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### 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 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 B 3 2 D X

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 B 3 2 D X

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	<div><div>d</div><div>1</div></div>	<div><div>d</div><div>4</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>5</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>1</div></div>	
To date	<div><div>d</div><div>1</div></div>	<div><div>d</div><div>3</div></div>	<div><div>m</div><div>1</div></div>	<div><div>m</div><div>1</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>1</div></div>	

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's signature	<div>Signature</div> <div><div>X</div><div></div></div> <div><div>X</div></div>								
Signature date	<div><div>d</div><div>1</div></div>	<div><div>d</div><div>0</div></div>	<div><div>m</div><div>1</div></div>	<div><div>m</div><div>2</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>1</div></div>	

**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

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- ☒ You have attached the required documents.
- ☒ You have signed the form.

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# **Progress Report to Creditors**

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

10 December 2021

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

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

Duff & Phelps Ltd. has recently rebranded as Kroll with a new name, Kroll Advisory Ltd. Insolvency cases handled by insolvency practitioners from Duff & Phelps Ltd. are still being dealt with in the same way, by the same insolvency practitioners and staff. Our staff email addresses are now from kroll.com and our correspondence and website reflects the Kroll branding.

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## **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.

This Progress Report provides an update on the Administration of the Company.

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.
- As previously advised, 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 by Creditors using deemed approval on the 16 July 2021 without modifications.

### **Progress to date**

- The Joint Administrators issued a licence to The Cube (Birmingham) Limited to trade the business which reopened on 17 May 2021. The trading activity is being managed by BWH.
- The initial terms of trade covered a 6-month period however it was agreed that the period could be extended by mutual agreement.
- The Joint Administrators have reviewed the trading figures for the Reporting Period and it is noted that there has been a visible upward trend in customer demand.
- There have not been any asset realisations for the benefit of creditors in the Reporting Period, however the Joint Administrators' agents have been in discussions with parties potentially interested in purchasing the long leasehold owned by the Company.
- The Joint Administrators have undertaken investigations into the Company's affairs. There are no outstanding lines of enquiry.

## **Outcome for Creditors**

- It is not possible to say if the Secured Creditor will recover their indebtedness in full from the Company as it 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 any class of Preferential Creditor.
- 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 Reporting Period. The Joint Administrators' Statement of Proposals issued to the Company's Creditors are available to view on the Portal at [www.ips-docs.com](http://www.ips-docs.com) and paper copies can be provided free of charge by writing to Luke Bancroft at [Luke.Bancroft@kroll.com](mailto: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)

### **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 Bank Interest**

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

#### **3.2.2 Funds from Secured Creditor**

The Joint Administrators received £75,000 from the Secured Creditor in the Reporting Period. These funds were advanced to cover expenses associated with reopening the business on 17 May 2021. Any unused funds will be returned to the Secured Creditor.

#### **3.2.3 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 £12,001 from BWH in the Reporting Period all of which has been paid or is due to the Landlord.

### **3.2.4 Miscellaneous Invoice Contributions**

During the Reporting Period the Joint Administrators received £75 from BWH to pay the Landlord for a replacement fob for the car park at the Property.

### **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 £64,795 from BWH in the Reporting Period all of which has been paid or is due to IHG.

### **3.2.6 Service Charge Contributions**

As The Cube (Birmingham) Limited is occupying the Property, service charge contributions are also payable to the Landlord under the terms of the lease.

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

The Joint Administrators have received a total of £102,990 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 find out if there were any actions which could be taken against third parties to increase recoveries for creditors.

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.

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 £50,856 were made to several various parties 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 at section 3.2.2.

### **3.3.2 IHG**

The Joint Administrators have paid a total of £64,795 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 £10,165 has been paid to the Landlord of the Property in respect of the insurance costs referred to at section 3.2.3.

### 3.3.4 IT costs

The Joint Administrators paid £1,075 in the Reporting Period in respect of costs associated with the relocation of the IT server from the Club and Spa to the restaurant.

### 3.3.5 Licence Fees

The Joint Administrators have paid a total of £150 during the Reporting Period in respect of the fees associated with renewal of the relevant business licenses.

### 3.3.6 Miscellaneous Costs

In the Reporting Period, the Joint Administrators paid £75 to the Landlord in order to obtain a replacement fob for the car park. This payment was made from the funds received from BWH referred to at section 3.2.4.

### 3.3.7 Service Charge Costs

During the Reporting Period a total of £71,056 has been paid to the Landlord of the Property in respect of the service charges referred to at section 3.2.6.

### 3.3.8 Statutory Advertising

The Joint Administrators have paid £99 during the Reporting Period.

## 3.4 Fees and expenses

The Joint Administrators have detailed the costs incurred during the 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	£101,059	Total time costs incurred in the period is £101,059 (see Appendix 5). No payment was made during the Reporting Period in respect of these costs. See section 6 for further details in relation to the Joint Administrators' fees.
Legal Fees	£14,986	The Company's legal advisors DLA Piper UK LLP have incurred legal fees of £14,986 in reviewing various documents and providing advice.

## 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 & guarantees.

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

As at the Appointment Date, Lloyds Bank Plc were owed approximately £10,200,000 subject to interest and charges. This amount is owed by the Company and guaranteed by QC, QS and QSH.

It is not possible to say whether Lloyds Bank Plc will recover its indebtedness in full from the Company as 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 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 however it is anticipated that they will do so once all employee claims have been paid. The employee claims for holiday pay are likely to be subrogated to the BEIS following payment to the employees by the RPS.

Following the sale of the business and assets of the Company, the Company's remaining employees will hopefully be transferred pursuant to TUPE. Accordingly, it is anticipated there will be no further preferential 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 claims are paid after the other preferential claims are settled in full.

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

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, unsecured creditor claims received to date total £125,790.

Based on 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.

No dividends have been paid to unsecured creditors in the Reporting Period.

#### **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 net property of the Company, according to the Directors' SOA is uncertain at present and will be dependent on the level of asset realisations.

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 Reporting Period is shown in Appendix 3.

#### **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 are attached at Appendix 5.

Time costs incurred in the reporting period total £101,059, which represents 293 hours at an average hourly rate of £344.

These costs are within the fee 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**

As fee approval has not yet been sought the Joint Administrators have not drawn any remuneration during the Reporting Period. The Joint Administrators propose to seek approval from the Secured Creditors.

The fee estimate provided in the Statement of Proposals was £150,995. Fees of £101,059 have already been incurred and it is anticipated that a further £49,936 of time costs will be incurred in progressing the Administration.

It is not yet known whether there will be a shortfall between the fee estimate and the amount of fees the Joint Administrators expect to recover from the realisation of assets. An update will be provided in future progress reports.

### **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.

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 £213,483 were incurred and £198,497 were paid.

No Category 2 Expenses were incurred or paid during the Reporting Period.

### **6.1.4 Additional information**

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 (£)
<b>Kroll Advisory Ltd fees</b>	0.00	51,880.00	51,880.00
<b>Legal fees</b>	0.00	29,184.00	29,184.00
<b>Legal disbursements</b>	0.00	71.80	71.80
<b>Agent fees</b>	0.00	4,500.00	4,500.00
<b>Agents' disbursements</b>	0.00	157.24	157.24
<b>Total</b>	<b>0.00</b>	<b>£85,793.04</b>	<b>£85,793.04</b>

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 Creditors therefore no pre-Administration costs have been paid in the Reporting Period. 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 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;
- Completing a sale of the business and assets of the Company;
- Paying outstanding costs of the Administration;
- Moving the Company into Dissolution;
- Paying a dividend to the Secured Creditor;
- Dealing with other statutory matters and duties including accounting for VAT and completing corporation tax returns.

### 7.2 Future reporting

The Joint Administrators will provide a further progress report within one month of 13 May 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

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 Limied (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	<b>Current:</b> C/o Kroll Advisory Ltd. 35 Newhall Street Birmingham B3 3PU	<b>Former:</b> 6 <sup>th</sup> 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	2nd Hierarchical Objective, 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	13 May 2022	
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 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	14,986.15	14,986.15	
Fleurets and Lambert Smith Hampton – Agents and valuers' costs in respect of valuation and marketing of the business and assets	TBC	Nil	Nil	
Courts Advertising Limited - Statutory Advertising	99.45	99.45	99.45	
AON UK Limited – Bond/Insurance Premium	225.00	225.00	225.00	
Various Parties - Duress Payments	Nil	50,856.09	50,856.09	This cost was not provided in the original estimate but has been funded by the Bank.
IHG Hotels Limited - Operating charges	Nil	64,794.89	64,794.89	This cost was not provided in the original estimate but has been fully reimbursed by BWH.
Fidum Property Management Ltd - Insurance costs	Nil	10,165.44	10,165.44	This cost was not provided in the original estimate but has been fully reimbursed by BWH.
Hospitality IT Solutions Ltd – IT Costs	Nil	1,075.00	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	150.00	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	75.00	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	71,056.43	71,056.43	This cost was not provided in the original estimate but has been fully reimbursed by BWH.
<b>TOTAL</b>	<b>30,324.45</b>	<b>213,483.45</b>	<b>213,483.45</b>	

### Notes

The above costs exclude VAT.

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

Category 1 Expenses			Reporting Period		Cumulative period	
Company	Activity	Fee Basis	Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
DLA Piper UK LLP Solicitors	Legal fees	As incurred	14,986.15	Nil	14,986.15	Nil
Various parties	Duress payments	As incurred	50,856.09	50,856.09	50,856.09	50,856.09
IHG Hotels Limited	Operating charges	As incurred	64,794.89	64,794.89	64,794.89	64,794.89
Fidum Property Management Ltd	Insurance costs in respect of the trading premises	Fixed fee	10,165.44	10,165.44	10,165.44	10,165.44
Hospitality IT Solutions Ltd	IT costs	As incurred	1,075.00	1,075.00	1,075.00	1,075.00
Licensed Solutions Ltd	Fee to arrange relevant business licenses.	Fixed fee	150.00	150.00	150.00	150.00
Fidum Property Management Ltd	Replacement car park fob in respect of the trading premises	As incurred	75.00	75.00	75.00	75.00
Fidum Property Management Ltd	Service charge costs in respect of the trading premises	Fixed fee	71,056.43	71,056.43	71,056.43	71,056.43
Courts Advertising Limited	Statutory advertising	Fixed fee	99.45	99.45	99.45	99.45
AON UK Limited	Insurance premium	Fixed fee	225.00	225.00	225.00	225.00
<b>Total</b>			<b>213,483.45</b>	<b>198,497.30</b>	<b>213,483.45</b>	<b>198,497.30</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 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' Time Costs

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	Hours					Total Hours	Time Cost (£)	Avg. Hourly Rate (£)
	Managing Director	Manager	Senior	Assistant	Support			
Administration & Planning								
Case review & Case Diary management	0.00	1.95	6.30	0.60	0.00	8.85	3,144.00	355.25
Cashiering & accounting	0.00	10.70	8.00	27.65	0.00	46.35	12,582.50	271.47
Dealings w/ directors & management (inc associated	0.00	0.80	4.60	0.00	0.00	5.40	1,918.00	355.19
IPS set up & maintenance	0.00	0.00	1.70	1.60	0.00	3.20	816.00	255.00
Insurance	0.00	0.30	0.10	0.10	0.00	0.50	198.00	396.00
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	8.50	10.00	27.20	0.00	47.40	12,903.00	272.22
Strategy planning & control (incl engagement man	1.15	35.35	10.40	9.30	0.00	56.20	24,854.50	438.69
Tax Compliance / Planning	0.00	0.00	0.70	0.00	0.00	0.70	231.00	330.00
Creditors								
Dealings with creditors and employees	0.00	4.40	11.70	5.55	0.00	21.65	7,023.50	324.41
Non Pref Creditors / Employee claims handling	0.00	0.10	4.60	7.10	0.00	11.80	2,653.00	225.68
Pref claims adjudication & distribution	0.00	0.00	1.70	0.10	0.00	1.80	576.00	320.00
Secured Creditors	0.00	1.50	0.40	0.10	0.00	2.00	957.00	478.50
Investigations								
CDDA & reports & Communication	0.00	3.75	16.40	15.75	0.00	35.85	9,712.00	270.91
Realisation of Assets								
Book debts	0.00	0.00	0.70	0.00	0.00	0.70	231.00	330.00
Freehold and Leasehold Property	0.00	15.20	0.00	0.00	0.00	15.20	8,290.00	545.39
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	0.00	6.55	0.00	0.00	0.00	6.55	3,560.00	543.51
Trading								
Trading - Accounting	0.00	0.00	7.90	0.00	0.00	7.90	2,607.00	330.00
Trading - Employees	0.00	0.50	0.30	0.00	0.00	0.80	349.00	436.25
Trading - Insurance	0.00	0.00	0.20	0.00	0.00	0.20	66.00	330.00
Trading - Operations	0.00	8.60	9.00	0.00	0.00	17.60	7,330.00	416.48
Total Hours	2.85	100.10	95.60	94.90	0.00	293.45		344.38
Total Fees Claimed (£)	1,917.50	52,285.00	31,548.00	15,308.00	0.00		101,058.50	

## 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"> <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 progress statutory progress report; and</li> <li>• Providing written and oral updates to the secured lenders regarding the progress of the Administration and cases strategy.</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>• 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 the Statement of Proposals;</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>• Reviewing bonding and complying with statutory requirements.</li> </ul>
Asset realisations	<ul style="list-style-type: none"> <li>• Liaising with finance companies in respect of assets subject to finance agreements;</li> <li>• Collating information from the Company's records regarding assets;</li> <li>• Liaising with agents regarding the sale of assets;</li> </ul>

- |         |  |
|---------|--|
| Trading | <ul style="list-style-type: none"><li>• Communicating with landlords regarding rent; property occupation and other property issues;</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>   |
| Tax     | <ul style="list-style-type: none"><li>• Attending to supplier and customer queries and correspondence;</li><li>• Reviewing invoices for payment to be made; and</li><li>• Raising payments to suppliers in respect of Administration costs.</li></ul> <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> |

## **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](mailto: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](mailto:Luke.Bancroft@kroll.com).



## Appendix 8 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Appointment Date	14 May 2021 being the date of appointment of the Joint Administrators
the Bank	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,
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/CSH	Commercial Street Hotel Limited (In Administration) (Company Number: 07078144)
the Directors	Jonathan Boss and Colin Corbally the directors of the Company
EC Regulation	EC Regulation on Insolvency Proceedings 2000
the Landlord	Talisker Realty Corporation, the owner of the freehold at the Cube
the Landlords Managing Agent	Fidum Property Management Ltd (Company number: 11820543)
the Group	Commercial Street Hotel Limited (Company number: 07078144), Quadrate Catering Limited (Company number: 07347568), Quadrate Spa Limited (Company number: 07347539) and QS Hospitality Limited (Company number: 10100142)
HMRC	HM Revenue and Customs
IHG	InterContinental Hotels Group
the Joint Administrators	Matthew Ingram and Allan Watson Graham of Kroll Advisory Ltd., 35 Newhall Street, Birmingham, B3 3PU,
the Joint Administrators agents	Lambert Smith Hampton and Fleurets independent agents who are assisting reviewing offers from parties potentially interested in purchasing the long leasehold owned by the Company
the Joint Administrators Statement of Proposals	The report to creditors dated the 1 July 2021.

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
the Property	The Cube, 200 Wharfside Street, Birmingham, B1 1RS
the Reporting Period	The period 14 May 2021 to 13 November 2021
QC	Quadrate Catering Limited (Company number: 07347568)
QS	Quadrate Spa Limited (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	The holder of 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
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

## **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.