



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 07078144

Company name in full Commercial Street Hotel Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Matthew

Surname Ingram

3 Administrator's address

Building name/number 4B Cornerblock

Street 2 Cornwall Street

Post town Birmingham

County/Region West Midlands

Postcode B32DX

Country England

4 Administrator's name ①

Full forename(s) Allan Watson

Surname Graham

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 4B Cornerblock

Street 2 Cornwall Street

Post town Birmingham

County/Region West Midlands

Postcode B32DX

Country England

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 1	^d 4	^m 1	^m 1	^y 2	^y 0	^y 2	^y 1	
To date	^d 1	^d 3	^m 0	^m 5	^y 2	^y 0	^y 2	^y 2	

7 Progress report

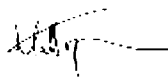
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d0

^d9

^m0

^m6

^y2

^y0

^y2

^y2

**Presenter information**

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

Contact name Luke Bancroft

Company name Kroll Advisory Ltd.

Address 4B Cornerblock

2 Cornwall Street

Post town Birmingham

County/Region West Midlands

Postcode B 3 2 D X

Country England

DX

Telephone 0121 214 1120

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ The company name and number match the information held on the public Register.
- ☒ You have attached the required documents.
- ☒ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Progress Report to Creditors

9 June 2022

Commercial Street Hotel Limited (In Administration)

*Joint Administrators' Progress Report for the period from 14 November
2021 to 13 May 2022*

Kroll Advisory Ltd.
4B Cornerblock
2 Cornwall Street
Birmingham
B3 2DX

Contents

1. Introduction	1
2. Creditor summary	2
3. Progress of the Administration.....	3
4. Outcome for Creditors	6
5. Other matters	8
6. Fees, Expenses and Pre-Administration costs	8
7. Future strategy.....	11

Appendices

Appendix 1 – Statutory information	13
Appendix 2 – Approved Proposals	15
Appendix 3 – Receipts and Payments account	17
Appendix 4 – Analysis of Expenses Incurred	18
Appendix 5 – Analysis of time charged.....	21
Appendix 6 – Narrative of work carried out for the Reporting Period	23
Appendix 7 – Statement of Creditors' rights	25
Appendix 8 – Definitions	26
Appendix 9 – Notice about this report.....	29

1. Introduction

The Joint Administrators were appointed on 14 May 2021 by an order of the High Court of Justice Business and Property Courts in Birmingham Insolvency and Companies List (ChD), case number CR-2021-BHM-000128. The application to the court was made by Directors.

During the Reporting Period, the Joint Administrators requested approval from the Secured Creditor that the period of Administration be extended by 12 months to 14 May 2023.

This progress report provides an update on the Administration of the Company. It should be read in conjunction with the Joint Administrators' Previous Progress Report.

The Joint Administrators have also explained their future strategy for the Administration and how likely it is that they will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs the Joint Administrators have incurred.

A glossary of the abbreviations and definitions used throughout this document is attached at Appendix 8.

Please also note that an important legal notice about this progress report to creditors is attached at Appendix 9.

2. Creditor summary

This progress report covers the Reporting Period.

Summary of Proposals

- A summary of the proposals are attached at Appendix 2. There were no major amendments to or deviations from these proposals.
- The Joint Administrators' Proposals for achieving the purpose of the Administration, namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), were approved, without modifications, by creditors using deemed approval on the 16 July 2021.

Progress to date - Section 3

- The licence issued to The Cube (Birmingham) Limited to trade the business which reopened on 17 May 2021 was for an initial 6-month period. During the Reporting Period, the licence was extended until 30 June 2022 by mutual agreement. The trading activity continues to be managed by BWH.
- The Joint Administrators have realised £205 in respect of debtors in the Reporting Period.
- During the Reporting Period, contracts were exchanged with the Purchaser for the sale of the business and majority of assets of the Company with completion expected in the next reporting period.
- There are no outstanding investigations in relation to the Company affairs.

Outcome for Creditors - Section 4

- It is anticipated there will be sufficient asset realisations to pay a dividend to Lloyds Bank Plc however it is unlikely that they will be repaid in full. The amount repaid will be dependent on the outcome of the sale process and the costs of the Administration.
- It is anticipated that there will be insufficient realisations to pay a dividend to the ordinary or secondary Preferential Creditors.
- It is anticipated that there will be insufficient realisations to pay a dividend to the unsecured creditors.

Please note, this progress report provides creditors with an account of the progress of the Administration of the Company in the period. The Joint Administrators' Previous Progress Report and the Joint Administrators' Statement of Proposals issued to the Company's creditors are available to view on the Creditors' Portal and paper copies can be provided free of charge by writing to Luke Bancroft at Luke.Bancroft@kroll.com. Unless otherwise stated, all amounts in this progress report and appendices are stated net of VAT.

3. Progress of the Administration

This section provides an update on the Joint Administrators' strategy for the Administration and progress to date.

3.1 Strategy and progress to date

There were no major amendments to or deviations from the Joint Administrators' Proposals as listed in Appendix 2. The Joint Administrators continue to realise assets in order to achieve a better result for the Company's creditors as a whole, than would be likely if the company were wound up (without first being in Administration).

The licence issued to The Cube (Birmingham) Limited to trade the business which reopened on 17 May 2021 was for an initial 6-month period. During the Reporting Period, the licence was extended until 30 June 2022 by mutual agreement. The trading activity continues to be managed by BWH.

The Cube (Birmingham) Limited have continued to trade the business with a view to achieving a sale of Company's business and assets. The Joint Administrators still consider that a sale will maximize asset realisations and minimise creditors' claims.

The Joint Administrators have realised £205 in respect of debtors in the Reporting Period.

During the Reporting Period, contracts were exchanged with the Purchaser for the sale of the business and majority of assets of the Company with completion expected in the next reporting period.

3.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account at Appendix 3.

Summaries of the most significant realisations during the Administration are provided below:

3.2.1 Sale of business and assets

Following lengthy discussions with various interested parties, and having discussed all offers with the Agents, the Directors and the Secured Creditor, the Joint Administrators decided to accept an offer from an interested party to acquire the business and the majority of the assets of the Company for £5,212,500 plus VAT. The Purchaser had no prior involvement with the business.

The sale exchanged on 13 April 2022 and the completion date is currently set as 13 June 2022. A deposit of £500,000 was paid to the Solicitors in respect of the Company and QCL, with the remaining sale consideration payable to the Solicitors on completion.

The apportionment of the sale consideration is shown below:

Asset	Consideration £
Contracts	1
Computer Equipment	1
Customer List	1
Equipment	24,996
Information Technology	1
Leasehold Property	5,212,500
Total	5,237,500

The Joint Administrators and the Agents are satisfied that the sale to the Purchaser was the best price achievable for the Company's assets.

The Joint Administrators will request that these funds are paid to the estate account.

3.2.2 Bank Interest

During the Reporting Period the Joint Administrators received a nominal amount of bank interest.

3.2.3 Debtors

During the Reporting Period £205 was recovered from debtors.

The Joint Administrators do not anticipate there will be any future asset realisations.

3.2.4 Insurance Contributions

As a result of The Cube (Birmingham) Limited occupying the Property, insurance contributions are payable to the Landlord under the terms of the lease.

Since the Appointment Date, BWH have been reimbursing the Joint Administrators for the insurance contributions charged by the Landlord.

The Joint Administrators have received a total of £7,343 from BWH in the Reporting Period all of which has been paid or is due to the Landlord.

3.2.5 IHG Receipts

On 23 December 2010 the Company entered into a 20-year franchise agreement with IHG which allowed the business to operate the hotel under the 'Hotel Indigo' brand.

Since the Appointment Date, BWH have been reimbursing the Joint Administrators for the charges associated with the franchise agreement.

The Joint Administrators have received a total of £88,891 from BWH in the Reporting Period all of which has been paid or is due to IHG.

3.2.6 Service Charge Contributions

Service charge contributions are also payable to the Landlord under the terms of the lease as a result of The Cube (Birmingham) Limited occupying the Property.

Since the Appointment Date, BWH have been reimbursing the Joint Administrators for the service charges.

The Joint Administrators have received a total of £68,767 from BWH in the Reporting Period all of which has been paid or is due to the Landlord.

3.2.7 Investigations

The Joint Administrators reviewed the affairs of the Company to determine if any actions which could be taken against third parties to increase recoveries for creditors.

There are no outstanding lines of enquiry.

3.3 Costs

Payments made in the Reporting Period are set out in the attached receipts and payments account at Appendix 3.

Summaries of the most significant payments during the Administration are provided below:

3.3.1 Duress Payments

Payments totalling £7,426 were made to various parties in the Reporting Period in order to cover the expenses associated with reopening the business on 17 May 2021. These payments were made from the funds provided by the Secured Creditor referred to in the Joint Administrators Statement of Proposals.

3.3.2 IHG

The Joint Administrators have paid a total of £88,891 to IHG in the Reporting Period. These payments were made from the funds received from BWH referred to at section 3.2.5.

3.3.3 Insurance Costs

During the Reporting Period a total of £24,816 has been paid to the Landlord of the Property in respect of the insurance costs referred to at section 3.2.4. BWH have been reimbursing the Joint Administrators for the insurance contributions charged by the Landlord.

3.3.4 Service Charge Costs

During the Reporting Period a total of £85,064 has been paid to the Landlord of the Property in respect of the service charges referred to at section 3.2.6. BWH have been reimbursing the Joint Administrators for the service contributions charged by the Landlord.

3.4 Fees and expenses

The Joint Administrators have detailed the costs incurred during the Reporting Period, whether paid or unpaid, in the schedule of expenses attached at Appendix 4.

Summaries of the most significant expenses which have been incurred in the period but have not been paid are provided below:

Significant expenses incurred but not paid		
Joint Administrators' time costs	£48,253	Total time costs incurred in the period is £48,253 (see Appendix 5). No payment was made during the Reporting Period. Please see section 6 for further details in relation to the Joint Administrators' fees.
Legal fees	£66,224	The Company's legal advisors DLA Piper UK LLP have incurred legal fees of £66,224 in dealing with the sale of the assets and providing ad hoc legal advice. No payment was made during the Reporting Period.

4. Outcome for Creditors

4.1 Secured Creditors

In consideration for the monies advanced, Lloyds Bank Plc granted the following legal charges:

Type of Charge	Date Created	Date Registered
Fixed Charge	31 January 2020	31 January 2020
Fixed Charge	17 January 2019	17 January 2019
Fixed Charge	19 March 2014	27 March 2014

Deed of assignment of insurance policy	2 January 2012	7 January 2012
An omnibus guarantee and set-off agreement	3 January 2012	7 January 2012
Mortgage Deed	3 January 2012	7 January 2012
Debenture	3 January 2012	7 January 2012

The legal charge on 3 January 2012 conferred a fixed charge over the hotel premises at The Cube, 200 Wharfside Street, Birmingham, B1 1RS, the fixtures (including trade fixtures), fixed plant and machinery and all present and future book debts and other debts. The charge also created a floating charge over all moveable plant and machinery, implements, utensils, furniture and equipment by way of assignment, the goodwill of the business (if any) and the full benefit of all licences and guarantees.

All of the above charges remain outstanding as at the Appointment Date.

As at the Appointment Date, Lloyds Bank Plc were owed approximately £9,931,496 subject to interest and charges. This amount is owed by the Company and guaranteed by QC, QS and QSH.

It is anticipated there will be sufficient asset realisations to pay a dividend to Lloyds Bank Plc however it is unlikely that they will be repaid in full. It will be dependent on the outcome of the sale process and the costs of the Administration.

No funds have been paid to the Secured Creditor in the Reporting Period.

4.2 Preferential Creditors

The Directors' SOA estimates that the Preferential Creditor claims total £103,097, consisting of £20,651 of employee holiday pay claims and £82,446 owed to HMRC.

The RPS have not yet submitted a preferential claim in respect of payments made to the Company's former employees for holiday pay and pension contributions however it is anticipated that they will do so once all employee claims have been paid. The employee claims are likely to be subrogated to BEIS following payment to the employees by the RPS.

The Company's remaining employees will be transferred pursuant to TUPE on completion of the sale of the business and assets to the Purchaser. Accordingly, it is anticipated there will be no further Preferential Creditor claims in relation to employees.

HMRC submitted a secondary preferential claim for £82,446 on 3 June 2021 in respect of VAT, PAYE income tax and employee NIC. Secondary Preferential Creditor claims are paid after the ordinary Preferential Creditor claims are settled in full.

It is anticipated that there will be insufficient funds available to enable a distribution to any class of the Preferential Creditors.

No dividends have been paid to the Preferential Creditors in the Reporting Period.

4.3 Unsecured Creditors

According to the Directors' SOA unsecured creditors total £761,853.

Based on the current information available to the Joint Administrators, it is anticipated that there will be insufficient realisations to enable a distribution to the unsecured creditors of the Company. This is due to the level of indebtedness to the Secured Creditor and the expenses of the Administration.

4.4 Prescribed part

There are insufficient realisations to enable a distribution to the unsecured creditors by virtue of the Prescribed Part.

The Company granted a floating charge to the Secured Creditor on 3 January 2012 therefore the Prescribed Part provisions will apply. The realisations will all be fixed charge asset realisations and such, the Prescribed Part does not apply.

Please note that the estimates detailed on the Directors' SOA do not affect creditors' rights to submit a claim.

5. Other matters

5.1 Decision procedure

No decision is being sought from the creditors as part of this progress report.

5.2 Creditors' Committee

A Creditors' Committee has not been established in the Administration.

5.3 Joint Administrators' Receipts and Payments account

A detailed receipts and payments account for the period is shown in Appendix 3 together with a cumulative account for the whole of the Administration.

5.4 Creditors' rights

Further information regarding the remuneration and expenses of the Joint Administrators, including creditors' rights to challenge such costs is provided at Appendix 7, Statement of Creditors' Rights.

6. Fees, Expenses and Pre-Administration costs

6.1 Fees and expenses

6.1.1 Time costs

Time has been charged in six-minute units. Details of the time charged for the Reporting Period and the Cumulative Period are attached at Appendix 5.

Time costs incurred in the Reporting Period total £48,253, which represents 116 hours at an average hourly rate of £416.

Time costs incurred in the Cumulative Period total £149,311 which represents 409 hours at an average hourly rate of £365.

These costs are within the estimate provided in the Joint Administrators' Statement of Proposals.

In accordance with SIP 9, the Joint Administrators have provided further narrative detail of the time costs incurred at Appendix 6.

6.1.2 Fees

The Joint Administrators have not drawn any remuneration during the Reporting Period or the Cumulative Period. The Joint Administrators intend to seek fee approval from the Secured Creditor once the sale of the business and assets has completed.

The fee estimate provided in the Joint Administrators Statement of Proposals was £150,995. Fees of £149,311 have already been incurred, and it is anticipated that a further £50,000 of time costs will be incurred in progressing the Administration.

The Joint Administrators anticipate that their total fees will exceed the existing fee estimate in the Joint Administrators Statement of Proposals however, as the Joint Administrators fees will be charged at bank rates, the fees drawn will not exceed the existing fee estimate. The Joint Administrators will not be seeking a revised fee estimate at this time.

6.1.3 Expenses

Expenses are any payments from the Administration which are neither an Administrator's remuneration nor a distribution to a creditor or member. Expenses also include disbursements. Disbursements are payments which are first met by the Administrator and then reimbursed to the Administrator from the Administration.

Expenses are divided into those that do not need approval before they are charged to the Administration (Category 1) and those that do (Category 2).

Category 1 Expenses are payments to persons providing the service to which the expense relates who are not an associate of the Administrator.

Category 2 Expenses are payments to associates or which have an element of shared costs and require approval from creditors in the same manner as the Administrator's remuneration, whether paid directly from the estate or as a disbursement.

The Joint Administrators provided in their proposals report to creditors an estimate of expenses for the Administration, totalling £30,324. This was for information purposes only and could possibly change over the course of the Administration. Creditors have been kept updated of any variations with associated reasons in the Previous Progress Report. The excess has been incurred as the Joint Administrators have had to pay a number of expenses on behalf of The Cube (Birmingham) Limited.

Appendix 4 details the current update of the expenses estimate.

Appendix 4 also details the expenses incurred and paid for the Reporting Period and the whole of the Administration.

In the Reporting Period, Category 1 Expenses of £353,084 were incurred and £206,196 were paid. No Category 2 Expenses were incurred or paid during the Reporting Period.

For the Cumulative Period, Category 1 Expenses totalling £551,581 were incurred and £404,694 were paid. No Category 2 Expenses were incurred or paid during the Reporting Period.

Not all expenses have been paid as there have been insufficient asset realisations.

6.1.4 Additional information

Also attached at Appendix 6 is a narrative summary of the work carried out to assist creditors in understanding the progress of the Administration, the associated costs and expenses of the related activities and the financial benefit to creditors.

Details of how to obtain further information relating to the fees and expenses of the Joint Administrators is set out in Appendix 7.

6.2 Pre-Administration costs

Pre-Administration costs are fees, charges and expenses incurred by the Joint Administrators or their firm, or another person qualified to act as an insolvency practitioner, before the Company entered Administration but with a view to it doing so.

Pre-Administration costs	Paid (£)	Unpaid (£)	Total (£)
Kroll Advisory Ltd fees	0.00	51,880.00	51,880.00
DLA Piper UK LLP - Legal fees	0.00	29,184.00	29,184.00
DLA Piper UK LLP - Legal disbursements	0.00	71.80	71.80
Lambert Smith Hampton - Agent fees	0.00	4,500.00	4,500.00
Lambert Smith Hampton - Agents' disbursements	0.00	157.24	157.24
Total	0.00	85,793.04	85,793.04

Details of the pre-Administration costs were reported in the Joint Administrators' Statement of Proposals.

The Joint Administrators have not yet sought approval from the Secured Creditor therefore no pre-Administration costs have been paid in the Reporting Period. Fee approval will be sought once the sale of the assets has completed.

An update will be provided in future progress reports.

7. Future strategy

7.1 Future conduct of the Administration

The Joint Administrators will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the Administration. This will include but not be limited to:

- Continue to review the trading results of The Cube (Birmingham) Limited pending the sale completion;
- Paying outstanding costs of the Administration;
- Paying a dividend to the Secured Creditor;
- Dealing with other statutory matters and duties including accounting for VAT and completing corporation tax returns; and
- Moving the Company into dissolution.

7.2 Extension of the Administration

An Administration automatically comes to an end after one year unless an extension is granted by the Court or with the creditors' consent.

The Joint Administrators requested approval from the Secured Creditor that the period of Administration be extended by 12 months to 14 May 2023 for the following reasons:

- We are continuing to realise the assets of the Company.
- We are yet to pay a dividend to the Secured Creditor.
- There are a number of administrative matters outstanding.

A notice of the extension is available for viewing and downloading from the Creditors' Portal <https://www.ips-docs.com/>. You will need to input the following details to access the Creditors' Portal;

Case Code: 308940

Unique password: As previously detailed to each creditor.

No further notice of the extension will be delivered to creditors. A hard copy is available on request.

7.3 Future reporting

The Joint Administrators will provide a further progress report within one month of 13 November 2022 or earlier if the Administration has been completed prior to that time.

If you require further information or assistance, please do not hesitate to contact Luke Bancroft.



Matthew Ingram
Joint Administrator

Enc.

The affairs, business and property of the Company are being managed by the Joint Administrators, Matthew Ingram and Allan Watson Graham, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association.

Appendix 1 – Statutory information

Company information

Company and trading name	Commercial Street Hotel Limited	
Date of incorporation	17 November 2009	
Registered Number	07078144	
Company Director(s)	Jonathan Robin Boss and Colin George Eric Corbally	
Company Secretary	Grant Leslie Whitehouse	
Shareholders	Shezan Aslam (5%), Black and White Hospitality Limited (33%), Downing One VCT Plc (24%), Downing Two VCT Plc (24%) and Downing Three VCT Plc (14%)	
Trading address	The Cube 200 Wharfside Street Birmingham B1 1RS	
Registered office	Current: Kroll Advisory Ltd 4B Cornerblock 2 Cornwall Street Birmingham B3 2DX	Former: 6th Floor, St Magnus House 3 Lower Thames Street London EC3R 6HD
Any Other trading names	Hotel Indigo	

Administration information

Administration Appointment	The Administration appointment granted in the High Court of Justice, Business and Property Courts in Birmingham Insolvency and Companies List (ChD), case reference CR-2021-BHM 128	
Appointor	Directors	
Date of Appointment	14 May 2021	
Joint Administrators	Matthew Ingram (IP No. 10790) Allan Watson Graham (IP No. 8719)	
Original purpose	Achieving a better result for the Company's creditors as a whole than would be likely if the company were wound up (without first being in Administration)	
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1	

Current Administration expiry date	14 May 2023
Prescribed part	The Prescribed Part is applicable in this case. It has been taken into account when determining the dividend prospects for unsecured creditors (Section 4).
Application of EC Regulations	These proceedings have been defined as the Main Proceedings under Article 3 of the EC Regulations

Appendix 2 – Approved Proposals

General

- To continue to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect;
- To do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion, consider desirable or expedient in order to achieve the purpose of the Administration;
- To investigate and, if appropriate, pursue any claims the Company may have for the benefit of the Company's Creditors; and
- Seek an extension to the Administration period if considered necessary.

Distributions

- To make distributions to the Secured Creditors where funds allow.
- To make distributions to the unsecured creditors from the prescribed part, where applicable.
- To make further distributions to the unsecured creditors over and above the prescribed part, if funds become available and apply to court for authority to do so, where applicable.

End of Administration

That the Joint Administrators might use any or a combination of the following exit route strategies in order to bring the Administration to an end:

- Apply to Court for the Administration order to cease to have effect from a specified time and for the return of control to the Directors;
- Place the Company into Creditors' Voluntary Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Matthew Ingram and Allan Watson Graham of Kroll would act as Joint Liquidators should the Company be placed into Creditors' Voluntary Liquidation. The Creditors may nominate a different person as the proposed Liquidator, provided the nomination is received at this office prior to the approval of these Proposals. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them;
- Petition the Court for a winding-up order placing the Company into Compulsory Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Matthew Ingram and Allan Watson Graham of Kroll would act as Joint Liquidators should the Company be placed into Compulsory Liquidation without further recourse to Creditors. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them;

- Take the necessary steps to give notice of move from Administration to dissolution with the Registrar of Companies if the Joint Administrators consider that Liquidation is not appropriate because (1) the Company has no remaining property which might permit a distribution to its Creditors, and (2) all outstanding matters have been satisfactorily completed.

Alternatively, the Joint Administrators may allow the Administration to end automatically.

Appendix 3 – Receipts and Payments account

**Commercial Street Hotel Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 14/11/2021 To 13/05/2022 £	From 14/05/2021 To 13/05/2022 £
	SECURED ASSETS		
TBC	Long leasehold land and buildings	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Bank Interest Gross	2.04	3.34
	Debtors	205.38	205.38
	Funds from secured creditor	NIL	75,000.00
TBC	Furniture & Equipment	NIL	NIL
	Insurance Contributions	7,343.44	19,344.74
	Miscellaneous invoice contributions	NIL	75.00
	Receipts from The Cube re IHG	88,890.98	153,685.87
	Service Charge Contributions	68,766.96	171,756.75
		<u>165,208.80</u>	<u>420,071.08</u>
	COST OF REALISATIONS		
	Duress Payments	7,425.66	58,281.75
	IHG	88,890.98	153,685.87
	Insurance costs	24,815.85	34,981.29
	IT Costs	NIL	1,075.00
	Licence Fees	NIL	150.00
	Miscellaneous costs	NIL	75.00
	Service Charge Costs	85,063.77	156,120.20
	Statutory Advertising	NIL	99.45
		<u>(206,196.26)</u>	<u>(404,468.56)</u>
	PREFERENTIAL CREDITORS		
(20,651.00)	Employee Arrears/Hol Pay	NIL	NIL
(82,446.00)	HM Revenue and Customs	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(18,210.00)	Accruals	NIL	NIL
(103,152.00)	Deposits	NIL	NIL
(2,000.00)	Employees	NIL	NIL
(18,974.00)	HM Revenue and Customs	NIL	NIL
(619,517.00)	Trade & Expense Creditors	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(864,950.00)		<u>(40,987.46)</u>	<u>15,602.52</u>
	REPRESENTED BY		
	Floating/main current account		9,257.34
	General VAT control account		6,345.18
	VAT payable		(3,652.43)
	VAT Receivable		3,652.43
			<u><u>15,602.52</u></u>

Appendix 4 – Analysis of Expenses Incurred

Joint Administrators' Expenses: comparison with estimate

Expenses	Original expenses estimate £	Actual expenses incurred in the Reporting Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
DLA Piper UK LLP Solicitors – Providing advice on the validity of appointment and security and preparing the necessary documents to transact on any sale	30,000.00	66,224.00	66,224.00	Additional legal expenses and disbursements incurred in respect of the sale of business and assets
Fleurets – Agents and valuers' costs in respect of valuation and marketing of the business and assets	TBC	40,506.25	40,506.25	
Graham and Sibbald - Agents costs in respect of marketing and sale of the business and assets	Nil	40,157.05	40,157.05	Different agents were used to those listed on the original expenses estimate
Courts Advertising Limited - Statutory Advertising	99.45	Nil	99.45	
AON UK Limited – Bond/Insurance Premium	225.00	Nil	225.00	
Various Parties - Duress Payments	Nil	7,425.66	58,281.75	This cost was not provided in the original estimate but has been funded by the Bank.
IHG Hotels Limited - Operating charges	Nil	88,890.98	153,685.87	This cost was not provided in the original estimate but has been fully reimbursed by BWH.
Fidum Property Management Ltd - Insurance costs	Nil	24,815.85	34,981.29	This cost was not provided in the original estimate but has been fully reimbursed by BWH.
Hospitality IT Solutions Ltd – IT Costs	Nil	Nil	1,075.00	This cost was not provided in the original estimate but was required for continued trading.
Licensed Solutions Ltd - Fee to arrange relevant business licenses.	Nil	Nil	150.00	This cost was not provided in the original estimate but was required for continued trading.
Fidum Property Management Ltd - Replacement car park fob in respect of the trading premises	Nil	Nil	75.00	This cost was not provided in the original estimate but has been fully reimbursed by BWH.
Fidum Property Management Ltd - Service charge costs in respect of the trading premises	Nil	85,063.77	156,120.20	This cost was not provided in the original estimate but has been fully reimbursed by BWH.
TOTAL	30,324.45	353,083.56	551,580.86	

Notes

The above costs exclude VAT.

The Previous Progress Report informed creditors of an increase in the original estimate.

Joint Administrators' Expenses: Category 1 and Category 2

Category 1 Expenses	Company	Activity	Fee Basis	Reporting Period		Cumulative Period	
				Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
	DLA Piper UK LLP Solicitors	Legal fees	As incurred	66,224.00	Nil	66,224.00	Nil
	Fleurets	Agents costs in respect of marketing and sale of the business and assets	Percentage of sale consideration	40,506.25	Nil	40,506.25	Nil
	Graham and Sibbald	Agents costs in respect of marketing and sale of the business and assets	Percentage of sale consideration	40,157.05	Nil	40,157.05	Nil
	Various parties	Duress payments	As incurred	7,425.66	7,425.66	58,281.75	58,281.75
	IHG Hotels Limited	Operating charges	As incurred	88,890.98	88,890.98	153,685.87	153,685.87
	Fidum Property Management Ltd	Insurance costs in respect of the trading premises	Fixed fee	24,815.85	24,815.85	34,981.29	34,981.29
	Hospitality IT Solutions Ltd	IT costs	As incurred	Nil	Nil	1,075.00	1,075.00
	Licensed Solutions Ltd	Fee to arrange relevant business licenses.	Fixed fee	Nil	Nil	150.00	150.00
	Fidum Property Management Ltd	Replacement car park fob in respect of the trading premises	As incurred	Nil	Nil	75.00	75.00
	Fidum Property Management Ltd	Service charge costs in respect of the trading premises	Fixed fee	85,063.77	85,063.77	156,120.20	156,120.20
	Courts Advertising Limited	Statutory advertising	Fixed fee	Nil	Nil	99.45	99.45
	AON UK Limited	Insurance premium	Fixed fee	Nil	Nil	225.00	225.00
Total				353,083.56	206,196.26	551,580.86	404,693.56

Notes

The above costs exclude VAT.

The Joint Administrators' choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and the basis of their fee.

Kroll Advisory Ltd, being the employer of the Joint Administrators and the staff working on the Administration, is considered an associate of the Administrators.

It is considered that these expenses are fair and reasonable and proportionate to the Administration

No Category 2 Expenses have been incurred or paid in the Reporting Period.

Appendix 5 – Analysis of time charged

Joint Administrators' Fees

Refer to the table below for a detailed breakdown on the Joint Administrators' time and cost summary in accordance with SIP 9

Commercial Street Hotel Limited (In Administration)								
Analysis of the Joint Administrators' time costs for the Reporting Period								
Classification of Work Function	Managing Director	Manager	Hours			Total Hours	Time Cost (£)	Avg. Hourly Rate (£)
			Senior	Assistant	Support			
Administration & Planning								
Case review & Case Diary management	0.00	0.60	2.90	0.00	0.00	3.50	1,257.00	359.14
Cashiering & accounting	0.00	7.95	2.90	12.30	0.00	23.15	6,949.50	300.19
Dealings w/ directors & management (inc associated update	0.00	0.70	0.90	0.00	0.00	1.60	689.00	430.63
Insurance	0.00	0.00	0.20	0.00	0.00	0.20	66.00	330.00
Statutory matters (Meetings & Reports & Notices)	0.00	1.20	7.60	0.40	0.00	9.20	3,168.00	344.35
Strategy planning & control (incl engagement financial contr	0.20	10.40	5.40	0.00	0.00	16.00	7,342.00	458.88
Tax Compliance / Planning	0.00	0.00	1.00	0.00	0.00	1.00	330.00	330.00
Creditors								
Dealings with creditors and employees	0.00	0.25	3.20	2.90	0.00	6.35	1,631.00	256.85
Non Pref Creditors / Employee claims handling	0.00	0.00	1.80	0.00	0.00	1.80	594.00	330.00
Pref claims adjudication & distribution	0.00	0.00	0.40	0.00	0.00	0.40	132.00	330.00
Secured Creditors	0.00	2.00	0.00	0.00	0.00	2.00	1,039.00	519.50
Realisation of Assets								
Book debts	0.00	0.00	0.50	0.00	0.00	0.50	165.00	330.00
Freehold and Leasehold Property	0.00	3.00	0.10	0.00	0.00	3.10	1,653.00	533.23
Sale of business	0.50	34.85	0.00	0.00	0.00	35.35	18,929.00	535.47
Trading								
Trading - Accounting	0.00	0.00	8.60	0.00	0.00	8.60	2,838.00	330.00
Trading - Employees	0.00	1.80	0.00	0.00	0.00	1.80	1,008.00	560.00
Trading - Operations	0.00	0.00	1.40	0.00	0.00	1.40	462.00	330.00
Total Hours	0.70	62.75	36.90	15.60	0.00	115.95		416.15
Total Fees Claimed (£)	475.00	32,930.50	12,177.00	2,670.00	0.00		48,252.50	

Commercial Street Hotel Limited (In Administration)

Analysis of the Joint Administrators' time costs for the Cumulative Period

Classification of Work Function	Hours					Total Hours	Time Cost (£)	Avg. Hourly Rate (£)
	Managing Director	Manager	Senior	Assistant	Support			
Administration & Planning								
Case review & Case Diary management	0.00	2.55	9.20	0.60	0.00	12.35	4,401.00	356.36
Cashiering & accounting	0.00	18.65	10.90	39.95	0.00	69.50	19,532.00	281.04
Dealings w/ directors & management (inc associated update	0.00	1.50	5.50	0.00	0.00	7.00	2,607.00	372.43
IPS set up & maintenance	0.00	0.00	1.70	1.50	0.00	3.20	816.00	255.00
Insurance	0.00	0.30	0.30	0.10	0.00	0.70	264.00	377.14
Statement of affairs	0.00	1.60	0.90	0.00	0.00	2.50	1,097.00	438.80
Statutory matters (Meetings & Reports & Notices)	1.70	9.70	17.60	27.60	0.00	56.60	16,071.00	283.94
Strategy planning & control (incl engagement financial contr	1.35	45.75	15.80	9.30	0.00	72.20	31,996.50	443.16
Tax Compliance / Planning	0.00	0.00	1.70	0.00	0.00	1.70	561.00	330.00
Creditors								
Dealings with creditors and employees	0.00	4.65	14.90	8.45	0.00	28.00	8,654.50	309.09
Non Pref Creditors / Employee claims handling	0.00	0.10	6.40	7.10	0.00	13.60	3,257.00	239.49
Pref claims adjudication & distribution	0.00	0.00	2.10	0.10	0.00	2.20	708.00	321.82
Secured Creditors	0.00	3.50	0.40	0.10	0.00	4.00	1,996.00	499.00
Investigations								
CDDA & reports & Communication	0.00	3.75	16.40	15.70	0.00	35.85	9,712.00	270.91
Realisation of Assets								
Book debts	0.00	0.00	1.20	0.00	0.00	1.20	396.00	330.00
Freehold and Leasehold Property	0.00	18.20	0.10	0.00	0.00	18.30	9,943.00	543.33
Hire Purchase and Lease Assets	0.00	0.20	0.00	0.00	0.00	0.20	100.00	500.00
Other Tangible Assets	0.00	0.10	0.00	0.00	0.00	0.10	50.00	500.00
Sale of business	0.50	41.40	0.00	0.00	0.00	41.90	22,489.00	536.73
Trading								
Trading - Accounting	0.00	0.00	16.50	0.00	0.00	16.50	5,445.00	330.00
Trading - Employees	0.00	2.30	0.30	0.00	0.00	2.60	1,357.00	521.92
Trading - Insurance	0.00	0.00	0.20	0.00	0.00	0.20	66.00	330.00
Trading - Operations	0.00	8.60	10.40	0.00	0.00	19.00	7,792.00	410.11
Total Hours	3.55	162.85	132.50	110.50	0.00	409.40		364.71
Total Fees Claimed (£)	2,392.50	85,215.50	43,725.00	17,978.00	0.00		149,311.00	

Appendix 6 – Narrative of work carried out for the Reporting Period

The key areas of work have been:

SIP 9 narrative for the Reporting Period

Administration and planning	<ul style="list-style-type: none"> • Monitoring and reviewing the Administration strategy; • Briefing staff on the Administration strategy and matters in relation to workstreams; • Regular case management and reviewing of process including regular team update meetings and calls; • Meeting with management to review and update strategy and monitor progress; • Reviewing and authorising junior staff correspondence and other work; • Dealing with queries arising during the appointment; • Reviewing matters affecting the outcome of the Administration; • Allocating and managing staff/case resourcing and budgeting exercises and reviews; • Liaising with legal advisors regarding various instructions, including agreeing content of engagement letters; and • Complying with internal filing and information recording practices, including documenting strategy decisions.
Creditors	<ul style="list-style-type: none"> • Updating the list of unsecured creditors; • Responding to enquiries from creditors regarding the Administration and submission of their claims; • Reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; • Drafting statutory reports; and • Providing written and oral updates to the Secured Creditor regarding the progress of the Administration and cases strategy.
Investigations	<ul style="list-style-type: none"> • Managing and reviewing the Company books and records; • Investigating the affairs of the Company to identify any actions available to the Company against third parties in respect of antecedent transactions or other litigation; • Obtaining records from third parties; • Reviewing pre-appointment transactions; and • Documenting investigations.
Statutory and compliance	<ul style="list-style-type: none"> • Ensuring compliance with all statutory obligations within the relevant timescales; • Uploading information to the Creditors' Portal; • Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9; • Monitoring the fees estimate; and • Monitoring the expenses estimate.
Cashiering	<ul style="list-style-type: none"> • Preparing statutory receipts and payments accounts; and

Asset realisations

- Reviewing bonding and complying with statutory requirements.
- Collating information from the Company's records regarding assets;
- Liaising with agents regarding the sale of assets;
- Communicating with landlords regarding rent; property occupation and other property issues;
- Liaising with third parties regarding costs incurred;
- Collecting and paying rent due on the Company's remaining premises;
- Reviewing and agreeing invoices; and
- Reviewing costs incurred to ensure recorded accurately.

Tax

- Analysing and considering the tax effects of asset sales;
- Working on tax returns relating to the periods affected by the Administrator;
- Analysing VAT related transactions; reviewing the Company's duty position to ensure compliance with duty requirements; and
- Dealing with post appointment tax compliance.

Appendix 7 – Statement of Creditors' rights

Rule numbers refer to *Insolvency (England & Wales) Rules 2016 (as amended)*

Section or paragraph numbers refer to *Insolvency Act 1986*

If you require a copy of any relevant rule or section, please contact Luke Bancroft at Luke.Bancroft@kroll.com.

Information for creditors on remuneration and expenses of Administrators

Information regarding the fees and expenses of Administrators, including details of the expenses policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "Administration: A Creditor's Guide to Insolvency Practitioner Fees". This can be viewed and downloaded from the website at:

<https://www.kroll.com/en-gb/services/restructuring-advisory/creditor-guides-and-employee-fact-sheets>

Should you require a copy, please contact this office.

Creditors' requests for further information

If you would like to request more information about the Joint Administrators' remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of the Joint Administrators' remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications are by unsecured creditors (including the unsecured creditors making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Luke Bancroft at Luke.Bancroft@kroll.com.

Appendix 8 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents	Fleurets, independent agents who are assisting with the marketing and sale of the business and assets
the Appointment Date	14 May 2021 being the date of appointment of the Joint Administrators
BEIS	Department for Business, Energy & Industrial Strategy
BWH	Black and White Hospitality Limited (Company Number: 08465874)
Category 1 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to persons providing the service to which the expense relates and who are not an associate of the Administrator. These expenses can be paid without prior approval
Category 2 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to associates or where there is an element of shared costs. Such expenses require approval by creditors before payment
the Company	Commercial Street Hotel Limited (In Administration) (Company Number: 07078144)
the Cumulative Period	The period 14 May 2021 to 13 May 2022
the Directors	Jonathan Boss and Colin Corbally, the directors of the Company
EC Regulation	EC Regulation on Insolvency Proceedings 2000
HMRC	HM Revenue and Customs
IHG	InterContinental Hotels Group
the Joint Administrators	Matthew Ingram and Allan Watson Graham of Kroll Advisory Ltd., 4B Cornerblock, 2 Cornwall Street, Birmingham, B3 2DX
the Joint Administrators Statement of Proposals	The report to creditors dated the 1 July 2021.
the Landlord	Talisker Realty Corporation, the owner of the freehold at the Cube
NIC	National Insurance Contributions
PAYE	Pay As You Earn

Word or Phrase	Definition
Preferential Creditor/s	A creditor with a claim that ranks in priority to other unsecured creditors, to floating charge holders and the prescribed part. Preferential debts are either 'ordinary', such as certain employee claims, or 'secondary', such as HMRC's claims for VAT and PAYE income tax, which will rank for payment after the ordinary preferential claims are paid in full.
the Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to unsecured creditors
Previous Progress Report	The previous progress report dated 10 December 2021
the Property	The Cube, 200 Wharfside Street, Birmingham, B1 1RS
the Purchaser	MSHA Global Investments Limited (Company number: 10952806), the purchaser of the business and assets
QC	Quadrate Catering Limited (Company number: 07347568)
QS	Quadrate Spa Limited (Company number: 07347539)
QSH	QS Hospitality Limited (Company number: 10100142)
the Reporting Period	The period 14 November 2021 to 13 May 2022
RPS	Redundancy Payments Service
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
the Secured Creditor	Lloyds Bank Plc, with whom the Company banked and the holder of a legal charge and a fixed and floating charge over the Company's assets
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and expenses
SOA	Statement of Affairs, documentation supplied by the director outlining the Company's financial position as at the Appointment Date
the Solicitors	DLA Piper UK LLP, solicitors instructed to providing advice on the validity of appointment and security and preparing the necessary documents for the sale of the business and assets

Word or Phrase	Definition
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006
VAT	Value Added Tax

Appendix 9 – Notice about this report

This report has been prepared by Matthew Ingram and Allan Watson Graham, the Joint Administrators of the Company, solely to comply with their statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

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

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Matthew Ingram and Allan Watson Graham are authorised to act as insolvency practitioners by the Insolvency Practitioners Association.

The Joint Administrators are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Kroll Advisory Ltd does not assume any responsibility and will not accept any liability to any person in respect of this progress report or the conduct of the Administration.