

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

08863973

Name of Company

Hotelserve Limited

I / We

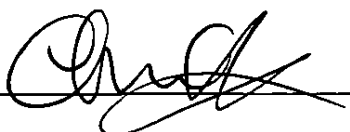
Charles Michael Brook, The Media Centre, 7 Northumberland Street, Huddersfield, HD1 1RL

Simon Thomas, 88 Wood Street, London, EC2V 7QF

the liquidator(s) of the company attach a copy of my/our Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 26/09/2014 to 25/09/2015

Signed



Date

02.11.15.

Brook Business Recovery Limited
The Media Centre
7 Northumberland Street
Huddersfield
HD1 1RL

Ref 2054/CMB/MSM

TUESDAY



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COMPANIES HOUSE

Liquidator's Annual Progress Report to Creditors & Members

**Hotelserve Limited - In
Liquidation**

**For the period 26 September
2014 – 25 September 2015**

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1 Introduction and Statutory Information

- 1 1 Charles Brook of Brook Business Recovery Limited, The Media Centre, 7 Northumberland Street, Huddersfield, HD1 1RL and Simon Thomas of Moorfields Corporate Recovery Limited, 88 Wood Street, London, EC2V 7QF were appointed Joint Liquidators of Hotelserve Limited ("the Company") on 26 September 2014. This report provides an update on the progress of the liquidation for the year ended 25 September 2015.
- 1 2 The registered office of the Company has been changed to The Media Centre, 7 Northumberland Street, Huddersfield, HD1 1RL and its registered number is 08863973.
- 1 3 The Liquidators' appointment followed the administration of the Company which ended on 26 September 2014, the Company having been placed into Administration on 19 May 2014.

2 Realisation of Assets

- 2 1 Attached at Appendix A is the Liquidators' Receipts and Payments Account for the period from 26 September 2014 to 25 September 2015.

VAT Refund for Administration Period

- 2 2 A payment of £4,512.18 has been received from HM Revenue and Customs in respect of the VAT refund for the administration period.

Funds from Administrator

- 2 3 This relates to the balance of funds held by the Administrator at the time of his ceasing to act, which has now been received into the liquidation.

Book Debts

- 2 4 The only remaining asset to be realised is the Company's book debt ledger, which at the date of the administration of the Company was approximately £1.2 million. As a consequence of the Company being unable to pay staff located on site at the customer premises, the majority of the Company's contracts were terminated prior to the Company ceasing to trade. As a result a number of the debtors are claiming set off in respect of wages paid by them to retain the essential services of the staff.
- 2 5 Agreements were reached with some of the debtors and payments received by the Administrator totalled £40,597.46. Negotiations are ongoing with the remaining debtors.
- 2 6 The Joint Liquidators continued the dialogue with the debtors until, having been unable to reach any agreement, instructed Gateley LLP, solicitors, to assist in the collection of the residual balance of the ledger.

3 Investigations

- 3 1 In accordance with the Company Directors Disqualification Act 1986 I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills (BIS). As this is a confidential report, the Liquidators are not able to disclose the contents.

- 3 2 To complete this report a review of the Company's financial accounts, bank statements and the directors' questionnaires were undertaken regarding the period leading up to the Liquidation, to ascertain whether or not there had been any misconduct by the Directors in the form of any preference payments, transactions at an undervalue or wrongful trading
- 3 3 As part of their duties, the Liquidators are obliged to review all information available to them and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of the creditors. This initial assessment included enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Company
- 3 4 In addition, we have carried out the following
- Instructing solicitors in respect of the debtors,
 - Corresponding and attending with solicitors in relation to the proposed strategy in order to recover the debtors, and,
 - Regular correspondence with HMRC in respect of the progress of the Liquidation and the potential recoveries identified by the Liquidators
- 3 5 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment also took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire

4 Creditors

Secured Creditors

- 4 1 The records at Companies House show the Company to have one unsatisfied charge

Jani-King (GB) Limited in Administration ('Jani-King')

- 4 2 Jani-King hold a debenture dated 13 March 2014 granting them a fixed and floating charge over the assets of the Company. At the date of the Administration of the Company Jani-King was owed £75,000. No payments have been made to Jani-King under the terms of its debenture
- 4 3 As this floating charge post dates 15 September 2003 the prescribed part provisions will apply

Preferential Creditors

- 4 4 The Company's preferential creditors relate to claims from the former employees of the Company in respect of unpaid wages and holiday. Employees have submitted claims to the Redundancy Payments Service ('RPS') which have been processed and I am currently awaiting a claim from the RPS in respect of the payments made to the former employees
- 4 5 The prospect of a dividend being paid to the preferential creditors is dependent upon the realisations from the book debt collections

Unsecured Creditors

- 4 6 I have received claims totalling £312,069.69 from 8 creditors. There are 6 other creditors who have yet to submit claims
- 4 7 Any distribution to the unsecured creditors will be from the prescribed part as detailed above and will be dependent upon the level of recoveries from the book debts

5 Pre Appointment Costs

- 5 1 As the Liquidators appointment immediately followed the appointment of the Administrator there are no pre appointment costs in relation to the liquidation

6 Liquidator's Remuneration

- 6 1 On 6 August 2014 at a meeting of creditors held by correspondence Creditors approved the Administrators Proposals that included a resolution that the Administrator's remuneration be fixed by reference to the time properly spent by him and his staff in attending to matters arising in the Administration Creditors further resolved that the Administrator should become Liquidator of the Company jointly with Simon Thomas of Moorfield Corporate Recovery Limited Where the Administrator is appointed Liquidator of a company in the absence of a Committee of Creditors or alternate resolution, the Liquidator is deemed authorised to draw remuneration by reference to the terms upon which he was previously authorised as Administrator

- 6 2 On 6 February 2015 at a meeting of creditors by correspondence Creditors approved a resolution that Simon Thomas of Moorfield Corporate Recovery Limited by authorise to draw remuneration by reference to time costs properly incurred by himself and his staff

- 6 3 The following time costs have been incurred by the Liquidators

	Amount incurred to date £	Paid to date £	Amount Outstanding £
Brook Business Recovery Limited - 26 September 2014 to 25 September 2015	9,059 50	Nil	9,059 50
Moorfields Corporate Recovery Limited – 26 September 2014 to 25 September 2015	18,265 00	Nil	18,265 00
Total	27,324 50	Nil	27,324 50

- 6 4 Attached as Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation

- 6 5 Attached as Appendix C is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade

7 Liquidator's Expenses

- 7 1 The following expenses have been incurred since my appointment as Liquidator

Supplier /Service Provider	Nature of expense incurred	Amount incurred to date £	Paid to date £	Amount Outstanding £
Willis	Bordereau – Charles Brook	158 40	Nil	158 40
	Bordereau – Simon Thomas	336 00	Nil	336 00
Courts Advertising Limited	Advertising	169 20	Nil	169 20
Total		663 60	Nil	663 60

7 2 No Category 2 disbursements have been charged in this matter

8 Creditors' rights

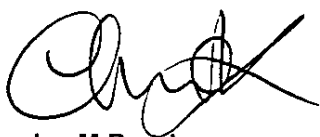
8 1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about his remuneration or expenses which have been itemised in this progress report

8 2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive

9 Next Report

9 1 As detailed above the collection of the retentions is still ongoing. Once all assets have been realised I will look to pay a distribution to the preferential creditors following which after calculation of the prescribed part I will distribute to the floating charge creditor and unsecured creditors in respect of the prescribed part

9 3 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final progress report ahead of convening the final meeting of creditors



Charles M Brook
Joint Liquidator

**Hotelserve Limited
(In Liquidation)**

**Joint Liquidators' Abstract Of Receipts And Payments
To 25 September 2015**

RECEIPTS	Statement of Affairs (£)	Total (£)
Book Debts	Uncertain	0 00
VAT Refund for Administration Period	4,512 18	4,512 18
Funds from Administrator	13,291 16	13,294 73
Bank Interest Net of Tax		20 14
		<hr/>
		17,827 05

PAYMENTS

Funds from Administrator		2 70
Agents/Valuers Fees (1)		283 50
Legal Fees (1)		473 00
Bank Charges		8 70
Employee Arrears/Hol Pay	(24,390 00)	0 00
Floating Charge Creditor	(75,000 00)	0 00
Trade & Expense Creditors	(535,062 75)	0 00
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		767 90
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Net Receipts/(Payments)		17,059 15

MADE UP AS FOLLOWS

Bank 1 Current	16,964 55
VAT Receivable / (Payable)	94 60
	<hr/>
	17,059 15

Note - VAT is not recoverable



Charles Michael Brook
Joint Liquidator

Time Entry - Detailed SIP9 Time & Cost Summary

2054 - Hotelserve Limited
From 26/09/2014 To 25/09/2015
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
700 Formalities	0 30	1 10	0 80	0 00	2 20	418 00	190 00
702 Cashiering	0 00	0 00	0 00	3 40	3 40	340 00	100 00
703 File Reviews	1 30	2 20	0 00	0 00	3 50	830 00	237 14
705 Taxation & VAT	0 00	0 00	0 00	0 50	0 50	50 00	100 00
802 Directors communication	0 70	0 00	0 00	0 00	0 70	210 00	300 00
Admin & Planning	2 30	3 30	0 80	3 90	10 30	1,848 00	179 42
600 Case Specific	0 30	0 50	0 40	0 00	1 20	244 00	203 33
Case Specific Matters	0 30	0 50	0 40	0 00	1 20	244 00	203 33
501 Unsecured Creditors	0 30	0 00	0 30	0 00	0 60	130 50	217 50
502 Employee Matters	1 00	2 60	0 60	0 00	4 20	901 00	214 52
Creditors	1 30	2 60	0 90	0 00	4 80	1,031 50	214 90
201 CDDA Reports	0 50	0 00	0 30	0 00	0 80	190 50	238 13
Investigations	0 50	0 00	0 30	0 00	0 80	190 50	238 13
202 Pursuing Antecedent Transactions	3 30	1 10	0 00	0 00	4 40	1 210 00	275 00
303 Book Debts	4 20	15 50	1 30	0 00	21 00	4 535 50	215 98
Realisation of Assets	7 50	16 60	1 30	0 00	25 40	5,745 50	226 20
Total Hours	11 90	23 00	3 70	3 90	42 50	9,059 50	213 16
Total Fees Claimed						0 00	

Time Entry - Detailed SIP9 Time & Cost Summary

HOSE001 HotelServe Limited
From 26/09/2014 To 25/09/2015
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
10 Case Planning	0.00	0.25	1.50	0.00	1.75	428.75	245.00
12 Appointment Notification	0.00	0.00	1.20	0.00	1.20	240.00	200.00
14 Statutory Reporting	0.00	0.00	0.50	0.00	0.50	122.50	245.00
15 Case Monitoring	0.20	3.50	4.50	0.00	8.20	2,565.50	312.87
18 IPS Case Set Up	0.00	0.00	0.50	0.00	0.50	100.00	200.00
18 Case Review	0.00	0.00	0.30	0.10	0.40	89.50	223.75
19 Partner Review	0.25	0.00	0.00	0.00	0.25	128.75	519.00
70 Post report VAT and CT returns	0.00	0.00	1.50	0.00	1.50	348.50	232.33
Admin & Planning	0.45	3.75	10.00	0.10	14.30	4,023.50	281.38
71 Other Assets	0.00	0.00	2.00	0.00	2.00	407.50	203.75
34 Debtors	0.00	1.50	9.40	0.00	10.90	2,861.00	265.23
38 Asset related legal matters	0.00	0.00	4.80	0.00	4.80	1,179.00	245.00
Asset Realisation	0.00	1.50	16.20	0.00	17.70	4,474.50	252.80
72 Legal Matters	0.00	0.00	4.20	0.00	4.20	840.00	200.00
Case Specific Matters	0.00	0.00	4.20	0.00	4.20	840.00	200.00
50 Creditor Correspondence	0.00	2.80	0.00	0.00	2.80	1,140.00	407.14
52 Secured creditor claims/Reporting	1.00	0.00	0.00	0.00	1.00	515.00	515.00
50 Creditors meetings	0.00	0.00	7.50	0.00	7.50	1,717.50	229.00
53 Secured creditor reports	0.00	0.00	2.50	0.00	2.50	522.50	209.00
Creditors	1.00	2.80	10.00	0.00	13.80	3,895.00	282.25
20 SIP2 Review	0.00	0.30	15.30	0.00	15.60	3,844.00	246.41
21 CDDA Reports	0.50	0.00	1.00	0.00	1.50	482.50	321.67
22 Antecedent Transactions	1.00	0.00	0.00	0.00	1.00	705.50	371.32
Investigations	1.50	0.30	17.20	0.00	19.00	5,032.00	264.84
Total Hours	2.95	8.38	57.00	0.10	68.00	18,268.00	264.71
Total Fees Claimed						6.00	

ADDITIONAL INFORMATION IN RELATION TO OFFICE HOLDERS FEES IN ACCORDANCE WITH STATEMENT OF INSOLVENCY PRACTICE 9

For a copy of the guide, **A Creditor's Guide to Insolvency Practitioners' Fees** you may log on to the website of the Association of Business Recovery Professionals ("R3") at www.r3.org.uk

1 Policy

Detailed below is this firm's policy in relation to

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

1.1 Staff Allocation and the use of Sub-contractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Our charge out rate schedule below provides details of all grades of staff and their experience level.

We have not utilised the services of any sub-contractors in this case.

1.2 Professional Advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Work Undertaken	Basis of Fee Arrangement
Gateley LLP	Legal fees in relation to Book Debts	Time Costs
Keeble Hawson	Legal fees in relation to employee tribunal matters	Time Costs

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

1.3 Disbursements

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice

guidance¹ requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at

Best practice guidance classifies expenses into two broad categories

□ **Category 1 expenses** (*approval not required*) – specific expenditure

- that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external supplier's invoice or published tariff of charges, with the exception of any items referred to below, all such items are re-charged to the case as they are incurred

□ **Category 2 expenses** (*approval required*) – all other items of expenditure

- Which cannot, or cannot easily, be directly related to a particular insolvency case because there is an element of shared or allocated cost, and/or
- Where the cost of the expense incurred is an estimated, unitised cost with the estimate based on external costs or opportunity cost

(A) The following items of expenditure are re-charged as described

- Internal meeting room usage for the purpose of statutory meetings of creditors is re-charged at the rate of £50 per meeting provided that at least 1 creditor attends,
- Car mileage is re-charged at the rate of 45 pence per mile,
- Storage of books and records (when not rechargeable as a *Category 1 expense*) is recharged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates,

(B) The following items of expenditure will normally be treated as general office overheads not subject to a re-charge

- Telephone and facsimile
- Printing and photocopying
- Stationery

A re-charge may be made, however, where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 expense*

2 Charge-out Rates

A schedule of charge-out rates for this assignment effective from 1 July 2014 is detailed below

Grade of Staff	Charge-out rate £ per hour Brook Business Recovery Limited	Charge-out rate £ per hour Moorfield Corporate Recovery Limited
Partner / Appointment Taker	300	
Manager	200	
Administrator	135	
Cashier	100	

3 Ethics

Brook Business Recovery is bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. This Code sets out fundamental principles dealing with requirements for integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. A copy of the Code can be found on the website of the Association of Business Recovery Professionals ("R3") at www.r3.org.uk. We shall be happy to deal with any queries that you might have in this regard.

4 Quality of service and complaints procedure

We pride ourselves on providing a high quality service at all times. However, if at any time you would like to discuss with us how our service could be improved, or if you are dissatisfied in any way with the service, please contact our principal, Charles Brook directly. We undertake to look into any complaint carefully and promptly and to do all that we can to resolve the issue. If you feel that our service is less than satisfactory, we undertake to do everything reasonable to address your concerns.

If you are still not satisfied, or if you would simply prefer to do so in the first instance, you may of course take the matter up with The Insolvency Service which is the division of The Department for Business Innovation and Skills (BIS) with overall responsibility for the maintenance of standards in our industry. For this purpose you are invited to use The Insolvency Service Complaints Gateway.

The contact details for the Gateway are:

Email: ip_complaints@insolvency.gsi.gov.uk

Tel: 0845 602 9848 – calls are charged at between 1p and 10.5p per minute from a land line, for mobiles, between 12p and 41p per minute if you are calling from the UK.

By Post: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA

Further information on the Gateway can be found at:

<http://bis.gov.uk/insolvency/contact-us/IP-Complaints-Gateway>