

## The Insolvency Act 1986

Liquidator's Progress  
Report**S. 192**Pursuant to section 192 of the  
Insolvency Act 1986

To the Registrar of Companies

Name of Company  
Merchant Inns Group LimitedCompany Number  
06244330I,  
Ian David Holland  
The Clock House  
87 Paines Lane  
Pinner  
Middlesex HA5 3BZ

the Liquidator of the company, attach a copy of my statement of receipts and payments under section 192 of the Insolvency Act 1986

Signed

Ian David Holland

Dated

20/4/12

Ian Holland Co Limited t/a Ian Holland + Co  
The Clock House, 87 Paines Lane, Pinner Middlesex HA5 3BZ  
Ref IDHMB

| For Official Use |           |
|------------------|-----------|
| Insolvency Sect  | Post Room |
|                  |           |

FRIDAY



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04/05/2012

#114

COMPANIES HOUSE

Company Number 06244330

Statement of Receipts and Payments under Section 192 of the Insolvency Act 1986

Name of Company Merchant Inns Group Limited

Company Registered Number 06244330

State whether members' or creditors' voluntary winding up Creditors Voluntary Liquidation

Date of commencement of winding up 13 April 2011

Date to which this statement is brought down 12 April 2012

Name and Address of Liquidator

|                  |  |
|------------------|--|
| Name             | Ian David Holland  |
| At the office of | Ian Holland Co Limited t/a Ian Holland + Co                      |
| Address          | The Clock House<br>87 Paines Lane<br>Pinner<br>Middlesex HA5 3BZ |
|                  |  |

Company Number 06244330

Analysis of balance

|   | £          | £      |
|---|------------|--------|
| Total realisations                      | 9,727 34   |        |
| Total disbursements                     | (9,435 04) |        |
| Net Realisations                        |            | 292 30 |
| Post Appointment Sales                  | 0 00       |        |
| Post Appointment Expenditure            | 0 00       |        |
| Trading Surplus (Deficit)               |            | 0 00   |
| Balance held                            |            | 292 30 |
| This balance is made up as follows      |            |        |
| 1 Cash in hands of liquidator           |            | 0 00   |
| 2 Balance at bank                       |            | 292 30 |
| 3 Amount in Insolvency Services Account |            | 0 00   |
| 4 Amounts invested by liquidator        | 0 00       |        |
| Less The cost of investments realised   | 0 00       |        |
| Balance                                 |            | 0 00   |
| 5 Accrued Items                         |            | 0 00   |
| Total Balance as shown above            |            | 292 30 |

Company Number 06244330

Statements by Liquidator

The amount of the estimated assets and liabilities at the date of the commencement of the winding up

£

|   |      |
|---|------|
| Assets (after deducting amounts charged to secured creditors including the holders of floating charges) | 0 00 |
| Liabilities - Fixed charge creditors  | 0 00 |
| Floating charge holders   | 0 00 |
| Preferential creditors  | 0 00 |
| Unsecured creditors   | 0 00 |

The total amount of the capital paid up at the date of the commencement of the winding up

£

|   |      |
|---|------|
| Paid up in cash                           | 0 00 |
| Issued as paid up otherwise than for cash | 0 00 |

The general description and estimated value of any outstanding assets

| Asset Type | Estimated To Realise |
|------------|----------------------|
|            |                      |

Reasons why the winding up cannot yet be concluded

Litigation pending solicitors investigating

The period within which the winding up is expected to be completed

24 month(s)



**IAN HOLLAND + Co**

BUSINESS RECOVERY + INSOLVENCY

The Clock House  
87 Paines Lane  
Pinner  
Middlesex HA5 3BZ

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Our Ref IDH/MB/160412/MB  
2 May 2012

**To all known Members and Creditors**

Dear Sirs

**Merchant Inns Group Limited (In Creditors Voluntary Liquidation)**

This is my report to members and creditors following the end of the first year of the liquidation

**FURTHER INFORMATION**

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

If members or creditors have any queries regarding this report or the conduct of the liquidation in general, they should contact Meeta Bhatti on 020 8866 6556.

Yours faithfully



**Ian Holland**  
**Liquidator**

Encs

Ian Holland FCA FCCA  
Hasmukh Pattni MIPA FABRP

Licensed in the United Kingdom to act as an Insolvency Practitioner by the Association of Chartered Certified Accountants  
Associate

In association with Redmans Insolvency Services

Ian Holland + Co is the trading name of Ian Holland Co Limited registered in England & Wales. Registered number 07597834. Registered office as above.

**Merchant Inns Group Limited**  
**Liquidator's Annual Report to Members and Creditors**  
**For the year ending 12 April 2012**

**STATUTORY INFORMATION**

Company name Merchant Inns Group Limited

Registered office Ian Holland + Co  
The Clock House,  
87 Paines Lane  
Pinner  
Middlesex  
HA5 3BZ

Previous registered office Deloitte LLP  
Hill House  
1 Little New Street  
London  
EC4A 3TR

Registered number 6244330

Liquidator's name Ian Holland

Liquidator's address Ian Holland + Co  
The Clock House  
87 Paines Lane  
Pinner  
Middlesex  
HA5 3BZ

Liquidator's date of appointment 13 April 2011

**Previous Insolvency History**

Administrators Nicholas Guy Edwards and Neville Barry Khan

Administrators address. Deloitte LLP  
PO Box 810  
66 Shoe Lane  
London  
EC4A 3WA

Administrators date of appointment 12 October 2009 to 13 April 2011

## **RECEIPTS AND PAYMENTS ACCOUNT**

My Receipts & Payments Account for the period from 13 April 2011 to 12 April 2012 is attached at Appendix 1

## **ASSETS**

### **Funds from Administrator**

An amount of £9,717 90 was received from the Administrators, after the closure of the Administration

### **Bank Interest**

An amount of £9 44 has been received in-respect of gross bank interest on the estate account

## **LIABILITIES**

### **Secured Creditors**

Merchant Inns Limited ('MIL') was a 100% subsidiary of Merchant Inns Group Limited ('MIGL') MIGL had secured debts due to Coutts & Co ('Coutts') at the date of the appointment of the Administrator, according to the Director's Statement of Affairs totalling approximately £4 85m Also Coutts had a cross-guarantee in place for any debt between MIL and MIGL This was for an approximate sum of £8 2m

Following the sale of the business and assets on 30 July 2010, Coutts were paid a total £8 88m from MIL and a further £5 72m from MIGL, resulting in payment in full in respect of their total indebtedness There have been no further distributions to secured lenders

### **Prescribed Part**

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

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

### **Preferential Creditors**

There were no preferential creditors

### **Unsecured Creditors**

The statement of affairs submitted by the directors, estimated an amount of £9 1m due to the unsecured creditors

No claims have been agreed to date as it is not expected that there will be any surplus available for unsecured creditors

### **LIQUIDATOR'S ACTIONS SINCE APPOINTMENT**

I have instructed solicitors to provide legal assistance and conduct investigations into Claims against third parties, concerning misappropriation of company funds

### **INVESTIGATION INTO THE AFFAIRS OF THE COMPANY**

I undertook an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved

There were no matters that justified further investigation in the circumstances of this appointment other than that referred to above

Within six months of my appointment as liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of the company. I would confirm that my report has been submitted

### **LIQUIDATOR'S REMUNERATION**

My remuneration was previously authorised by creditors at a meeting held on 22 June 2011 to be drawn on a time cost basis. My total time costs to 12 April 2012 amount to £11,905.50, which have been charged at an average charge out rate of £186.75. I have drawn £4,690.50 to 12 April 2012. A schedule of my time costs incurred to date is attached as Appendix 2

A description of the routine work undertaken in the liquidation to date is as follows

1. Administration and Planning
  - Preparing the documentation and dealing with the formalities of appointment
  - Statutory notifications and advertising
  - Preparing documentation required
  - Dealing with all routine correspondence
  - Maintaining physical case files and electronic case details on IPS
  - Review and storage
  - Case bordereau
  - Case planning and administration
  - Preparing reports to members and creditors
  - Convening and holding meetings of members and creditors
2. Cashiering
  - Maintaining and managing the liquidator's cashbook and bank account
  - Ensuring statutory lodgements and tax lodgement obligations are met
3. Creditors
  - Dealing with creditor correspondence and telephone conversations
  - Preparing reports to creditors



- Maintaining creditor information on MYOB
- Reviewing and adjudicating on proofs of debt received from creditors

#### 4 Investigations

- Review and storage of books and records
- Prepare a return pursuant to the Company Directors Disqualification Act
- Conduct investigations into suspicious transactions
- Review books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors

#### 5 Realisation of Assets

- Liaising with the company's bank regarding the closure of the account

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals and 'A Statement of Insolvency Practice 9 (Revised)' together with an explanatory note which shows Ian Holland + Co's fee policy are available at the link [www.ianholland.co.uk](http://www.ianholland.co.uk) and click on 'Technical Information', then "Downloads/Creditors' Guides". Please note that there are different versions for cases that commenced before or after 6 April 2010 and in this case you should refer to the post-April 2010 version. A hard copy of both the Creditors Guide and my practice's fee policy can be obtained on request from us.

### **LIQUIDATOR'S EXPENSES**

My expenses to 12 April 2012 amount to £3,392. I have drawn £3,392 to date.

The following agents or professional advisors have been utilised in this matter:

| Professional Advisor    | Nature of Work      |
|-------------------------|---------------------|
|                         |                     |
| Michael Conn Goldsobel  | Legal Investigation |
| Wilder Co               | Forensic Support    |
| Risc Management Limited | Forensic Support    |

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

### **FURTHER INFORMATION**

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Liquidator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the

amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

#### **DIVIDEND PROSPECTS**

Since the company's net property is less than £10,000, the insolvency legislation does not require me to distribute the prescribed part of the net property to creditors if I think that the costs of distributing the prescribed part would be disproportionate to the benefits to creditors. I am of the view that the costs of distribution would be disproportionate and so will not be making a distribution of the prescribed part of the net property to unsecured creditors.

#### **SUMMARY**

The liquidation will remain open until the matter of legal proceedings have been finalised. I am uncertain to how much time it will take for this matter to be concluded. Once this issue has been dealt with the liquidation will be finalised and our files will be closed.

Should you have any queries regarding this matter please contact Meeta Bhatti on 020 8866 6556.



Ian Holland  
Liquidator

**Merchant Inns Group Limited - In Creditors Voluntary Liquidation**  
**Receipts and Payments Account to 12 April 2012**

|                                 | £               | £                      |
|---------------------------------|-----------------|------------------------|
| <b>Asset Realisations</b>       |                 |                        |
| Funds from Administrator        | 9,717 90        |                        |
| Bank Interest Gross             | <u>9 44</u>     |                        |
|                                 |                 | 9,727 34               |
| <br><b>Cost of Realisations</b> |                 |                        |
| Liquidation Fees                | (4,690 50)      |                        |
| Specific Bond                   | (30 00)         |                        |
| Postage                         | (1 67)          |                        |
| Stationery                      | (896 62)        |                        |
| Statutory Advertising           | (69 75)         |                        |
| Sundry costs                    | <u>(971 39)</u> |                        |
|                                 |                 | (6,659 93)             |
|                                 |                 | <u><u>3,067 41</u></u> |
| <br>Bank 1 Current              | <br>1,999 39    |                        |
| VAT Receivable (Payable)        | <u>1,068.02</u> |                        |
|                                 |                 | <u><u>3,067 41</u></u> |

To 12 Apr 2012

| HOURS                           |          |          |                           |                            |             |             |                       |
|---------------------------------|----------|----------|---------------------------|----------------------------|-------------|-------------|-----------------------|
| Classification Of work Function | Partner  | Manager  | Other Senior Professional | Assistants & Support Staff | Total Hours | Time Cost £ | Average Hourly Rate £ |
| Administration & Planning       | 5 60     | 5 95     | 27 50                     | 1 30                       | 40 35       | 7,539 50    | 186 85                |
| Investigations                  | 3 60     | 0 00     | 9 00                      | 0 00                       | 12 60       | 2,944 50    | 233 69                |
| Creditors                       | 0 50     | 10 30    | 0 00                      | 0 00                       | 10 80       | 1,421 50    | 131 62                |
| Total Fees Claimed £            | 3,405 00 | 1,909 50 | 6,435 00                  | 156 00                     |             | 11,905 50   |                       |
| Total Hours                     | 9 70     | 16 25    | 36 50                     | 1 30                       | 63 75       |             |                       |
| Average Rate                    | 351 03   | 117 51   | 176 30                    | 120 00                     |             |             |                       |

## CATEGORY 2 DISBURSEMENTS

| Type & Purpose  | Amount £ |
|---|----------|
| 13/06/2011 Search   | 2 00     |
| 16/08/2011 Search   | 1 00     |
| 11/10/2011 Tube/Taxis Michael Conn Goldsobel meeting 10/10/11 | 7 00     |
| 14/10/2011 Search   | 3 00     |
| 11/11/2011 Search   | 4 00     |
| 13/01/2012 Search   | 2 00     |
| Total   | 19 00    |

## **Ian Holland + Co – Practice fee recovery policy**

In accordance with best practice I provide below details of Ian Holland + Co policy in respect of fees and expenses for work in relation to insolvency appointments

The current and previous charge-out rates per hour for staff within the practice who may be involved in working on an insolvency appointment are as follows

| <b>Grade</b>         | <b>Rate effective from<br/>1 July 2010<br/>£</b> | <b>Rate effective from<br/>1 July 2011<br/>£</b> |
|----------------------|--|--|
| Partner              | 365  | 375  |
| Associate            | 240  | 250  |
| Manager              | 220  | 230  |
| Senior administrator | 180  | 190  |
| Administrator        | 120  | 130  |
| Assistant            | 108  | 110  |
| Junior               | 44   | 50   |

These charge-out rates charged are reviewed on 1 July each year and are adjusted to take account of inflation and the firm's overheads

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Each unit of time is 6 minutes. The work is recorded under the following categories

Administration and Planning  
Investigations  
Realisation of assets  
Debtors  
Creditors  
Employee matters  
Trading

The officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate

Where remuneration has been approved on a time cost basis a periodic report will be provided to any committee appointed by creditors or, in the absence of a committee, to the creditors. The report will provide a breakdown of the remuneration drawn and time costs incurred and will also enable the recipients to see the average rates of such costs

## **Agent's Costs**

These are re-charged to the insolvent estate at cost based upon the charge made by the Agent instructed. The term Agent includes

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

## **Disbursements**

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories

### **Category 1**

This heading covers expenses where Ian Holland + Co has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as a specific penalty bond, advertising, couriers, travel (by public transport), searches at Companies House, land registry searches, fees in respect of swearing legal documents, external printing costs etc. In each case the amount recharged to the insolvent estate will be a reimbursement of the specific expense incurred.

### **Category 2**

This heading covers expenses incurred by Ian Holland + Co that are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement allocation being approved by creditors in advance.

Ian Holland + Co propose to recover the following Category 2 disbursements

|            |                   |
|------------|-------------------|
| Mileage    | 50p per mile      |
| Copying    | 2 25p per sheet   |
| Stationery | 5 5p per envelope |

Where applicable, disbursements will be subject VAT at the prevailing rate

Ian Holland + Co