

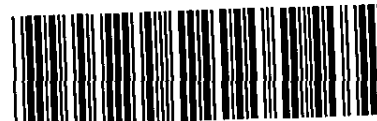
AM03

Notice of administrator's proposals



Companies House

TUESDAY



A22 *A78GIEZS* #174
19/06/2018
COMPANIES HOUSE

1 Company details

Company number 08203300
Company name in full Manchester Terminal 2 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 35 Newhall Street
Street Birmingham
Post town
County/Region
Postcode
Country

4 Administrator's name ①

Full forename(s) Steven
Surname Muncaster

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ①

Building name/number The Chancery
Street 58 Spring Gardens
Post town Manchester M2 1EW
County/Region
Postcode
Country

② Other administrator
Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6

Statement of proposals



I attach a copy of the statement of proposals

7

Sign and date

Administrator's
Signature

Signature

×



×

Signature date

^d1

^d5

^m0

^m6

^y2

^y0

^y1

^y8

AM03 Notice of Administrator's Proposals



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 **Steven Muncaster**

Company name **Duff & Phelps Ltd.**

Address **The Chancery**

58 Spring Gardens

Post town **Manchester, M2 1EW**

County/Region

Postcode

Country

DX

Telephone **+44 (0) 161 827 9000**



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 and dated the form.



Important information

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



Where to send

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

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



Further information

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

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

First Report to Creditors and Statement of Proposals

15 June 2018

Manchester Terminal 2 Hotel Limited T/A Etrop Grange Hotel (In Administration)

Joint Administrators' Statement of Proposals
For the period 25 April 2018 to 15 June 2018
Pursuant of Paragraph 49 of Schedule B1 to the Insolvency Act 1986

Duff & Phelps Ltd.
The Chancery
58 Spring Gardens
Manchester
M2 1EW

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents	GVA Grimley Limited, independent property agents instructed to market the business and assets
the Appointment Date	25 April 2018, being the date of appointment of the Joint Administrators
the Bank or Natwest	Natwest Bank Plc, with whom the Company banked
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Company	Manchester Terminal 2 Hotel Limited (In Administration) (Company Number: 08203300)
DBEIS	Department for Business, Energy & Industrial Strategy
the Directors	Miss Christine Adamson and Mr Donald Fuller, the directors of the Company
Duff & Phelps	Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW
EC Regulation	EC Regulation on Insolvency Proceedings 2000
the Group	Squire Hotels Limited, Hydro Hotel Limited and Manchester Terminal 2 Hotel Limited collectively
HMRC	HM Revenue and Customs
the Hotel	Etrop Grange Hotel, Thorley Lane, Manchester, M90 4EG. The principal trading location of the business.
Hydro	Hydro Hotel Limited t/a The Hydro Hotel
the Joint Administrators	Matthew Ingram of Duff & Phelps Ltd, 35 Newhall Street, Birmingham. B3 3PU and Steven Muncaster of Duff & Phelps Ltd, The Chancery 58 Spring Gardens, Manchester, M2 1EW
Licensed Solutions	Licensed Solutions Limited, independent managing agents instructed to oversee and manage the ongoing trading of the Hotel on behalf of the Joint Administrators
NOIA	Notice of Intention to Appoint Joint Administrators

PK & DF	Paul Kinsella and Donald Fuller as Security Trustee, the holders of a fixed and floating charge over the Company's assets
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 non-preferential unsecured creditors
the Qualifying Floating Charge Holders / QFC's	TCF and PK & DF
the Reporting Period	25 April 2018 to 15 June 2018
the RPS	Redundancy Payments Service
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
Samlesbury	Squire Hotels Limited (In Administration) t/a Best Western Plus Samlesbury Hotel
the Secured Creditors	TCF and PK & DF, both of which hold fixed and floating charges over the Company
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SOA	Statement of Affairs, documentation to be supplied by the Directors outlining the Company's financial position as at the Appointment Date
TCF	Together Commercial Finance Limited, the holder of a fixed and floating charge over the Company's assets
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

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1. Introduction

- 1.1 The Joint Administrators were appointed on the Appointment Date by the Directors of the Company.
- 1.2 *The functions of the Joint Administrators may be exercised by either of the Joint Administrators.*
- 1.3 This report is the statutory statement of proposals of the Joint Administrators. It sets out the circumstances leading up to the Appointment Date and their strategy for achieving the purpose of the Administration, including steps taken to date.
- 1.4 These proposals are deemed to be delivered to creditors within 2 business days of the date of this report.

2. Background

- 2.1 Statutory information on the Company and a summary of its financial history is included at Appendix 1
- 2.2 The Company is a private limited company which was incorporated on 5 September 2012 and registered in England and Wales. It operates from one location and had two directors as at the Appointment Date.
- 2.3 The Company's main activity is that of a hotel and hospitality. Etrop Grange Hotel is the trading name of the Company and is located at Thorley Lane, Manchester, M90 4EG
- 2.4 The Hotel is a grade II listed building comprising of 64 en-suite bedrooms, a number of meeting and function rooms of varied sizes including a main function room which can accommodate up to 200 people and parking spaces for up to 74 cars
- 2.5 The hotel is located in close proximity to Manchester Airport and is therefore frequented by fliers who utilise the hotel prior to and upon their return from travelling. The Hotel also offers a 'stay, park & fly' package which includes a shuttle to the airport and ensures that the customer's vehicle is waiting at the airport upon their return
- 2.6 In addition, the Company benefits from a wedding licence and is a popular venue for weddings given the Hotel's facilities
- 2.7 Based upon a review of the financial statements, in the period ending 31 March 2017, there was a significant increase in Administrative Expenses from c£1.5m to approximately £3.3m. It is understood that this was largely due to impairment losses on the intangible and tangible fixed assets as noted in the accounts prepared. The Joint Administrators are looking into this matter further and it will form part of their statutory investigations.
- 2.8 Although the Hotel was run independently, it operated alongside Samlesbury and Hydro being two completely separate entities. Each of the entities are classified as 'connected' by way of common directorships
- 2.9 The Joint Administrators were also appointed to Samlesbury on 10 April 2018 and this entity is being managed separately to the Company.
- 2.10 For clarity, the Hydro continues to trade under the control of its directors and has not entered an insolvency process
- 2.11 As at the Appointment Date, the Company employed 54 members of staff excluding the Directors

3. Events Leading up to the Administration

- 3.1 During 2016, road improvement works had been undertaken at the front of the Hotel which had an adverse impact on the Company's trading performance at that time in particular with the wedding bookings.
- 3.2 The Hotel's trading performance has improved in recent times as the works are nearing completion and according to the Company's annual accounts for the year ended 31 March 2017, turnover has increased slightly on the previous year.
- 3.3 Despite the slight increase in turnover, the accounts for the year ended 31 March 2017 indicated an operating loss of £1,874,619. This is largely due to the impairment losses as mentioned previously.
- 3.4 The Company was experiencing cash flow pressures which resulted in an outstanding liability accruing to HMRC. Due to non-payment of the debt owed, on 21 February 2018, an enforcement agent representing HMRC entered the Hotel and took control over certain assets including furniture and equipment.
- 3.5 Furthermore, a statutory demand dated 22 February 2018 was served on the Company in respect of non-payment of interest in respect of investors' loan notes.
- 3.6 Due to the Company's financial position and limited cashflow, it became clear that the Company had exhausted all of its available working capital facilities with no prospect of raising immediate additional funding in order to allow the Company to continue trading. The Company was under a threat of a Winding Up Petition being presented in light of the expired period of the statutory demand.
- 3.7 In light of the financial predicament of the Company and the imminent threat of enforcement action, the Directors concluded that the Company was unable to pay its debts as and when they fell due.
- 3.8 The Directors sought insolvency advice from Duff & Phelps and it was proposed that the best option available to the Company would be that of an Administration to enable continuation of trade. Duff & Phelps also discussed the various options available to the Company with TCF and advised that they had recommended that the Company be placed into Administration.
- 3.9 The options that were considered are listed below:
- Company Voluntary Arrangement - this was not considered to be a viable option due to the short timescale available to the Company in light of the threat of enforcement action.
 - Liquidation - this option was considered but again quickly discounted as this would have led to a closure of the Hotel and a piecemeal sale of its assets. Therefore, the achievable value for the assets would be significantly diminished in Liquidation.
 - Administration - it was the opinion of the Joint Administrators that Administration would be the most appropriate insolvent process as an appointment could be made quickly, providing the best opportunity to secure a going concern sale, thus preserving enterprise value in the business and protection of customer orders and employees.
- 3.10 Given the above and in order to preserve the value of the business and assets of the Company, the Directors filed an NOIA to appoint Matthew Ingram and Steven Muncaster as Joint Administrators of the Company on 24 April 2018.

3.11 The Joint Administrators considered their position prior to accepting the appointment and having regard to the Insolvency Practitioners Association's ethical guidelines, considered that there were no circumstances preventing them from accepting the appointment.

3.12 Matthew Ingram and Steven Muncaster of Duff & Phelps were subsequently appointed as Joint Administrators of the Company on 25 April 2018.

4. Purpose of the Administration

4.1 The purpose of an Administration is to achieve one of the following hierarchical objectives:

- Rescuing the company as a going concern, or
- 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), or
- Realising property in order to make a distribution to one or more secured or preferential creditors

4.2 Whilst the Joint Administrators are looking to achieve a going concern sale of the business and assets of the Company, due to the level of creditors and expected realisations, it will be difficult to achieve the first hierarchical objective.

4.3 *The Joint Administrators are pursuing the second objective as it is likely that a better result for the Company's creditors as a whole will be achieved than if the Company were wound up without first being in Administration for the following reasons.*

- Continued trading during the Administration will protect the goodwill of the business and enhance the price that will be obtained for the Hotel when it is sold as a going concern. This would not have been achievable had the business ceased to trade; and
- Continued trading and a going concern sale of the Hotel will help to minimise the Company's liabilities, in particular in respect of employee claims. Employee claims will be minimised as the employees will transfer to the purchaser under TUPE upon the sale of the business and assets, thus avoiding redundancies. Continued trading will also enable pre-booked wedding functions and events to be held and thereby reduce the value of claims for deposits and staged payments

4.4 The third objective will also be achieved as it is anticipated that there will be sufficient funds generated from the sale of the business to ensure a distribution is made to one or both of the Secured Creditors

4.5 The Joint Administrators' proposals for achieving the purpose of the Administration are set out in the remainder of this report.

5. Statement of Affairs

5.1 In the absence of a SOA the Joint Administrators attach a schedule of creditors' names and addresses and Statement of Assets and Liabilities at Appendix 3.

5.2 Employee claims and consumer creditors who have pre-paid deposits for goods or services are summarised.

5.3 Some creditor amounts shown may differ from the actual amount owed. This does not affect their ability to claim.

6. Progress of the Administration to Date

- 6.1 The manner in which the affairs and business of the Company have been managed, since the Appointment Date and will continue to be managed and financed are set out below.

Administration Trading Period

- 6.2 Upon their appointment the Joint Administrators attended the Company's trading premises to secure the assets of the Company and to undertake an immediate review of the Company's financial and operational position.
- 6.3 The decision was immediately taken by the Joint Administrators to continue to trade the business whilst all options were reviewed. It is believed that if a sale as a going concern can be achieved, realisations would be maximised and creditor claims against the Company would be minimised. A going concern sale would also protect the employment of the majority of the Company's workforce.
- 6.4 It is also believed that the continuation of trade would assist with the collection of the pre-appointment book debts. At the Appointment Date the book value of the Company's book debts totalled £48,980.
- 6.5 The Joint Administrators instructed Licensed Solutions to act as independent managing agents assisting the Joint Administrators whilst the Hotel continues to trade
- 6.6 The Joint Administrators required Licensed Solutions to complete a full review of operations, which included staffing levels and other costs. In addition, a full review of the sales and marketing strategy was and continues to be undertaken with a view to increasing the revenue from room, food and beverage sales.
- 6.7 A full update on the Administration Trading Period will be provided to creditors in future progress reports
- 6.8 As previously stated at Paragraph 3.5 a statutory demand dated 22 February 2018 was served on the Company in respect of non-payment of interest in respect of investors' loan notes. A Winding Up Petition was filed at Court on 27 April 2018 and served on the Company's registered office on 2 May 2018. The Joint Administrators instructed this solicitors to contact the petitioner's solicitor and the Court requesting they dispose of the petition due to the Administration.

Sale of Business

- 6.9 Following the Appointment Date, the Joint Administrators instructed the Agents to provide a valuation and marketing advice in respect of the Hotel. The marketing of the Hotel is being progressed with a view to completing a sale as soon as possible.
- 6.10 Due to the commercial sensitivity of the sales process we are unable to provide details of the level of offers received to date. Once a sale of the Hotel has been completed, details of the value obtained will be provided to creditors in subsequent progress reports
- 6.11 A number of offers have been received to acquire the business and assets of the Company. The Joint Administrators and the Agents continue to liaise with interested parties regarding the conditionality of their offers with a view to concluding the sale process in the next week
- 6.12 *It is anticipated that a sale will be completed in the next few months.*

Leasehold Property & Agents

- 6.13 The principal asset of the Company is the leasehold interest of the Hotel located at Thorley Lane, Manchester, M90 4EG. Any sale of the Hotel will likely form part of a going concern sale of the business.
- 6.14 An independent valuation of the Company's business and assets, including the leasehold interest in the Hotel, has been provided by the Agents. An estimated value to realise has not been disclosed in order to not prejudice any future marketing and sale negotiations.

Book Debts

- 6.15 According to the Company's books and records the outstanding debts of the Company totalled £48,980 as at the Appointment Date.
- 6.16 As at the date of this report £15,394 has been realised from the book debts. The book debts continue to be collected.

Cash at Bank

- 6.17 As at the Appointment Date, the Company had cash at bank of £55,605, which was held at NatWest. These funds have been transferred to the Administration bank account by the Bank.

7. Investigations

- 7.1 Investigations into the Company's affairs are currently ongoing.
- 7.2 The Joint Administrators have a statutory obligation to file a report with DBEIS regarding the conduct of the Directors that held office in the three years prior to the Administration. This report must be filed within three months from the Appointment Date and the content of this report is confidential.
- 7.3 The Joint Administrators also have a duty to investigate antecedent transactions which include:
- Transactions to defraud creditors, s 423 of the Act;
 - Preference payments, s 239 of the Act; and
 - Transactions at an undervalue, s.238 of the Act.
- 7.4 A further update on the investigations into the Company's affairs will be provided in subsequent progress reports.

8. Liabilities and Dividends

Secured Creditors

PK & DF

- 8.1 In consideration for the monies advanced under the Loan Notes, the Company granted PK & DF a debenture which was created on 3 February 2015 and delivered on 4 February 2015, which confers fixed and floating charges over all of the assets of the Company.

8.2 As at the Appointment Date, the Company's indebtedness to PK & DF was approximately £6,984,263

8.3 We are currently awaiting formal confirmation of the validity and priority of security. Further details will be disclosed once the confirmation has been received.

TCF

8.4 In consideration for the monies advanced under a loan facility the Company granted TCF a debenture which was created on 26 June 2017 and delivered on 3 July 2017 which confers fixed and floating charges over all of the assets of the Company.

8.5 As at the Appointment Date, the Company's indebtedness to TCF was approximately £1,007,421, subject to the application of interest and charges

8.6 We are currently awaiting formal confirmation of the validity and priority of security. Further details will be disclosed once the confirmation has been received

Preferential Creditors

8.7 Upon the sale of the business and assets of the Company, it is anticipated that the Company's employees will be transferred pursuant to TUPE to a purchaser.

8.8 The Joint Administrators are aware that some former employees of the Company, who left employment immediately prior to the Appointment Date, may be owed arrears of wages

8.9 The Joint Administrators are yet to receive notification of the preferential creditors' claims, however at this stage, it is unclear as to whether there will be sufficient funds available to enable a distribution to preferential creditors

8.10 It is likely that a significant element of the preferential claim will be employees' claims which are mostly subrogated to the Secretary of State, following payment by the RPS.

8.11 Until such time a sale of the Hotel has completed it remains uncertain whether there will be sufficient asset realisations to pay a distribution to preferential creditors.

Prescribed Part

The Prescribed Part is calculated as a percentage of net property, as follows. -

Net property less than £10,000:	50% unless the Joint Administrator considers that the costs of making a distribution to the non-preferential unsecured creditors would be disproportionate to the benefits
---------------------------------	--

Net property greater than £10,000:	50% up to £10,000 plus 20% thereafter to a maximum of £600,000.
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8.12 The Company granted a fixed and floating charge to PK & DF on 3 February 2015, and a fixed and a fixed and floating charge to TCF on 26 June 2017, therefore the Prescribed Part provisions will apply. The estimated net property of the Company is currently unknown until such times as a sale of the business and assets has been completed. Further details will be provided in the next progress report

Non-Preferential Creditors

- 8.13 According to the Company's books and records, non-preferential creditors total £539,231. The non-preferential creditors can be summarised as overleaf:

Creditor	Claim
Trade & Expense Creditors	£135,688
Inter-Company Loan	To be confirmed
HM Revenue & Customs	£279,048
Total	£414,736

- 8.14 Based upon the current information available, it is anticipated that there will be insufficient realisations to enable a distribution to the non-preferential creditors of the Company, other than from the Prescribed Part, if any.
- 8.15 If not already done so creditors of the Company should complete the proof of debt form at Appendix 9 and return same to the Joint Administrators.

9. Statement of Pre-Administration Costs

- 9.1 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 its doing so.
- 9.2 The Pre-Administration work primarily comprised of, but was not limited to, the following:
- Discussions with both the Directors and the Secured Creditors to establish and fully document the strategy for a trading period during the Administration following an appointment;
 - Preparation of a detailed cashflow forecast for a trading Administration;
 - Liaising with the Secured Creditors, the Directors and their lawyers to prepare the necessary paperwork and facilitate the appointment of Administrators

	Pre-Administration Costs Incurred
Duff & Phelps	£16,181 plus disbursements of £482
Clarke Wilmott LLP	£6,465 plus disbursements of £92

All costs are exclusive of VAT

9.3 The Joint Administrators confirm that payment of unpaid pre-Administration costs, as an expense of the Administration, is subject to approval under rule 3.52 of the Rules, and not part of the proposals subject to approval under Paragraph 53 of Schedule B1 to the Act.

9.4 Duff & Phelps have not been paid any fees to date in respect of pre-appointment fees.

10. Costs & Expenses

Estimated Fees and Expenses

10.1 It is proposed that the Joint Administrators' fee basis is based on time costs.

10.2 The time costs already charged since appointment are analysed at Appendix 4. Time is charged in six minute units.

10.3 It is anticipated that there will be insufficient funds available to pay a distribution to non-preferential creditors other than by way of a Prescribed Part distribution, if any. Therefore, the Joint Administrators fees are to be agreed by the Secured Creditors and Preferential Creditors.

10.4 In the Reporting Period the Joint Administrators have primarily been involved in the following work:

- Determining and implementing the trading strategy;
- Controlling the trading activities of the Hotel;
- Dealing with employees;
- Handling the sale of business process and working with the Agents,
- Liaising with creditors and events / function customers; and
- Statutory matters

10.5 The amount proposed to be drawn in fees over the life of the case by the Administrators is shown in Appendix 5. The total amount indicated effectively acts as a cap on the level of fees to be drawn by the Joint Administrators.

10.6 The Administrators estimated expenses of the Administration are detailed at Appendix 7. This Schedule illustrates the estimated expenses for the whole of the Administration and is for information purposes only. No approval is required by creditors. This estimate may change over the course of the Administration but creditors will be informed of any variations with associated reasons in future progress reports.

10.7 Also attached at Appendix 6 is the Fees Narrative, which is a summary of key issues, to assist creditors in understanding the strategy of the Administration, the associated costs and expenses of the related activities and the financial benefit to creditors. Further details of assets and liabilities and the estimated return to creditors, if any, are in the body of this report.

10.8 Details of how to obtain further information relating to the fees and disbursements of the Joint Administrators is in Appendix 8.

11. Joint Administrators' Receipts and Payments Account

11.1 A Receipts and Payments account is provided at Appendix 2 and is self-explanatory.

12. EC Regulation

- 12.1 It is the Joint Administrators' opinion that the EC Regulation applies and these proceedings are main proceedings as defined in Article 3 of the EC Regulation.

13. Deemed Approval

- 13.1 A creditors decision on the approval of these proposals will not be sought as the Joint Administrators believe that the Company will have insufficient property to enable a distribution to be made to non-preferential unsecured creditors, other than the Prescribed Part.
- 13.2 The Joint Administrators' proposals will be deemed approved by the creditors unless creditors whose debts amount to at least 10% of the total debts of the Company request the Joint Administrators to seek a specific decision from the Company's creditors
- 13.3 Further information is provided on Appendix 8

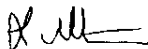
14. End of Administration

- 14.1 The options available to the Joint Administrators for the exit from the Administration are as follows.
- Compulsory Liquidation
 - Creditors' Voluntary Liquidation
 - Dissolution of Company
- 14.2 The Joint Administrators are continuing to investigate the Company's affairs and have yet to form a view on the most likely exit route. A further update in this regard will be provided in the Joint Administrators' next progress report.
- 14.3 You will note from the proposals section below that the Joint Administrators have left the choice of exit route from Administration open so that an alternative strategy can be adopted, should this prove more appropriate at the time.

15. Joint Administrators' Proposals

- 15.1 The Joint Administrators propose the following for the Company.
- 15.1.1 That the Joint Administrators continue the Administration 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.
- 15.1.2 That the Joint Administrators 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
- 15.1.3 That the Joint Administrators, once all outstanding matters have been satisfactorily completed, take the necessary steps to give notice under Paragraph 84 of Schedule B1 of the Act to the Registrar of Companies to the effect that the Company has no remaining property which might permit a distribution to its creditors, at which stage the Administration will cease

- 15.1.4 That the Joint Administrators, where they consider that there are funds available to be distributed to the non-preferential creditors (other than under the prescribed part) take the necessary steps to put the Company into Creditors' Voluntary Liquidation. It is proposed that the Joint Administrators, currently Matthew Ingram and Steven Muncaster of Duff & Phelps would act as Joint Liquidators should the Company be placed into Creditors' Voluntary Liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 3.60(6)(b) of the Rules 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. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators and in accordance with Section 231 of the Act any act 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
- 15.2 The Joint Administrators will be seeking specific agreement to the following proposals from the Secured Creditors and preferential creditors
- 15.2.1 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing
- 15.2.2 That the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration.
- 15.2.3 That the Joint Administrators' Fee Estimate in the total sum of £268,950 is approved
- 15.2.4 That the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements")
- 15.2.5 That the unpaid Pre- Administration Costs totalling £23,220 plus VAT as detailed in the Joint Administrators' statement of pre-Administration costs is approved for payment as an expense of the Administration.
- 16. Other Matters**
- 16.1 If any creditor has any information concerning the Company's affairs that they would like to bring to the Joint Administrators' attention, then please do so.
- 16.2 If you require further information or assistance, please do not hesitate to contact Tom Bond.



Steven Muncaster
Joint Administrator

Enc.

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

Appendix 1

Statutory Information

Statutory Information

Date of Incorporation	5 September 2012
Registered Number	08203300
Company Director(s)	Miss Christine Adamson Mr Donald Fuller
Shareholders	Miss Christine Adamson – 1 Ordinary Shares. Mr Donald Fuller – 1 Ordinary Shares
Trading Address	Thorley Lane Manchester Airport Manchester M90 4EG
Registered Office	Current: Duff & Phelps Ltd. The Chancery 58 Spring Gardens Manchester M2 1EW Former: Unit 2.3 Waulk Mill 51 Bengal Street Ancoats Manchester M4 6LN
Any Other Trading Names	Etrop Grange Hotel

Financial Information

Balance Sheet

		As at 31 March 2017 (Filed)		As at 31 March 2016 (Filed)
Fixed Assets				
Intangible Assets	£	-	£	391,980
Tangible Assets	£	2,340,226	£	3,240,686
	£	2,340,226	£	3,632,666
Current Assets				
Debtors	£	1,560,225	£	1,650,666
Cash at Bank/ in Hand	£	8,295	£	3,253
Stocks	£	10,775	£	7,639
	£	1,579,295	£	1,661,558
Creditors				
Creditor amounts falling due within one year	£	(613,514)	£	(1,608,605)
	£	965,781	£	52,953
Net Current Liabilities				
	£	3,306,007	£	3,685,619
Creditors				
Creditor amounts falling due after more than one year	£	(8,903,680)	£	(6,478,382)
	£	(5,597,673)	£	(2,792,763)
Total Assets less Total Liabilities				

Capital and Reserves

Called up share capital	£	2	£	2
<i>Retained earnings</i>	£	(5,597,675)	£	(2,792,765)
Shareholders' Funds	£	(5,597,673)	£	(2,792,763)

Profit and Loss

	For the Period Ended 31 March 2017 (Filed)		For the Period Ended 31 March 2016 (Filed)	
Turnover	£	2,048,425	£	1,904,683
Cost of Sales	£	(611,265)	£	(432,041)
Gross Profit	£	1,437,160	£	1,472,642
Administrative Expenses	£	(3,311,779)	£	(1,549,278)
Operating Loss / Gain	£	(1,874,619)	£	(76,636)
Other income	£	-	£	1,591
		(1,847,619)		(75,045)
Interest payable and similar expenses	£	350,141	£	289,937
Loss before taxation	£	(2,224,760)	£	(364,982)
Tax on loss	£	580,150	£	(625,000)
Profit/(Loss) for the Year	£	(2,804,910)	£	260,018

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Appendix 2

Receipts and Payments Account

Manchester Terminal 2 Hotel Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 25/04/2018 To 15/06/2018 £	From 25/04/2018 To 15/06/2018 £
POST APPOINTMENT SALES		
Sales	141,648.47	141,648.47
Deposits Taken	28,577.22	28,577.22
Events Receivables	2,420.60	2,420.60
Weddings Receivables	831.12	831.12
	<u>173,477.41</u>	<u>173,477.41</u>
PURCHASES		
Food	2,795.41	2,795.41
Liquor	10,705.41	10,705.41
Other Purchases	8,578.47	8,578.47
	<u>(22,079.29)</u>	<u>(22,079.29)</u>
OTHER DIRECT COSTS		
Staff Wages	116,298.80	116,298.80
	<u>(116,298.80)</u>	<u>(116,298.80)</u>
TRADING EXPENDITURE		
Rents	13,166.67	13,166.67
Telephone & Internet	6,287.97	6,287.97
Bank charges	161.56	161.56
Hire of Equipment	14.63	14.63
Sales Commission	8,507.21	8,507.21
Vehicle Rental	407.69	407.69
Event Expenses	8,908.22	8,908.22
PDQ Set Up & Rentals	885.00	885.00
Credit Card Commissions	4,265.00	4,265.00
Travel Agents Subscriptions & Commi	197.62	197.62
	<u>(42,801.57)</u>	<u>(42,801.57)</u>
TRADING SURPLUS/(DEFICIT)	<u>(7,702.25)</u>	<u>(7,702.25)</u>

Manchester Terminal 2 Hotel Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 25/04/2018 To 15/06/2018 £	From 25/04/2018 To 15/06/2018 £
COSTS OF REALISATION		
Agents/Valuers Fees	6,615.90	6,615.90
	(6,615.90)	(6,615.90)
ASSET REALISATIONS		
Debtors	15,394.38	15,394.38
Cash at Bank	55,605.31	55,605.31
Bank Interest Gross	11.35	11.35
Trading Surplus/(Deficit)	(7,702.25)	(7,702.25)
	63,308.79	63,308.79
	56,692.89	56,692.89
REPRESENTED BY		
VAT Receivable		10,664.96
Floating/main current account		53,590.94
Trustee account		3,252.13
Licensed Solutions		17,514.55
VAT payable		(28,329.69)
		56,692.89

Appendix 3

Schedule of Creditors and Statement of Assets and Liabilities

Supplier Name	Amount
Absolute DJ's	£275.00
Akzo Nobel - ICI Paint	£1,127.52
Alliance	£454.50
Althams	£7,678.01
Ambius	£2,684.51
Approved Media	£790.00
Bon Accord Venues	£8.64
Calder	£273.06
Charmeldon Ltd	£4,878.64
City Appliance Testing Ltd	£624.96
Classic Britain	£30.60
Clubcars	£188.70
C-Mac Partnership	£982.00
CS Compliance	£2,328.00
CTI Hotels	£7.60
David Evans	£1,059.00
Der	£350.00
Diddibox	£65.00
Direct Dry Cleaning	£215.30
Direct Seafoods (Nevefleet wood)	£2,025.78
DJ Drinks	£786.00
EDF	£52,930.88
Elliott	£104.54
Gilchrist and Soames	£517.20
Global Gas UK	£10,554.80
Hotel Connections	£3,112.00
IDS	£480.00
Infotel	£335.97
Jigsaw Conferences	£58.08
Manchester Airport	£15.80
Martin Lavell	£525.05
Mood	£123.26
N Power	1383.44
Office Depo	£405.06
Olleco	£47.86
Oranka Juice	£513.30
PAYE	£6,943.05
PAYE	£9,922.01
Peter Ashley Car Parks	£1,740.00
Polkadot (Paragon Bank)	£2,306.52
Prestige Reservations	£315.00
Priority Business	£183.14
Pristine Washrooms	£456.60
REFood	£108.00
Rock Refridgeration	£232.80
Safe Test UK	£808.98
SCC UK	£386.76
Simon Jersey	£414.87
Simplified Global Stay pty Ltd	£292.80
Sky Guard	£54.00
The Burning Issue	£474.00
The Paper Group	£168.75
Travelclick	£1,337.52
Traveleads	£205.92
United Utilities	£4,614.58
Walker Fire	£568.86
Wilson's	£6,213.74
	£135,687.96

Statement of Assets and Liabilities as at 25 April 2018

	Notes	Book Value £	Estimated to Realise £
<u>ASSETS</u>			
Leasehold Property	1	Uncertain	Uncertain
Cash at Bank			55,605
Stock			Uncertain
Debtors		48,980	48,980
Fixtures & Fittings			Uncertain
<u>LIABILITIES</u>			
Together Commercial Finance	2	-	(1,007,421)
PK & DF	3		(6,984,263)
Preferential creditors	4	-	Uncertain
<i>Non-Preferential Creditor Claims:</i>			
Trade and Expense Creditors	5	-	135,688
Inter-company Creditors	6	-	Uncertain
HM Revenue & Customs	7	-	279,048

Please note: This statement does not take into account Administration costs. In addition, the creditor information was provided to the Joint Administrators prior to their appointment and is currently being updated. Creditor balances may differ from those shown but does not affect creditors' rights to claim the debt due to them in full.

NOTES

1. An estimated value to realise has not been disclosed in order not to prejudice any future marketing and potential sale.
2. Estimated outstanding balance due to Together Commercial Finance.
3. Estimated outstanding balance due to PK & DF.
4. Preferential Creditors are unable to be quantified at present. Further information will be provided in future reports to creditors.
5. Taken from the Company's books and records at the date of appointment.
6. Intercompany position is yet to be established.
7. Claim received from HMRC since appointment.

Appendix 4

Analysis of Time Charged and Expenses Incurred

87060 MANCHESTER TERMINAL 2 HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 03/04/2018 to 25/04/2018

ADP-Admin. - Pre Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning								
Dealing with notice of intention to appoint	0.00	1.40	0.75	3.35	0.00	5.50	1,341.75	243.95
IPS set up & maintenance	0.00	0.00	0.50	0.30	0.00	0.80	177.00	221.25
Insurance	0.00	0.00	0.00	0.40	0.00	0.40	72.00	180.00
Strategy planning & control	0.00	21.70	13.75	6.60	0.00	42.05	14,106.75	335.48
Creditors								
Communications with Creditors / Employees	0.00	0.00	0.00	4.20	0.00	4.20	483.00	115.00
Total Hours:	0.00	23.10	15.00	14.85	0.00	52.95		305.58
Total Fees Claimed: £	0.00	9,596.50	4,275.00	2,309.00	0.00		16,180.50	

87060 MANCHESTER TERMINAL 2 HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 25/04/2018 to 15/06/2018

ADM-Admin. - Post Appt.

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	0.00	0.00	0.40	0.00	0.40	46.00	115.00
Cashiering & accounting	0.00	3.30	5.50	4.70	0.00	13.50	3,767.00	279.04
Dealings with Directors and Management	0.00	0.00	3.25	0.00	0.00	3.25	926.25	285.00
IPS set up & maintenance	0.00	0.00	1.00	3.60	0.00	4.60	725.00	157.61
Statutory matters (Meetings & Reports & Notices)	0.80	2.50	6.00	17.65	0.00	26.95	5,221.25	193.74
Strategy planning & control	1.60	8.30	7.00	11.30	0.00	28.20	8,265.25	293.09
Creditors								
Communications with Creditors / Employees	0.00	0.00	5.75	15.10	0.00	20.85	3,375.25	161.88
Non Pref Creditors / Employee claims handling	0.00	0.00	1.50	1.20	0.00	2.70	643.50	238.33
Secured Creditors	0.00	3.40	1.00	0.00	0.00	4.40	1,560.00	354.55
Realisation of Assets								
Book debts	0.00	0.00	1.50	1.60	0.00	3.10	715.50	230.81
Freehold and Leasehold Property	0.00	0.90	0.00	0.00	0.00	0.90	337.50	375.00
Sale of business	0.80	18.30	28.25	3.00	0.00	50.35	16,071.25	319.19
Trading								
Trading - Accounting	0.00	9.90	0.00	13.25	0.00	23.15	6,219.00	268.64
Trading - Employees	0.00	2.00	5.00	13.25	0.00	20.25	4,560.00	225.19
Trading - Hire Purchase Matters	0.00	0.00	1.00	1.85	0.00	2.85	618.00	216.84
Trading - Insurance	0.00	0.00	4.25	2.45	0.00	6.70	1,652.25	246.60
Trading - Operations	0.50	37.40	47.20	60.95	0.00	146.05	39,446.50	270.09
Total Hours:	3.70	86.00	118.20	150.30	0.00	358.20		262.84
Total Fees Claimed: £	1,961.00	33,733.50	33,687.00	24,768.00	0.00		94,149.50	

Appendix 5

Fee Estimate

Fees Estimate

Project: (87060) Manchester Terminal 2 Hotel Ltd

From Apr 25, 2018 To Apr 24, 2019

Comments

Administration - Post Appointment (New)								
Classification of Work Function	Hours					Total Hours	Time Cost	Avg. Hourly
	Partner	Manager	Senior	Assistant	Support			
Admin & Planning								
Case review and Case Diary management	1.00	2.00	6.00	6.00	1.00	16.00	4,275.00	267.19
Cashiering & accounting	1.00	6.00	13.00	14.00	2.00	36.00	9,505.00	264.03
Dealings with Directors and Management	0.00	2.00	7.00	2.00	0.00	11.00	3,195.00	290.45
IPS set up & maintenance	0.00	0.00	2.00	6.00	2.00	10.00	1,880.00	188.00
Statutory matters (Meetings, Reports and Notices)	3.00	8.00	22.00	26.00	5.00	64.00	16,475.00	257.42
Strategy planning & control	4.00	15.00	14.00	15.00	0.00	48.00	15,110.00	314.79
Creditors								
Communications with Creditors/Employees	0.00	1.00	8.00	20.00	2.00	31.00	6,530.00	210.65
Non Pref Creditors/Employee claims handling	1.00	3.00	5.00	6.00	2.00	17.00	4,525.00	266.18
Secured Creditors	0.00	5.00	3.00	2.00	1.00	11.00	3,430.00	311.82
Investigations								
CDDA, reports & Communication	1.00	2.00	3.00	3.00	1.00	10.00	2,880.00	288.00
Financial review and investigations (S238/239 etc)	1.00	3.00	4.00	8.00	2.00	18.00	4,600.00	255.56
Realisation of assets								
Book debts	0.00	2.00	5.00	3.00	1.00	11.00	2,920.00	265.45
Freehold & Leasehold Property	0.00	2.00	1.00	0.00	0.00	3.00	1,125.00	375.00
Sale of Business	3.00	40.00	35.00	6.00	0.00	84.00	29,445.00	350.54
Trading								
Trading - Accounting	5.00	21.00	43.00	63.00	10.00	142.00	36,215.00	255.04
Trading - Employees	0.00	4.00	15.00	16.00	0.00	35.00	8,835.00	252.43
Trading - Hire Purchase Matters	0.00	0.00	3.00	4.00	0.00	7.00	1,575.00	225.00
Trading - Insurance	0.00	2.00	8.00	5.00	0.00	15.00	4,020.00	268.00
Trading - Operations	10.00	81.00	154.00	152.00	16.00	413.00	112,410.00	272.18
Total Hours	30.00	199.00	351.00	357.00	45.00	982.00		
Total Estimated Fees	15,900.00	83,580.00	100,035.00	64,260.00	5,175.00		268,950.00	

Appendix 6

Fees Narrative

**Manchester Terminal 2 Hotel Limited (in Administration)
Fee Estimate from for the whole period of the Administration**

Matthew Ingram and Steven Muncaster appointed on 24 April 2018
Administration commenced on 24 April 2018

Introduction

The following information is provided to creditors to enable them to consider and approve the Joint Administrators' remuneration. It is a summary of key issues, to assist creditors in understanding the strategy of the Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors

This document should be read in conjunction with the Joint Administrators' Proposals Report which provides further details of the assets, liabilities and estimated return to creditors, if any. Particular reference is made to the Appendices entitled 'Analysis of Time Charged and Expenses Incurred', 'Fee Estimate' and 'Estimated Expenses of the Administration'.

Estimated Fees and Expenses

The Joint Administrators propose that their fees will be based on time costs.

The time costs expected to be incurred over the life of the case by the Administrators is shown in Appendix 5.

The Joint Administrators estimate the expenses of the Administration to total in the region of £68,654 subject to agents fees which will be calculated on a percentage basis of realisations (as shown in Appendix 7). This Appendix illustrates the estimated expenses for the whole of the Administration and is for information purposes (not for approval by any class of creditor). This estimate may change over the course of the Administration but creditors will be informed of any variations with associated reasons in the future Progress Reports

As detailed in paragraph 10.3 of the main report, Secured Creditors and preferential creditors are asked to approve the fee basis (time costs) and also the Fee Estimate in the total sum of £268,950.

Estimated Return to Creditors

On present information it is likely that there will be sufficient funds available to enable a distribution to one or both Secured Creditors.

The Joint Administrators are awaiting legal advice in respect of the Company's security and the order of priority of the security.

Any return to preferential creditors will be dependent upon the overall asset realisations and cost of the Administration.

It is unlikely that a dividend will be received by the non-preferential creditors other than by way of the Prescribed Part; if any.

Strategy

Trading

Upon their appointment the Joint Administrators attended the Company's trading premises to take charge of and secure the assets of the company and to undertake an immediate review of the Company's financial and operational position.

Following consultation with TCF and based on the information collated above, the strategy adopted in the Administration is to trade the Hotel whilst going a concern sale is pursued in order to maintain the goodwill of the business and maximise the value achieved for the Hotel.

By continuing to trade, it is believed that the outcome for creditors will be enhanced through going a going concern sale of the Hotel. In addition, the total level of creditor claims will be minimised by avoiding further redundancies and completing weddings and functions where deposits would otherwise be lost

Trading performance continues to be monitored almost daily. The Joint Administrators monitor trading matters in conjunction with Licensed Solutions

Together with Licensed Solutions, the Joint Administrators have been in dialogue with the Hotel's suppliers to set up new trading accounts

On present information it is estimated that Joint Administrators' time costs in dealing with trading will be £163,055 of which £52,496 has already been incurred. It should be noted that if a sale of the business and assets can be achieved in the short term then it is likely that time costs in respect of trading matters will be greatly reduced.

Asset Realisations

Sale of Business

The Joint Administrators have instructed the Agents to advise them on valuation and the appropriate marketing strategy for the Hotel. A marketing process has been commenced a view to completing the sale within the next few months

Together with the Agents, the Joint Administrators' staff are dealing with enquiries from interested parties regarding the Hotel. There have been a number of interested parties to date however we are currently undertaking a formal marketing process to ensure that the best outcome of the Administration is reached.

The Joint Administrators and/or their staff may be required to have on-site presence when interested parties come to view the site. Follow up discussions and considerations will be required from all parties to ensure that the best value is obtained for the Hotel in order to maximise realisations for creditors

Once a sale has been completed, the Joint Administrators will be required to undergo a wind down of their trading of the business ready for the purchaser to take over as management. This will include reconciling accounts, ensuring all funds are held in the appropriate accounts and ensuring that all receipts and payments during the Administration trading period have been accounted for

All suppliers used by the Joint Administrators will be notified of the purchase as the Joint Administrators are obliged to pay any outstanding liability that has accrued from the Appointment Date to the date of the sale. Accounts may need to be closed accordingly and final meter readings will be submitted to the utility providers.

As noted in paragraph 8.7 of the main report, following a sale of the business and assets of the Company to a purchaser, it is anticipated that the Company's employees will be transferred pursuant to TUPE to the purchaser. In which case the Joint Administrator will provide the purchaser with the employee details and ensure that the relevant paperwork is submitted in order for the employee contracts to be adopted by the purchaser

Book Debts

At the Appointment Date the Company had book debts of £48,980. These are currently in the process of being realised by staff currently retained at the Company with the Administrators' assistance. To date there have been realisations of £15,394 in this respect.

On present information it is estimated that the Administrators' time costs in realising assets will be £33,490, of which £17,124 has already been incurred. The estimated time is mainly attributed to dealing with the sale of business.

Investigations

It is a statutory requirement that the Administrators provide a report to the Secretary of State on the conduct of the Directors in their management of the Company to determine their unfitness to act in such a role. This will entail a broad level of investigation to ensure that best practice standards are met and the Fee Estimate reflects this standard. If the Secretary of State then instigates Directors Disqualification proceedings, further time may be expended in providing supporting documents, witness statements etc. Such investigation may or may not lead to further asset recovery so creditors should not assume that this activity will provide a monetary benefit to the Administration estate.

The Joint Administrators also have a duty to investigate antecedent transactions which include:

- Transactions to defraud creditors, s.423 of the Act;
- Preference payments, s.239 of the Act, and
- Transactions at an undervalue, s.238 of the Act.

Full details of the investigations to be conducted cannot be disclosed at this stage in order to avoid prejudicing any potential recovery or action in this regard. However, a further update on the investigations into the Company's affairs will be provided in subsequent progress reports.

On present information, it is estimated that the Joint Administrators' time costs in concluding these investigations will be £7,480.

Statutory Compliance

An Administrator is highly regulated, being required to conform to insolvency legislation, industry Best Practice policies (Statements of Insolvency Practice) and relevant case law. Consequently Administrators are obliged to undertake many activities that do not provide a financial benefit to creditors. Such matters will include, but are not restricted to: Anti Money Laundering, Bribery Act and Ethical considerations and checks, statutory advertising, regular reporting to creditors including fee agreement procedures, obtaining and securing company books and records, pension review and liaison with the Pension Protection Fund, Companies House filing, completion and release of insolvency bond and various Treasury functions.

Time costs are estimated at £50,440 for the above areas of which £18,951 has already been incurred.

Creditors

The Joint Administrators will be required to deal with creditors' queries, which are expected to be received in relation to any services which have been provided to the Company but not paid for. Furthermore, the creditors will submit their claims which will have to be recorded by the Joint Administrators.

The Joint Administrators have also been involved in dealing with assisting deposit creditors who have paid initial deposits and staged payments for weddings and other functions. Such work will assist in reducing the level of claims against the Company and assist in the sale of the Hotel for maximum value.

In addition, the Joint Administrators have a duty to communicate with the Secured Creditors in respect of the charges held against the Company's assets, updates on realisations and anticipated timeframes for distributions.

Based on current information, it is anticipated that there will be insufficient asset realisations to enable a distribution to non-preferential creditors. However, should any such distribution become likely, it's anticipated that it will be by way of the Prescribed Part only.

In addition, the Joint Administrators will have to deal with the RPS and the Company's former employees in respect of preferential elements of employee claims as noted previously.

Time costs in relation to dealing with creditors are estimated at £14,485, of which £5,579 has already been incurred.

Appendix 7

Estimated Expenses of the Administration

Manchester Terminal 2 Hotels Limited (In Administration)
Joint Administrators' Estimated Expenses for the Whole of the Administration

Appendix 7

Notes	Company	Activity	Date of Instruction	Fee Basis	Anticipated Total Cost £
1	Agents				
2	GVA Grimley	Marketing and sale of the Hotel	26 April 2018	% of realisations	Uncertain
3	Licensed Solutions Limited	Managing agents instructed to assist the Joint Administrators with the trading of the Hotel	26 April 2018	Monthly fixed fee	48,475.00
	<i>Total agents costs</i>				<u>48,475.00</u>
1	Professional Fees				
4	TBC	Corporation Tax & VAT advice and returns	Not yet instructed	Time costs	£ 500.00
5	Clarke Willmott LLP	Assistance with sale of the business and other ad hoc legal matters	26 April 2018	Time costs	£ 7,000.00
	<i>Total professional fees</i>				<u>£ 7,500.00</u>
6	Other Expenses				
7	Statutory advertising				257.80
	Storage				200.00
	<i>Total other expenses</i>				<u>457.80</u>
	Disbursements				
8	Category 1				
9	Bond premium				225.00
	<i>Total Category 1 disbursements</i>				<u>225.00</u>
10	Category 2				
11	Mileage @ 45p per mile				1,000.00
	<i>Total Category 2 disbursements</i>				<u>1,000.00</u>
	Total Estimated Expenses				TOTAL <u>£68,653.80</u>

Notes to Estimated Expenses Schedule

- 1 The Joint Administrators' choice of agents will be based on the perception of the experience and ability of the respective firms/individuals to perform the work, the complexity and nature of the assignment and the basis of their fee.
- 2 Due to the commercial sensitivity of the sales process we are unable to provide the estimated costs of GVA Grimley in order to not detriment the value of the sale of the Hotel.
- 3 The fees for Licensed Solutions Limited have been based on the standard charges noted in their initial Letter of Engagement. A six month sale period has been assumed for estimation purposes therefore costs have been calculated accordingly. Please note that these costs are subject to change based on the timescale of the sale of the Hotel.
- 4 Accountants will be instructed to complete a review of the Company's tax position within the last three years to understand any terminal loss relief claims and also assist with the completion of the relevant Corporation Tax Returns for the Administration trading period.
- 5 Legal fees will be incurred in respect of ongoing ad hoc legal advice along with assisting with the sale of the Hotel. It is assumed that the solicitors will charge on a time costs basis and the process will proceed smoothly in a short timeframe.
- 6 Statutory advertising in the London Gazette is required under insolvency legislation.
- 7 Books and records of the Company will be stored off site with an external provider for at least the duration of the Administration plus one year. In addition, it is a statutory requirement that books and records of the Administration must be kept for 6 years after the conclusion of the Administration.
- 8 **Category 1 disbursements** are payments to independent third parties where there is specific expenditure directly referable to the Administration.
- 9 This is a statutory requirement and is dependent on the value of the assets.
- 10 **Category 2 disbursements** are costs that are directly referable to the Administration but not to a payment to an independent third party.
- 11 Mileage is the reimbursement of staff expenses, at a specified rate, travelling by car to attend meetings and to attend site when required. A nominal figure is shown.

The total anticipated expenses is an estimate based on information at the commencement of the appointment. The estimate should therefore be treated with caution as matters are likely to change over the life of the Administration.

The above costs exclude VAT.

Appendix 8

Statement of Creditors' Rights

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 Tom Bond at Tom.Bond@duffandphelps.com or call 01618279000.

This notice is accompanied by the Joint Administrators' Statement of Proposals

Information for creditors on remuneration and disbursements of administrators

Information regarding the fees and disbursements of administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at:

<https://www.duffandphelps.co.uk/services/restructuring/corporate-restructuring-and-debt-advisory/creditor-guides-and-employee-fact-sheets>

(click on the document 'Administration (appointment from 1 October 2015)'). Should you require a copy, please contact this office.

Creditors may requisition a decision to be made by all of the creditors for approval of the Joint Administrator' Proposals under para 52(2) Schedule B1 Insolvency Act 1986

The Joint Administrators shall seek a decision from the Company's creditors as to whether they approve the proposals if requested by creditors of the Company, whose debts amount to at least 10% of the total debts of the Company. Such a request must be received by the Joint Administrators within 8 business days of the date on which the Joint Administrator's statement of proposals is delivered.

The request for a requisitioned decision must include a statement of the purpose of the proposed decision and either—

(a) a statement of the requesting creditor's claim together with—

- a list of the creditors or contributories concurring with the request and of the amounts of their respective claims or values, and
- confirmation of concurrence from each creditor; or

(b) a statement of the requesting creditor's debt and that that alone is sufficient without the concurrence of other creditors

Creditor/s may be requested to meet the costs of a requisitioned decision and a deposit will be required for this purpose. These costs may be ordered to be paid as an expense of the Administration if the creditors so resolve.

A requisitioned decision must be made within 28 days of receiving the deposit or the expiry of 14 days without the Administrator informing the requesting creditor of the deposit sum.

Appendix 9

Proof of Debt Form

Administration Claim Form

Manchester Terminal 2 Hotel Limited - In Administration Date of Administration: 25 April 2018	
Name of creditor (If a company please also give company registration number).	
Address for correspondence	
Tel No:	REF: Contact:
Total amount of claim, as at date of Administration Order, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into Administration, less any payments made after that date in respect of such claim, and any adjustment by way of set off.	DETAIL CLAIM: £
If the amount above includes outstanding uncapitalised interest please state amount.	£
Details of any documents by reference to which the debt can be substantiated.	
Particulars of how debt arose and date incurred (use space overleaf if necessary)	
Particulars of any security held, the value of the security, and the date it was given.	
Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	
Signature of creditor or person authorised to act on his behalf: Name in BLOCK LETTERS:	
Position with or in relation to creditor:	
Address of person signing (if different from 2 above):	

PLEASE ATTACH ANY DOCUMENTARY EVIDENCE OF CLAIM (eg statements, invoices)

Admitted to vote for <div style="text-align: right;">£</div>	Admitted for dividend for <div style="text-align: right;">£</div>
Date	Date
Chairman / Administrator	Administrator