

# AM10

## Notice of administrator's progress report



Companies House

SATURDAY



A22 \*A7JEIHXV\* #187  
24/11/2018  
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

Post town Birmingham

County/Region

Postcode B33PU

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 ②

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.

AM10

Notice of administrator's progress report

**6** Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
To date	<sup>d</sup> 2	<sup>d</sup> 4	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8

**7** Progress report

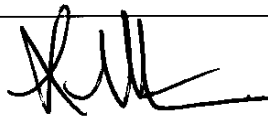
☒ I attach a copy of the progress report

**8** Sign and date

Administrator's  
signature

Signature

X



X

Signature date

<sup>d</sup> 2	<sup>d</sup> 2	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 8
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# AM10

## Notice of administrator's progress report



### 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 **Sam Bevan**

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 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

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# **Joint Administrators' Progress Report to Creditors**

22 November 2018

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

*Joint Administrators' Progress Report to Creditors  
For the period from 25 April 2018 to 24 October 2018*

**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 agents who were instructed to value and assist with the marketing and sale of the Hotel
the Appointment Date	25 April 2018, being the date of appointment of the Joint Administrators
the Bank / NatWest	National Westminster Bank Plc, with whom the Company banked
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Chattel Agent	GTC Appraisals Limited, independent agents who were instructed to value the chattel assets of the Company
the Company	Manchester Terminal 2 Hotel Limited (In Administration) (Company Number: 08203300)
DBEIS	Department for Business, Energy & Industrial Strategy
the Directors	Christine Adamson and 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
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
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 creditors

the Proposals	The Joint Administrators' Report to Creditors and Statement of Proposals issued on 15 June 2018
the Qualifying Floating Charge Holders / QFC's	TCF and PK & DF
the Reporting Period	The period from 25 April 2018 to 24 October 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's assets
the Solicitors	Clarke Wilmott LLP, independent solicitors instructed to conduct a security review
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SIP 13	Statement of Insolvency Practice 13 - industry best practice for Insolvency Practitioners regarding the acquisition of assets of insolvent companies by Directors
SIP 16	Statement of Insolvency Practice 16 - industry best practice for Insolvency Practitioners, which includes a requirement for disclosure of information with respect to a 'Pre-Packaged' sale of business and/or assets of the Company
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
TCG Notice	Taking Control of Goods Notice issued against the Company by HMRC on 21 February 2018
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

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8. Joint Administrators' Costs and Expenses
9. Extension of the Administration and Conclusion
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1. Statutory Information
2. *Joint Administrators' Receipts and Payments Account*
3. Analysis of Time Charged and Expenses Incurred
4. Statement of Creditors' Rights

<b>Names of Joint Administrators:</b>	Matthew Ingram Steven Muncaster
<b>Date of appointment:</b>	25 April 2018
<b>Date of report:</b>	22 November 2018
<b>Appointed by:</b>	The Directors of the Company
<b>Court reference:</b>	High Court of Justice Chancery Division Birmingham District Registry No. 8101 of 2018



## **1. Introduction**

- 1.1 The Joint Administrators were appointed on the Appointment Date by the Directors, pursuant to paragraph 22 of Schedule B1 to the Act.
- 1.2 In accordance with Paragraph 100(2) of Schedule B1 to the Act, the functions of the Joint Administrators may be exercised by either or both of the Joint Administrators.
- 1.3 The purpose of this report is to provide creditors with details of the progress of the Administration during the Reporting Period. This report should be read in conjunction with the Proposals.
- 1.4 Statutory information on the Company is attached at Appendix 1.

## **2. Joint Administrators' Report to Creditors and Statement of Proposals**

- 2.1 *In accordance with Paragraph 52(1) (b) of Schedule B1 to the Act, a creditors' meeting was not required to be held as it was anticipated that there would be insufficient realisations to enable a distribution to non-preferential creditors, other than the Prescribed Part, if any. No meeting was convened and the Proposals were deemed to have been approved by creditors on 29 June 2018.*
- 2.2 As advised in the Proposals, the Joint Administrators must perform their functions with the purpose of achieving 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.
- 2.3 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 not be possible to achieve the first hierarchical objective.
- 2.4 The Joint Administrators are pursuing the second objective as it was likely that a better result for the Company's creditors as a whole would be achieved than if the Company were wound up without first being in Administration. This objective will be achieved upon completion of the sale of the business and assets of the Company on a going concern basis as the employees of the Company will transfer across to the purchaser under TUPE, therefore mitigating the level of preferential and non-preferential claims received in the Administration.
- 2.5 The third objective will also be achieved as there will be sufficient funds generated from the sale of the business to ensure distributions are made to both of the Secured Creditors.
- 2.6 A further update and confirmation on whether the objectives of the Administration have been achieved will be contained in the next report.

## **3. Progress of the Administration**

- 3.1 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**

- 3.2 As detailed in the Proposals, the Joint Administrators took control of the Company's assets and continued to trade the business whilst a sale of the business and assets was pursued.
- 3.3 The Administrators are of the opinion that if a sale as a going concern is 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.
- 3.4 *In the Reporting Period, the Joint Administrators and Licensed Solutions have continued to trade the Hotel whilst a purchaser for the Hotel is sought.*
- 3.5 The Administration strategy included the Joint Administrators' intention to honour all wedding and events bookings that were due to be held during the Administration trading period. To date, there have been 29 weddings held at the Hotel with future events also booked but yet to take place. The Hotel has also received correspondence from parties enquiring about making future bookings in respect of weddings and events at the Hotel.
- 3.6 A detailed trading account for the Reporting Period is included at Appendix 2 which shows a trading surplus of £150,361 on a cash accounting basis. However, additional expenditure has been committed to, but not yet paid, in the Reporting Period, therefore Licensed Solutions' Profit and Loss Account up to the end of October 2018 is also included for information.
- 3.7 You will note from the Profit and Loss Account that a net loss of £84,896 has been incurred. As discussed in further detail in the Proposals and this report, the Joint Administrators deemed it to be necessary to continue to trade the business in order to achieve a sale of the Hotel as a going concern. It should be further noted that the loss of £84,896 includes exceptional costs, *lost deposits, ransom supplier payments and payroll costs relating to the period prior to the Joint Administrators' appointment.*
- 3.8 In addition to the benefits of achieving a sale of the Hotel as a going concern as detailed above, it was also believed that the continuation of trade would assist with the collection of the pre-appointment book debts and maximise other asset realisations for the benefit of the creditors.

### **Sale of Business and Assets**

- 3.9 *The principal asset of the Company is the leasehold interest of the Hotel located at Etrop Grange Hotel, Thorley Lane, Manchester, M90 4EG.*
- 3.10 Following appointment, 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.
- 3.11 Marketing particulars were circulated to a list of interested parties from both Duff & Phelps and the Agents' interested party database which contained over 1,400 contacts combined. *Non-Disclosure Agreements were subsequently received from a total of 62 interested parties who were provided with access to a data room containing additional information on the business and assets of the Company.*
- 3.12 A total of eight formal offers have been received to acquire the business and assets of the Company. The Joint Administrators and the Agents entered into discussions with the interested parties regarding the conditionality of their offers with a view to concluding the sale process as soon as possible.

- 3.13 Best and final offers were requested from the interested parties by 8 June 2018 and discussions with these parties continued beyond this date whilst due diligence was being undertaken. The Joint Administrators considered all offers in conjunction with the Secured Creditors and the Agents in respect of their recommendation.
- 3.14 With the Secured Creditors' consent, a decision was made to accept the offer from the preferred bidder who had no conditions attached to the purchase. Draft contracts have been issued and contract negotiations are continuing. It is also necessary to hold discussions with the Landlord in order to obtain consent to the assignment of the lease to the Purchaser.
- 3.15 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.
- 3.16 It is anticipated that a sale will be completed within the short term.

#### **Chattel Assets**

- 3.17 Prior to the Appointment Date, the Company experienced cashflow problems which led to HMRC issuing a TCG Notice on 21 February 2018 in respect of a large outstanding liability of £228,471.
- 3.18 The TCG Notice contained an inventory of certain chattel assets owned by the Company and demanded payment of the outstanding liability by 28 February 2018 to avoid the scheduled assets being sold in lieu of the debt.
- 3.19 The Joint Administrators held discussions with the Solicitors and HMRC to dispute HMRC's stance in this regard. Following numerous correspondence with HMRC, the Joint Administrators subsequently received a letter from HMRC on 7 September 2018 confirming that the TCG Notice had been withdrawn.
- 3.20 The Joint Administrators subsequently obtained independent valuations of the assets from the Chattel Agent.
- 3.21 The Joint Administrators have been advised that certain equipment and fixtures & fittings in the Hotel are owned by the Company which comprises of furniture, computer equipment and other movable items. All of these assets are utilised as part of the ongoing trading of the Hotel and these assets will likely form part of a going concern sale.
- 3.22 In order not to prejudice any future sale, the valuation provided cannot be disclosed at this time. *Further details will be provided to creditors in future reports.*

#### **Book debts**

- 3.23 At the Appointment Date, the Company's book debt ledger indicated an outstanding balance of £48,980.
- 3.24 The outstanding book debts as at the Appointment Date have been collected in full during the Reporting Period by the Joint Administrators with the assistance of Licensed Solutions. An amount of £16,249 is being held by the Joint Administrators as detailed in the Receipts and Payments account in Appendix 2. The remaining balance is currently being held by Licensed Solutions and will be transferred across to the Administration account shortly.

#### **Cash at Bank**

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

#### **Gross Bank Interest**

- 3.26 Bank interest of £57 has been received to date.

#### **4. Investigations**

- 4.1 The Joint Administrators have complied with their statutory obligations to file a report with the DBEIS *concerning the conduct of all directors of the Company that served in the three years prior to the Joint Administrators appointment*. The content of this report is confidential and has been submitted to the Insolvency Service.
- 4.2 However, the Joint Administrators' investigations into the Company's affairs are currently ongoing. The Joint Administrators cannot, at this stage, detail the nature of these investigations as it may hamper any further action that may be required. However, should any of the Company's creditors have information concerning the Company's affairs that they would like to bring to the Joint Administrators' attention, please contact this office.

#### **5. Dividend Prospects / Prescribed Part**

##### **Secured Creditors**

##### **TCF**

- 5.1 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 the assets of the Company.
- 5.2 As at the Appointment Date, the Company's indebtedness to TCF was approximately £1,007,421, subject to the application of interest and charges.
- 5.3 The Joint Administrators have discussed the position with the Solicitors who have provided written confirmation that as TCF have a legal charge registered at the Land Registry, this effectively overarches the security registered at Companies House in favour of PK & DF in respect of the lease of the Property. As such, the Joint Administrators can confirm that TCF is the first ranking Secured Creditor.
- 5.4 Based on the information currently available, it is anticipated that TCF will be repaid in full under its security.

##### **PK & DF**

- 5.5 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.
- 5.6 At the date of appointment, the Company's indebtedness to PK & DF totalled £6,984,263.

- 5.7 As detailed above, PK & DF hold a second ranking charge in respect of the lease of the Property. It is understood that PK & DF will have a first ranking charge over the realisation of the goodwill and a first ranking floating charge should there be sufficient funds to distribute from the floating charge realisations.
- 5.8 Based on the information currently available, it is anticipated that PK & DF will receive a distribution from asset realisations, however, it will be insufficient to enable them to be repaid in full.

#### **Preferential Creditors**

- 5.9 Preferential creditors' claims consist of employee claims for arrears of pay and holiday pay for any employees who left prior to the Appointment Date. It is understood that only one employee has submitted a claim in this regard which has been paid by the RPS.
- 5.10 The RPS submitted a subrogated preferential claim totalling £800 on 24 May 2018 in respect of *payments made to the former employee of the Company, who left employment immediately prior to the Appointment Date and was owed arrears of wages*. No other claims have been received to date.
- 5.11 Upon the sale of the business and assets of the Company, it is anticipated that the Company's remaining employees will be transferred to the purchaser pursuant to TUPE. As disclosed in the Profit and Loss Account at Appendix 2, the Joint Administrators paid salaries in the sum of £58,060 to the retained employees in respect of the period relating prior to the Appointment Date which would otherwise rank as preferential claims for arrears of pay.
- 5.12 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**

- 5.13 The Company granted a floating charge to PK & DF on 3 February 2015, and a floating charge to TCF on 26 June 2017, therefore the Prescribed Part provisions will apply.
- 5.14 The Prescribed Part is calculated as a percentage of the 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 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   |
- 5.15 The estimated net property of the Company is currently unknown until such time that a sale of the business and assets has been completed. Further details will be provided in the next Progress Report.

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

- 5.16 According to the Company's books and records, non-preferential creditors total £539,231.

5.17 Non-preferential claims received to date total £1,026,432 and can be summarised as follows:

Creditor	Claim
Trade & Expenses Creditors	£ 326,597
Inter-Company Loan	To be confirmed
HMRC	£ 699,835
<b>Total</b>	<b>£ 1,026,432</b>

5.18 According to the Company's records there is an Inter-Company loan, however this is still subject to the Joint Administrators' investigations and as such, the exact figure is still to be determined.

5.19 Based upon 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.

## 6. Joint Administrators' Receipts and Payments Account

6.1 A detailed Receipts and Payments Account, including a Trading Account, for the Reporting Period is shown in Appendix 2.

6.2 Also attached at Appendix 2 is a Profit and Loss Account prepared on an accruals basis which has been provided by Licensed Solutions to display a more accurate trading position.

## 7. Pre-Administration Costs

7.1 The Joint Administrators have obtained approval from the Security Trustee in respect of the following pre-Administration costs. However, fee approval has not yet been received from TCF and the Joint Administrators are currently liaising with TCF in this regard.

Name of Recipient	Brief Description of Services Provided	Pre-Administration Costs Incurred
Duff & Phelps	Pre-Administration Time Costs	£16,181 plus disbursements of £482
Clarke Wilmott LLP	Assistance in placing the Company into Administration	£6,465 plus disbursements of £92
<b>Total</b>		<b>£22,646 plus disbursements of £574</b>

- 7.2 Duff & Phelps have not drawn any fees to date in respect of pre-appointment remuneration and Clarke Wilmott are also yet to receive payment. It is anticipated that payment of the pre-Administration costs will be made following the sale of the Hotel.

**8. Joint Administrators' Costs and Expenses**


- 8.1 In addition to the above, the Joint Administrators have also received consent from the Security Trustee in respect of the basis of their post appointment remuneration. Again, fee approval has not yet been received from TCF and the Joint Administrators are currently liaising with TCF in this regard.
- 8.2 The time costs charged in the Reporting Period by the Joint Administrators are as analysed at Appendix 3. Time has been charged in six-minute units.
- 8.3 The total time costs incurred by the Joint Administrators to 24 October 2018 are £178,207 representing 694 hours with an average charge out rate of £257.
- 8.4 In accordance of SIP 9, the Joint Administrators have provided creditors with additional information regarding the major areas of time incurred during the Reporting Period.
- Time costs totalling £80,146 have been incurred under the heading Trading. This time includes the daily management of the Company, liaising with Licensed Solutions and staff at the Hotel regarding general ongoing day to day trading matters, liaising with suppliers, managing trading accounts, dealing with employment contracts and all other trading matters that arise on a day to day basis
  - Time costs of £23,718 have been incurred under the heading Sale of Business. This has involved time spent marketing the business and assets of the hotel for sale, holding regular discussions with the Agents and negotiating with interested parties for the sale of the Hotel.
  - Time costs of £14,043 have been incurred under the heading Strategy, Planning & Control. This represents time spent reviewing the strategy of the case and holding both internal and external discussions surrounding the progress and general strategy of the Administration to ensure the case is progressed in an effective and timely manner.
  - Time costs of £14,839 have been incurred under the heading Statutory Matters (Meeting, Reports & Notices). This relates to time spent dealing with all statutory matters required for the Administration during the Reporting Period including the formalities following appointment, including drafting and distributing the statutory letters and the Proposals.
  - Time costs of £8,961 have been incurred under the heading Cashiering and Accounting. This relates to the management of the bank account and processing both the receipts and payments, including the payment of wages of the Company's employees.
- 8.5 To date, the Joint Administrators are yet to draw any fees in relation to the Company.
- 8.6 The Joint Administrators have incurred expenses and disbursements in dealing with the Administration of the Company and these are detailed at Appendix 3.
- 8.7 A Statement of Creditors' Rights concerning the Joint Administrators' fees is enclosed at Appendix 4.
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**9. Extension of the Administration and Conclusion**

- 9.1 An Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the creditors' consent.
- 9.2 It is possible that the sale of the Hotel may result in it being necessary to extend the period of the Administration. In such circumstances, the Joint Administrators will seek consent of the Secured Creditors to extend the term of the Administration.
- 9.3 Following completion of all outstanding matters, it is expected that the requisite notice to move to dissolution will be submitted to the Registrar of Companies pursuant to Paragraph 84 of Schedule B1 to the Act.
- 9.4 Following registration of this notice by the Registrar of Companies, the Joint Administrators appointment will cease to have effect, and they will be discharged from liability under Paragraph 98(3) of Schedule B1 of the Act.
- 9.5 Three months from the requisite notice being registered, the Company will be dissolved.

**10. Next Report**

- 10.1 The Joint Administrators are required to provide a progress report within one month of the end of every six-month period.
- 10.2 The next progress report to creditors will be issued no later than 24 May 2019, if not earlier, in the event that the Administration is completed.
- 10.3 If you have any queries or require any further assistance, please do not hesitate to contact my colleague Sam Bevan of this office.



**Steven Muncaster**  
Joint Administrator

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

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

**Appendix 2**

**Joint Administrators' Receipts and Payments Account**

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

Statement of Affairs £	From 25/04/2018 To 24/10/2018 £	From 25/04/2018 To 24/10/2018 £
POST APPOINTMENT SALES		
Sales	929,212.86	929,212.86
Deposits Taken	44,396.83	44,396.83
Events Receivables	18,969.60	18,969.60
Weddings Receivables	13,528.00	13,528.00
	1,006,107.29	1,006,107.29
PURCHASES		
Food	63,247.94	63,247.94
Liquor	49,206.40	49,206.40
Other Purchases	41,732.12	41,732.12
	(154,186.46)	(154,186.46)
OTHER DIRECT COSTS		
Staff Wages	335,324.51	335,324.51
Agency Staff	3,723.10	3,723.10
Attachment of Earnings	1,662.39	1,662.39
Tax/NI	54,112.72	54,112.72
	(394,822.72)	(394,822.72)
TRADING EXPENDITURE		
Waste Disposal	3,762.81	3,762.81
Rents	39,499.99	39,499.99
Heat & Light	34,299.87	34,299.87
Travel	1,203.70	1,203.70
Telephone & Internet	34,578.42	34,578.42
Laundry	23,198.65	23,198.65
Professional Fees	815.00	815.00
Bank charges - trading account	1,034.65	1,034.65
Equipment Rental	1,198.83	1,198.83
Hire of Equipment	14.63	14.63
Repairs & Maintenance	20,022.53	20,022.53
Sundry Expenses	1,868.06	1,868.06
Sales Commission	9,636.60	9,636.60
Vehicle Rental	2,752.69	2,752.69
Car Parking	17,049.10	17,049.10
Stationery	451.18	451.18
Ransom Payments	8,908.22	8,908.22
PDQ Set Up & Rentals	3,385.00	3,385.00
Credit Card Commissions	25,171.70	25,171.70
Function Costs	8,815.00	8,815.00
Marketing Fees	2,407.89	2,407.89
Travel Agents Subscriptions & Commi	66,662.29	66,662.29
	(306,736.81)	(306,736.81)
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>150,361.30</b>	<b>150,361.30</b>

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

Statement of Affairs £	From 25/04/2018 To 24/10/2018 £	From 25/04/2018 To 24/10/2018 £
<b>COSTS OF REALISATION</b>		
Agents/Valuers Fees	33,036.15	33,036.15
Marketing Advertisement	1,891.89	1,891.89
	(34,928.04)	(34,928.04)
<b>ASSET REALISATIONS</b>		
Debtors	16,249.38	16,249.38
Cash at Bank	55,605.31	55,605.31
Bank Interest on LS trading account	57.18	57.18
Trading Surplus/(Deficit)	150,361.30	150,361.30
	222,273.17	222,273.17
<b>COST OF REALISATIONS</b>		
Agents/Valuers Fees	4,522.00	4,522.00
Agents/Valuers Disbursements	22.00	22.00
Statutory Advertising	84.60	84.60
	(4,628.60)	(4,628.60)
	<b>182,716.53</b>	<b>182,716.53</b>
<b>REPRESENTED BY</b>		
VAT Receivable		6,977.51
Floating/main current account		126,521.19
Trustee account		32,505.99
Licensed Solutions		146,926.39
VAT payable		(33,216.27)
General VAT control account		(96,998.28)
		<b>182,716.53</b>

**MANCHESTER TERMINAL 2 LTD (IN ADMINISTRATION)**  
**ETROP GRANGE HOTEL PROFIT & LOSS**

**OCTOBER YEAR TO DATE**

	Actual
<b>SALES</b>	
Accommodation	660,115
Food	235,253
Liquor	150,231
Catering Other	42,888
Other Income	42,283
	<b>1,130,770</b>
<b>COST OF SALES</b>	
Rooms Costs	36,881
Commission	82,284
Food COS	80,049
Liquor COS	58,497
Catering Other COS	11,959
Other COS	1,814
	<b>(271,484)</b>
<b>PAYROLL</b>	
Rooms payroll	156,518
Catering payroll	200,897
	<b>(357,415)</b>
<b>DIRECT EXPENSES</b>	
Rooms	3,021
Catering	10,154
Leisure	0
Other	22,627
	<b>(35,802)</b>
<b>DEPARTMENTAL PROFITS</b>	
Rooms	381,410
Catering	66,816
Leisure	0
Other	17,841
	<b>466,067</b>
<b>OPERATING COSTS</b>	
Administration	74,342
Sales & Marketing	24,524
Maintenance	30,200
Utilities	64,395
LS Fees	45,596
CC Commission	24,692
Fixed Costs	92,225
	<b>(355,974)</b>
<b>HOTEL EBITDA</b>	<b>110,093</b>
Exceptional Costs	(28,662)
Lost Deposits	(98,332)
Ransom Payments	(9,936)
Pre-appointment payroll	(58,060)
<b>NET PROFIT</b>	<b>(84,897)</b>

## **Appendix 3**

### **Analysis of Time Charged and Expenses Incurred**

**87060 MANCHESTER TERMINAL 2 HOTEL LIMITED**
**ANALYSIS OF TIME COSTS FOR THE PERIOD 25/04/2018 to 24/10/2018**

ADM-Admin. - Post Appt.

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost £	Avg Hourly Rate £
<b>Administration and Planning</b>								
Case review & Case Diary management	0.00	1.70	4.00	7.85	0.00	13.55	3,241.00	239.19
Cashiering & accounting	0.00	6.20	7.25	22.80	0.00	36.25	8,961.25	247.21
Dealings with Directors and Management	0.00	0.50	3.25	0.70	0.00	4.45	1,262.25	283.65
IPS set up & maintenance	0.00	0.40	1.00	3.70	0.00	5.10	911.00	178.63
Insurance	0.00	0.00	0.00	0.25	0.00	0.25	45.00	180.00
Statutory matters (Meetings & Reports & Notices)	0.50	9.80	14.25	44.50	0.00	69.05	14,839.00	214.90
Strategy planning & control	2.50	14.50	7.80	28.65	0.00	53.45	14,043.00	262.73
Tax Compliance / Planning	0.00	0.10	1.10	0.70	0.00	1.90	485.00	255.26
<b>Creditors</b>								
Communications with Creditors / Employees	0.00	0.20	7.05	29.55	0.00	36.80	6,268.25	170.33
Non Pref Creditors / Employee claims handling	0.00	0.00	2.00	3.25	0.00	5.25	1,125.75	214.43
Secured Creditors	0.50	10.20	6.10	1.75	0.00	18.55	6,406.50	345.36
<b>Investigations</b>								
CDDA & reports & Communication	0.00	1.60	3.00	15.85	0.00	20.45	4,330.50	211.76
Financial review and investigations (S238/239 etc)	0.00	0.00	1.65	16.85	0.00	18.50	3,438.25	185.85
Forensic Sales Ledger Investigation	0.00	0.30	0.00	1.35	0.00	1.65	369.00	223.64
<b>Realisation of Assets</b>								
Book debts	0.00	4.00	5.00	4.25	0.00	13.25	3,870.00	292.08
Freehold and Leasehold Property	0.00	11.60	0.00	0.00	0.00	11.60	4,579.50	394.78
Other Tangible Assets	0.00	0.40	0.00	0.00	0.00	0.40	168.00	420.00
Sale of business	0.80	30.55	37.40	4.20	0.00	72.95	23,718.25	325.13
<b>Trading</b>								
Trading - Accounting	0.00	20.80	3.85	57.00	0.00	81.65	19,503.75	238.87
Trading - Employees	0.00	2.20	6.00	15.00	0.00	23.20	5,244.00	226.03
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	7.80	2.45	0.00	10.25	2,664.00	259.90
Trading - Operations	1.00	51.90	58.65	81.10	0.00	192.65	52,115.75	270.52
<b>Total Hours:</b>	<b>5.30</b>	<b>166.95</b>	<b>178.15</b>	<b>343.60</b>	<b>0.00</b>	<b>694.00</b>		<b>256.78</b>
<b>Total Fees Claimed: £</b>	<b>2,809.00</b>	<b>66,011.75</b>	<b>50,849.75</b>	<b>58,536.50</b>	<b>0.00</b>		<b>178,207.00</b>	



**Manchester Terminal 2 Hotel Limited (In Administration)**  
**Joint Administrators' Expenses of the Administration**

			Reporting Period	
Company	Activity	Fee Basis	Incurred £	Paid £
Agents / Valuers Fees & Disbursements				
GVA Grimley Limited	Marketing and Sale of the Hotel	% of realisations	Uncertain	Nil
Liscensed Solutions Limited	Managing agents instructed to assist the Joint Administrators with the trading of the Hotel.	Fixed Fee	39,876	39,876
GTC Appraisals Limited	Chattel Asset Valuation Reports	Fixed Fee	2,272	2,272
Consultancy Fees				
UK Financial Services	Pension Consultancy	Fixed Fee	315	315
Carl Darcy	Sales and Marketing Consultancy	Fixed Fee	500	500
Statutory Advertising				
Courts Advertising Limited	Statutory Advertising as required by the Act	Fixed Fee	85	85
Marketing Advertisement				
Estates Gazette Media	Advertisement for marketing purposes	Fixed Fee	1,892	1,892
Total			44,940	44,940

The above costs exclude VAT

**Notes to Estimated Expenses Schedule**

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

## **Appendix 4**

### **Statement of Creditors' Rights**

## **STATEMENT OF CREDITORS' RIGHTS**

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

*Section numbers refer to Insolvency Act 1986*

*'Office-holder' is the current Administrator as applicable*

### **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 'Liquidation (appointment from 1 October 2015)'. Should you require a copy, please contact this office.

### **Creditors have the right to request information from the office-holder under rule 18.9**

A secured creditor, a non-preferential creditor with the concurrence of at least 5% in value of the non-preferential creditors (including the creditor in question) or any non-preferential creditor with the permission of the court may make a written request to the office-holder for further information concerning remuneration or expenses. Such a request must be made within 21 days of receipt of this report and a response will be provided within 14 days of receipt of the request.

Creditors have recourse to court, application to be made within 21 days of the office-holder giving reasons for not providing all the information requested or the expiry of the 14 days within which an office-holder must respond to a request.

### **Creditors have the right to challenge the office-holder's remuneration and expenses under rule 18.34**

A secured creditor, a non-preferential with the concurrence of at least 10% in value of the non-preferential creditors (including that creditor) or any non-preferential creditor with the permission of the court, may make an application to court on the grounds that the remuneration charged or expenses incurred are excessive and/or that the basis fixed for the office-holder's remuneration is inappropriate. The application to court must be made no later than eight weeks after receipt of the Progress Report where the charging of the remuneration or the incurring of expenses in question occurs.