	Mulbourn Limited	Calibridge Hotels Limited	Galleon Taverns Limited	Royal Hospitality Limited
1	The Barns Hotel	Folio Hotels Management Limited	09/01/2009			
2	Brownover Hall Hotel	Folio Hotels Management Limited	09/01/2009			
3	The Durley Dean Hotel	Folio Hotels Management Limited	06/01/2009			
4	The Charlotte Pheasant Hotel	Folio Hotels Management Limited	09/01/2009	14/01/2009		
5	The Chimney House Hotel	Folio Hotels Management Limited	09/01/2009			
6	Etrop Grange Hotel	Folio Hotels Management Limited	09/01/2009			
7	Hall Garth Hotel, Golf & Country club	Folio Hotels Management Limited	09/01/2009			
8	Harpenden House Hotel	Folio Hotels Management Limited	09/01/2009	14/01/2009		
9	Honiley Court Hotel & Conference Centre	Folio Hotels Management Limited	09/01/2009	14/01/2009		
10	The Madison Hotel	Folio Hotels Management Limited	09/01/2009			
11	The Maids Head Hotel	Folio Hotels Management Limited	06/01/2009			
12	Princess on Portland Hotel	Folio Hotels Management Limited				
13	The Queensferry Hotel	Folio Hotels Management Limited		14/01/2009		
14	Redwood Hotel & Country Club	Folio Hotels Management Limited		14/01/2009		
15	The Tewkesbury Park Hotel, Golf & Country Club	Folio Hotels Management Limited		14/01/2009		
16	The Waterloo Hotel	Folio Hotels Management Limited		14/01/2009		
17	Westfield House Hotel	Folio Hotels Management Limited		14/01/2009		
18	The Westmead Hotel	Folio Hotels Management Limited				22/01/2009
19	Cisswood House Hotel	Folio Hotels Operations Limited	06/01/2009			
20	The Yorkshire Hotel	Folio Hotels Operations Limited	06/01/2009			
21	The Caledonian Oban Hotel	Folio Hotels Operations Limited	06/01/2009			
22	The Ballachulish Hotel	Folio Hotels Operations Limited	06/01/2009			
23	The Isle of Glencoe Hotel	Folio Hotels Operations Limited				
24	Makeney Hall Hotel	Folio Hotels Limited	26/01/2009			
25	Richmond Hill Hotel	Folio Hotels Limited	06/01/2009			
26	The Thames Riviera	Folio Hotels Limited			14/01/2009	
27	The Park Lodge Hotel	Folio Hotels Limited			14/01/2009	
28	The Bridge Hotel	Folio Hotels Limited				
29	Richmond Gate Hotel & Cedars leisure club	Folio Hotels Limited	06/01/2009			
30	Bucknell Lodge Hotel	Folio Hotels Limited	06/01/2009			
31	The Harte & Garter Hotel	Folio Hotels Limited	06/01/2009			
32	Hghfield House	Folio Hotels Limited	06/01/2009			

APPENDIX 5
JOINT ADMINISTRATORS' PROPOSALS

EXTRACT FROM THE JOINT ADMINISTRATORS' PROPOSALS DATED 16 JANUARY 2009

12. JOINT ADMINISTRATORS' PROPOSALS

12.1 The Joint Administrators propose the following:

- 12.1.1 That the Joint Administrators continue the Administrations to deal with such outstanding matters in relation to the Companies as the Joint Administrators consider necessary until such time as the Administrations cease to have effect.
- 12.1.2 That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administrations.
- 12.1.3 That the Joint Administrators seek an extension to the Administration periods if deemed necessary.
- 12.1.4 That once all outstanding matters have been satisfactorily completed by the Joint Administrators, they will take the necessary steps to give notice under paragraph 84 of Schedule B1 of the Insolvency Act 1986 to the Registrar of Companies to the effect that the Companies have no property which might permit a distribution to its creditors, at which stage the Administrations will cease.
- 12.1.5 That in the event that the Joint Administrators form the view that a distribution can be made to non-preferential creditors to take the necessary steps to put the Companies into Creditors' Voluntary Liquidation. It is proposed that the Joint Administrators, currently Paul John Clark, Jason James Godefroy and Phillip Francis Duffy of MCR would act as Joint Liquidators should any of the Companies be placed into Creditors' Voluntary Liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.117(3) of the Insolvency Rules 1986 (as amended) the creditors may nominate a different person as the proposed Liquidator, provided such nomination is made before these proposals are approved.
- 12.1.6 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administrations, or their appointments otherwise ceasing.
- 12.1.7 That the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the Administrations.
- 12.1.8 That MCR be authorised to draw fees in respect of time costs incurred in assisting in placing the Companies into Administration in accordance with Rule 2.67(1)(c).
- 12.1.9 That the Joint Administrators be authorised to draw their firm's internal costs and expenses in dealing with the Administrations ("Category 2 Disbursements"), if any.
- 12.1.10 That the Joint Administrators be authorised to instruct and pay MCR Receivables Management Limited to assist with the collection of book debts, where considered appropriate.

- 12.2 Pursuant to Rule 2.33(5) of the Insolvency Rules 1986, the proposals in paragraph 12.1 shall be deemed to be approved by the creditors on the expiry of the period in which a meeting can be requisitioned by creditors in the manner described in paragraph 10.2 above, provided that no meeting has been so requisitioned.
- 12.3 The Joint Administrators will be seeking the following resolutions from the secured creditor(s):
- 12.3.1 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing for the end of the Administrations, or their appointments otherwise ceasing.
 - 12.3.2 That the Joint Administrators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the Administrations.
 - 12.3.3 That MCR be authorised to draw fees in respect of time costs incurred in assisting in placing the Companies into Administration in accordance with Rule 2.67(1)(c).
 - 12.3.4 That the Joint Administrators be authorised to draw their firm's internal costs and expenses in dealing with the Administrations ("Category 2 Disbursements"), if any.
 - 12.3.5 That the Joint Administrators be authorised to instruct and pay Menzies LLP to assist with corporation tax work, employee claims and any other matters the Joint Administrators deem necessary.
 - 12.3.6 That the Joint Administrators be authorised to instruct and pay MCR Receivables Management Limited to assist with the collection of book debts, where considered appropriate.