

# AM23

## Notice of move from administration to dissolution



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 7 0 7 8 1 4 4

Company name in full Commercial Street Hotel Limited

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Court details

Court name High Court of Justice, Business & Property Courts in  
Birmingham

Court number 0 0 0 1 2 8 2 0 2 1

### 3 Administrator's name

Full forename(s) Matthew

Surname Ingram

### 4 Administrator's address

Building name/number 4B Cornerblock

Street 2 Cornwall Street

Post town Birmingham

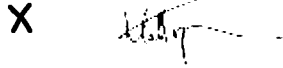
County/Region

Postcode B 3 2 D X

Country

AM23

Notice of move from administration to dissolution

<b>5</b>	<b>Administrator's name ①</b>		
Full forename(s)	Allan Watson		<b>① Other administrator</b> Use this section to tell us about another administrator.
Surname	Graham		
<b>6</b>	<b>Administrator's address ②</b>		
Building name/number	4B Cornerblock		<b>② Other administrator</b> Use this section to tell us about another administrator.
Street	2 Cornwall Street		
Post town	Birmingham		
County/Region			
Postcode	B 3 2 D X		
Country			
<b>7</b>	<b>Final progress report</b>		
<input checked="" type="checkbox"/> I have attached a copy of the final progress report			
<b>8</b>	<b>Sign and date</b>		
Administrator's signature	Signature 		
Signature date	d 0 4 m 0 5 y 2 0 y 2 3		

## AM23

### Notice of move from administration to dissolution



#### 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 **Craig Draper**

Company name **Kroll Advisory Ltd.**

Address **The Shard**

**32 London Bridge Street**

Post town **London SE1 9SG**

County/Region

Postcode

Country

DX

Telephone

**+44 (0) 20 7089 4700**



#### 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

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**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**



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# Final Progress Report to Creditors

4 May 2023

## Commercial Street Hotel Limited (In Administration)

*Joint Administrators' final Progress Report for the period from 14  
November 2022 to 4 May 2023 with a summary of the Administration.*

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

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## **1. Introduction**

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

The Administration of the Company was extended for 12 months until 14 May 2023 with the consent of the Company's Secured Creditors.

This report is the Joint Administrators' final progress report and provides creditors with a final account of the Administration of the Company together with a summary of the Administration as a whole.

The Joint Administrators have also explained the exit route from the Administration and the outcome for each class of creditor.

You will find other important information in this final 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 final progress report to creditors is attached at Appendix 9.

## **2. Creditor Summary**

### **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.

The Joint Administrators placed the Company into Administration with the objective of realising property in order to make a distribution to one or more secured creditors. The Joint Administrators consider that this purpose has been achieved following the payment of dividend to the Secured Creditor of the Company, further details of which are provided below.

A summary of the Proposals are included at Appendix 2. A copy of the Statement of Proposals is available on the Portal at <https://www.ips-docs.com>.

### **Progress to date**

- During the Cumulative Period, the consideration of the sale of the business to the Purchaser was received and a distribution made to Lloyds.
- The Company was deregistered for VAT

### **Outcome for Creditors**

- A distribution totalling £4,564,376 was paid to Lloyds Bank in respect of their security as detailed at section 4.
- There were insufficient funds available to enable a distribution to be made to ordinary or secondary Preferential Creditors or to non-preferential unsecured creditors of the Company.

Please note, this final report provides creditors with an account of the progress of the administration of the Company in the Cumulative Period. The Joint Administrators' Previous Progress Reports and the Statement of Proposals issued to the Company's creditors are available to view at [www.ips-docs.com](http://www.ips-docs.com) and paper copies can be provided free of charge by writing to Craig Draper at [Craig.Draper@Kroll.com](mailto:Craig.Draper@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 a final update on the strategy for the Administration and progress made, including a summary of the information provided in Previous Progress Reports.

### Strategy and progress to date

There were no major amendments to or deviations from the Joint Administrators' Proposals as listed at Appendix 2. The Joint Administrators continued 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).

During the Cumulative Period the sale of the business and majority of assets of the Company was completed for the benefit of creditors.

### Asset realisations

Realisations during the Cumulative Period and Final Period are set out in the attached receipts and payments account at Appendix 3. All assets have now been realised.

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

### 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 £5,237,500 plus VAT. The Purchaser had no prior involvement with the business.

The sale exchanged on 13 April 2022 and completed 4 July 2022. A deduction of £50,000 was agreed with the Purchaser due to repair works that needed to be completed at the Property, therefore the purchase price was £5,187,500.

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
Agreed Deduction	(50,000)
<b>Total</b>	<b>5,187,500</b>

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

These funds were received into the Administration bank account on two separate dates being 11 July 2022 and 31 August 2022.

No further realisations will be received from this source.

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### **Bank Interest**

Bank interest totalling £533 was received in respect of the funds received from the sale of the business detailed above.

Additionally bank interest totalling £8 was received into the main Administration bank account of which £4 was received in the Final Period.

### **Funds from Secured Creditor**

Following the appointment of the Joint Administrators, Lloyds agreed to provide funding to assist the Joint Administrators with the expenses associated with the business reopening and continuing to trade. Funds totalling £75,000 were received from Lloyds on 21 May 2021.

### **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 £21,181 from BWH in the Cumulative Period all of which has been paid to the Landlord.

### **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.

The Joint Administrators have received a total of £185,503 from BWH in the Cumulative Period all of which has been paid to IHG.

### **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 £297,742 during the Cumulative Period of which £21,044 was received from BWH in the Final Period, all of which has been paid or is due to the Landlord.

### **Debtors**

Following their appointment, the Joint Administrators contacted Lansbury Heritage Hotel in respect of an outstanding book debt due to the Company totalling £205. Subsequently, these funds were received for the benefit of the Administration on 10 December 2021.  
No further realisation will be received from this source.

### **Furniture & Equipment**

According to the SOA, the Company owned various fixtures, fittings and I.T. equipment with an uncertain estimated to realise value.

Following their appointment, the Joint Administrators instructed the Agents to value and market the items for sale.

These items were subsequently sold to an unconnected party for a total consideration of £25,000 plus VAT and the funds were subsequently received for the benefit of the Administration on 11 July 2022.

There have been no further realisation in this regard.

### **Miscellaneous Invoice Contributions**

Certain costs were incurred by the Joint Administrators in association with Company. These costs have been part recovered and funds totalling £523 were received during the Cumulative Period for the benefit of the Administration.

### **Sundry Refund**

Funds totalling £322 were received into the Administration bank account on 20 June 2022 in respect of a sundry refund relating to pre-appointment costs.

No further funds have been received from this source.

### **Investigations**

The Joint Administrators have a statutory obligation to file a report with BEIS concerning the conduct of all directors of the Company that served in the three years prior to the Joint Administrators appointment. The Joint Administrators have filed their confidential report with BEIS regarding the conduct of the Directors of the Company. The content of this report is confidential.

The Joint Administrators' have concluded their investigations and have no outstanding lines of enquiry.

### **Costs**

Payments made in the Cumulative Period and the Final 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:

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## **Fixed Charge Costs**

### **Agent/Valuers Fees and Disbursements**

During the Cumulative Period, fees totalling £78,563 and disbursements totalling £1,752 were paid to Graham and Sibbald LLP for the valuation and sale of the Company business and assets.

### **Legal Fees and Disbursements**

Wright Hassall and DLA Piper were instructed by the Joint Administrators to prepare the legal documents regarding the appointment of the Joint Administrators and to provide general legal advice and assistance with matters during the course of the Administration. Further legal costs were incurred due to the requirement to extend the Administration.

Legal fees and disbursements totalling £75,617 and £89 respectively were incurred in the Cumulative Period, of which £26,697 and disbursements of £50 related to pre-appointment fees.

### **Service Charge Arrears**

During the Cumulative Period, a total of £316,330 was paid to Fidum in respect of arrears of service charges.

### **Other Costs**

#### **Accountants Fees**

During the Final Period, costs totalling £2,000 were paid to Curo for the preparation of Corporation Tax returns.

### **Agent Fees and Disbursements**

During the Cumulative Period, fees totalling £2,250 and disbursements totalling £79 were paid to Lambert Smith Hampton Limited for the valuation of tangible assets.

### **IHG**

The Joint Administrators have paid a total of £202,940 to IHG in the Cumulative Period. These payments were made from the funds received from BWH referred to above.

### **Insurance Costs**

During the Cumulative Period a total of £38,653 has been paid to the Landlord of the Property in respect of the insurance costs referred to above. BWH have been reimbursing the Joint Administrators for the insurance contributions charged by the Landlord.

### Service Charge Costs

During the Cumulative Period, a total of £289,244 has been paid to the Landlord of the Property in respect of the service charge costs referred to above. BWH have reimbursed the Joint Administrators for the insurance contributions charged by the Landlord.

### Duress Payments

During the Cumulative Period, payments totalling £58,282 were paid to various parties in respect of expenses associated with the re-opening of the business.

### IT Costs

Costs totalling £1,075 were paid to Hospitality IT Solutions Ltd in respect of moving a leased line. These costs were paid during the Cumulative Period.

No further costs will be incurred in this respect.

## 4. Outcome for Creditors

### Secured Creditors

In consideration for the monies advanced, Lloyds 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 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.

During the Cumulative Period, a distribution totalling £4,564,376 was paid to Lloyds. There have been insufficient asset realisations to enable Lloyds to be paid in full and they will suffer a shortfall.

#### **Preferential creditors**

According to the SOA, 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 were transferred pursuant to TUPE on completion of the sale of the business and assets to the Purchaser.

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.

There have been insufficient asset realisations to enable a distribution to any class of Preferential Creditor.

#### **Prescribed Part**

As detailed above, Lloyds granted the Company fixed and floating charges over the assets of the Company and as such the Prescribed Part provisions will apply.

However, due to insufficient asset realisations and the Preferential Creditors of the Company not being paid in full, the Prescribed Part provision does not apply.

#### **Non-Preferential Unsecured Creditors**

According to the SOA, non-preferential unsecured creditors total £761,853.

During the Cumulative Period, claims totalling £513,682 have been received. However, due to the level of asset realisations, the Joint Administrators' haven't adjudicated on these claims and as such no distribution has been made to the unsecured non-preferential creditors of the Company.

To confirm, no further distributions will be paid to any class of creditor.

## **5. Other matters**

### **Creditors' Committee**

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

### **Joint Administrators' Receipts and Payments account**

A detailed receipts and payments account for the Cumulative Period and the Final Period is shown in Appendix 3.

As at the end of the Administration, there a balance of 35 pence in the Joint Administrators' receipts and payments account, which will be taken as charges as part of the account closure.

In addition, outstanding VAT receivable of £5,802 will be reclaimed from HMRC and used to discharge the Joint Administrator outstanding remuneration as referenced at section 6.

### **Creditors' rights**

Further information regarding the remuneration and disbursements 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**

### **Fees and expenses**

#### **Time costs**

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

Time costs incurred in the Final Period total £13,918, which represents 42 hours at an average hourly rate of £333.

Time costs incurred in the Cumulative Period total £206,001 which represents 554 hours at an average hourly rate of £372.

These costs have exceeded the estimate provided in the Joint Administrators' Statement of Proposals by £55,006. This is mainly due to the need to extend the Administration and the additional statutory and reporting requirements thereafter, additional work in communicating with the Directors of the Company and finalising the investigation matters; additional correspondence with creditors and finalising the preferential and pensions claims of the Company.

It is anticipated that a further £1,500 of time costs will be incurred in bringing the Administration to a formal conclusion. Whilst the estimate has been exceeded, the Joint Administrators will not be seeking further fee approval.

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

## **Fees**

The Joint Administrators basis of remuneration was approved by the Secured Creditors of the Company via a decision by correspondence on 24 July 2022. The Joint Administrators' fee estimate in the total of £150,995 was also approved on this date, with the authority to draw Category 1 Expenses and Category 2 Expenses.

In the Cumulative Period, the Joint Administrators have drawn remuneration of £102,707 of which £21,208 was drawn in the Final Period, in accordance with the fee approval.

In addition, outstanding VAT of £5,802 will be reclaimed from HMRC and once done the Joint Administrators will have drawn total remuneration of £108,510.

Details of the total fees drawn by Joint Administrators for the Cumulative Period and the Final Period are detailed in the receipts and payments account attached at Appendix 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 Statement of Proposals 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 Reports. 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 Cumulative Period and the whole of the Administration to 4 May 2023.

In the Final Period, Category 1 Expenses of £2,200 were incurred and paid in full. For the Cumulative Period, Category 1 Expenses incurred totalled £742,607 which were paid in full.

No Category 2 Expenses have been incurred.

#### **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.

#### **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.

The pre-administration costs and expenses totalling £85,793 were approved by the Secured Creditor on 24 July 2022.

Included in these expenses are the pre-administration time costs incurred by the Joint Administrators for the period leading up to the Appointment Date totalling £51,880. This was paid in full in the Cumulative Period.



## **7. Conclusion of the Administration**

The Joint Administrators have now concluded the Administration. This is the Joint Administrators' final report on the administration and no further reports will be issued.

The Joint Administrators have filed a copy of this final progress report with the Registrar of Companies, together with the requisite notice to dissolve the Company.

The Administration will cease to have effect when the Registrar of Companies registers these documents. The Company will be automatically dissolved three months after that date.

The Joint Administrators will be discharged from liability in respect of any actions as Joint Administrators on 4 May 2023.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against the Joint Administrators.

If you require further information or assistance, please do not hesitate to contact Craig Draper.

Yours faithfully  
For and on behalf of  
Commercial Street Hotel Limited



**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 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	

<b>Current Administration expiry date</b>	14 May 2023
<b>Prescribed Part</b>	The Prescribed Part is applicable in this case. It has been taken into account when determining the dividend prospects for unsecured creditors (Section 4).
<b>Application of EC Regulations</b>	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 14/11/2022 To 04/05/2023 £	From 14/05/2021 To 04/05/2023 £
	SECURED ASSETS		
1.00	Long leasehold land and buildings	NIL	5,187,500.00
	Gross bank interest - fixed account	NIL	533.47
		NIL	5,188,033.47
	COSTS OF REALISATION		
	Agents/Valuers Fees	NIL	78,562.50
	Agents/Valuers Disbursements	NIL	1,751.60
	Legal Fees	NIL	75,617.20
	Legal Disbursements	NIL	50.00
	Service Charge Arrears	NIL	316,329.88
	Fixed bank charges	NIL	15.00
	Public Relations	NIL	700.00
		NIL	(473,026.18)
	SECURED CREDITORS		
	Lloyds Bank	NIL	4,564,376.00
		NIL	(4,564,376.00)
	ASSET REALISATIONS		
	Bank Interest Gross	3.56	8.18
	Debtors	NIL	205.38
	Funds from secured creditor	NIL	75,000.00
1.00	Furniture & Equipment	NIL	25,000.00
	Insurance Contributions	NIL	21,180.60
	Miscellaneous invoice contributions	NIL	523.00
	Receipts from The Cube re IHG	NIL	185,502.56
	Service Charge Contributions	21,043.81	297,741.72
	Sundry Refund	NIL	321.80
		21,047.37	605,483.24
	COST OF REALISATIONS		
	Accountants Fees	2,000.00	2,000.00
	Agents/Valuers Disbursements	NIL	78.62
	Agents/Valuers Fees	NIL	2,250.00
	Bordereau	NIL	225.00
	Corporation Tax	200.00	200.00
	Duress Payments	NIL	58,281.75
	IHG	NIL	202,940.13
	Insurance costs	NIL	38,653.01
	IT Costs	NIL	1,075.00
	Joint administrators' disbursements	NIL	5.19
	Joint administrators' remuneration	21,207.61	102,707.36
	Licence Fees	NIL	150.00
	Miscellaneous costs	NIL	523.00
	Pre Insolvency Remuneration	NIL	51,880.00
	Service Charge Costs	NIL	289,243.77
	Statutory Advertising	NIL	99.45
		(23,407.61)	(750,312.28)
	PREFERENTIAL CREDITORS		
(20,651.00)	Employee Arrears/Hol Pay	NIL	NIL
(82,446.00)	HM Revenue and Customs	NIL	NIL

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

Statement of Affairs £		From 14/11/2022 To 04/05/2023 £	From 14/05/2021 To 04/05/2023 £
		NIL	NIL
	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
		NIL	NIL
<b>(864,948.00)</b>		<b>(2,360.24)</b>	<b>5,802.25</b>
	REPRESENTED BY		
	Floating/main current account		0.35
	General VAT control account		5,801.90
			<b>5,802.25</b>



## Appendix 4 – Analysis of Expenses Incurred

### Joint Administrators' Expenses: comparison with estimate

Expenses	Original expenses estimate £	Actual expenses incurred in the Final 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	Nil	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	Nil	40,506.25	
Graham and Sibbald LLP – Agents costs in respect of marketing and sale of the business and assets	Nil	Nil	40,157.05	Different agents were used to those listed on the original expenses estimate
Lambert Smith Hampton Group Limited – Agents valuers fees for valuation of tangible assets	TBC	Nil	2,250.00	Not included in the original estimate, but required for the sale of the Company
Lambert Smith Hampton Group Limited – Agents valuers disbursements for valuation of tangible assets	Nil	Nil	78.62	Not included in the original estimate, but required for the sale of the Company
Courts Advertising Limited – Statutory advertising	99.45	Nil	99.45	
AON UK Limited – Bond/Insurance premium	225.00		225.00	
Various Parties – Duress payments	Nil	Nil	58,281.75	This cost was not provided in the original estimate but has been funded by Lloyds.
IHG Hotels Limited – Operating charges	Nil	Nil	202,940.13	This cost was not provided in the original estimate but has been fully reimbursed by BWH.
Fidum Property Management Ltd – Insurance costs	Nil	Nil	38,653.01	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	Nil	Nil	75.00	This cost was not provided in the original estimate but has been fully reimbursed by BWH.

Expenses	Original expenses estimate £	Actual expenses incurred in the Final Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
in respect of the trading premises				
Fidum Property Management Ltd – Call out to Hotel Life	Nil	Nil	70.00	This cost was not provided in the original estimate but has been fully reimbursed by BHW.
Fidum Property Management Ltd – Replacement reader in respect of the trading premises	Nil	Nil	378.00	This cost was not provided in the original estimate but has been fully reimbursed by BHW
Fidum Property Management Ltd - Service charge costs in respect of the trading premises	Nil	Nil	289,243.77	This cost was not provided in the original estimate but has been fully reimbursed by BWH.
Curo Chartered Accountants Limited – Corporation Tax Charges	Nil	2,000.00	2,000.00	Not included in the original estimate, however required to comply with HMRC statutory requirements.
HMRC – Corporation Tax Charges	Nil	200.00	200.00	Not included in original estimate but required due to late submission of corporation tax returns.
<b>TOTAL</b>	<b>30,324.45</b>	<b>2,200.00</b>	<b>742,607.03</b>	

## Notes

The above costs exclude VAT.

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

## Joint Administrators' Expenses: Category 1 and Category 2

Category 1 Expenses			Final Period		Cumulative Period	
Company	Activity	Fee Basis	Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
DLA Piper UK LLP Solicitors	Legal fees	As incurred	Nil	Nil	66,224.00	66,224.00
Fleurets	Agents costs in respect of marketing and sale of the business and assets	Percentage of sale consideration	Nil	Nil	40,506.25	40,506.25
Graham and Sibbald LLP	Agents costs in respect of marketing and sale of the business and assets	Percentage of sale consideration	Nil	Nil	40,157.05	40,157.05
Lambert Smith Hampton Group Limited	Agents valuers fees for valuation of tangible assets	As incurred	Nil	Nil	2,250.00	2,250.00
Lambert Smith Hampton Group Limited	Agents valuers disbursements for valuation of tangible assets	As incurred	Nil	Nil	78.62	78.62
Various parties	Duress payments	As incurred	Nil	Nil	58,281.75	58,281.75
IHG Hotels Limited	Operating charges	As incurred	Nil	Nil	202,940.13	202,940.13
Fidum Property Management Ltd	Insurance costs in respect of the trading premises	Fixed fee	Nil	Nil	38,653.01	38,653.01
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	Call out to Hotel Life	As incurred	Nil	Nil	70.00	70.00
Fidum Property Management Ltd	Replacement reader in respect of the trading premises	As incurred	Nil	Nil	378.00	378.00
Fidum Property Management Ltd	Service charge costs in respect of the trading premises	Fixed fee	Nil	Nil	289,243.77	289,243.77
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
Curo Chartered Accountants Limited	Preparation of Corporation Tax returns	Fixed Fee	2,000.00	2,000.00	2,000.00	2,000.00
HMRC	CT Penalty Charge	Fixed Fee	200.00	200.00	200.00	200.00
<b>Total</b>			<b>2,200.00</b>	<b>2,200.00</b>	<b>742,607.03</b>	<b>742,607.03</b>

## 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, 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 Cumulative Period.

## **Appendix 5 – Analysis of Time Charged**

### **Joint Administrators' Fees**

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**Commercial Street Hotel Limited (In Administration)**

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

Classification of Work Function	Hours					Total Hours	Time Cost (£)	Avg. Hourly Rate (£)
	Managing Director	Manager	Senior	Assistant	Support			
Administration And Planning								
Case review & Case Diary management	0.00	0.60	1.00	0.00	0.00	1.60	675.00	421.88
Cashiering & accounting	0.00	1.60	0.60	2.30	0.00	4.50	1,692.50	376.11
Statutory matters (Meetings & Reports & Notices)	0.00	0.90	2.10	18.50	0.00	21.50	6,215.00	289.07
Strategy planning & control (incl engagement financial control)	0.50	4.20	3.40	0.50	0.00	8.60	3,244.50	377.27
Tax Compliance / Planning	0.00	0.90	1.20	1.30	0.00	3.40	1,281.34	376.86
Creditors								
Dealings with creditors and employees	0.00	1.40	0.00	0.00	0.00	1.40	546.00	390.00
Secured Creditors	0.00	0.00	0.80	0.00	0.00	0.80	264.00	330.00
Total Hours	0.50	9.60	9.10	22.60	0.00	41.80		332.97
Total Fees Claimed (£)	152.50	4,702.50	2,997.00	6,066.34	0.00		13,918.34	

## 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 And Planning								
Case review & Case Diary management	0.00	4.50	11.90	0.60	0.00	17.00	6,393.00	376.06
Cashiering & accounting	0.00	31.05	25.20	52.65	0.00	108.90	32,854.00	301.69
Dealings w/ directors & management (inc associated updates/reporting)	0.00	2.00	5.70	0.00	0.00	7.70	2,953.00	383.51
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)	2.20	14.40	29.80	49.15	0.00	95.55	27,567.00	288.51
Strategy planning & control (incl engagement financial control)	1.35	49.65	19.60	9.80	0.00	80.40	35,842.50	445.80
Tax Compliance / Planning	0.00	2.15	9.30	2.10	0.00	13.55	4,774.34	352.35
Creditors								
Dealings with creditors and employees	0.00	6.05	15.20	8.45	0.00	29.70	9,299.50	313.11
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	8.75	2.40	0.10	0.00	11.25	5,596.00	497.42
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	20.75	0.10	0.00	0.00	20.85	11,371.00	545.37
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	67.85	0.00	0.00	0.00	68.35	37,301.00	545.74
Trading								
Trading - Accounting	0.00	0.00	19.50	0.00	0.00	19.50	6,435.00	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	4.05	224.10	178.60	147.35	0.00	554.10		371.78
Total Fees Claimed (£)	2,545.00	118,130.50	58,932.00	26,393.84	0.00		206,001.34	

## Appendix 6 – Narrative of work carried out for the Cumulative Period

The key areas of work have been:

### SIP 9 narrative for the period to 4 May 2023

Administration and planning	<ul style="list-style-type: none"><li>• Monitoring and reviewing the Administration strategy;</li><li>• Briefing staff on the Administration strategy and matters in relation to workstreams;</li><li>• Regular case management and reviewing of process including regular team update meetings and calls;</li><li>• Meeting with management to review and update strategy and monitor progress;</li><li>• Reviewing and authorising junior staff correspondence and other work;</li><li>• Dealing with queries arising during the appointment;</li><li>• Reviewing matters affecting the outcome of the Administration;</li><li>• Allocating and managing staff/ case resourcing and budgeting exercises and reviews;</li><li>• Liaising with legal advisors regarding various instructions, including agreeing content of engagement letters; and</li><li>• Complying with internal filing and information recording practices, including documenting strategy decisions.</li></ul>
Creditors	<ul style="list-style-type: none"><li>• Updating the list of unsecured creditors;</li><li>• Responding to enquiries from creditors regarding the Administration and submission of their claims;</li><li>• Reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records;</li><li>• Drafting statutory progress reports;</li><li>• Providing written and oral updates to the Secured Creditor regarding the progress of the Administration and case strategy; and</li><li>• Filing notice of the extension of the Administration.</li></ul>
Investigations	<ul style="list-style-type: none"><li>• Managing and reviewing the Company books and records;</li><li>• 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;</li><li>• Obtaining records from third parties;</li><li>• Conducting interviews with counterparties and officeholders;</li><li>• Enquiring with counterparties who has raised disputes against the Company;</li><li>• Reviewing pre-appointment transactions; and</li><li>• Documenting investigations.</li></ul>



Statutory and compliance	<ul style="list-style-type: none"><li>• Ensuring compliance with all statutory obligations within the relevant timescales;</li><li>• Uploading information to the Creditors' Portal;</li><li>• Drafting and publishing progress reports;</li><li>• Running decision procedures;</li><li>• Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9;</li><li>• Monitoring the fees estimate; and</li><li>• Monitoring the expenses estimate.</li></ul>
Cashiering	<ul style="list-style-type: none"><li>• Preparing statutory receipts and payments accounts; and</li><li>• Renewing bonding and complying with statutory requirements.</li></ul>
Asset realisations	<ul style="list-style-type: none"><li>• Collating information from the Company's records regarding assets;</li><li>• Liaising with finance companies in respect of assets subject to finance agreements;</li><li>• Liaising with agents regarding the sale of assets;</li><li>• Liaising with suppliers on retention of title claims;</li><li>• Reviewing outstanding debtors and management of debt collection strategy;</li><li>• Communicating with landlords regarding rent; property occupation and other property issues;</li><li>• Liaising with third parties regarding costs incurred;</li><li>• Collecting and paying rent due on the Company's remaining premises;</li><li>• Reviewing and agreeing invoices;</li><li>• Reviewing costs incurred to ensure recorded accurately; and</li><li>• Arranging payments to agents and solicitors in a timely manner.</li></ul>
Trading	<ul style="list-style-type: none"><li>• Attending to supplier and customer queries and correspondence;</li><li>• Reviewing invoices to ensure they correspond with the relevant purchase orders;</li><li>• Raising payments to suppliers in respect of Administration costs; and</li><li>• Contacting all suppliers to obtain final invoices for the trading period.</li></ul>
Tax	<ul style="list-style-type: none"><li>• Analysing and considering the tax effects of asset sales;</li><li>• Working on tax returns relating to the periods affected by the Administrator;</li><li>• Analysing VAT related transactions; reviewing the Company's duty position to ensure compliance with duty requirements; and</li><li>• Dealing with post appointment tax compliance.</li></ul>

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## **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 Craig Draper at [Craig.Draper@kroll.com](mailto:Craig.Draper@kroll.com).

### **Information for creditors on remuneration and expenses of Administrators**

Information regarding the fees and expenses of Administrators, including details of Kroll's expense policy and hourly charge out rates for each grade of staff that may undertake work on this case, can be viewed and downloaded from the Kroll website at:

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

Click on the document - Creditor Guides (amended for changes introduced by the Insolvency (England & Wales) Rules 2016 from 6 April 2017) – Administrations.

Should you require a copy (at no cost), 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 Craig Draper at [Craig.Draper@Kroll.com](mailto:Craig.Draper@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 and 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 4 May 2023
Curo	Curo Professional Services Ltd (Company Number: 05461843)
the Directors	Jonathan Boss and Colin Corbally, the directors of the Company
EC Regulation	EC Regulation on Insolvency Proceedings 2000
the Final Period	The period 14 November 2022 to 4 May 2023
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/Proposals	The report to creditors dated the 1 July 2021.
Kroll	Kroll Advisory Ltd., 4B Cornerblock, 2 Cornwall Street, Birmingham B3 2DX

Word or Phrase	Definition
the Landlord	Talisker Realty Corporation, the owner of the freehold at the Cube
PAYE	Pay As You Earn
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 Reports	The previous progress report dated 10 December 2021, 9 June 2022 and 13 December 2022
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 (Formerly in Liquidation) (Company Number: 07347539)
QSH	QS Hospitality Limited (Company number: 10100142)
RPS	Redundancy Payments Service
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
the Secured Creditor/Lloyds	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

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 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.