

The Insolvency Act 1986

Administrator's progress report

Name of Company Barinbrook (Central) Limited	Company number 07453006
In the High Court of Justice, Chancery Division, Birmingham District Registry (full name of court)	Court case number 8097 of 2014

(a) Insert full name(s) and address(es) of administrator(s)

C P Holder
Zolfo Cooper
10 Fleet Place
London
EC4M 7RB

M N Cropper
Zolfo Cooper
10 Fleet Place
London
EC4M 7RB

A C O'Keefe
Zolfo Cooper
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB

administrators of the above company attach a progress report for the period

(b) Insert date

From (b) 26 February 2014	To (b) 25 August 2014
----------------------------------	------------------------------

Signed

Nick Cropper
Joint Administrator

Dated

25/09/14

Contact Details*

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

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When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

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Administrators' Progress Report for the period 26 February 2014 to 25 August 2014

Barinbrook Limited and
Barinbrook (Cental) Limited
Both in Administration

24 September 2014

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1 Why this report has been prepared

- 1.1 Nick Cropper, Peter Holder and Anne O’Keefe were appointed as Administrators (the Administrators) on 26 February 2014.
- 1.2 In accordance with UK insolvency legislation, an administrator is required to provide a progress report covering the period of six months commencing on the date on which a company entered into administration and every subsequent period of six months. This progress report covers the period 26 February 2014 to 25 August 2014 (the Period).
- 1.3 This report has been prepared in accordance with rule 2.47 of the Insolvency Rules 1986.
- 1.4 The purpose of this report is to provide statutory and financial information about the Companies and to provide an update on the progress of the Administrations, including details of assets realised during the Period, details regarding the Administrators’ fees and the expected outcome for each class of creditor.
- 1.5 As a reminder an administrator of a company must perform their functions with a view to achieving one of the following statutory objectives:
- Objective 1: rescuing a company as a going concern;
- Objective 2: achieving a better result for a company’s creditors as a whole than would be likely if a company were wound up (without first being in administration), or
- Objective 3: realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.6 In these cases the Administrators are pursuing the second statutory objective for the Administration of Barinbrook Limited (BL) and the third objective for Barinbrook (Central) Limited (Central) (together the Companies). Further details on the actions taken to achieve that objective can be found in section 3 of this report.
- 1.7 This report should be read in conjunction with the Administrators’ Statement of Proposals (Proposals), the Administrators’ Disclosure report pursuant to Statement of Insolvency Practice 16 (SIP16 Report) dated 20 March 2014 (March SIP16 Report) and the Administrators’ second SIP16 report dated 20 May 2014 (May SIP16 Report).
- 1.8 Details of the Administrators’ fees and costs incurred are detailed at Appendices F to I.
- 1.9 More information relating to the Administration process, Administrators’ fees and creditors’ rights can be found on Zolfo Cooper’s creditor portal (<http://www.zcinfoportal.com>). Log-in details to access this information can be found within the covering letter you have received.
- 1.10 If you require a hard copy of this report or have any queries in relation to the contents of this report or the Administrations generally, please contact Sundip Nar on 0161 838 4593, creditorreports@zolfocooper.eu or write to Zolfo Cooper’s office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.

2 Summary of information for creditors

Estimated dividend for creditors

Class of creditor	BL	BL	Central	Central
	Estimated debt £	Likely level of return £	Estimated debt £	Likely level of return £
Secured creditor	4,300,000	534,000	4,300,000	1,670,000
Preferential creditors	67,212	Nil	N/A	N/A
Unsecured creditors	1,244,000	Nil	N/A	N/A

Notes:

As reported in the Proposals, as at the date of the appointments Barclays Bank PLC (Barclays) was owed approximately £4.3 million (excluding accrued interest and charges) under its securities across the Companies. The Companies are jointly and severally liable for the debt pursuant to a cross-guarantee dated 4 February 2011. It is expected that Barclays will suffer a shortfall.

The preferential debt for BL relates to claims received from employees in relation to pre-appointment unpaid arrears of wages and accrued holiday pay. It is not expected that BL's preferential creditors will receive a dividend in respect of their preferential claims. Central did not have any employees and as such, there are no preferential creditors.

The estimated unsecured creditors' debt for BL has been taken from BL's Statement of Affairs (SoA). No unsecured creditors were noted on the SoA provided for Central and no claims have been received to date.

The Administrators can confirm that there will be insufficient realisations from which to create an Unsecured Creditors' Fund in either of the Administrations. As such, there will not be a dividend available for the unsecured creditors of BL or Central if claims arise.

For further information please refer to section 5 of this report.

3 Progress of the Administrations

- 3.1 Attached at Appendices C to E are the Administrators' Receipts and Payments Account for BL and Central and a trading Receipts and Payments Account for BL, for the Period. By way of reminder, the Companies operated seven hotels, details of which are as follows

Name	Address
Himley Country Hotel	School Road, Himley, Dudley, DY3 4LG (Himley)
Quality Hotel	Symonds Road, Bury St Edmunds, IP32 7DZ (Bury)
Quality Hotel	Old Ipswich Road, Colchester, CO7 7QY (Colchester)
Quality Hotel	Thorpe Meadows, Peterborough, PE3 6GA (Peterborough)
Cromwell Hotel	27 High Street, Old Town, Stevenage, SG1 3AZ (Stevenage)
Quality Hotel	Belvedere Way, Kings Lynn, Norfolk PE30 4NB (Kings Lynn)
Best Western Rockingham Forest Hotel	Rockingham Road, Corby, NN17 4AE (Corby)

- 3.2 The hotels at Himley, Bury, Colchester, Peterborough, Stevenage and Kings Lynn were operated from leasehold premises (collectively the **Leased Hotels**). With the exception of Himley, the leaseholds were owned by West Register (Property Investments) Limited (**WR**) (the **WR Hotels**). All of the leases were held by BL.
- 3.3 The Best Western Rockingham Forest Hotel (**Corby**) was the only freehold property owned by Central however, this was operated by BL.

Sale of assets

Himley

- 3.4 As reported in the Proposals, a sale of the business of the Himley Country Hotel was completed on 28 February 2014 to Budget Hotels Group com Limited (**Budget**), for £3,594. The leasehold was sold for £1 and the stock was sold for £3,587. The sales information, goodwill and IP, contracts, rights of action, plant and machinery, and computer software were sold for £1 each

WR Hotels

- 3.5 The Administrators completed a sale of the business of the WR Hotels to WR on 14 March 2014. The leaseholds were sold for £5 and the plant and machinery was sold for £39,105. The sales information, goodwill and IP, contracts, rights of action and computer software were sold for £1 each. The sale of the business of the WR Hotels enabled the Administrators to preserve the jobs of 133 staff and also reduce the amount of employee preferential and unsecured liabilities in the Administration of BL.

Corby

- 3.6 Christie + Co (**Christies**), had identified a purchaser prior to the Administrators' appointments. The Administrators accepted an offer from the third party and completion of the sale took place on 14 May 2014. To maintain the value in the property and goodwill, the hotel continued to trade, this also minimised the preferential claims in the Administration of BL.

3 7 A table showing the consideration of all of the sales is below for ease of reference

Asset class	Sale consideration for Central - fixed charge £	Sale consideration for BL - fixed charge £	Sale consideration for BL - floating charge £
Freehold property	1,749,995	-	-
Goodwill and intellectual property	-	621,750	-
Computer software	-	1	-
Right of action	-	1	-
Sales information	-	1	-
Customer contracts	-	1	-
Chattels	-	-	28,250
Stock	-	-	9,161
Cash	-	-	2,000
Total	1,749,995	621,754	39,411

Trading

- 3 8 The Administrators ceased trading from each of the sites on the dates that the respective sales completed.
- 3 9 The trading performance of the group of hotels was broadly in line with expectations, however, there were fluctuations between hotels, with some hotels performing better than others
- 3.10 The Administrators are currently finalising the outstanding costs of trading and liaising with Barclays Merchant Services and American Express for the release of final funds held by them. The Administrators are currently undertaking a reconciliation of a number of unidentified receipts with the assistance of their agents, Atlantic Risk Management (Atlantic) and Asset Manager Solutions (AMS)
- 3.11 Following completion of the reconciliation, the Administrators will be able to ascertain and finalise the trading position. At present as shown at Appendix D, a trading loss of £15,180 has been achieved. It is estimated that BL will either achieve a trading loss of up to £15,811 or a maximum trading profit of £9,507. The Administrators will provide an update in the next report, once the final costs and receipts have been identified

Stock

- 3 12 At the date of the appointments, the value of the stock held at the hotels was approximately £28,750. Following completion of the sales of Himley, the WR Hotels and Corby, stock realisations of £36,247 were achieved. Due to fluctuations of the levels of stock during the trading period caused by replenishing stock, the amount realised for the stock was higher than the value as held on the date of appointment.

Cash

- 3 13 Approximately £66,000 was held in BL's bank account at the date of the Administrators' appointments. In accordance with the terms of its security, Barclays offset amounts due and cash of £58,430 has been received.

Debtors

- 3 14 Based on information available at the date of appointment, it was noted that debtors in BL of £300,000 remained outstanding. However, following a review of the debtor ledger it was confirmed that the ledger had not been updated and the majority of the debts related to amounts which had already been paid.
- 3 15 The Administrators were initially assisted by a former employee of BL to pursue the collections due to their knowledge of the systems and debtors. Following this, it was decided that a more concentrated debt collection effort was required and as such, Atlantic were instructed. To date, collections total £46,943 and it is expected that future realisations of approximately £10,000 will be achieved.

Other

- 3 16 Edward Symmons LLP (ES) have been instructed by the Administrators to investigate the rateable values of the hotels to ascertain if there are any potential refunds due to the Companies. ES are currently investigating this matter and an update will be provided in the next report.
- 3 17 In BL, plant and machinery of £39,106 has been realised in addition to furniture and equipment of £28,250, which was held by BL at the date of appointment.

Suspense account

- 3 18 At present funds of £63,924 are held in a suspense account. The monies held in this account are currently being reconciled with the assistance of the purchasers of the hotels, to confirm to whom the monies are payable. The Administrators currently hold third party funds and deposit monies, of which some are due to the purchasers and some will be Administration sales. This will also be reviewed as part of the reconciliation being undertaken to finalise the trading position. This reconciliation will be completed shortly and an update provided in the next report.

4 Investigations

- 4 1 The Administrators conducted investigations into the conduct of the directors and transactions entered into prior to the Companies' insolvencies, as required by the Company Directors Disqualification Act 1986, and Statement of Insolvency Practice 2 - Investigations by Office Holders in Administrations and Insolvent Liquidations. Based upon the outcome of the investigations, there were no matters identified that required further action in either of the Administrations

5 Estimated outcome for creditors

Secured creditor - Barclays Bank PLC

- 5 1 BL and Central both granted a fixed and floating charge debenture, which included a cross guarantee to Barclays on 4 February 2011. At the date of the appointments, Barclays was owed approximately £4.3 million (excluding accrued interest and charges) under its security across the Companies. The Companies are jointly and severally liable for the monies due under the cross-guarantee. To date, Barclays have received distributions of £450,000 and £1.4 million in BL and Central, respectively.

Preferential creditors

- 5 2 Based on current information, preferential creditors of BL are anticipated to be approximately £67,212. It is not expected that a dividend will be available for the preferential creditors of BL. No preferential claims have been received in respect of Central and as the company did not employ any staff, no claims are expected.

Unsecured Creditors' Funds

- 5 3 Where there is a floating charge which was created on or after 15 September 2003, the Administrators are required to create a fund from the Companies' net property available for the benefit of unsecured creditors (Unsecured Creditors' Fund), commonly known as the 'Prescribed Part'.
- 5 4 As the Companies granted a floating charge to the secured creditor after 15 September 2003, the Administrators are required to create Unsecured Creditors' Funds. Based on present information, the Administrators estimate that there will be insufficient funds from which to create a Prescribed Part in either of the Companies. As such, there will be no distribution available for the unsecured creditors of the Companies.

6 What happens next

Creditors' rights

- 6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Administrators provide further information about their fees or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 6.2 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this report, make an application to court on the grounds that the basis fixed for the Administrators' fees are inappropriate, or that the fees charged or the expenses incurred by the Administrators during the period of this report are excessive

Next report

- 6.3 The Administrators are required to provide a progress report within one month of the end of the next six months of the Administrations, or earlier if the Administrations have been finalised. For details of the proposed exit routes please see Appendix J.

For and on behalf of
The Companies



Nick Cropper
Administrator
Encs

Appendix A. Statutory information

Company information

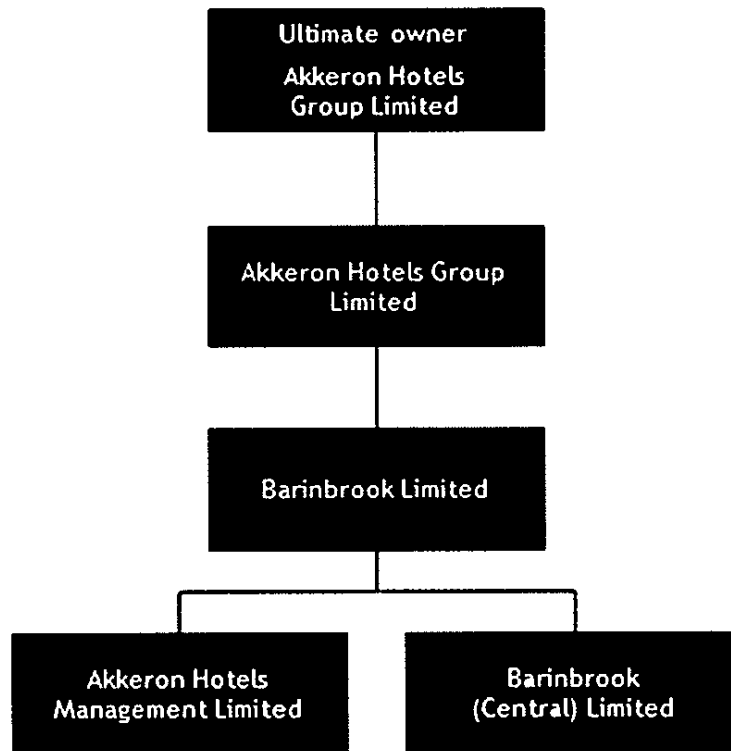
	BL	Central
Company names	Barinbrook Limited	Barinbrook (Central) Limited
Registered numbers	07030246	07453006
Registered office	C/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	
Former registered office	Hanbury Court, Harris Business Park, Hanbury Road, Bromsgrove, Worcestershire, B60 4DJ	
Trading addresses	Symonds Road, Bury St Edmunds, IP32 7DZ	
	School Road, Himley, Dudley, DY3 4LG	
	Old Ipswich Road, Colchester, CO7 7QY	
	Thorpe Meadows, Peterborough, PE3 6GA	
	High Street, Old Town, Stevenage, SG1 3AZ	
	Ramada Kings Lynn, Belvedere Way, Kings Lynn, Norfolk, PE30 4NB	
	Rockingham Road, Corby NN17 4AE	
Trading names	Quality Hotel, Bury St Edmunds	
	Himley Country Hotel	
	Quality Hotel, Colchester	
	Quality Hotel, Peterborough	
	Cromwell Hotel	
	Quality Hotel, Kings Lynn	
	Best Western Rockingham Forest Hotel	
Name of appointor	Philip Matthew Welbourn for and on behalf of the directors	
Address of appointor	C/o Hanbury Court, Harris Business Park, Hanbury Road, Bromsgrove, Worcestershire, B60 4DJ	
Court details	High Court of Justice, Chancery Division, Birmingham District Registry	
Court reference	8096 of 2014	8097 of 2014

Administrators' information

Name	Address	IP numbers	Name of authorising body
Nick Cropper	Zolfo Cooper, 10 Fleet Place, London, EC4M 7RB	9434	Insolvency Practitioners Association
Peter Holder	Zolfo Cooper, 10 Fleet Place, London, EC4M 7RB	9093	Insolvency Practitioners Association
Anne O'Keefe	Zolfo Cooper, 26 Spring Gardens, Manchester, M2 1AB	8375	Insolvency Practitioners Association

In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Administrators are to be exercised by any or all of the Administrators. All references to the Administrators should be read as the Joint Administrators

Appendix B. Group structure



Appendix C. Receipts and Payments Account for Barinbrook Limited for the period 26 February 2014 to 25 August 2014

Statement of Affairs	£	£
Fixed charge assets		
Receipts		
Sales information		2
Goodwill and intellectual property		621,752
Bank interest		166
Contracts		3
Rights of action		3
Sales information		1
Computer software		1
		<u>621,928</u>
Payments		
Pre-appointment fees and disbursements		30,000
Administrators' fees		60,000
Bank charges		65
		<u>(90,065)</u>
Distributions		
Fixed chargeholder		(450,000)
		<u>(450,000)</u>
Balance of fixed charge assets		<u><u>81,863</u></u>

**Statement
of Affairs**

£	£
Floating charge assets	
Receipts	
Leasehold property	6
68,000 Plant and machinery	39,106
Furniture and equipment	28,250
Computer software	2
34,000 Stock	36,247
260,000 Book debts	46,943
Cash at bank	58,430
Bank interest	23
Suspense account	63,924
Third party funds	11,157
Deposit monies	5,375
	<u>289,463</u>
Payments	
Administrators' fees	20,000
Category 1 disbursements	
Specific penalty bond	225
Travel and subsistence	1,790
Storage costs	113
Statutory advertising	85
Stationery and postage	6,996
Telephone charges	15
Category 2 disbursements	
Internal printing and photocopying	588
Mileage	274
Debt collection fees	1,000
Payroll agent's fees	7,023
Legal fees	2,386
Agents' fees	15,132
Trading deficit	15,310
Bank charges	510
	<u>(71,447)</u>
Balance of floating charge assets	<u>218,016</u>
Total balance	<u>299,879</u>
Represented by	
Interest bearing accounts	294,982
VAT receivable	4,897
	<u>299,879</u>

Statement of Insolvency Practice 7 states the headings used in the Receipts and Payments Account should follow those used in any prior statement of affairs (SOA) or estimated outcome statement. The SOA has now been provided and the values updated as shown above.

Appendix D. Trading Account for Barinbrook Limited for the period 26 February 2014 to 25 August 2014

	£
Receipts	
Sales	411,407
	<u>411,407</u>
Payments	
Booking commissions	10,756
Food	35,260
Stock	23,785
Wages	151,772
PAYE and NI contributions	33,707
In-room entertainment	96
Cleaning and laundry	36,008
Beer gas	177
Subscriptions and licences	2,168
Telephone calls	1,133
Equipment rental	1,683
Computer services and supplies	1,957
Bank charges	30,207
Electricity	24,539
Gas	8,709
Water	1,596
Repairs and maintenance	3,934
Stocktaking costs	4,455
Rates	16,876
Legal and professional	2,711
Franchise fees	4,538
AMS management charge	30,261
Ransom payments	389
	<u>(426,717)</u>
Trading deficit	<u>(15,310)</u>

Appendix E. Receipts and Payments Account for Barinbrook (Central) Limited for the period 26 February 2014 to 25 August 2014

Statement of Affairs	£	£
	Fixed charge assets	
	Receipts	
2,400,000	Freehold land and property	1,749,995
	Bank interest	29
		<u>1,750,024</u>
	Payments	
	Administrators' fees	20,000
	Category 1 disbursements	
	Specific penalty bond	225
	Statutory advertising	85
	Travel and subsistence	122
	Stationery and postage	1
	Category 2 disbursements	
	Internal printing and photocopying	1
	Legal fees	2,386
	Agents' fees	48,665
	Bank charges	15
		<u>(71,500)</u>
	Distributions	
	Fixed chargeholder	1,400,000
		<u>(1,400,000)</u>
	Balance of fixed charge assets	<u>278,524</u>
	Represented by	
	Interest bearing account	264,234
	VAT receivable	14,290
		<u>278,524</u>

Statement of Insolvency Practice 7 states the headings used in the Receipts and Payments Account should follow those used in any prior statement of affairs (SOA) or estimated outcome statement. The SOA has now been provided and the values updated as shown above.

Appendix F. Costs incurred and not yet paid

The analysis of the receipts and payments accounts for the Period exclude the following costs which have been incurred by the Companies but not yet paid. All costs will be paid within the agreed period with each supplier.

Cost category	Supplier	Amount not yet paid £
Legal advice	Simmons & Simmons LLP	84,000
Managing agents	Asset Manager Solutions Limited	11,412
Employee claims processing	PAYCO ERA Limited	47
Insurance	Willis Limited	8,634
Total		104,093

Appendix G. Time Analyses and details of time spent

The Administrators' time costs for the Period for BL are £283,134. This represents 1018 hours at an average rate of £278 per hour. The Administrators' time costs for the Period for Central are £33,137. This represents 103 hours at an average rate of £320 per hour

Detailed below are Time Analyses for the Period which provides details of the costs incurred by activity and by staff grade

BL

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Planning	0.3		3.9	7.8	12.0	2,300.00	192
Strategy and control	13.3	6.6	24.4	1.0	45.3	16,489.00	364
Statutory duties	0.1	1.3	3.6	4.4	9.4	2,293.50	244
Case administration			12.4	30.2	42.6	8,998.50	211
Accounting and treasury	1.9	2.1	12.6	21.2	37.8	8,962.50	237
Travel and waiting time		4.0	66.8		70.8	18,224.00	257
Internal documentation		1.9	20.8		22.7	5,778.00	255
Investigations							
Director conduct reports		1.1	10.9		12.0	3,869.00	322
Other investigations		0.5	0.4	0.5	1.4	452.00	323
Internal documentation			4.1		4.1	1,028.00	251
Realisation of assets - fixed charge							
Asset identification and valuation			2.5		2.5	684.00	274
Sale of assets	1.0	5.0	25.0		31.0	10,575.00	341
Asset accounting and administration	0.1	0.2	2.5	0.7	3.5	1,088.50	311
Realisation of assets - debtors							
Debt collection		1.6	34.3	7.8	43.7	13,291.00	304
Internal and external documentation		1.0	11.2		12.2	3,891.00	319
Realisation of assets - floating charge							
Asset realisation strategy		0.5	0.1		0.6	216.00	360
Asset identification and valuation			6.9	0.3	7.2	1,823.00	253
Sale of assets		37.5	16.9		54.4	16,993.00	312
Recovery of assets		5.0	1.9		6.9	2,767.00	401
Dealing with third party assets		0.5	4.1		4.6	1,348.00	293
Asset accounting and administration	1.5	3.6	6.3	1.5	12.9	4,281.50	332
Trading							
Trading strategy		30.3	46.4		76.7	20,898.00	272
Trading activities		15.4	90.6	19.8	125.8	35,091.00	279
Accounting and administration	1.9	1.8	126.6	75.0	205.3	51,711.50	252
Creditors							
Creditor claims				9.1	9.1	1,768.00	194
Creditor strategy		0.2			0.2	67.00	335
Reporting to creditors	0.5	9.9	48.6		59.0	20,006.50	339
Secured creditors		1.4	12.8	0.2	14.4	4,825.00	335
Preferential creditors			6.2		6.2	2,046.00	330
Unsecured creditors	0.1	3.0	21.6	7.1	31.8	8,179.00	257
Employees		2.7	42.0	6.9	51.6	13,189.00	256
Totals	20.7	137.1	666.4	193.5	1,017.7	283,133.50	278

Central

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control	3.1	0.1	1.0		4.2	1,920.50	457
Statutory duties	0.1	0.3	0.3	1.0	1.7	377.00	222
Case administration			2.4	5.4	7.8	1,592.00	204
Accounting and treasury	0.3	0.9	2.0	2.0	5.2	1,459.50	281
Travel and waiting time			4.0		4.0	960.00	240
Internal documentation		0.8	0.3	2.5	3.6	517.00	144
Investigations							
Director conduct reports		0.8	2.4		3.2	1,077.00	337
Other investigations		0.2			0.2	88.00	440
Realisation of assets - fixed charge							
Asset realisation strategy		3.4	1.4		4.8	1,342.00	280
Asset identification and valuation			0.1		0.1	22.00	220
Sale of assets		28.9	1.0		29.9	11,881.00	397
Asset accounting and administration	0.1	1.2	0.2	0.8	2.3	784.00	341
Trading							
Accounting and administration			0.2	0.6	0.8	126.00	158
Creditors							
Creditor claims				1.8	1.8	308.00	171
Creditor strategy		0.1			0.1	28.00	280
Reporting to creditors	0.2	2.4	12.9		15.5	5,281.00	341
Secured creditors		4.3	5.7		10.0	3,534.00	353
Unsecured creditors		1.3	0.7	3.2	5.2	1,120.00	215
Employees			3.0		3.0	720.00	240
Totals	3.8	44.7	37.6	17.3	103.4	33,137.00	320

Principal areas of activity during the Period are discussed in further detail below.

BL

- Administration and planning - time has been spent implementing, monitoring and updating the initial case strategy, complying with statutory duties and performing general administrative work. Time has also been incurred travelling to the hotels and dealing with day one matters. Case related treasury and support time is also recorded here
- Investigations - conducting investigations into the directors' conduct together with the BL's dealings prior to the appointment of the Administrators. Time has also been incurred completing and submitting the report to the department of Business Innovation & Skills (BIS).
- Realisation of assets: fixed charge - formulating a realisation strategy, managing the marketing process, negotiating with interested parties, reviewing offers received and finalising the sales. Time has also been incurred complying with security and insurance requirements at the hotels.
- Realisation of assets: floating charge - liaising with the Administrators' agents in respect of the fixtures and fittings, establishing the most appropriate realisation strategy and managing the sales. Time has also been incurred realising stock at the respective hotels
- Realisation of assets: debtors - reviewing BL's debtors and liaising with Atlantic and BL's staff regarding likely realisations. Time has been charged to communicating and negotiating with debtors regarding outstanding balances and dealing with disputes.
- Trading - preparing trading budgets and forecasts, liaising with suppliers and customers, managing employee issues and overseeing the ongoing trading of the business. Time has been incurred working with AMS and managing the trading activities. Treasury time relating to trading receipts and payments and time spent dealing with employee payroll matters is recorded here.
- Creditors - notifying all creditors of the appointment and preparing statutory reports including the March SIP16 Report and the May SIP16 Report. Time has been incurred communicating and dealing with employee queries and reporting to the secured creditor

Central

- Administration and planning - time has been spent implementing and updating the initial case strategy for Corby, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
- Investigations - conducting investigations into the directors' conduct together with the Central's dealings prior to the appointment of the Administrators. Time has also been incurred completing and submitting the report to the department of Business Innovation & Skills (BIS)
- Realisation of assets: fixed charge - formulating a realisation strategy, managing the marketing process, negotiating with interested parties, reviewing offers received and finalising the sales process of Corby. Time has also been incurred complying with security and insurance requirements at Corby
- Creditors - notifying all creditors of the appointment and preparing statutory reports including the May SIP 16 Report. Time has been incurred communicating reporting to the secured creditor.

Appendix H. Administrators' fees, disbursements and pre-appointment costs

Fees

A copy of 'A Creditors' Guide to Administrations' can be downloaded from Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>). If you would prefer this to be sent to you in hard copy please contact Sundip Nar and on 0161 838 4593, creditorreports@zolfocooper.eu or write to Zolfo Cooper's office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB

Approval of the Administrators' fees has been sought in accordance with rule 2.106 of the Insolvency Rules 1986. On 23 May 2013 the secured creditor approved that the basis of the Administrators' fees be fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administration.

In BL, pre-appointment fees of £30,000 and post-appointment fees totalling £80,000 have been drawn on account. In Central, post appointment fees totalling £20,000 have been drawn on account.

Disbursements

Details of category 1 and category 2 disbursements which have been drawn on account are shown below.

Company	Category 1 disbursements (£)	Category 2 disbursements (£)
BL	9,224	862
Central	433	1

- Photocopying - charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying
- Printing - charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour
- Business mileage for staff travel - charged at the rate of 45 pence per mile

Pre-administration costs

Pre-appointment fees charged and expenses incurred by the Administrators for the Companies are set out below. Approval for the costs was received from the secured creditor on 23 May 2014. Payment of £30,000 was made to Zolfo Cooper LLP (ZC) in respect of the fees and disbursements on 30 June 2014 and no further pre-appointment fees will be drawn. A payment to Simmons & Simmons LLP will be made shortly.

Charged by	Brief description of services provided	Total amount charged £	Amount paid £
Zolfo Cooper LLP	Work in respect of assisting the directors of the Companies to establish viability of continuing to trade whilst in administration. Assisting with the appointment of Administrators.	38,451	29,732
Zolfo Cooper LLP	Disbursements	268	268
Simmons & Simmons LLP	Prepare documentation for the continued trading of the hotels	32,223	Nil
Simmons & Simmons LLP	Disbursements	392	Nil

This has furthered the achievement of the objective of the Administrations by providing a platform for the Companies to continue to trade during the Administrations, which has enhanced realisations.

Appendix I. Additional information in relation to the Administrators' fees pursuant to Statement of Insolvency Practice 9

Policy

Detailed below is Zolfo Cooper's policy in relation to

- staff allocation and the use of sub-contractors;
- professional advisors, and
- disbursements

Staff allocation and the use of sub-contractors

The Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of a partner, an associate director or senior associate, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Administrators' charge-out rate schedule below provides details of all grades of staff and their experience level

With regard to support staff, time spent by cashiers in relation to tasks such as recording transactions and dealing with bank accounts is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution

The following services are being provided on these assignments by external sub-contractors.

Service type	Service provider	Basis of fee arrangement	Cost to date £
Employee claim processing	PAYCO ERA Limited	Hourly rate and disbursements	1,863
Debt collections	Atlantic Risk Management	Hourly rate and disbursements	1,863
Managing agents	Asset Manager Solutions Limited	Hourly rate and disbursements	30,261

Professional advisors

On these assignments the Administrators have used the professional advisors listed below. The Administrators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis

Name of professional advisor	Basis of fee arrangement
Simmons & Simmons LLP (legal advice)	Hourly rate and disbursements
Willis Limited (insurance)	Risk based premium
Christie & Co (valuation and disposal advice)	Percentage of realisations
Edward Symmons LLP (Rateable appeals)	Percentage of realisations
Acorn Stock Management Limited (inventory management)	Fixed fee

Hilco Valuation Services Limited (asset appraisal)

Fixed fee

Fourth Limited (Former payroll agents)

Fixed fee

The Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignments and the basis of their fee arrangement with them.

Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Administrators and their staff will also be chargeable.

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the resolution approved by creditors. Details of category 2 disbursements charged on this case are provided in Appendix H.

Charge-out rates

A schedule of Zolfo Cooper charge-out rates for these assignments effective from 1 April 2014 are detailed below, together with those applicable prior to that date. Time is charged by partners and case staff in units of six minutes.

Description	Rates from 1 April 2014 £	Description	Rates pre 1 April 2014 £
Partner 1 ^(a)	595	Partner 1 ^(a)	595
Partner 2 ^(b)	540	Partner 2 ^(b)	540
Director	520	Director	470
Associate director	440	Associate director	430
Senior associate	390	Senior associate	390
Associate	330	Associate	320
Analyst	280	Analyst	280
Junior analyst	200	Junior analyst	160
Senior treasury associate	230	Senior treasury associate	230
Treasury associate	155	Treasury associate	155
Treasury analyst	100	Treasury analyst	100
Support	84	Support	84

Appendix J. Exit routes and discharge from liability

Dissolution of the Companies

Central does not have property to permit a distribution to its unsecured creditors. The Administrators will therefore file a notice, together with their final progress report, at court and with the Registrar of Companies for dissolution of Central. The Administrators will send copies of these documents to Central and its creditors. The appointment will end following the registration of the notice by the Registrar of Companies.

If BL does not have property to permit a distribution to its unsecured creditors the Administrators will file a notice, together with their final progress report, at court and with the Registrar of Companies for dissolution of the BL. The Administrators will send copies of these documents to the BL and its creditors. The appointment will end following the registration of the notice by the Registrar of Companies.

Creditors voluntary liquidation (CVL)

Based on current information a dividend will not be available to the unsecured creditors of Central. However, a dividend may become available to unsecured creditors of BL by virtue of the Unsecured Creditors' Fund, subject to the realisations achieved for the Companies' remaining floating charge assets. In this scenario, the Administrators will file a notice at the Registrar of Companies in order that the Administration ceases and BL automatically moves into CVL. The Administrators will send copies of these documents to BL and its creditors. The Administrators' appointment will end following the registration of the notice by the Registrar of Companies. In accordance with the Proposals, the Administrators will become the Liquidators of BL.

Discharge from liability

The secured creditor approved on 23 May 2014 that the Administrators will be discharged from liability under paragraph 98 of schedule B1 of the Insolvency Act 1986 directly after their appointments as Administrators ceases to have effect.