

The Insolvency Act 1986

Statement of administrator's proposals

Pursuant to paragraph 49 of Schedule B1 to the Insolvency Act 1986
and Rule 2.25 of the Insolvency (Scotland) Rules 1986

Name of Company Stirling Highland Hotel Limited	Company number SC111734
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(a) Insert full name(s) and
address(es) of
administrator(s)

We (a) Paul Williams, Paul Clark and David Whitehouse of Duff & Phelps Ltd., The
Shard, 32 London Bridge Street, London SE1 9SG

attach a copy of our proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 27 October 2014

Signed 
Joint Administrator

Dated 27/10/14

Contact Details:

You do not have to give any contact information in
the box opposite but if you do, it will help Companies
House to contact you if there is a query on the form.
The contact information that you give will be visible
to searchers of the public record

	Tel
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF
DX 235 Edinburgh / LP 4 Edinburgh-2



SCT

30/10/2014

#143

COMPANIES HOUSE

THURSDAY

Report to Creditors

27 October 2014

**Carlton Hotel (Edinburgh) Limited
Scottish Highland Hotels Limited
Stirling Highland Hotel Limited
(All in Administration)**

Joint Administrators' Report to Creditors and Statement of
Proposals
for the period 11 September 2014 to 22 October 2014
Pursuant to Paragraph 49 of Schedule B1 to the
Insolvency Act 1986

**Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London
SE1 9SG**

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
Addleshaw Goddard	Addleshaw Goddard LLP, solicitors instructed by the Joint Administrators
the Appointment Date	11 September 2014, being the date of appointment of the Joint Administrators
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administrations
DBIS	The Department for Business, Innovation and Skills
the Director	Declan McKelvey, the director of all of the companies in the Group
Duff & Phelps	Duff & Phelps Ltd., The Shard, 32 London Bridge Street SE1 9SG
EC Regulation	EC Regulation on Insolvency Proceedings 2000
the English & Welsh Companies	Combe Grove Manor Hotel & Country Club Limited, Furlong Cotswolds Limited, Furlong Hotels Limited, Old Ship Hotel (Brighton) Limited, Paramount Hotels Limited, Paramount Hotels (Basingstoke) Limited, Paramount Hotels (Daventry) Limited, Paramount Hotels (Hinckley) Limited, Paramount Hotels Walton Hall Limited, Paramount Hotels Services Limited, UK Hotels (Finance) Plc, Paramount Hotels Group Limited, Paramount Hotels Holdings Limited, Paramount Hotels Investments Limited, The Lygon Arms Hotel Limited (All in Administration)
the Former Directors	Peter Procopis and Michael Jourdain, the directors of the Parent Company and former directors of the Group
the Group	Carlton Hotel (Edinburgh) Limited, Scottish Highland Hotels Limited and Stirling Highland Hotel Limited (All in Administration)
Hilco	Hilco Appraisal Europe, valuation agents instructed by the Joint Administrators
HMRC	HM Revenue and Customs
the Joint Administrators	Paul David Williams, Paul John Clark and David John Whitehouse of Duff & Phelps Ltd., The Shard, 32 London Bridge Street, London SE1 9SG
Knight Frank	Knight Frank LLP, valuation agents instructed by the Joint Administrators
LSREF or the Secured Creditor	LSREF III Wight Limited, the holder of various charges and securities registered against the Group
MMS	Maclay Murray and Spens LLP, solicitors instructed by the Joint Administrators

the Parent Company	UK Group of Hotels plc (In Administration) (Company Number: 05112298)
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 Purchaser	The purchasers of the businesses and assets of the Group as detailed in Appendix 8
the Reporting Period	11 September 2014 to 23 October 2014
RPS	Redundancy Payments Service
the Rules	Insolvency (Scotland) Rules 1986
the Security Trustee	Hudson Agency Services Limited
SIP 9	Statement of Insolvency Practice 9 (Scotland) – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SIP 16	Statement of Insolvency Practice 16 (Scotland) – Industry best practice for Insolvency Practitioners in relation to disclosure of information with respect to a 'Pre-Packaged' sale of business and/or assets
SOA	Statement of Affairs, documentation to be supplied by the Director outlining the Group's financial position as at the Appointment Date
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 Director of the Group 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 any of the Joint Administrators.
- 1.3 This report sets out the circumstances leading up to the appointments of the Joint Administrators and the steps taken by them to date.
- 1.4 Please note that the Joint Administrators were also appointed over each of the English and Welsh Companies on 11 September 2014. The Joint Administrators Report and Statement of Proposals in respect of the English and Welsh companies is attached at Appendix 10. Two separate reports are required as the Administrations of the English and Welsh Companies are undertaken in accordance with English and Welsh insolvency legislation. The report is appended for transparency.

2. Background

- 2.1 Statutory information on the Group and a summary of its financial history is included at Appendix 1.
- 2.2 The Group operated four 4 star hotels in Scotland and England.
- 2.3 The Group operated under the 'Puma Hotels' name to June 2014 when it rebranded to 'The Hotel Collection'.
- 2.4 The trading addresses of each of the hotels are detailed at Appendix 1.
- 2.5 Further details regarding the background of the Group is enclosed at Appendix 7.

3. Events Leading up to the Administrations

- 3.1 For details of the events leading up to the Administrations, please refer to Appendix 7.
- 3.2 The Joint Administrators considered the positions prior to accepting the appointments and, having regard to the Insolvency Practitioners Association's ethical guidelines, considered that there were no circumstances preventing them from accepting the appointments.
- 3.3 Subsequently, the Joint Administrators were appointed on the Appointment Date.

4. Purpose of the Administrations

- 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 In accordance with Paragraph 49(2) of Schedule B1 to the Act the Joint Administrators note the following:
- The first objective will not be achieved in respect of any of the companies within the Group as there are insufficient funds and assets available to enable any of the companies in the Group to be rescued as a going concern.
 - The Joint Administrators are pursuing the second objective as it is likely that a better result for the creditors of all of the companies within the Group as a whole will be achieved than if they were wound up without first being in Administration for the following reasons:
 - The sale of the businesses and assets of the Group to the Purchaser ensured continuation of trading which will generate enhanced returns compared to a scenario in which they had been immediately wound up. This will allow for greater returns to the Secured Creditor and allow the Joint Administrators to pay a dividend to the non-preferential unsecured creditors, via the Prescribed Part.
 - Book debt collections will be enhanced by the continuity of service to customers provided by the Purchaser.
 - The Purchaser has agreed to honour bookings placed pre-Administration which will minimise non-preferential unsecured claims.
 - If the companies within the Group had been wound up, the value of their assets would have been significantly diminished.
 - If the companies within the Group had been wound up, the employees would have been made redundant resulting in an increase in both preferential and non-preferential unsecured claims.
 - In any event, the third objective has been achieved for all companies within the Group as distributions have been paid to the secured creditor in each estate.
- 4.3 The Joint Administrators' proposals for achieving the purpose of the Administrations are set out in the remainder of this report.
- 5. Progress of the Administrations to Date**
- 5.1 The manner in which the affairs and business of the Group have been managed since the appointment of Joint Administrators and will continue to be managed and financed are set out below.
- Sale of Businesses and Assets**
- 5.2 A sale of the businesses and certain assets of the Group completed on 11 September 2014 shortly following the appointments. The total sale consideration was £60,346,598.
- 5.3 As detailed at Appendix 7, the sale consideration was payable in full on completion and there was no deferred sale consideration. However, as the Group's Secured Creditor, LSREF, is also the secured lender to the Purchaser, no cash sums were paid to the Joint Administrators. Instead, there was a deemed payment of £60,346,598 from the Purchaser to the Joint Administrators on 11 September 2014 and corresponding deemed fixed and floating charge distributions to the Secured Creditor totalling £60,346,598 on 11 September 2014.
- 5.4 Please note that a sale of the businesses and assets of certain of the English and Welsh Companies also completed on 11 September 2014. The sale consideration was £195,980,228.
- 5.5 The total sale consideration for the Group was £256,326,826.
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- 5.6 For a detailed breakdown of the assets realised in respect of each company within the Group and the consideration paid, please refer to Appendix 7.
- 5.7 Full details regarding the nature of the sale transaction are attached at Appendix 7. Please note that the Joint Administrators of the Parent Company were provided with a copy of a restructuring proposal addressed to the Secured Creditor from a shareholder of the Parent Company on 7 August 2014, however this was not deemed acceptable by the Secured Creditor and the Group's business was instead restructured via the pre-packaged sales described at Appendix 7.

Book Debts

- 5.8 The Group's book debts were excluded from the sale agreements.
- 5.9 As at the Appointment Date, certain companies within the Group had outstanding book debt ledgers, as set out below. The Purchaser has agreed to collect the book debts. The book debt collections for the period 11 September 2014 to 19 October 2014 are detailed below:

Company	Book Debt Ledger as at 11 September 2014	Collections for the Period 11 September 2013 to 19 October 2014	Outstanding Balance
Carlton Hotel (Edinburgh) Limited	1,060,623	(573,857)	486,766
Scottish Highland Hotels Limited	602,641	(235,830)	366,811
Stirling Highland Hotel Limited	458,639	(185,302)	273,337
	<u>2,121,903</u>	<u>(994,988)</u>	<u>1,126,914</u>

- 5.10 Of the £994,988 collected to date, it is anticipated that the net collections after booking agent commission will total £955,116.
- 5.11 A total of £613,406 to date has been received into the Joint Administrators' accounts, as noted at Appendix 2. A further £46,026 is cash in transit and £295,684 is currently unreconciled.
- 5.12 The balance of the debtor collections have not yet been transferred into the Joint Administrators' bank accounts, with the collection process subject to ongoing reconciliation and review. Further information regarding book debt collections will be provided in the Joint Administrators' next report.

Cash at Bank

- 5.13 As at the Appointment Date, the following cash balances were held:

Company	Cash at bank as at 11 September 2014 £
Carlton Hotel (Edinburgh) Limited	582,072
Scottish Highland Hotels Limited	611,964
Stirling Highland Hotel Limited	363,408

- 5.14 The Joint Administrators have received the above cash balances into the relevant Administration estate bank accounts.

Intercompany Book Debts

- 5.15 A table of intercompany book debts is attached at Appendix 9. This details all amounts due to the companies within the Group. The Joint Administrators have not yet completed a review of this information and cannot confirm its accuracy.
- 5.16 Since the Appointment Date, all of the entities that the balances are due from have been placed into Administration and these debts will rank as non-preferential unsecured claims in the relevant Administrations. Certain of these entities may pay dividends from the Prescribed Part to their unsecured creditors (which includes the Administration estates of the companies within the Group) however, pursuant to legal advice taken by the Joint Administrators, any dividends receivable from these intercompany book debts are subordinated to LSREF until LSREF has been paid in full. Any dividends to be paid to intercompany claims will therefore be paid directly to LSREF via the Security Trustee.

Cash in Transit

- 5.17 The Joint Administrators are currently liaising with the Purchaser to reconcile cash in transit with the Group's merchant service providers as at the Appointment Date. Further details will be provided in the Joint Administrators next progress report.

Deposit held by Royal Bank of Scotland Plc

- 5.18 A £120,000 deposit is held by Royal Bank of Scotland Plc in respect of the direct debit and credit card facilities operated by the Group. Following a full reconciliation of the accounts, the Joint Administrators will assess whether this deposit is recoverable. Only a proportion of this will be due to the Group as the remainder will be due to certain of the English and Welsh companies. Further details will be provided in the Joint Administrators' next progress report.

Investigations

- 5.19 The Joint Administrators' investigations into the Group's affairs are currently ongoing.
- 5.20 The Joint Administrators have a statutory obligation to file a separate report in respect of each individual company within the Group with DBIS regarding the conduct of the directors that held office in the three years prior to the Administrations. The reports must be filed within six months from the Appointment Date and the content of the reports are confidential.
- 5.21 The Joint Administrators also have a duty to investigate antecedent transactions which include:
- Transactions at an undervalue, Section 238 of the Act;
 - Preferences, Section 239 of the Act; and
 - Transactions to defraud creditors, Section 423 of the Act.
- 5.22 The Joint Administrators invite creditors to bring to their attention any information concerning the affairs of the Group, or any company within the Group, which they believe should be taken in to consideration during their investigations.

Receipts and Payments Accounts

- 5.23 Receipts and Payments accounts for all of the companies within the Group are provided at Appendix 2.

Joint Administrators' Agents and Solicitors

- 5.24 Details of the agents and solicitors engaged by the Joint Administrators to assist them with the affairs of the Group can be found at Appendix 4.
- 5.25 The Joint Administrators' choice of those instructed was based on their perception of the ability and experience to perform this type of work, the complexity and nature of the assignment and the basis of the Joint Administrators' fee arrangement with them.

6. Statement of Affairs

- 6.1 In accordance with Paragraph 47 of Schedule B1 to the Act, the Joint Administrators have requested and received a SOA for each company within the Group from the Director. Please refer to Appendix 5 for the SOA of each company.
- 6.2 Some creditor amounts shown may differ from the actual amount owed. This does not affect their ability to claim a different amount.

7. Statement of Pre-Administration Costs

- 7.1 Pre-Administration costs are defined in the Rules as fees, charges and expenses incurred by the administrators or their firm, or another person qualified to act as an insolvency practitioner, before a company entered administration but with a view to it doing so.
- 7.2 The time costs incurred by Duff & Phelps in relation to advising the Group on its financial position and insolvency options and taking the necessary steps to place the Group into Administration total £557,490. The costs were incurred by reference to engagement letters detailed at paragraphs 7.3 and 7.4 below.
- 7.3 Duff & Phelps was engaged by LSREF in accordance with an engagement letter dated 16 May 2014 to provide restructuring advice and options analysis to LSREF. Duff & Phelps was paid £65,000 plus disbursements by LSREF for this advice. The time costs incurred for this advice totalled £152,534.
- 7.4 In addition, Duff & Phelps was engaged by the Group and certain of the English and Welsh Companies in accordance with an engagement letter dated 11 August 2014 to provide advice with regard to a debt restructuring. Duff & Phelps was paid £200,000 plus VAT and disbursements by Paramount Hotels Limited for this advice. The time costs incurred for this advice totalled £404,956.
- 7.5 A breakdown of the time costs of Duff & Phelps, as defined in Rule 2.25(1)(ka) of the Rules, is attached at Appendix 3.
- 7.6 The Joint Administrators' agents and solicitors have incurred expenses in relation to the sale of the Group's businesses and certain assets and assisting with the steps required to place the Group into Administration, as detailed at Appendix 4. To date, no payments have been made in respect of these costs.
- 7.7 The Joint Administrators confirm that payment of the unpaid pre-Administration costs, as an expense of the relevant Administration, is subject to approval under Rule 2.39c of the Rules, and is not part of the Proposals subject to approval under Paragraph 53 of Schedule B1 to the Act.

8. Joint Administrators' Costs

- 8.1 In accordance with Rule 2.25(l)(i) of the Rules, it is proposed that the basis upon which the Joint Administrators' remuneration should be fixed is by reference to the time properly given by them and their staff in attending to matters arising in the Administrations. Approval for this basis is to be sought from the Secured Creditor in respect of each company within the Group
- 8.2 The Joint Administrators' total time costs in respect of all of the companies within the Group for the Reporting Period total £42,656. These time costs are analysed individually for each company at Appendix 3.
- 8.3 To date, no remuneration has been drawn by the Joint Administrators.
- 8.4 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 in respect of the Group, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at <http://www.duffandphelps.com/uk-restructuring/creditor-guides>. Should you require a copy, please contact this office.

9. Dividend Prospects / Prescribed Part

Secured Creditors

- 9.1 On 16 May 2014 LSREF acquired debts owed by the Group and certain of the English and Welsh Companies to Irish Bank Resolution Corporation Limited (In Special Liquidation) and took an assignment of all of the rights under the associated security which confers fixed and floating charges over all of the assets of the Group (. All of the companies within the Group (cross-guaranteed the LSREF debt. A list of all securities registered against the Group is enclosed at Appendix 7.
- 9.2 As at 29 August 2014, the Group's indebtedness to LSREF was £327,520,160, subject to accruing interest, charges and costs.
- 9.3 As noted at Appendix 7 and paragraph 5.3 above, deemed fixed and floating charge distributions totalling £60,346,598 were made to the Secured Creditor on 11 September 2014.
- 9.4 It is anticipated that there will be insufficient asset realisations to repay LSREF in full. Each company within the Group together with the English and Welsh Companies are unable to repay the full amount of the cross-guaranteed debt to LSREF in full.

Preferential Creditors

- 9.5 The Group has no employees and therefore no preferential claims are anticipated.
- 9.6 Please note the hotels' staff were all employed by one of the English and Welsh Companies, Paramount Hotels Services Limited, and were all transferred pursuant to TUPE to Hotel Collection Services Limited on 11 September 2014.

Prescribed Part

- 9.7 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.

- 9.8 LSREF's security is dated post 15 September 2003 and therefore the Prescribed Part applies.
- 9.9 It is anticipated that there will be sufficient asset realisations to enable distributions to be made from the Prescribed Part to the non-preferential unsecured creditors of all companies within the Group.

Non-Preferential Unsecured Creditors

- 9.10 It is anticipated that there will be insufficient asset realisations to enable a distribution to the non-preferential unsecured creditors in respect of all of the companies within the Group, other than from the Prescribed Part noted above.
- 9.11 Creditors of all companies within the Group should complete the appropriate statement of claim forms(s) at Appendix 6 and return same to the Joint Administrators. Creditors should only complete the statement of claim form(s) regarding the company / companies that their debt is due from.

10. EC Regulation

- 10.1 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.
- 10.2 The centre of main interest of the Group is in the United Kingdom. Therefore, the Administrations will be conducted according to Scottish insolvency legislation.

11. Creditors' Meetings

- 11.1 In accordance with Paragraph 52(1) of Schedule B1 to the Act, creditors' meetings will not be convened in respect of all of the companies within the Group as the Joint Administrators believe that all of the companies will have insufficient property to enable distributions to be made to non-preferential unsecured creditors, other than from the Prescribed Part as noted above.
- 11.2 However, the Joint Administrators shall summon initial creditors' meetings, if requested to by the creditors of the companies within the Group, whose debts amount to at least 10% of the total debts of the respective companies. If you wish to request a creditors' meeting please provide the request, together details of your claim, in writing to the Joint Administrators within 8 business days from the day these proposals are sent out.
- 11.3 Creditors are reminded that the costs of any meetings called shall be paid for by them and that deposits will be required for this purpose. These costs may be ordered to be paid as an expense of the relevant Administration if the meetings so resolve.

12. End of the Administrations

12.1 The options available to the Joint Administrators for the exit from the Administrations are as follows:

- Compulsory Liquidation
- Creditors' Voluntary Liquidation
- Company Voluntary Arrangement
- Return of control to the Director(s)
- Dissolution of Company

12.2 The Joint Administrators are continuing to review the Group's financial position and have not yet formed a view on the most likely exit route in respect of all of the companies within the Group.

12.3 However at present, the Joint Administrators are of the opinion that once all outstanding Administration matters have been satisfactorily completed, it is likely that the Joint Administrators will give notice to the Registrar of Companies that all of the companies within the Group be dissolved.

12.4 A further update in respect of the exit route of each company within the Group will be provided in the Joint Administrators' next progress report.

12.5 You will note from the proposals section below that the Joint Administrators have left the choice of exit routes from Administration open so that the appropriate strategies can be adopted, once the necessary information has been obtained and the Joint Administrators' own investigations have been completed.

13. Joint Administrators' Proposals

13.1 The Joint Administrators separately propose the following in respect of each individual company within the Group:

13.1.1 That the Joint Administrators continue the Administrations to deal with such outstanding matters in relation to the companies within the Group as the Joint Administrators consider necessary until such time as the Administrations cease to have effect.

13.1.2 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 Administrations.

13.1.3 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 companies within the Group have no property which might permit a distribution to its creditors, at which stage the Administrations will cease.

13.1.4 In the event that the Joint Administrators do not follow 13.1.3 above, the Joint Administrators will, when it is anticipated that no better realisations will be made in the Administrations than would be available in a winding up, take the necessary steps to put the companies within the Group into either creditors' voluntary liquidation, company voluntary arrangement or into compulsory liquidation as deemed appropriate by the Joint Administrators. It is proposed that the Joint Administrators, currently Paul David Williams, Paul John Clark and David John Whitehouse of Duff & Phelps would act as Joint Liquidators should any of the companies within the Group be placed into creditors' voluntary liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 2.47(3)(s) 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.

- 13.1.5 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Act, upon filing the end of the Administrations or their appointments otherwise ceasing.
- 13.1.6 That the Joint Administrators' remuneration, where no Creditors' Committees are established, be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administrations and that they be allowed to draw such remuneration as and when the funds permit without further recourse to the creditors.
- 13.1.7 That the Joint Administrators be authorised to draw Duff & Phelps' internal costs, being cost of business mileage in dealing with the Administrations ("Category 2 Disbursements").
- 13.2 Pursuant to Rule 2.25(3) of the Rules, the proposals in paragraphs 13.1.1 to 13.1.4 above shall be deemed to be approved by the creditors of each company within the Group, on the expiry of the period in which a meeting can be requisitioned by creditors in the manner described in paragraph 11.2 above, provided that no meeting has been so requisitioned.
- 13.3 The Joint Administrators will be seeking the following specific resolutions from the Secured Creditor in respect of each of the companies within the Group:
 - 13.3.1 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Act, upon filing the end of the Administrations or their appointments otherwise ceasing.
 - 13.3.2 That the Joint Administrators' remuneration, where no Creditors' Committees are established, be fixed by reference to the time properly incurred by them and their staff in attending matters during the Administrations and that they be allowed to draw such remuneration as and when funds permit without further recourse to the creditors.
 - 13.3.3 That the Joint Administrators' statements of pre-Administration costs under Rule 2.25(1)(ka), where no Creditors' Committees are established, be approved for payment in accordance with Rule 2.39C.
 - 13.3.4 That the Joint Administrators be authorised to draw Duff & Phelps' internal costs, being cost of business mileage in dealing with the Administrations ("Category 2 Disbursements").

14. Other Matters

- 14.1 If any creditor has any information concerning the Group's affairs that they would like to bring to the Joint Administrators' attention, then they would be pleased to hear from them.
- 14.2 If you require further information or assistance, please do not hesitate to contact Sebastien Johnson of this office.

A handwritten signature in black ink, appearing to read 'Paul Williams', with a large, stylized 'P' at the beginning.

Paul Williams
Joint Administrator

Enc.

The affairs, business and property of the Group are being managed by the Joint Administrators, Paul Williams, Paul Clark and David Whitehouse, who act as agents for the Group and without personal liability. They are licensed by the Insolvency Practitioners Association.

Appendix 1

Statutory Information

Statutory Information – Carlton Hotel (Edinburgh) Limited

Date of Incorporation	14 September 1970
Registered Number	SC047923
Court Reference in relation to Appointment:	The Court of Session, Parliament House, Parliament Square, Edinburgh
Company Director	Mr Declan McKelvey, 1 Melrose Court, Lincoln Road, Wilmslow, Cheshire, SK9 2HD
Company Secretary	None
Shareholder	IFT Nominees Limited
Trading Address	The Carlton Hotel, 19 North Bridge, Edinburgh, EH1 1SD
Registered Office	Current: c/o Maclay Murray & Spens LLP 1 George Square Glasgow G2 1AL Former: 15 Atholl Crescent Edinburgh EH3 8HA
Any Other Trading Names	The Carlton Hotel, Edinburgh

Statutory Information – Scottish Highland Hotels Limited

Date of Incorporation	18 April 1974
Registered Number	SC055493
Court Reference in relation to Appointment:	The Court of Session, Parliament House, Parliament Square, Edinburgh
Company Director	Mr Declan McKelvey, 1 Melrose Court, Lincoln Road, Wilmslow, Cheshire, SK9 2HD
Company Secretary	None
Shareholder	IFT Nominees Limited
Trading Addresses	<ul style="list-style-type: none">• The Marine Hotel, 8 Crosbie Road, Troon, KA10 6HE• Redworth Hall Hotel, Redworth, Nr Darlington, Newton, Aycliffe, Co Durham, DL5 6NL
Registered Office	Current: c/o Maclay Murray & Spens LLP 1 George Square Glasgow G2 1AL Former: 15 Atholl Crescent Edinburgh EH3 8HA
Any Other Trading Names	<ul style="list-style-type: none">• The Marine Hotel, Troon; and• Redworth Hall Hotel

Statutory Information – Stirling Highland Hotel Limited

Date of Incorporation	20 June 1988
Registered Number	SC111734
Court Reference in relation to Appointment:	The Court of Session, Parliament House, Parliament Square, Edinburgh
Company Director	Mr Declan McKelvey, 1 Melrose Court, Lincoln Road, Wilmslow, Cheshire, SK9 2HD
Company Secretary	None
Shareholder	IFT Nominees Limited
Trading Address	The Stirling Highland Hotel, Spittal Street, Stirling, FK8 1DU
Registered Office	Current: c/o Maclay Murray & Spens LLP 1 George Square Glasgow G2 1AL Former: 15 Atholl Crescent Edinburgh EH3 8HA
Any Other Trading Names	The Stirling Highland Hotel, Stirlingshire

Financial Information

	Carlton Hotel (Edinburgh) Limited		Scottish Highland Hotels Limited		Stirling Highland Hotel Limited	
	As at 31 December 2012 (Audited) ('000's) £	As at 31 December 2011 (Audited) ('000's) £	As at 31 December 2012 (Audited) ('000's) £	As at 31 December 2011 (Audited) ('000's) £	As at 31 December 2012 (Audited) ('000's) £	As at 31 December 2011 (Audited) ('000's) £
Fixed Assets						
Tangible Assets	27,605	27,500	15,584	15,500	5,521	5,500
Investments	-	-	-	-	-	-
	<u>27,605</u>	<u>27,500</u>	<u>15,584</u>	<u>15,500</u>	<u>5,521</u>	<u>5,500</u>
Current Assets						
Stock	26	-	64	-	25	-
Debtors	16,660	10,556	153,136	132,888	12,915	10,827
Cash/Overdraft	107	-	222	-	166	-
	<u>16,793</u>	<u>10,556</u>	<u>153,422</u>	<u>132,888</u>	<u>13,106</u>	<u>10,827</u>
Current Liabilities						
Creditors	(775)	(565)	(989)	(591)	(357)	(195)
Net Current Assets	<u>16,018</u>	<u>9,991</u>	<u>152,433</u>	<u>132,297</u>	<u>12,749</u>	<u>10,632</u>
Total Assets less Current Liabilities	<u>43,623</u>	<u>37,491</u>	<u>168,017</u>	<u>147,797</u>	<u>18,270</u>	<u>16,132</u>
Long Term Liabilities	(38,538)	(35,087)	(141,591)	(127,525)	(15,058)	(14,180)
Net Assets/(Liabilities)	<u>5,085</u>	<u>2,404</u>	<u>26,426</u>	<u>20,272</u>	<u>3,212</u>	<u>1,952</u>
Share Capital and Reserve						
Capital Redemption Account	-	-	1,015	1,015	-	-
Share Premium Account	-	-	6,365	6,365	-	-
Share Capital	100	100	1,461	1,461	500	500
Revaluation Reserve	8,774	8,774	7,370	7,370	-	-
Profit and Loss Account	(3,789)	(6,470)	10,215	4,061	2,712	1,452
Shareholders' Funds/(Deficit)	<u>5,085</u>	<u>2,404</u>	<u>26,426</u>	<u>20,272</u>	<u>3,212</u>	<u>1,952</u>

Appendix 2

Receipts and Payments Account

Receipts and Payments Account

Carlton Hotel (Edinburgh) Limited
(In Administration)

For the period 11 September 2014 to 22 October 2014

Statement of Affairs Estimated to Realise Value

£	Receipts
37,800,000.00	Freehold Land & Property
463,261.00	Plant & Machinery
33,412.00	Stock
-	Cash Float
1.00	Business Rights
1.00	Customer Contracts
1.00	Transferred Records
1.00	Residual Assets
366,127.00	Cash at Bank
-	Unallocated Cash
1,008,808.00	Book Debts

Fixed Charge £	Floating Charge £	Total £
37,800,000.00	-	37,800,000.00
-	343,000.00	343,000.00
-	33,412.00	33,412.00
-	4,480.00	4,480.00
-	1.00	1.00
-	1.00	1.00
-	1.00	1.00
-	1.00	1.00
-	582,072.42	582,072.42
-	86,595.04	86,595.04
-	319,962.64	319,962.64

39,671,612.00

37,800,000.00

1,369,526.10

39,169,526.10

Payments

Fixed Charge Creditor
Floating Charge Creditor
Statutory Advertising
Stationary and Postage

37,800,000.00	-	37,800,000.00
-	380,896.00	380,896.00
-	56.40	56.40
-	255.84	255.84

37,800,000.00

381,208.24

38,181,208.24

Balance of the Estate

0.00

988,317.86

988,317.86

Made up as follows:

VAT Receivable
Floating/main current account

62.45

988,255.41

988,317.86

Receipts and Payments Account

Scottish Highland Hotels Limited
(In Administration)

For the period 11 September 2014 to 22 October 2014

Statement of Affairs				
Estimated to Realise Value		Fixed Charge	Floating Charge	Total
£	Receipts	£	£	£
14,200,000.00	Freehold Land & Property	14,200,000.00	-	14,200,000.00
557,000.00	Plant & Machinery	-	557,000.00	557,000.00
63,676.00	Stock	-	63,676.00	63,676.00
-	Cash Float	-	6,380.00	6,380.00
2.00	Business Rights	-	2.00	2.00
2.00	Customer Contracts	-	2.00	2.00
2.00	Transferred Records	-	2.00	2.00
2.00	Residual Assets	-	2.00	2.00
382,718.00	Cash at Bank	-	611,963.50	611,963.50
-	Unallocated Cash	-	121,389.72	121,389.72
597,678.00	Book Debts	-	139,934.20	139,934.20
15,801,080.00		14,200,000.00	1,500,351.42	15,700,351.42
Payments				
	Fixed Charge Creditor	14,200,000.00	-	14,200,000.00
	Floating Charge Creditor	-	627,064.00	627,064.00
	Statutory Advertising	-	56.40	56.40
	Stationary and Postage	-	411.83	411.83
		14,200,000.00	627,532.23	14,827,532.23
	Balance of the Estate	0.00	872,819.19	872,819.19
Made up as follows:				
	VAT Receivable			93.65
	Floating/main current account			872,725.54
				872,819.19

Receipts and Payments Account

Stirling Highland Hotel Limited
(In Administration)

For the period 11 September 2014 to 22 October 2014

Statement of Affairs				
Estimated to Realise Value		Fixed Charge	Floating Charge	Total
£	Receipts	£	£	£
7,100,000.00	Freehold Land & Property	7,100,000.00	-	7,100,000.00
-	Intellectual Property	1.00	-	1.00
218,000.00	Plant & Machinery	-	218,000.00	218,000.00
18,432.00	Stock	-	18,432.00	18,432.00
-	Cash Float	-	2,200.00	2,200.00
1.00	Business Rights	-	1.00	1.00
1.00	Customer Contracts	-	1.00	1.00
1.00	Transferred Records	-	1.00	1.00
1.00	Residual Assets	-	1.00	1.00
416,839.00	Cash at Bank	-	363,408.48	363,408.48
-	Unallocated Cash	-	156,480.55	156,480.55
416,182.00	Book Debts	-	153,509.20	153,509.20
8,169,457.00		7,100,001.00	912,034.23	8,012,035.23
Payments				
	Fixed Charge Creditor	7,100,001.00	-	7,100,001.00
	Floating Charge Creditor	-	238,636.00	238,636.00
	Statutory Advertising	-	56.40	56.40
	Stationary and Postage	-	196.59	196.59
		7,100,001.00	238,888.99	7,338,889.99
Balance of the Estate		0.00	673,145.24	673,145.24
Made up as follows:				
	VAT Receivable			50.60
	Floating/main current account			673,094.64
				673,145.24

Appendix 3

Analysis of Time Charged and Expenses Incurred

Carlton Hotel (Edinburgh) Limited (In Administration)
For the Period Prior to the Administration Date

Classification of Work Function	Partner	Manager	Hours		Support	Total Hours	Time Cost	Avg Hourly Rate
			Senior	Assistant				
Administration and Planning								
Strategy Planning and Control	0.00	0.00	0.70	1.60	0.00	2.30	507.00	220.43
Dealing with Notice of Intention to Appoint	0.00	0.00	0.65	0.00	0.00	0.65	221.00	340.00
IPS Set Up and Maintenance	0.00	0.00	0.00	0.10	0.00	0.10	19.00	190.00
Total Hours:	0.00	0.00	1.35	1.70	0.00	3.05		244.92
Total Fees Claimed:	0.00	0.00	459.00	288.00	0.00		747.00	

Category 1 Disbursements:

There are no Category 1 Disbursements

Category 2 Disbursements:

There are no Category 2 Disbursements

Scottish Highland Hotels Limited (In Administration)
For the Period Prior to the Appointment Date

Classification of Work Function	Partner	Manager	Hours			Total Hours	Time Cost	Avg Hourly Rate
			Senior	Assistant	Support			
Administration and Planning								
Strategy Planning and Control	0.00	0.00	1.00	1.40	0.00	2.40	571.00	237.92
Dealing with Notice of Intention to Appoint	0.00	0.00	1.05	0.00	0.00	1.05	357.00	340.00
IPS Setup and Maintenance	0.00	0.00	0.00	0.10	0.00	0.10	19.00	190.00
Total Hours:	0.00	0.00	2.05	1.50	0.00	3.55		266.76
Total Fees Claimed:	0.00	0.00	697.00	250.00	0.00		947.00	

Category 1 Disbursements:

There are no Category 1 Disbursements

Category 2 Disbursements:

There are no Category 2 Disbursements

Stirling Highland Hotel Limited (In Administration)

For the Period Prior to the Appointment Date

Classification of Work Function	Partner	Manager	Hours			Total Hours	Time Cost	Avg Hourly Rate
			Senior	Assistant	Support			
Administration and Planning								
Strategy Planning and Control	0.00	0.00	0.40	1.40	0.00	1.80	367.00	203.89
Dealing with Notice of Intention to Appoint	0.00	0.00	0.25	0.00	0.00	0.25	85.00	340.00
IPS Set Up and Maintenance	0.00	0.00	0.00	0.10	0.00	0.10	19.00	190.00
Total Hours:	0.00	0.00	0.65	1.50	0.00	2.15		219.07
Total Fees Claimed:	0.00	0.00	221.00	250.00	0.00		471.00	

Category 1 Disbursements:

There are no Category 1 Disbursements

Category 2 Disbursements:

There are no Category 2 Disbursements

Carlton Hotel (Edinburgh) Limited (In Administration)

Analysis of the Joint Administrators' time costs for the period 11 September 2014 to 17 October 2014

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
Administration and Planning								
Statutory Matters (Meetings & Reports & Notices)	3.10	1.00	6.25	7.40	0.00	17.75	5,724.00	322.48
Strategy Planning and Control	2.10	0.80	3.10	0.90	0.00	6.90	2,806.00	406.67
Case Review and Case Diary Management	0.70	0.05	2.65	1.10	0.00	4.50	1,498.00	332.89
Cashiering and Accounting	0.00	0.25	2.10	3.50	0.00	5.85	1,384.00	236.58
IPS Set Up and Maintenance	0.00	0.00	0.65	1.85	0.00	2.50	513.00	205.20
Statement of Affairs	0.00	0.00	0.30	1.65	0.00	1.95	391.00	200.51
Dealings with Directors and Management	0.30	0.00	0.10	0.25	0.00	0.65	251.00	386.15
Tax Compliance/Planning	0.00	0.20	0.10	0.40	0.00	0.70	181.50	259.29
Insurance	0.00	0.00	0.20	0.00	0.00	0.20	68.00	340.00
Creditors								
Communications with Creditors/Employees	0.00	1.20	0.50	2.35	0.00	4.05	1,122.50	277.16
Secured Creditors	0.00	0.00	0.70	0.45	0.00	1.15	302.50	263.04
Investigations								
CDDA & Reports & Communication	0.00	0.00	0.00	0.25	0.00	0.25	47.50	190.00
Realisation of Assets								
Book Debts	0.00	0.00	0.25	0.00	0.00	0.25	85.00	340.00
Other Tangible Assets	0.00	0.00	0.10	0.05	0.00	0.15	40.00	266.67
Freehold and Leasehold Property	0.00	0.00	0.00	0.10	0.00	0.10	19.00	190.00
Total Hours:	6.20	3.50	17.00	20.25	0.00	46.95		307.41
Total Fees Claimed:	3,720.00	1,680.00	5,760.00	3,273.00	0.00		14,433.00	

Category 1 Disbursements:

There are no Category 1 Disbursements

Category 2 Disbursements:

There are no Category 2 Disbursements

Scottish Highland Hotels Limited (In Administration)

Analysis of the Joint Administrators' time costs for the period 11 September 2014 to 17 October 2014

Classification of Work Function	Partner	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
Administration and Planning								
Statutory Matters (Meetings & Reports & Notices)	3.10	0.80	6.05	6.40	0.00	16.35	5,412.00	331.01
Strategy Planning and Control	2.00	0.80	3.10	0.80	0.00	6.70	2,734.00	408.06
Cashiering and Accounting	0.00	0.15	2.30	4.10	0.00	6.55	1,518.00	231.76
Case Review and Case Diary Management	0.60	0.05	2.80	1.30	0.00	4.75	1,513.00	318.53
Statement of Affairs	0.00	0.00	0.30	1.70	0.00	2.00	414.50	207.25
IPS Set Up and Maintenance	0.00	0.00	0.65	0.90	0.00	1.55	357.00	230.32
Dealings with Directors and Management	0.30	0.00	0.10	0.25	0.00	0.65	251.00	386.15
Tax Compliance/Planning	0.00	0.20	0.10	0.70	0.00	1.00	231.50	231.50
Insurance	0.00	0.00	0.20	0.00	0.00	0.20	68.00	340.00
Creditors								
Communications with Creditors/Employees	0.00	1.20	0.50	2.25	0.00	3.95	1,096.50	277.59
Secured Creditors	0.00	0.00	0.70	0.45	0.00	1.15	302.50	263.04
Non Pref Creditors/Employee Claims Handling	0.00	0.00	0.00	0.15	0.00	0.15	18.00	120.00
Investigations								
CDDA & Reports & Communications	0.00	0.00	0.00	0.25	0.00	0.25	47.50	190.00
Realisation of Assets								
Book Debts	0.00	0.00	0.25	0.00	0.00	0.25	85.00	340.00
Other Tangible Assets	0.00	0.00	0.10	0.05	0.00	0.15	40.00	266.67
Freehold and Leasehold Property	0.00	0.00	0.00	0.10	0.00	0.10	19.00	190.00
Total Hours:	6.00	3.20	17.15	19.40	0.00	45.75		308.36
Total Fees Claimed:	3,600.00	1,536.00	5,811.00	3,160.50	0.00		14,107.50	

Category 1 Disbursements:

There are no Category 1 Disbursements

Category 2 Disbursements:

There are no Category 2 Disbursements

Stirling Highland Hotel Limited (In Administration)

Analysis of the Joint Administrators' time costs for the period 11 September 2014 to 17 October 2014

Classification of Work Function	Partner	Manager	Hours			Total Hours	Time Cost	Avg Hourly Rate
			Senior	Assistant	Support			
Administration and Planning								
Statutory Matters (Meetings & Reports & Notices)	3.10	0.80	5.85	6.05	0.00	15.80	5,302.00	335.57
Strategy Planning and Control	2.10	0.80	3.10	0.80	0.00	6.80	2,794.00	410.88
Cashiering and Accounting	0.00	0.15	2.05	3.60	0.00	5.80	1,338.00	230.69
Case Review and Case Diary Management	0.20	0.05	2.65	1.30	0.00	4.20	1,222.00	290.95
Statement of Affairs	0.00	0.00	0.30	1.70	0.00	2.00	414.50	207.25
IPS Set Up and Maintenance	0.00	0.00	0.65	0.90	0.00	1.55	357.00	230.32
Dealings with Directors and Management	0.30	0.00	0.10	0.35	0.00	0.75	270.00	360.00
Tax Compliance/Planning	0.00	0.20	0.10	0.70	0.00	1.00	231.50	231.50
Insurance	0.00	0.00	0.20	0.00	0.00	0.20	68.00	340.00
Creditors								
Communications with Creditors/Employees	0.00	1.20	0.20	2.05	0.00	3.45	1,002.00	290.43
Secured Creditors	0.00	0.00	0.70	0.45	0.00	1.15	302.50	263.04
Non Pref Creditors/Employee Claims Handling	0.00	0.10	0.00	0.30	0.00	0.40	84.00	210.00
Realisation of Assets								
Other Tangible Assets	0.00	0.00	0.10	0.05	0.00	0.15	40.00	266.67
Other Intangible Assets	0.00	0.10	0.00	0.00	0.00	0.10	48.00	480.00
Book Debts	0.00	0.00	0.25	0.00	0.00	0.25	85.00	340.00
Freehold and Leasehold Property	0.00	0.40	0.15	1.70	0.00	2.25	557.00	247.56
Total Hours:	5.70	3.80	16.40	19.95	0.00	45.85		307.86
Total Fees Claimed:	3,420.00	1,815.00	5,556.00	3,324.50	0.00		14,115.50	

Category 1 Disbursements:

There are no Category 1 Disbursements

Category 2 Disbursements:

There are no Category 2 Disbursements

Appendix 4

Joint Administrators' Statement of Pre- Administration Costs

Joint Administrators' Report to Creditors and Statement of Proposals
27 October 2014

	Hilco Appraisal Europe Valuation Agents – Valuation of the Group's chattel assets and motor vehicles	Knight Frank LLP Property agents – Valuation of the Group's property assets	Addleshaw Goddard LLP Solicitors – Preparation and review of the sale of business agreements, assisting with placing the Group into Administration and other ad hoc legal matters	Smithfield Consultants Limited Public relations agents – Provision of PR advice	Duff & Phelps Ltd. Restructuring Advisors – Debt restructuring advice
Carlton Hotel (Edinburgh) Limited	£500.00	£1,429.00	£14,762.00	£542.00	£9,760.00
Scottish Highland Hotels Limited	£1,000.00	£2,858.00	£29,524.00	£1,084.00	£19,520.00
Stirling Highland Hotel Limited	£500.00	£1,429.00	£14,762.00	£542.00	£9,760.00
Total Costs Incurred	£2,000.00	£5,716.00	£59,048.00	£2,168.00	£39,040.00

DUFF & PHELPS

Appendix 5

Statement of Affairs

Statement of Affairs

Pursuant to paragraph 47 of Schedule B1 to the Insolvency Act 1986
and Rule 2.21(1) of the Insolvency (Scotland) Rules 1986

Insert name of the
company

Statement as to the affairs of Carlton Hotel (Edinburgh) Limited

as at the 11 day of September 2014, the date that the company entered administration.

Statutory Declaration

I solemnly and sincerely declare that the information provided in this statement and the lists A to G annexed and signed as relative hereto is, to the best of my knowledge and belief, true and complete,

AND I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

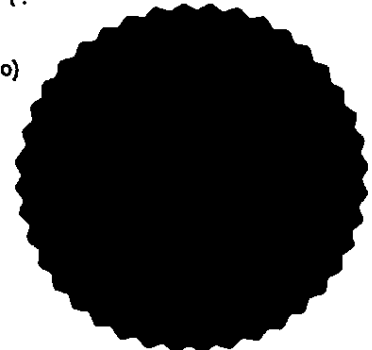
Declared at 32 LONDON BRIDGE STREET, LONDON SE1 9SG, ENGLAND.

Signed Declan Mc Kelvey (DECLAN MC KELVEY)

This 23rd day of October 2014.

Before me [Signature] Notary Public
London, England
(Javier Pérez Manglano)

A Notary Public or Justice of the Peace or Solicitor



Vanner Perez Notaries
8 St Thomas Street
London SE1 9RS (England)

STATEMENT as to the affairs of the Company on the 11 September 2014


		Estimated Realisable Values £
ASSETS		
Assets not specifically secured (as per List "A")		1,751,351
Assets specifically secured (as per List "B")		
	£	
Estimated realisable value	37,800,000	
Less: Amount due to secured creditors	327,520,160	
Estimated Surplus	289,720,160	
Estimated Total Assets available for preferential creditors, holders of floating charges and unsecured creditors		1,751,351
LIABILITIES		
Preferential creditors (as per List "C")		-
Estimated balance of assets available for holders of floating charges and unsecured creditors		1,751,351
Estimated prescribed part of net property where applicable (to carry forward)		353,270
Holders of floating charges (as per List "D")		289,720,160
Estimated surplus/deficiency as regards holders of floating charges		288,322,079
Estimated prescribed part of net property where applicable (brought down)		353,270
Unsecured Creditors		
	£	
Trade accounts (as per List "E")	76,246	
Bills payable (as per List "F")		
Contingent or other liabilities (as per List "G")	51,435,426	
Total unsecured creditors (excluding any shortfall to floating charge holders)		51,511,671
Estimated Surplus/Deficiency as regards creditors unsecured creditors (excluding any shortfall to floating charge holders)		49,760,320
Estimated deficiency after floating charge where applicable (brought down)		339,480,480
Estimated Surplus/Deficiency as regards creditors Issued and Called-up Capital		100,000
Estimated Surplus/Deficiency as regards members		339,580,480

These figures must be read subject to the following :-

• delete as appropriate

*(1a) There is no unpaid capital liable to be called up)

The estimates are subject to the expenses of the liquidation and to any surplus or deficiency on ending pending realisation of the Assets


 23/10/14

Statement of affairs LIST "A"
Assets not specifically secured

Particulars of assets	Book Value £	Estimated to produce £
Balance at bank	366,127	366,127
Marketable securities (as per Schedule I)		
Bills receivable (as per Schedule II)		
Trade debtors (as per Schedule III)	1,120,898	1,008,808
Loans and advances (as per Schedule IV)	23,265,119	-
Unpaid calls (as per Schedule V)		
Stock in trade	33,412	33,412
Work in progress		
Heritable property		
Leasehold property		
Plant, machinery and vehicles	463,261	343,000
Furniture and fittings , etc		4
Patents,trade marks , etc		
Investments other than marketable securities		
Other property		
Total	25,248,817	1,751,351

Signed

Date

John Mc Kean

23/10/14

SCHEDULE I TO LIST "A"

Statement of affairs

Marketable Securities

No	Name of organisation in which securities are held	Details of securities held	Book value £	Estimated to produce £

Signed

Geoff M. Kelly

Date

23/10/14

SCHEDULE II TO LIST "A"

Statement of affairs

Bills of exchange, promissory notes, etc. available as assets

No	Name and address of acceptor of bill or note	Amount of bill or note £	Date when due	Estimated to produce £	Particulars of any property held as security for payment of bill or note

Signed

Date

John Mc Kellar

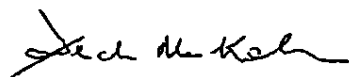
23/10/14

SCHEDULE III TO LIST "A"

Statement of affairs

Trade debtors

No	Name and address of debtor	Particulars of any securities held for debt	Book Value	Estimated to produce
			£	£
1	Abbey Tours Scotland; Dublin 2		420	378
2	Access Bookings; Staffordshire		4,753	4,278
3	Accome Plc; HIGH WYCOMBE		8,057	7,252
4	Activity Superstore		1,510	1,359
5	B&V Water Treatment; DAVENTRY		300	270
6	BAE Systems (Operations) Ltd; BLACKBURN		630	567
7	Behringer Touristik		17,841	16,057
8	Black Michelle; JOHNSTONE		139	125
9	BOOK A SPA; WINDSOR		2,064	1,857
10	Brendan Vacations Holdings Ltd; Channel Island		7,743	6,969
11	Business Services International; EDINBURGH		1,397	1,257
12	Buy As You View Ltd; PONTYCLUN		125	113
13	Buyagift.com		4,751	4,276
14	C/O Calder; Leeds		6,995	6,295
15	C/O Capita T & E; Taunton		30,498	27,448
16	C/O CTT Hotels; Bristol		7,344	6,520
17	C/O HRC; FARNBOROUGH		4,364	3,928
18	C/O Intel Ltd; COLCHESTER		21,347	19,212
19	c/o Key Reservations (Hotels) Ltd WPD; GLASGOW		2,195	1,976
20	C/o Portman Travel Ltd; Motherwell		2,488	2,239
21	Calder Conferences; LEEDS		168	151
22	Carlson Wagonlit Travel; BIRMINGHAM		150	135
23	Central Law Training (Scotland) Ltd; GLASGOW		1,459	1,313
24	CHR Travel Ltd; Essex		368	331
25	Ciba Speciality Chemicals; Manchester		285	257
26	Cievents; BIRMINGHAM		3,150	2,835
27	CLASSIC BRITAIN; STRATHAVEN		15,168	13,631
28	Contendam; LONDON		708	637
29	De Vere Solutions Staverton Park; DAVENTRY		2,084	1,876
30	Deekor UK Ltd; London		330	315
31	Diamond Resorts International; Lancaster		16,775	15,098
32	EASYBREAKS; EDINBURGH		4,344	3,910
33	Edinburgh University Rugby		412	371
34	Education Scotland; GLASGOW		180	162
35	Europe Incoming Scotland; Linlithgow		7,795	7,016
36	European Travel Services; LONDON		2,096	1,886
37	Eurowelcome Scotland		3,062	2,756
38	Exclusively Hotels		11,265	10,138
39	Expedia		87,956	79,160
40	Experience Scotland; PENICUIK		3,149	2,834
41	Expotel MASTER; STOCKPORT		39,160	35,244
42	Flight Centre; LONDON		2,522	2,270
43	Fusion Meetings & Events; BEDFORD		765	689
44	G American Express		16,341	14,707
45	GFI MAX; DUNDEE		865	779
46	Grand Circle; MA		132,957	119,662
47	Groupont; LONDON		5,736	5,162
48	Grunenthal Ltd; Stockenchurch		228	205
49	Gullivers Travel; SOUTHAMPTON		2,817	2,535
50	Holocaust Education Trust; London		3,310	2,979
51	Hospitality Line; KENT		533	479
52	Hotel Connexions		21	19
53	Hotel Connexions; DUNBLANE		6,144	5,529
54	Hotel Direct		2,305	2,075
55	Hombeds; BARCELONA		18,576	16,719
56	Hotels & More Ltd; HARROW		168	151
57	Hotels4U		619	558
58	HOTELSHOP UK Ltd; Droitwich Spa		179	161
59	Impact Spa, Leisure & Fitness; DUNSTABLE		228	205
60	Information Commissioners Office; WILMSLOW		5,242	4,718
61	Institute of Actuaries; OXFORD		2,645	2,380
62	ITISON; Glasgow		9,983	8,985
63	JAC Travel Ltd; LONDON		215,224	193,702
64	Jurys Inn; EDINBURGH		896	806
65	King James Thistle; Edinburgh		371	334
66	Kloemann Irland Reisen Ltd		35,453	31,907
67	Kudos Incentive & Conference Design Ltd; EDINBURGH		6,842	6,158
68	Lastminute.com		2,914	2,623



23/10/14

Carlton Hotel (Edinburgh) Limited

69	Laterooms	135	122
70	Living Social Ltd	1,885	1,696
71	Miki Travel Ltd; LONDON	32,938	29,644
72	Mitsubishi Electric Europe; HATFIELD	1,049	944
73	Munro's Travel Group; ABERDEEN	605	545
74	MW Tours MASTER	3,688	3,319
75	My City Deals	3,566	3,209
76	NHS National Services Scotland; EDINBURGH	1,630	1,467
77	NHS National Services Scotland; EDINBURGH	168	151
78	NHS Quality Improvement Project; GLASGOW	103	95
79	NHS; EDINBURGH	662	596
80	Norman Allen Group Travel Ltd; HEREFORD	4,059	3,653
81	Novotel Edinburgh	436	392
82	Parliament House Hotel; EDINBURGH	275	248
83	Plan B; Baleares	255	230
84	Red Letter Days Limited; LONDON	5,226	4,703
85	Redfern Travel	385	347
86	Redworth Hall Hotel	1,232	1,109
87	Rese-Konsulterna MASTER	46,530	41,877
88	RoomGenie; GLASGOW	1,836	1,652
89	Royal College of Nursing NO 109026; LONDON	4,870	4,383
90	Royal Terrace Hotel; EDINBURGH	491	442
91	Scottish Conservatives; EDINBURGH	4,214	3,792
92	Scottish Enterprise; GLASGOW	687	618
93	Scottish Government; EDINBURGH	4,741	4,267
94	Scottish Solicitors Discipline Tribunal; Cupar	896	806
95	SECRET ESCAPES	1,134	1,021
96	Service Reisen Giesse; Germany	2,023	1,821
97	Service-Reisen; GIESSEN	4,561	4,105
98	Shearings Holidays Ltd	948	853
99	Shore Capital Stockbrokers Ltd; LONDON	590	531
100	Spa & Hotel Breaks; Matlock	2,145	1,931
101	Spa Seekers	767	690
102	SPABREAKS.COM	16,665	14,998
103	Space UK	25	23
104	Stata Tours & Pathfinders; CHELTENHAM	2,446	2,201
105	Strathclyde Police; GLASGOW	84	76
106	SUPERBREAKS	44,193	39,773
107	TESCO	4,030	3,618
108	Tetley Michael	77	69
109	The Hotel Collection Central Support	175	157
110	TLC Marketing Uk Ltd; LONDON	446	401
111	Totalstay Limited - Master; Romania	2,173	1,956
112	Tourisma Limited; NASSAU	37,534	33,781
113	Tourico	256	230
114	Travco; LONDON	5,761	5,184
115	Travel Corporation Asia Ltd	3,475	3,128
116	Travel Scorworld; Palma	9,729	8,756
117	Travelzoo (Europe) Ltd; LONDON	1,703	1,532
118	Trust Reservations; WINDSOR	168	151
119	University of Edinburgh; EDINBURGH	966	869
120	University of Edinburgh; EDINBURGH	84	76
121	Venue Options Ltd; Sheffield	198	178
122	Viagens Abreu S.A Viagens	1,046	941
123	Virgin Atlantic Airways Ltd; CRAWLEY	149	134
124	Wahanda; LONDON	2,033	1,829
125	Walk Out A/c	2,115	1,903
126	Your Golf Travel.com; LONDON	1,596	1,436
127	Guest Ledger	50,226	45,203
	TOTAL	1,120,898	1,008,808

Signed

David McNeil

Date

23/10/14

SCHEDULE IV TO LIST "A"
Statement of affairs
Loans and advances

No	Name and address of debtor	Particulars of any securities held for debt	Book Value	Estimated to produce
			£	£
1	Group companies		23,265,119	-

Signed

Paul McKelvey

Date

23/10/14

SCHEDULE V TO LIST "A"
Statement of affairs
Loans and advances

No	No in share register	Name and address of shareholder	No of shares held	Amount of call per share unpaid £	Total amount due £	Estimated to produce £

Signed

Date

John McKeown

23/10/14

LIST "B" (consisting of 1 pages)

Statement of affairs

Assets specifically secured and creditors fully or partly
secured (see note below) (not including debenture holders
secured by a floating charge)

No	Particulars of assets specifically secured and nature of security	Date when security granted	Name of creditor	Address and occupation
1	Hotel Property		LSREF	

Note: For this purpose treat as a creditor but identify separately

- (a) an owner of goods in the company's possession under a hire-purchase agreement or an agreement for the hire of goods for more than 3 months or
- (b) a seller of goods to the company claiming a retention of title or a seller under a conditional sale agreement

John M. Malt 23/10/14

Carlton Hotel (Edinburgh) Limited

LIST "C" (consisting of pages)
Statement of affairs
Preferential creditors for salaries, wages and otherwise

No	Name of creditor	Address	Nature of claim	Total amount of claim	Amount ranking as preferential	Balance not preferential carried to List "E"

Signed
Dech McKelvey

Date
23/10/14

LIST "D"

Statement of affairs

List of holders of debentures secured by a floating charge

No	Name and address of Holder	Amount £	Description of assets over which security extends
1	LSREF	289,720,160	All asset debenture

Signed

Dech M. Hal

Date

23/10/14

Carlton Hotel (Edinburgh) Limited

LIST "E" (consisting of parent
Statement of affairs
Unsecured creditors - trade accounts)

No	Name and address of creditor	Amount of the debt
1	3643 Co Central, PO Box 107, Black Moss	10,355
2	Aspect Bookings	118
3	Aldermore Jewellers Fleness	83
4	Allday Time Systems Limited	63
5	Alliance Disposables	1,215
6	Amble	1,271
7	AMERICAN EXPRESS TRS CO INC	71
8	B O C Quas	335
9	BARCLAYCARD MERCHANT SERVICES	5,905
10	BERENDSEN UK LTD	362
11	Blacka Pools	170
12	Beeding.com	17
13	Bracehead Foods	298
14	Bromberg UK Ltd	420
15	Bn Telephone Payment Centre	31
16	Business Systems	1,546
17	Campbell Brothers Limited	326
18	Campbell Brothers Ltd	2,094
19	Campbell Prime Mena Limited	337
20	Carlsberg - Tinsley Brewing Ltd	675
21	CARLUE HARLOW	45
22	Cashel Travel Ltd	1,092
23	Castle Radio Tools Ltd	147
24	Clean Rite 2000 Ltd	624
25	Clean Services Fleness Ltd	444
26	Combined Power (South) Ltd	1,270
27	Compton Electronics Ltd	130
28	Coat Brown Ltd	654
29	Decades UK Ltd	1,371
30	Danzley Foods	417
31	Dixons Scotland Scotland Ltd	1,732
32	Easybrite T/A North British Trust	479
33	Ezobis Ltd	62
34	Environmental Waste Controls Plc	1,210
35	Fishers Services Cuper Ltd	14,085
36	Farnack Limited	182
37	Garward International Ltd	24
38	GILCHRIST & SOAMES UK LTD	2,047
39	H&B Foods Limited	1,249
40	Hilman Edinburgh Generator	119
41	Juanes Boatworks	183
42	Juys Edinburgh Ltd	378
43	Kilchoburn Scotland Ltd	140
44	Libraries SLU	491
45	Lockhart Catering Equipment	78
46	Mico Lighting Ltd	63
47	MJ Barwick & Co Ltd	531
48	Mistral Promotions	1,899
49	New White Edinburgh Limited	340
50	Nobles	918
51	PETTY CASH CARLTON HOTEL	8
52	PRESTIGE HOTEL RESERVATION LTD	27
53	Reception Express	8,914
54	Reynolds Catering Hertfordshire	977
55	Ryvalds Group	132
56	Sky Business	168
57	Supplies Tans Limited	394
58	Talbot Coffee International Ltd	574
59	Topline Electronics	1,232
60	Zenith Hygiene Group plc	76,246
TOTAL		

Signed

Dech Ma Kel

Date 23/10/14

Carlton Hotel (Edinburgh) Limited

LIST "F"

Statement of affairs

Unsecured creditors - Bills payable, promissory notes, etc

No	Name and address of acceptor of bill or note	Name and address of holder	Date when due	Amount of claim £

Signed

Date

Deborah A. Hill

23/10/14

LIST "G"

Statement of affairs

Unsecured creditors - contingent or other liabilities

No	Name and address of creditor	Nature of liability	Amount of claim £
1	HMRC - Vat	Vat Liabilities	4,655,761
2	Customer Deposits	Payments in advance	164,009
3	Group Debts	Money Movements	46,615,656
TOTAL			51,435,426

Signed

Deek M. Kelh

Date

23/10/14

Statement of Affairs

Pursuant to paragraph 47 of Schedule B1 to the Insolvency Act 1986
and Rule 2.21(1) of the Insolvency (Scotland) Rules 1986

Insert name of the
company

Statement as to the affairs of Scottish Highland Hotels Limited

as at the 11 day of September 2014, the date that the company entered administration.

Statutory Declaration

I solemnly and sincerely declare that the information provided in this statement and the lists A to G annexed and signed as relative hereto is, to the best of my knowledge and belief, true and complete,

AND I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at 32 LONDON BRIDGE STREET, LONDON SE1 9SG, ENGLAND.

Signed Declan Mc Kelvey (DECLAN MCKELVEY)

This 23rd day of October 2014.

Before me [Signature] Notary Public
London, England
(Javier Pérez-Manglano)
A Notary Public of Justice of the Peace or Solicitor

Vanner Perez Notaries
8 St. Thomas Street
London SE1 9RS (England)

STATEMENT as to the affairs of the Company on the 11 September 2014

		Estimated Realisable Values £
ASSETS		
Assets not specifically secured (as per List "A")		1,601,080
Assets specifically secured (as per List "B")		
Estimated realisable value	£ 14,200,000	
Less: Amount due to secured creditors	327,520,160	
Estimated Surplus	313,320,160	
Estimated Total Assets available for preferential creditors, holders of floating charges and unsecured creditors		1,601,080
LIABILITIES		
Preferential creditors (as per List "C")		-
Estimated balance of assets available for holders of floating charges and unsecured creditors		1,601,080
Estimated prescribed part of net property where applicable (to carry forward)		323,216
Holders of floating charges (as per List "D")		313,320,160
Estimated surplus/deficiency as regards holders of floating charges		312,042,296
Estimated prescribed part of net property where applicable (brought down)		323,216
Unsecured Creditors		
Trade accounts (as per List "E")	£ 135,988	
Bills payable (as per List "F")		
Contingent or other liabilities (as per List "G")	176,204,947	
Total unsecured creditors (excluding any shortfall to floating charge holders)		176,340,935
Estimated Surplus/Deficiency as regards creditors unsecured creditors (excluding any shortfall to floating charge holders)		174,739,855
Estimated deficiency after floating charge where applicable (brought down)		488,060,015
Estimated Surplus/Deficiency as regards creditors Issued and Called-up Capital		1,461,437
Estimated Surplus/Deficiency as regards members		489,521,452

These figures must be read subject to the following :-

* delete as appropriate

*((1) There is no unpaid capital liable to be called up)

The estimates are subject to the expenses of the liquidation and to any surplus or deficiency on trading pending realisation of the Assets

Seel M. Kal 23/10/14

Statement of affairs LIST "A"
Assets not specifically secured

Particulars of assets	Book Value £	Estimated to produce £
Balance at bank	382,718	382,718
Marketable securities (as per Schedule I)		
Bills receivable (as per Schedule II)		
Trade debtors (as per Schedule III)	664,086	597,678
Loans and advances (as per Schedule IV)	187,786,376	-
Unpaid calls (as per Schedule V)		
Stock in trade	36,799	63,676
Work in progress		
Heritable property		
Leasehold property		
Plant, machinery and vehicles	274,127	557,000
Furniture and fittings , etc		
Patents, trade marks , etc		8
Investments other than marketable securities		
Other property		
Total	189,144,107	1,601,080

Signed

Date

Deek M. Keloy

23/10/14

SCHEDULE I TO LIST "A"

Statement of affairs

Marketable Securities

No	Name of organisation in which securities are held	Details of securities held	Book value £	Estimated to produce £

Signed

Date

David Mc Kean

23/10/14

SCHEDULE II TO LIST "A"

Statement of affairs

Bills of exchange, promissory notes, etc. available as assets

No	Name and address of acceptor of bill or note	Amount of bill or note £	Date when due	Estimated to produce £	Particulars of any property held as security for payment of bill or note

Signed

Date

Seán M. Kelly

23/10/14

SCHEDULE III TO LIST "A"
Statement of affairs
Trade debtors

No	Name and address of debtor	Particulars of any securities held for debt	Book Value	Estimated to produce
			£	£
1	G Barcelo Gift Voucher		10	9
2	G CRO Deposit		395	355
3	G Prepaid Commission		32	29
4			627	564
5	Albatross Travel Group Ltd FAO Phoebe Duarte; AYLESFORD		98	88
6	Amazon		401	360
7	Amer Sports Europe Services; CAMBERLEY		237	213
8	Acorns Plc; HIGH WYCOMBE		4,402	3,962
9	Armours Funeral Service; AYR		650	585
10	Aston Villa Football Club Plc; BIRMINGHAM		9,262	8,336
11	Spirit AeroSystems Ltd; BLACKBURN		132	119
12	BAE Systems Regional Aircraft; PRESTWICK		309	278
13	Bibbys of Ingleton "MASTER"; CARNFORTH		1,225	1,103
14	Blackwood/Buckham Grant/Dave		375	338
15	Orbit Group; Worcester		524	472
16	BOOK A SPA; WINDSOR		1,785	1,607
17	The Cook School c/o Brachhead Foods; KILMARNOCK		180	162
18	Hall's Of Scotland; Prestwick		823	741
19	C/O Capita T & E; Taunton		4,044	3,640
20	Buy A Gift		2,208	1,987
21	Brendan Vacations Holdings Ltd; Channel Island		661	595
22	CLASSIC BRITAIN; STRATHAVEN		3,305	2,974
23	Consolidated Carriers Ltd; TROON		278	250
24	Cransfield University David; BEDFORD		12,672	11,405
25	Diamond Resorts International; Lancaster		13,247	11,922
26	Dunn Sandra; PAISLEY		99	89
27	EASYBREAKS; EDINBURGH		11,248	10,123
28	Eastburn Mark		325	293
29	Expotel MASTER; STOCKPORT		767	691
30	Virgin Media; Stockport		50	45
31	Expedia		8,246	7,422
32	\$pm.com; GLASGOW		2,310	2,079
33	Gatehouse of Fleet Bowling Club Jack; CASTLE DOUGLAS		239	206
34	Glasgow Caledonian University FAO: Tracey Jackson; GLASGOW		231	208
35	Glaxo Smith Kline; DARLINGTON		441	397
36	Guest Ledger AR; All Hotels		1,554	1,399
37	Golfbreaks.com; Windsor		3,770	3,393
38	Groupm; LONDON		1,912	1,720
39	Haversham & Baker Golfing Expeditions; OHIO		3,024	2,722
40	Hotelbeds; BARCELONA		1,335	1,201
41	Hotel Comedians; DUNBLANE		1,073	966
42	C/O HRO; FARNBOROUGH		569	512
43	C/O HRO; LEICESTER		184	165
44	Hyder Sally; EDINBURGH		164	148
45	C/O Intel Ltd; COLCHESTER		255	230
46	ITISON; Glasgow		346	311
47	JAC Travel Ltd; LONDON		6,042	5,437
48	Last minute		49	44
49	Living Social Bkgs From 8th Aug Only; 1 & 2 nights - see req tab		150	135
50	Mable GmbH		1,725	1,553
51	Mable Engine Systems; KILMARNOCK		11,935	10,742
52	Mcdinlay Golf Travel; Scotland		9,405	8,464
53	Miller Alan; GLASGOW		79	71
54	Sales Ledger Overpayments; DAVENTRY		280	252
55	NHS Trust North Ayrshire & Arran; KILMARNOCK		5,302	4,771
56	Novartis Pharmaceuticals UK Ltd; MITCHELDEAN		99	89
57	RSS Jet Centre Ltd		1,614	1,453
58	Old Course Experience; ST. ANDREWS		1,107	996
59	Perrygolf Intergolf; HELENSBURGH		264	238
60	Piersland House Hotel; TROON		260	234
61	St Patricks Fund Raising		850	765
62	C/o Portman Travel Ltd; Motherwell		264	237
63	The Hotel Collection Central Support		150	135
64	Puma Head Office		25	23
65	Redworth Hall Hotel		298	268
66	Spa Seekers		2,503	2,253
67	SECRET ESCAPES		10,919	9,828
68	S A F C Biosciences Ashleigh Laidlaw; IRVINE		1,340	1,206
69	Spa & Hotel Breaks; Matlock		1,536	1,383
70	SPABREAKS.COM		7,414	6,672
71	Moebel; CUPAR		350	315

Dech M. Mah

23/10/14

72	Stena Line Holidays Ltd; HOLYHEAD	283	255
73	Intel Mobile Communications (UK) Limited; DAVENTRY	389	350
74	Stirling Hotel; STIRLING	52	47
75	SUPERBREAKS	16,935	15,242
76	TESCO	2,438	2,194
77	Thermo Fisher Scientific; BASINGSTOKE	4,230	3,807
78	Travelzoo (Europe) Ltd; LONDON	653	587
79	Ulsterbus Ltd MASTER; BELFAST	5,280	4,752
80	UPMG; LUTON	187	168
81	Venue Options Ltd; Sheffield	392	352
82	Walk Out A/c	7,378	6,641
83	Wilkinson Golf & Leisure; DUNFERMLINE	1,708	1,537
84	Wotif	333	300
85	Your Golf Travel.com; LONDON	2,696	2,426
86	G American Express	6,200	5,580
87	G PUMA Gift Voucher	750	673
88	JM UK Plc; NEWTON AYCLIFFE	416	374
89	Accommodations UK Ltd; NEWCASTLE UPON TYNE	141	126
90	Access Bookings; Staffordshire	1,216	1,094
91	Acorn Sports; HIGH WYCOMBE	1,000	900
92	Albatross Travel Group Ltd FAO Phoebe Duarte; AYLESFORD	8,522	7,670
93	Aldi Foodstore Ltd; DARLINGTON	1,007	906
94	Aldi Foodstore Ltd Head Office; ATHERSTONE	612	551
95	American Express Corporate Groups & Events; Essex	1,410	1,269
96	Acorn Plc; HIGH WYCOMBE	500	450
97	ASBF Charity Weekend	631	568
98	The Aston Hotel; DARLINGTON	90	81
99	ATPI Group	8,758	7,882
100	BOOK A SPA; WINDSOR	11,721	10,549
101	BSI - USE BSI001 (booking Services); TAUNTON	87	78
102	C/O Capita T & E; Taunton	7,515	6,763
103	Bullock; NEWTON AYCLIFFE	94	84
104	Butterwick Hospice Care; BISHOP AUCKLAND	1,113	1,001
105	Buy A Gift	3,222	2,899
106	CAISSA Touristic Group AG; Hamburg	3,672	3,305
107	C/O Calder; Leeds	15,957	14,361
108	Capita Finance; DARLINGTON	776	699
109	The Children's Family Trust; Droitwich	290	261
110	C/O Chillsauce	10,963	9,867
111	Cito Ltd; LEEDS	13,792	12,413
112	The Corporate Team; LONDON	83	75
113	Diamond Resorts International; Lancaster	22,886	20,597
114	EASYBREAKS; EDINBURGH	10,051	9,045
115	Ebac Ltd; NEWTON AYCLIFFE	182	164
116	Everything Everywhere	518	466
117	Find Me a Conference Infotel House; SPALDING	1,254	1,128
118	Expotel MASTER; STOCKPORT	314	283
119	Expedia	897	807
120	Farrington Primary School	8,729	7,856
121	Flight Delay Services; MANCHESTER	101	91
122	Galloway Coach Travel Ltd; STOWMARKET	10,460	9,414
123	Glenton Holidays MASTER; GLASGOW	184	166
124	Grangefield School (A Specialist Technology College); STOCKTON-ON-TEES	3,012	2,711
125	Hinckley Island Hotel	80	72
126	HOTELSHOP UK Ltd; Droitwich Spa	2,289	2,060
127	C/O CTI Hotels; Bristol	680	612
128	Hotelbeds; BARCELONA	615	554
129	Hotel Connexions; DUNBLANE	3,256	2,931
130	C/O HRG; FARNBOROUGH	2,266	2,039
131	Find Me A Conference; Spalding	4,783	4,304
132	C/O Intel Ltd; COLCHESTER	959	863
133	Jalpak UK; LONDON	7,766	6,989
134	Jalpak	1,312	1,181
135	Jem Sports ; CRANBROOK	6,224	5,602
136	JMD Associates; NEWTON AYCLIFFE	558	502
137	c/o Key Reservations (Hotels) Ltd WPD; GLASGOW	137	123
138	Last minute	53	48
139	LIDL UK GMBH Expense Ledger; London	7,376	6,639
140	Lidl UK GmbH; LONDON	3,253	2,928
141	Schlegel/Linear Ltd; Co Durham	106	95
142	Living Social Ltd	2,399	2,159
143	Living Social Bkgs From 8th Aug Only; 1 & 2 nights - see req tab	9,190	8,271
144	Miki Travel Ltd; LONDON	3,075	2,768
145	NHS Commissioning Board	675	608
146	NICE Ltd; Oxfordshire	941	846
147	Northern Powergrid	98	88
148	Oasis Educational Woodhall Spa LTD INSET Department; SPILSBY	81	73
149	Durham Secondary SCITT; NEWTON AYCLIFFE	15,568	14,011
150	First 4 Venue; NOTTINGHAM	1,096	986

Scottish Highland Hotels

23/10/14

Scottish Highland Hotels Limited

151	C/O Winning Pitch	4,068	3,662
152	C/o Portman Travel Ltd; Motherwell	1,994	1,794
153	PHR Ltd; IPSWICH	271	244
154	The Hotel Collection Central Support	77	69
155	Reservations 2000 Ltd; KINGSTON UPON THAMES	1,429	1,286
156	RPM; DARLINGTON	1,632	1,469
157	Spa Seekers	5,464	4,918
158	SECRET ESCAPES	91,201	82,080
159	Simply Groups Master; West Yorkshire	8,934	8,041
160	Spa & Hotel Breaks; Matlock	1,097	987
161	Spa Stay Select; LONDON	532	479
162	SPABREAKS.COM	11,392	10,252
163	Studiosus Reisen Muenchen	1,729	1,556
164	SUPERBREAKS	31,254	28,128
165	Tekmar	98	88
166	TESCO	9,773	8,796
167	Gestamp; NEWTON AYCLIFFE	2,384	2,146
168	TLC Marketing Uk Ltd; LONDON	96	86
169	Tourama Limited; NASSAU	5,097	4,587
170	Travel Management Group Ltd; LEAMINGTON SPA	106	95
171	Travelzoo (Europe) Ltd; LONDON	9,452	8,507
172	Travel Republic	115	103
173	TR Fastenings Ltd; UCKFIELD	627	565
174	Vet Extra Ltd; GLASGOW	641	577
175	Wahanda; LONDON	2,060	1,854
176	Walk Out A/c	3,587	3,228
177	WilsonArt Ltd; SHILDON	143	129
178	C/O Zibrant Finance Department; DERBY	1,591	1,432
179	Guest Ledger	30,358	27,322
		664,086	597,678

Signed

Dech M. Kelly

Date

23/10/14

SCHEDULE IV TO LIST "A"


Statement of affairs

Loans and advances

No	Name and adress of debtor	Particulars of any securities held for debt	Book Value	Estimated to produce
			£	£
	1 Group companies		187,786,376	-

Signed

Date



23/10/14

SCHEDULE V TO LIST "A"
Statement of affairs
Loans and advances

No	No in share register	Name and address of shareholder	No of shares held	Amount of call per share unpaid £	Total amount due £	Estimated to produce £

Signed

Date

Dech Ma Kshury

23/10/14

LIST "B" (consisting of 1 pages)

Statement of affairs

Assets specifically secured and creditors fully or partly secured (see note below) (not including debenture holders secured by a floating charge)

No	Particulars of assets specifically secured and nature of security	Date when security granted	Name of creditor	Address and occupation
1	Hotel Property		LSREF	

Note: For this purpose treat as a creditor but identify separately

- (a) an owner of goods in the company's possession under a hire-purchase agreement or an agreement for the hire of goods for more than 3 months or
- (b) a seller of goods to the company claiming a retention of title or a seller under a conditional sale agreement

Seel Mr Kelly 23/10/14

LIST "D"

Statement of affairs

List of holders of debentures secured by a floating charge

No	Name and address of Holder	Amount £	Description of assets over which security extends
1	LSREF	313,320,160	All asset debenture

Signed

Deek M. Kelly

Date

23/10/14

Scottish Highland Hotels Limited

LIST "E" (continuation of page)
Statement of affairs
Unsecured creditors - trade accounts

No	Name and address of creditor	Amount of the debt
1	3643 Cr Control, PO Box 107, Black Moss	21,935
2	Spas Limited	
3	Active star Cite	14
4	Alcator Wines	70
5	Alloy Time Systems Limited	3,084
6	Alliance Disposables	115
7	Ayrshire Refrigeration Ltd	1,990
8	B O C Ores	214
9	BARCLAYCARD MERCHANT SERVICES	271
10	Beeves Water Treatment Ltd	2,335
11	BERENSON UK LTD	408
12	Bookings.com	91
13	Brackhead Foods	4,390
14	Brommag UK Ltd	1,748
15	BT Telephone Payment Centre	14
16	Burberry Stores	318
17	Camphell Brothers Limited	8,636
18	Camphell Brothers Ltd	120
19	Camphell Prime Meats Limited	977
20	Carlsberg - Tuckey Brewing Ltd	519
21	Classic British Hand Compositions	8,172
22	Classics Finance Ltd	1,313
23	Comstar	483
24	Comstar EmuSystems Ltd	31
25	Conley & Conley	324
26	CTV Holdings Ltd	769
27	David Murray Electric Bakery	117
28	Deemed Ltd	162
29	Dorling Foods	284
30	Drum Scotland Scotland Ltd	2,623
31	Enslin Ltd	2,371
32	Edinburgh Electrical Ltd	60
33	Ellepage	268
34	EXHOTEL HOTEL RESERVATIONS DO	359
35	Fairfax Meadow Limited	15
36	First Choice Car & Boat Ltd	3,286
37	Fishers Services Capar Ltd	18
38	Gibson Wright Limited	15,487
39	GILCHRIST & SOAMES UK LTD	516
40	Glasgow Prestwick Int Airport Ltd	521
41	H&B Foods Limited	580
42	H&B Foods Ltd	375
43	Hockley Building Services Limited	1,399
44	Hord Communications	314
45	Hutchings UK Ltd	396
46	HRO UK	533
47	HSS Hire Service Group PLC	37
48	ICI Courses Direct	148
49	IMO Direct	67
50	Independent Price Limited	324
51	Ingers Commercialisations	181
52	Jane Hollywood	49
53	Kelly Ann & Coles	543
54	Loading Locations	170
55	Less Cleaning Contractors LLP	94
56	Marshall Clark Wholesale	364
57	Miles Lighting Ltd	8,913
58	MJ Birrell & Co Ltd	537
59	Nat Times	7,245
60	Natwest	1,021
61	On-Site Audio Visual	216
62	PETTY CASH TROOP MARINE HOTEL	235
63	Phillips Traditional Newsagents	1,462
64	Portland House Hotel Company Ltd	406
65	Please use account number 545430	99
66	Raynolds Catering Northumbria	38
67	Robert Harcourt Ltd	16,690
68	Roller Gull UK Ltd	238
69	Rylands Group	139
70	Singly Bows and Chair Covers	43
71	Sky Business	403
72	SpaBreaks	1,093
73	Spa	0
74	Supply Train Limited	160
75	Taylor Foods Ltd	210
76	Tekko Coffee International Ltd	623
77	The Ice Cream Factory	872
78	Topline Electronics	134
79	Trade UK	143
80	Waken Laundry & Dry Cleaning	563
81	Whitakers Chocolates	483
82	William Tracey Ltd	84
83	Zenith Hygiene Group plc	1,008
		1,394
		125,023

John McKeay 23/10/14

Scottish Highland Hotels Limited

STATEMENT as to the affairs of the Company on the 11 September 2014

LIST "F"

Statement of affairs

Unsecured creditors - Bills payable, promissory notes, etc.

No	Name and address of acceptor of bill or note	Name and address of holder	Date when due	Amount of claim £

Signed

Date

David Mc Kibbin

23/10/14

STATEMENT as to the affairs of the Company on the 11 September 2014

LIST "G"

Statement of affairs

Unsecured creditors - contingent or other liabilities

No	Name and address of creditor	Nature of liability	Amount of claim £
1	HMRC - Vat	Vat Liabilities	4,655,761
2	Customer Deposits	Payments in advance	281,460
3	Group Debts	Money Movements	171,267,726
TOTAL			176,204,947

Signed

Date

David McKelvey 23/10/14

Statement of Affairs

Pursuant to paragraph 47 of Schedule B1 to the Insolvency Act 1986
and Rule 2.21(1) of the Insolvency (Scotland) Rules 1986

Insert name of the
company

Statement as to the affairs of Stirling Highland Hotel Limited

as at the 11 day of September 2014, the date that the company entered administration.

Statutory Declaration

I solemnly and sincerely declare that the information provided in this statement and the lists A to G annexed and signed as relative hereto is, to the best of my knowledge and belief, true and complete,

AND I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

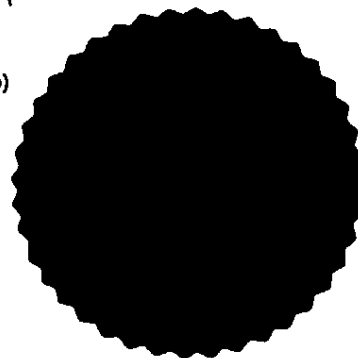
Declared at 32 LONDON BRIDGE STREET, LONDON SE1 9SG, ENGLAND.

Signed Declan Mc Kervey (DECLAN MCKERVEY)

This 23rd day of October 20 14

Before me [Signature] Notary Public
London, England
(Javier Pérez-Manglano)

A Notary Public or Justice of the Peace or Solicitor



Vanner Perez Notaries
8 St. Thomas Street
London SE1 9RS (England)

STATEMENT as to the affairs of the Company on the 11 September 2014

		Estimated Realisable Values £
ASSETS		
Assets not specifically secured (as per List "A")		1,069,457
Assets specifically secured (as per List "B")	£	
Estimated realisable value	7,100,000	
Less: Amount due to secured creditors	327,520,160	
Estimated Surplus	320,420,160	
Estimated Total Assets available for preferential creditors, holders of floating charges and unsecured creditors		1,069,457
LIABILITIES		
Preferential creditors (as per List "C")		-
Estimated balance of assets available for holders of floating charges and unsecured creditors		1,069,457
Estimated prescribed part of net property where applicable (to carry forward)		216,891
Holders of floating charges (as per List "D")		320,420,160
Estimated surplus/deficiency as regards holders of floating charges		319,567,594
Estimated prescribed part of net property where applicable (brought down)		216,891
Unsecured Creditors	£	
Trade accounts (as per List "E")	69,394	
Bills payable (as per List "F")		
Contingent or other liabilities (as per List "G")	22,943,105	
Total unsecured creditors (excluding any shortfall to floating charge holders)		23,012,499
Estimated Surplus/Deficiency as regards creditors unsecured creditors (excluding any shortfall to floating charge holders)		21,943,042
Estimated deficiency after floating charge where applicable (brought down)		342,363,202
Estimated Surplus/Deficiency as regards creditors Issued and Called-up Capital		500,000
Estimated Surplus/Deficiency as regards members		342,863,202

These figures must be read subject to the following :-

* delete as appropriate

*[(a) There is no unpaid capital liable to be called up]

The estimates are subject to the expenses of the liquidation and to any surplus or deficiency on trading pending realisation of the Assets

Stirling Highland Hotel Limited

23/10/14

Statement of affairs LIST "A"
Assets not specifically secured

Particulars of assets	Book Value £	Estimated to produce £
Balance at bank	416,839	416,839
Marketable securities (as per Schedule I)		
Bills receivable (as per Schedule II)		
Trade debtors (as per Schedule III)	462,425	416,182
Loans and advances (as per Schedule IV)	16,441,140	-
Unpaid calss (as per Schedule V)		
Stock in trade	18,432	18,432
Work in progress		
Heritable property		
Leasehold property		
Plant, machinery and vehicles	87,189	218,000
Furniture and fittings , etc		
Patents,trade marks , etc		4
Investments other than marketable securities		
Other property		
Total	17,426,025	1,069,457

Signed

Date

Deek McKel

23/10/14

SCHEDULE I TO LIST "A"

Statement of affairs

Marketable Securities

No	Name of organisation in which securities are held	Details of securities held	Book value £	Estimated to produce £

Signed

David M. Kelly

Date

23/10/14

SCHEDULE II TO LIST "A"

Statement of affairs

Bills of exchange, promissory notes, etc. available as assets

No	Name and address of acceptor of bill or note	Amount of bill or note £	Date when due	Estimated to produce £	Particulars of any property held as security for payment of bill or note

Signed

Date

John McKel

23/10/14

SCHEDULE III TO LIST "A"

Statement of affairs

Trade debtors

No	Name and address of debtor	Particulars of any securities held for debt	Book Value	Estimated to produce
			£	£
1	5pm.com; GLASGOW		17	15
2	Abbey Tours Scotland; Dublin 2		1,502	1,352
3	Access Bookings; Staffordshire		4,030	3,645
4	Accommodations UK Ltd; NEWCASTLE UPON TYNE		320	288
5	Acorn Pk; HIGH WYCOMBE		2,078	1,870
6	Akumal Campus Abroad		99,988	89,589
7	Ash Scotland; Edinburgh		2,780	2,502
8	BP Exploration Production & Technology Group; SUNBURY-ON-THAMES		4,816	4,335
9	Brandon Vacations Holdings Ltd; Channel Island		462	416
10	Bury A Gift		851	766
11	BuyAGift Accounts Use Only		110	99
12	C/O Capita T & E; Taunton		21,052	18,947
13	c/o Conference Care; Coventry		310	189
14	C/O CTT Hotels; Bristol		1,304	1,173
15	C/O HRQ; FARNBOROUGH		21,349	19,214
16	C/O HRQ; LEICESTER		1,208	1,087
17	C/O Intel Ltd; COLCHESTER		1,591	1,432
18	C/O Zebra Finance Department; DERBY		1,168	1,052
19	Carlson Wagonlit Travel (London); London		120	100
20	CIPFA Property CIPFA Business Ltd; CHESTER		890	801
21	CLASSIC BRITAIN; STRATHAVEN		550	495
22	Conference Care; COVENTRY		254	229
23	Diabetes Education Advisory Group; EDINBURGH		14,084	12,677
24	Diogen Heritage Visits Team Heritage Visits Manager, Scotland; ELGIN		546	491
25	Diamond Resorts International; Leicester		17,223	15,501
26	Dolby Visual Accounts Payable; Crwley		745	671
27	Doubletree by Dunblane Hydre; DUNBLANE		320	198
28	EASYBREAKS; EDINBURGH		14,154	12,738
29	Euro Welcome Scotland; EDINBURGH		100	90
30	Eurowelcome Scotland		4,554	4,099
31	Expedia		6,274	5,646
32	Expotel MASTER; STOCKPORT		77,507	69,757
33	Falcon Foodservice Equipment; STIRLING		595	536
34	Flight Centre; LONDON		2,328	2,095
35	O American Express		12,779	11,501
36	O CRO Deposit		2,377	2,139
37	Glasgow Caledonian University FAO; Tracey Jackson; GLASGOW		85	77
38	Grafton Merchandising GB; OXFORD		1,251	1,126
39	Groupson; LONDON		2,640	2,376
40	Head Office Management		25	23
41	Hospitality Line; KENT		380	342
42	Hotel Connections; DUNBLANE		1,402	1,262
43	Hotelbeds; BARCELONA		14,893	13,404
44	International Financial Data Service Ltd; BASILDON		4,688	4,219
45	Intrigue Financial Services Ltd; SWINDON		854	769
46	ITISON; Glasgow		1,916	1,724
47	IAC Travel Ltd; LONDON		35,966	32,369
48	Kuoni Global Travel Services (formerly Gullivers Travel Associates); LONDON		1,260	1,134
49	Lonza Biologics Plc FAO Joyce Hutchins; SLOUGH		453	408
50	Meris Group Ltd; LEICESTER		796	681
51	My City Deals		1,368	1,231
52	NHS Education for Scotland; Edinburgh		159	143
53	Nigel Graves Associates Throckmley; REIGATE		152	137
54	Norford Ltd (Nexfor); STIRLING		183	164
55	Nordic Tours		330	297
56	O & I Manufacturing UK Ltd; ALLOA		164	148
57	Prudential (London); LONDON		240	216
58	Ricoh UK Products Limited; STIRLING		319	287
59	Robertson Construction Central Ltd; STIRLING		838	754
60	Scottish Government; EDINBURGH		1,260	1,134
61	SECRET ESCAPES		8,651	7,786
62	SEPA; STIRLING		75	68
63	Service-Reisen; GIESSEN		2,167	1,950
64	Skills Development Scotland; GLASGOW		495	446
65	Spa Seekers		1,190	1,071
66	SPABREAKS.COM		6,358	5,722
67	St James Place; SOLIHULL		492	442
68	Stirling Management Centre; STIRLING		54	49
69	SUPERBREAKS		25,137	22,623
70	Superglast; STIRLING		510	459
71	TESCO		1,245	1,121
72	The Hotel Collection Central Support		25	23
73	The Stirling Whisky Shop Ealain Gallery Ltd; GLASGOW		5,423	4,881
74	Travel Management Services Ltd		623	561
75	Travel Corporation Asia Ltd; Ouzmacy		6,625	5,963
76	Trust Reservations; WINDSOR		80	72
77	Unleash; EDINBURGH		2,115	1,904
78	UNISON; GLASGOW		2,317	2,085
79	Units the Union; GLASGOW		730	657



23/10/14

Certhon Hotel (Edinburgh) Limited

80	University of Stirling; Stirling	85	77
81	Wahoda; LONDON	1,277	1,149
82	Wadh Out A/c	1,430	1,278
83	Wodf	175	158
84	Zero Waste Scotland; STIRLING	2,384	2,146
85	Zlays A VMN Limited; IRVINE	1,032	929
TOTAL		462,435	416,183

Signed

Sech McKel

Date

23/10/14

SCHEDULE IV TO LIST "A"
Statement of affairs
Loans and advances

No	Name and adress of debtor	Particulars of any securities held for debt	Book Value £	Estimated to produce £
1	Group companies		16,441,140	-

Signed

Date

John McNeil

23/10/14

SCHEDULE V TO LIST "A"
Statement of affairs
Loans and advances

No	No in share register	Name and address of shareholder	No of shares held	Amount of call per share unpaid £	Total amount due £	Estimated to produce £

Signed

Date

John McKeel

23/10/14

LIST "B" (consisting of 1 pages)

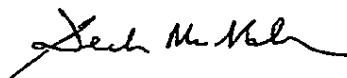
Statement of affairs

Assets specifically secured and creditors fully or partly
secured (see note below) (not including debenture holders
secured by a floating charge)

No	Particulars of assets specifically secured and nature of security	Date when security granted	Name of creditor	Address and occupation
1	Hotel Property		LSREF	

Note: For this purpose treat as a creditor but identify separately

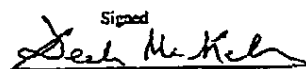
- (a) an owner of goods in the company's possession under a hire-purchase agreement or an agreement for the hire of goods for more than 3 months or
- (b) a seller of goods to the company claiming a retention of title or a seller under a conditional sale agreement



23/10/14

LIST "C" (consisting of pages)
Statement of affairs
Preferential creditors for salaries, wages and otherwise

No	Name of creditor	Address	Nature of claim	Total amount of claim	Amount ranking as preferential	Balance not preferential carried to List "E"

Signed


Date
23/10/14

LIST "D"

Statement of affairs

List of holders of debentures secured by a floating charge

No	Name and address of Holder	Amount £	Description of assets over which security extends
1	LSREF	320,420,160	All asset debenture

Signed

John Mc Kean

Date

23/10/14

Stirling Highland Hotel Limited

LIST "E" (continuation of page 1)
Statement of affairs
Unsecured creditors - trade accounts

No	Name and address of creditor	Amount of the debt
1	360 Cr Canal, PO Box 101, Black Moss	5,338
2	A.L.B. Enterprises Ltd	330
3	Access Bookings	20
4	Adhese Disposables	1,549
5	Angel Springs Limited	102
6	BARCLAYCARD MERCHANT SERVICES	2,377
7	Biffa Waste Services Ltd	777
8	Bookings.com	16,394
9	Brookside Foods	844
10	Business Screen	1
11	Campbell Brothers Limited	196
12	Campbell Brothers Ltd	1,321
13	Campbell Prime Meat Limited	1,339
14	Carlsberg - Tasty Brewing Ltd	404
15	Carlsen Wagtails Avenue Travel Ltd	18
16	Click Travel Ltd	17
17	Clear Travel Finance Ltd	347
18	Donkey Needs	799
19	Direct Seafoods Scotland Ltd	1,993
20	Elisons	125
21	Fishers Service Cater Ltd	132
22	CHRISTIE & SOAMES UK LTD	543
23	Golden Lion Hotel	90
24	H&B Foods Limited	843
25	Heston Ltd	179
26	Heston Building Services Limited	648
27	Hardship UK Ltd	15
28	HSS Hire Service Group PLC	1,305
29	Icon Cabinets	5,336
30	Independent Print Limited	101
31	Jowett Limited	63
32	Kane Escalators	803
33	Lighting Protection Services	180
34	Marlow Clark Wholesale	1,431
35	MJ Brewin & Co Ltd	299
36	PETTY CASH STIRLING HIGHLAND HOTEL	321
37	Protec Fire Detection Ltd	29
38	Recognition Export	6,509
39	Reynolds Catering Northampton	1,376
40	Richard Hrowth Ltd	2,640
41	Sky Business	577
42	SynBiotics	121
43	Telco Office International Ltd	182
44	Topline Electronics	204
45	Town & Country Fine Foods	19
46	TravelWorld	780
47	WHYLER PHOTOS	1,796
48	Zenith Hygiene Group plc	
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TOTAL		67,394

Steel the Hall

23/10/14

Stirling Highland Hotel Limited

LIST "F"

Statement of affairs

Unsecured creditors - Bills payable, promissory notes, etc

No	Name and address of acceptor of bill or note	Name and address of holder	Date when due	Amount of claim £

Signed

Date

John Mc Kean

23/10/14

LIST "G"

Statement of affairs

Unsecured creditors - contingent or other liabilities

No	Name and address of creditor	Nature of liability	Amount of claim £
1	HMRC - Vat	Vat Liabilities	4,655,761
2	Customer Deposits	Payments in advance	72,893
3	Group Debts	Money Movements	18,214,451
TOTAL			22,943,105

Signed

David M. Hall

Date

23/10/14

Appendix 6

Statement of Claim Forms

STATEMENT OF CLAIM BY CREDITOR

Pursuant to Rule 4.15(2)(a) and Rule 2.41(1) of the Insolvency (Scotland) Rules 1986

WARNING

It is a criminal offence:

• For a creditor to produce a statement of claim, account, voucher or other evidence which is false, unless he shows that he neither knew nor had reason to believe that it was false; or

• For a director or other officer of the company who knows or becomes aware that it is false to fail to report it to the Administrator within one month of acquiring such knowledge.

On conviction either the creditor or such director or other officer of the company may be liable to a fine and/or imprisonment.

Notes:

(a) *Insert name of company:*

(a) **Carlton Hotel (Edinburgh) Limited**
(Registered Number SC047923) having its
registered office at Maclay Murray & Spens LLP,
1 George Square, Glasgow, G2 1AL

(b) *Insert name and address of creditor:*

(b) _____

(c) *Insert name and address, if applicable, of authorised person acting on behalf of the creditor:*

(c) _____

(d) *Insert total amount as at the due date (14 February 2012) claimed in respect of all the debts, the particulars of which are set out overleaf.*

I submit a claim of (d) £_____ in the administration of the above company and certify that the particulars of the debt or debts making up the claim, which are set out overleaf, are true, complete and accurate to the best of my knowledge and belief.

Signed _____
Creditor/person acting on behalf of creditor

Date _____

PARTICULARS OF EACH DEBT**Notes**

A separate set of particulars should be made out in respect of each debt

1. Describe briefly the debt, giving details of its nature, the date when it was incurred and when payment became due.

Attach any documentary evidence of the debt, if available.

2. Insert total amount of the debt, showing separately the amount of principal and any interest which is due on the debt as at the due date (see note (e)). Interest may only be claimed if the creditor is entitled to it. Show separately the VAT on the debt and indicate whether the VAT is being claimed back from HM Customs and Excise.

3. Insert the nature and amount of any preference under Schedule 6 to the Act claimed in respect of the debt.

4. Specify and give details of the nature of any security held in respect of the debt including -

(a) The subjects covered and the date when it was given.

(b) The value of the security.

Security is defined in section 248(b) of the Insolvency Act 1986 as meaning "any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off)". For claims in administration procedure security also includes a hire purchase agreement for the hire of goods for more than three months and a conditional sale agreement (see Rule 2.33)

1. Particulars of debt**2. Amount of Debt****3. Preference Claimed for debt****4. Security for Debt**

STATEMENT OF CLAIM BY CREDITOR

Pursuant to Rule 4.15(2)(a) and Rule 2.41(1) of the Insolvency (Scotland) Rules 1986

WARNING

It is a criminal offence:

• For a creditor to produce a statement of claim, account, voucher or other evidence which is false, unless he shows that he neither knew nor had reason to believe that it was false; or

• For a director or other officer of the company who knows or becomes aware that it is false to fail to report it to the Administrator within one month of acquiring such knowledge.

On conviction either the creditor or such director or other officer of the company may be liable to a fine and/or imprisonment.

Notes:

(a) Insert name of company:

(a) **Scottish Highland Hotels Limited**
(Registered Number SC055493) having its
registered office at Maclay Murray & Spens LLP,
1 George Square, Glasgow, G2 1AL

(b) Insert name and address of creditor:

(b) _____

(c) Insert name and address, if applicable, of
authorised person acting on behalf of the creditor:

(c) _____

(d) Insert total amount as at the due date (**14
February 2012**) claimed in respect of all the
debts, the particulars of which are set out
overleaf.

I submit a claim of (d) £_____ in the
administration of the above company and certify that
the particulars of the debt or debts making up the
claim, which are set out overleaf, are true, complete
and accurate to the best of my knowledge and belief.

Signed _____
Creditor/person acting on behalf of creditor

Date _____

PARTICULARS OF EACH DEBT**Notes**

A separate set of particulars should be made out in respect of each debt

1. Describe briefly the debt, giving details of its nature, the date when it was incurred and when payment became due.

Attach any documentary evidence of the debt, if available.

2. Insert total amount of the debt, showing separately the amount of principal and any interest which is due on the debt as at the due date (see note (e)). Interest may only be claimed if the creditor is entitled to it. Show separately the VAT on the debt and indicate whether the VAT is being claimed back from HM Customs and Excise.

3. Insert the nature and amount of any preference under Schedule 6 to the Act claimed in respect of the debt.

4. Specify and give details of the nature of any security held in respect of the debt including -

(a) The subjects covered and the date when it was given.

(b) The value of the security.

Security is defined in section 248(b) of the Insolvency Act 1986 as meaning "any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off)". For claims in administration procedure security also includes a hire purchase agreement for the hire of goods for more than three months and a conditional sale agreement (see Rule 2.33)

1. Particulars of debt**2. Amount of Debt****3. Preference Claimed for debt****4. Security for Debt**

STATEMENT OF CLAIM BY CREDITOR

Pursuant to Rule 4.15(2)(a) and Rule 2.41(1) of the Insolvency (Scotland) Rules 1986

WARNING

It is a criminal offence:

• For a creditor to produce a statement of claim, account, voucher or other evidence which is false, unless he shows that he neither knew nor had reason to believe that it was false; or

• For a director or other officer of the company who knows or becomes aware that it is false to fail to report it to the Administrator within one month of acquiring such knowledge.

On conviction either the creditor or such director or other officer of the company may be liable to a fine and/or imprisonment.

Notes:

(a) Insert name of company:

(a) **Stirling Highland Hotel Limited**

(Registered Number SC111734) having its registered office at Maclay Murray & Spens LLP, 1 George Square, Glasgow, G2 1AL

(b) Insert name and address of creditor:

(b) _____

(c) Insert name and address, if applicable, of authorised person acting on behalf of the creditor:

(c) _____

(d) Insert total amount as at the due date (**14 February 2012**) claimed in respect of all the debts, the particulars of which are set out overleaf.

I submit a claim of (d) £_____ in the administration of the above company and certify that the particulars of the debt or debts making up the claim, which are set out overleaf, are true, complete and accurate to the best of my knowledge and belief.

Signed _____
Creditor/person acting on behalf of creditor

Date _____

PARTICULARS OF EACH DEBT**Notes**

A separate set of particulars should be made out in respect of each debt

1. Describe briefly the debt, giving details of its nature, the date when it was incurred and when payment became due.

Attach any documentary evidence of the debt, if available.

2. Insert total amount of the debt, showing separately the amount of principal and any interest which is due on the debt as at the due date (see note (e)). Interest may only be claimed if the creditor is entitled to it. Show separately the VAT on the debt and indicate whether the VAT is being claimed back from HM Customs and Excise.

3. Insert the nature and amount of any preference under Schedule 6 to the Act claimed in respect of the debt.

4. Specify and give details of the nature of any security held in respect of the debt including -

(a) The subjects covered and the date when it was given.

(b) The value of the security.

Security is defined in section 248(b) of the Insolvency Act 1986 as meaning "any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off)". For claims in administration procedure security also includes a hire purchase agreement for the hire of goods for more than three months and a conditional sale agreement (see Rule 2.33)

1. Particulars of debt**2. Amount of Debt****3. Preference Claimed for debt****4. Security for Debt**

Appendix 7

Disclosure in Accordance with Statement of Insolvency Practice 16 (Scotland) "Pre-Packaged Sales in Administrations"

Our ref: PDW/PJC/SMS/LKA/SBJ/D&P1775/1867384/P3

NOTICE TO ALL CREDITORS OF THE APPOINTMENT OF JOINT ADMINISTRATORS

When telephoning please ask for:
Sebastien Johnson

e-mail:
Sebastien.Johnson@duffandphelps.com

Direct Line:
020 7089 4816

18 September 2014

Dear Sirs

Furlong Cotswolds Limited, Furlong Hotels Limited, Stirling Highland Hotel Limited, Scottish Highland Hotels Limited, Carlton Hotel (Edinburgh) Limited, Paramount Hotels Services Limited, Old Ship Hotel (Brighton) Limited, Combe Grove Manor Hotel & Country Club Limited, Paramount Hotels Limited, Paramount Hotels (Daventry) Limited, Paramount Hotels (Hinckley) Limited, Paramount Hotels (Basingstoke) Limited, Paramount Hotels Walton Hall Limited, Paramount Hotels Investments Limited, UK Hotels (Finance) Plc, Paramount Hotels Group Limited, The Lygon Arms Hotel Limited and Paramount Hotels Holdings Limited (All in Administration) Together ("the Group")

I was appointed Joint Administrator of each company in the Group on 11 September 2014, together with my Partners Paul Clark and David Whitehouse. The appointments were made by the director of each of the Group members. Formal notices of the appointments are attached for your reference.

The officers of the Group are required to submit a statement of affairs, but as yet we are not in a position to give any information regarding the financial position. We shall send you a report as soon as it is reasonably practicable which will explain the objectives of the Administration and give details of the financial position of the Group. At that time we may also convene meetings of creditors and will advise you of the prospects of a dividend. If you believe you are a creditor of the Group, please provide details of your claim on the attached proof of debt form noting the individual company that you are owed money by.

If you have commenced recovery proceedings against any of the Group member, I suggest you contact Sebastien Johnson before continuing as a matter of priority, because no legal processes may continue against the Group without my consent or permission of the Court.

Cont'd/...

The affairs, business and property of the Group are being managed by the Joint Administrators, Paul Williams, Paul Clark and David Whitehouse who act as agents for the Group and without personal liability. They are both licensed by the Insolvency Practitioners Association.

Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

T +44 (0) 20 7089 4700
F +44 (0) 20 7089 4701
www.duffandphelps.co.uk

Duff & Phelps Ltd. Registered in
England. Company registration number
05588550. Registered office: 7
Albemarle Street, London, W1S 4HQ

Licensed Insolvency Practitioners acting as
office holders act without personal liability and
unless otherwise stated are authorised by the
Insolvency Practitioners Association

Upon my appointment, I completed a sale of the Group's business and assets as per the attached table in Appendix 1. Where Insolvency Practitioners are party to a pre-packaged sale, best practice guidelines require them to disclose to creditors, where practicable, certain information in respect of that pre-packaged sale within the first notification to creditors. Accordingly please refer to Appendix 2 for such information with respect to the sale of the Group's business and assets to the relevant purchaser.

If you have any concerns regarding the way in which any of the Group's business has been conducted or are aware of any assets which may belong to the Group, please provide details to my office.

Finally, if you contend that you have any form of security or reservation of title in respect of goods that you previously supplied, please telephone Sebastien Johnson of my office immediately and provide full written details and a copy of the documentation relating to your claim.

Should you have any queries, please do not hesitate to contact Sebastien Johnson of this office.

Yours faithfully
For and on behalf of
the Group



Paul Williams
Joint Administrator
Encs.

The affairs, business and property of the Group are being managed by the Joint Administrators, Paul Williams, Paul Clark and David Whitehouse who act as agents for the Group and without personal liability. They are both licensed by the Insolvency Practitioners Association.

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Appendix 1

Purchaser	Seller	Assets Acquired
Hotel Collection Hotel No. 1 Limited	Paramount Hotels (Hinckley) Limited	Hinckley Island Hotel
Hotel Collection Hotel No. 2 Limited	Carlton Hotel (Edinburgh) Limited	Carlton Hotel
Hotel Collection Hotel No. 3 Limited	Paramount Hotels Limited	Majestic Hotel
Hotel Collection Hotel No. 4 Limited	Paramount Hotels Limited	Oxford Hotel
Hotel Collection Hotel No. 5 Limited	Paramount Hotels Walton Hall Limited	Walton Hall Hotel
Hotel Collection Hotel No. 6 Limited	Paramount Hotels Limited	Imperial Hotel, Torquay
Hotel Collection Hotel No. 7 Limited	Paramount Hotels Limited	Shrigley Hall Hotel
Hotel Collection Hotel No. 8 Limited	Old Ship Hotel (Brighton) Limited	Old Ship Hotel
Hotel Collection Hotel No. 9 Limited	Paramount Hotels Limited	Imperial Hotel, Blackpool
Hotel Collection Hotel No. 10 Limited	Furlong Cotswolds Limited	Lygon Arms Hotel
Hotel Collection Hotel No. 11 Limited	Furlong Hotels Limited	Billesley Manor Hotel
Hotel Collection Hotel No. 12 Limited	Paramount Hotels (Daventry) Limited	Daventry Court Hotel
Hotel Collection Hotel No. 13 Limited	Stirling Highland Hotel Limited	Stirling Highland Hotel
Hotel Collection Hotel No. 14 Limited	Scottish Highland Hotels Limited	Redworth Hall Hotel
Hotel Collection Hotel No. 15 Limited	Scottish Highland Hotels Limited	Marine Hotel
Hotel Collection Hotel No. 16 Limited	Paramount Hotels Basingstoke Limited	Basingstoke Country Hotel
Hotel Collection Hotel No. 17 Limited	Paramount Hotels Limited	Cheltenham Park Hotel
Hotel Collection Hotel No. 18 Limited	Paramount Hotels Limited	Angel Hotel
Hotel Collection Hotel No. 19 Limited	Paramount Hotels Limited	Palace Hotel
Hotel Collection Hotel No. 20 Limited	Combe Grove Manor Hotel & Country Club Limited	Combe Grove Manor Hotel & Country Club
Hotel Collection Services Limited	Paramount Hotels Services Limited	Certain assets from Paramount Hotels Limited, Paramount Hotels (Hinckley) Limited and Stirling Highland Hotel Limited

Appendix 2

Outlined below are details of the sale of the businesses and assets of the Group. The individual entities within the Group and the purchaser of each entity's business and assets is detailed at Appendix 3. The purchasers detailed at Appendix 3 will collectively be referred to as "the Purchaser".

Creditors should be aware of the differing roles of an insolvency practitioner associated with an Administration that involves a pre-packaged sale of a company's business and assets. Prior to the formal appointment, the insolvency practitioner will have been instructed by the company and/or a secured creditor to provide advice although will act at all times independent of the company's management who will remain responsible for the affairs of the company. That advice will normally include consideration of potential insolvency exit strategies and to assist management meet their fiduciary duties and obligations when running a company with particular attention being paid to any proposed pre-packaged administration sale scenario. On formal appointment, the Administrator, who is an officer of the Court and an agent of the company, will manage the company's affairs, business and property for the benefit of its creditors as a whole.

Executive summary

This document explains the background to and the reasons for, the decision of the Joint Administrators to sell the business and assets of the Group via a pre-packaged sale.

In summary the Joint Administrators are of the clear opinion that their decision to sell the business and assets of the Group by way of a pre-packaged sale has resulted in the most positive outcome available to creditors.

This opinion is based upon the information available to them at the time of the sale, the advice provided by independent third party experts, consultation with the Group's largest creditor and the potential risks known to the Joint Administrators based upon both their prior general experience and based upon the specific risks associated with an administration of the Group.

The Joint Administrators have concluded that the pre-packaged sale of the Group's assets was appropriate and in the best interests of creditors as a whole for the following reasons:

1. The sale was at market value and was supported by the largest creditor.
2. The sale avoided the potential £30m reduction in value (identified by Knight Frank) that could result from an administration (i.e. the sale preserved value).
3. The sale preserved debtor collections of around £7.5m.
4. The sale mitigated the risk of claims from customers for the return of deposits of around £3.9m.
5. The sale maximised value from the chattel assets of around £6.5m.
6. The sale did not prejudice the position of unsecured creditors but protected and maximised their interests.
7. The sale maximised the return to the secured creditor.

Due to the level of secured debt within the Group, it should be noted that unsecured creditors have an interest in the prescribed part only. The interest of third party unsecured creditors, based upon the figures in the Group's financial records, amounts to around 4% of the total unsecured debts.

A solvent solution was not possible as the largest shareholder and bond holder did not put forward proposals.

- **Background Information**

The Group operates 21 4 star hotels in England, Scotland and Wales. The hotels offer over 2,800 ensuite bedrooms and over 220 meeting rooms.

The Group operated under the 'Puma Hotels' name up to June 2014 when it rebranded to 'The Hotel Collection'.

The Group was funded by Anglo Irish Bank which was merged into the Irish Bank Resolution Corporation ("IBRC") in 2011. In 2013 IBRC was placed into Special Liquidation and later began to sell off part of its loan portfolio. The insolvency of the Group's lender led to uncertainty regarding its future and restricted any further borrowings.

On 16 May 2014 LSREF III Wight Limited ("LSREF") acquired the Group's debt from IBRC and took an assignment of all of the rights under the associated security. LSREF appointed Hudson Advisors UK Limited ("Hudson") to manage the debt and negotiate terms with the Group. All of the subsidiaries within the Group cross-guaranteed the secured debt.

The Group was insolvent on a balance sheet basis as its liabilities exceeded its assets as a result of a decline in the UK property market which negatively impacted on the value of the Group's property portfolio, being the hotel assets. The hotel assets were valued at c£248m in December 2013 by Knight Frank LLP compared to the Group's secured lending of c£337m. There was further unsecured lending within the Group of £44m arising from bonds issued by UK Hotels (Finance) Plc.

The borrowing facilities in place expired on 31 May 2014; without new facilities being agreed and the Group defaulted on interest payments due after this time.

Difficult market conditions have prevailed in the hotel and hospitality sector, impacting on trading performance in recent years. Whilst the Group has continued to record a trading profit, it has been insufficient to adequately service loan and interest repayments.

As a consequence of the pressure on cash flow due to the trading conditions, the Group has been unable to fully invest in the hotels. The previous directors of the Group commissioned an independent review in early 2014 which identified a minimum capital expenditure ("CAPEX") requirement of c£30m for the following two years. The Group therefore was trading profitably at an operational level but was not able to service its debts or invest the desired level of capital expenditure to protect the current trading performance.

Following the expiry of the lending facilities, LSREF entered into a short term standstill arrangement ("the Standstill Agreement") with the Group in June 2014, whilst a restructuring of the Group's debt was considered.

The Standstill Agreement was terminated on 4 August 2014 and on the same day LSREF also served demand on UK Group of Hotels plc ("UKGHP"), being the parent company of the Group. As UKGHP was unable to repay its debt, the directors of UKGHP subsequently appointed Paul Williams, Paul Clark and David Whitehouse ("the Joint Administrators") of Duff & Phelps Ltd. ("Duff & Phelps") as Joint Administrators of UKGHP on 4 August 2014. LSREF consented to the appointment of Joint Administrators.

The objective of the Administration of UKGHP was to allow the Group a further period of time, together with the protection of a statutory moratorium, to review its options including both solvent and insolvent restructuring options. These options are detailed further in the 'pre appointment considerations' section.

Following the appointment of the Joint Administrators, the directors of the Group resigned and appointed a replacement director.

The new director was appointed in respect of all entities within the Group, excluding UKGHP, on 4 August 2014. A VAT payment of circa £2m due on 31 July 2014 was outstanding upon the new director's appointment. The Group had previously engaged Duff & Phelps to assist in liaising with HMRC and the new director took steps to continue the discussions with HMRC in respect of the outstanding liability and the further VAT and PAYE liabilities, accruing on a daily basis. The director sent a letter to HMRC on 11 August 2014 but, he was unable to agree a meeting with HMRC. HMRC issued a 'warning of winding up' letter to the Group (excluding UK Hotels (Finance) Plc) dated 8 August 2014. This was only received by the Group on 15 August 2014.

The director sought advice from Duff & Phelps as to the most appropriate course of action. The various stakeholders of the Group were engaged to ascertain their views on the future of the Group. In particular, the funders and the largest equity holder were approached to establish their respective appetites to refinance the Group. However, given the financial position of the Group it became apparent that a refinance of the Group in its current form would not be possible.

Regular dialogue continued between Duff & Phelps and HMRC including providing a further copy of the Group's letter of 11 August 2014 which HMRC stated that they had not previously received. As it became apparent that a solvent restructuring was considered unachievable and due to the threat of Court action by HMRC, the new director signed notices of intention to appoint Administrators. These were filed at Court, in respect of all England and Wales registered entities within the Group, on 29 August 2014 and in respect of the Scottish registered entities, Stirling Highland Hotel Limited, Scottish Highland Hotels Limited and Carlton Hotel (Edinburgh) Limited, on 1 September 2014.

Paul Williams, Paul Clark and David Whitehouse of Duff & Phelps were subsequently appointed Joint Administrators of the Group on 11 September 2014. Immediately following their appointment the Joint Administrators executed a pre-packaged sale of the Group's businesses and assets to the Purchaser. Further details regarding this transaction are detailed below.

None of the Group's businesses or assets were acquired from a previous insolvency in the last 24 months.

- **Initial introduction**

Duff & Phelps' initial introduction to the Group's affairs was in an initial informal meeting with Hudson on 16 April 2014.

Duff & Phelps were formally engaged by Hudson on behalf of LSREF, on 16 May 2014. The scope of the engagement was to provide restructuring advice and an options analysis, further details of which are below.

Further, Duff & Phelps were engaged by the Group on 31 July 2014 to assist in liaising with HMRC regarding the Group's outstanding HMRC liabilities. Duff & Phelps were subsequently engaged by the Group on 12 August 2014 to provide restructuring and insolvency planning advice to the Group.

Prior to this, none of the Joint Administrators has had any prior business relationship with the Group or its directors.

- **Pre-appointment considerations**

Options Considered

Outlined below are the options discussed with the Group's director and secured lender, via Hudson, and the reasons for recommending or not recommending each option:

1. Continue to trade

The Group was unable to continue to trade in its current structure for the following reasons:

- The Group generated insufficient cash to service its secured debt and was in default in respect of its lending facilities.
- The Group generated insufficient cash to invest in the desired level of CAPEX and therefore the quality of its hotel assets were deteriorating. It was anticipated that the Group's performance would deteriorate in due course if CAPEX over and above that available from existing working capital was not undertaken in the short to medium term.
- No new borrowing was available due to the balance sheet insolvency of the Group and the current lender's unwillingness to invest in the Group's current structure.

2. CVA

It was determined that a CVA would not be a suitable option as a CVA would not provide a solution to the fundamental issues identified as no capital or alternative financing was available to resolve the CAPEX issues and a CVA would not improve the position of the secured lender.

3. Appointment of Administrators and sale of the businesses and assets following a trading period in Administration

It was determined that trading the Group in Administration whilst a purchaser of the businesses and assets was sought would not be a suitable option for the following reasons:

- According to the valuation of Knight Frank LLP (commented on further below), the appointment of Administrators to trade and sell the hotels could cause a diminution of value of c£30m to the hotel assets.
- Trading the businesses in Administration would likely result in substantial additional professional costs being incurred and therefore a likely reduction in the sums available to be distributed to the Group's secured lender and non-preferential unsecured creditors via the Prescribed Part.
- The Group's secured lender would ultimately be required to approve any sale and given the significant shortfall of the Group's assets in comparison to its liabilities, it was deemed unlikely that any potential purchaser would be in a position to provide an acceptable offer to be approved by the secured lender, even after a period of trading and open marketing.
- There was a risk that suppliers would be unwilling to continue to supply the companies in Administration. Further, without the necessary comfort/guarantees customers may have cancelled future events. This position would have had a negative impact on the value of the business, as supported by the Knight Frank valuation.
- LSREF, the Group's largest creditor, was supportive of a pre-packaged sale and had indicated it would fund the purchase through a new corporate structure. Given the level of LSREF's debt, the impact of any sale on the return to LSREF was of paramount importance to the Joint Administrators and significantly outweighed the economic interests of all other creditors.

4. Liquidation of the Group

It was determined that the Liquidation of the Group would likely result in the least favourable outcome for creditors and stakeholders for the following reasons:

- The cessation of trading would have resulted in the hotels closing which would have significantly eroded the market value of the property hotel assets; the Knight Frank valuation was circa £30m less in an Administration scenario. Further, the cessation of trading would have significantly eroded the market value of the chattel assets; the Hilco valuation of floating charge assets (excluding cash and book debts) was circa £4m less in an ex-situ scenario.
- The cessation of trading would have resulted in the termination of events and bookings, adversely impacting on the book debt ledger collections and increasing the claims of non-preferential unsecured creditors by the value of the deposits lost (c£3.9m).
- The cessation of trading would have resulted in over 2,400 employees being made redundant. This would have increased preferential and non-preferential unsecured claims significantly.

5. Sale of businesses and assets as a going concern via pre-packaged Administrations

After considering the position, it was determined that the best option for the creditors of the Group would be achieved via pre-packaged Administration sales of the Group's businesses and assets. The reasons for preferring pre-packaged Administrations over the other options are as follows:

- LSREF, the Group's largest creditor and funder, was supportive of a pre-packaged sale which resulted in them receiving market value for the hotel assets.
- Any potential third party offer for the hotel assets would have had to exceed £337m (the level of secured debt) for additional consideration to be of benefit to the unsecured creditors. Based upon the appraisal by Knight Frank this was considered extremely unlikely to be achieved.
- By virtue of its significant liabilities to its secured lender, the shares in the Group would be of limited interest to potential investors or acquirers, meaning that a share sale was unlikely to be viable. It should be noted that no offers were received for the acquisition of the shares.
- Due to the financial position of the Group, the unsecured creditors will only receive a return via the Prescribed Part. The net property which generates the Prescribed Part funding is affected by realisations from several assets categories, the majority of which by value are realisations outside of the sale process (being cash at bank and debtor realisations). The most significant floating charge assets which provide funds for the Prescribed Part are the plant and machinery and these were sold at the value advised by Hilco (as noted in further details below). The Joint Administrators are therefore content that fair value was achieved for the assets thus maximising the return to unsecured creditors.
- The employment of over 2,400 employees and all rights and benefits associated with their employment would continue, minimising both preferential and non-preferential unsecured creditor claims.

- The businesses would continue to trade thus mitigating the risk of future event cancellations and the risk of claims being made for unreturned deposits (c£3.9m). Continuity of trade would also lead to enhanced debtor collections (book debt ledger at appointment of c£7.5m).

Consultation with stakeholders

As noted above, the new director took steps to engage with HMRC in respect of the outstanding PAYE and VAT liabilities, given that HMRC is a significant unsecured creditor of the Group. The Group also engaged Duff & Phelps to discuss a deferral agreement with regard to the outstanding amounts, whilst the Standstill Agreement was in effect. However, as noted previously HMRC issued a 'warning of winding up' letter to the Group (excluding UK Hotels (Finance) Plc) which was received on 15 August 2014. Duff & Phelps continued to liaise directly with HMRC in the following period with regard to the Group's intentions and notified them of the Director's decision to file notices of intention to appoint Administrators.

The Joint Administrators of UKGHP met with the directors of The Hotel Corporation plc ("THC plc"), which is the holder of 49.9% of the ordinary shares in UKGHP and also 49.9% of the bonds in UK Hotels (Finance) plc ("UKHFP"), on 7 August 2014. THC plc noted that they were not able to offer any restructuring or refinancing proposals of their own.

It should be noted that the bonds issued by UKHFP were subordinated to the indebtedness of LSREF. The only significant asset of UKHFP is a debtor due from UKGHP which was unable to pay that debt due to its insolvency. In any event, if UKHFP was able to recover any sums from UKGHP these sums would be paid to LSREF in advance of any repayment of the bonds. Furthermore, the bonds cannot be redeemed until LSREF has been repaid in full.

A list of all securities registered against the Group and the dates the securities were granted is attached at Appendix 4.

• Marketing of the businesses and assets

The Joint Administrators did not actively market the Group's businesses or assets for sale prior to the appointment. This decision was based on the below factors:

1. The total sum of the valuation of the Group's hotel assets, detailed below, represented a significant shortfall in respect of the Group's secured debt due to LSREF of c£337m and unsecured bonds of £44m (including interest) and it was considered extremely unlikely that any party would be willing to pay substantially over the market valuation in order to acquire these assets.
2. LSREF, the Group's largest creditor, was supportive of a pre-packaged sale which would reduce the risk of diminution in value of the business and effectively the value of their security. They also confirmed their ability to fund the purchase of the assets via a new corporate structure.
3. It was considered that an active marketing campaign would incur substantial further pre Administration professional costs which would ultimately lead to a reduction in the amounts available to be distributed to the Group's secured lender and non-preferential unsecured creditors via the Prescribed Part.

Notwithstanding the lack of active marketing, 14 parties made enquiries regarding the Group following the appointment of UKGHP on 4 August 2014. However, no offers were received.

In addition, the Joint Administrators understand that the Group's debt was actively marketed for sale in early 2014 as part of the liquidation of IRBC, which resulted in the purchase of the debt by LSREF.

- **Valuation of the businesses and assets**

Hotels - Property

Knight Frank LLP ("Knight Frank"), an independent global real estate consultancy firm, was instructed to undertake a desktop valuation of the 21 hotels within the Group on 7 August 2014. Knight Frank confirmed that it is an independent party. Knight Frank had previously undertaken independent valuations of the property portfolio for the Group in December 2013 and for a potential third party acquirer in February 2014.

Knight Frank delivered its final report on 22 August 2014. The report provided a valuation for all 21 hotels totalling £248,800,000 in normal market conditions and a valuation totalling £218,100,000 under the special assumption that the individual hotels/operating entities had been placed into Administration. The report was delivered by a RICS registered valuer. The rationale for the bases of the valuations was to obtain a market value under normal market conditions and determine the effect of Administrations on same.

Further details regarding the valuation of each individual hotel/legal entity is detailed below in the 'transactions' section.

Hotels – Contents and chattels

Hilco Valuation Services ("Hilco"), an independent global valuation firm, was instructed to undertake a desktop valuation of the chattel assets located within the Group's 21 hotels on 8 August 2014. Hilco confirmed that it is an independent party and has had no prior involvement with the Group.

Hilco delivered its final report on 1 September 2014. The report provided an in-situ market valuation totalling £6,618,000 and an ex-situ market valuation totalling £1,672,000. The report was delivered by a RICS registered member. The basis of the valuations is market value for both in-situ and ex-situ values. The rationale for the bases of the valuations was to obtain an in-situ market value and determine the effect if the hotels ceased to trade and the assets were sold piecemeal.

Further details regarding the valuation of the chattel assets located at each individual hotel/legal entity is detailed below in the 'transactions' section.

- **Transactions**

A number of sale transactions were executed by the Joint Administrators to the Purchaser shortly following their appointment as Joint Administrators on 11 September 2014.

The sale consideration for the transactions totalled £256,326,826. The assets acquired and the apportionment of the sale consideration is summarised at Appendix 3.

The sale consideration was payable in full on completion and there was no deferred consideration. However, as the Group's secured lender, LSREF, is also the secured lender to the Purchaser, no cash sums were paid to the Joint Administrators. Therefore, there was a deemed payment of £256,326,826 from the Purchaser to the Joint Administrators on 11 September 2014 and corresponding deemed fixed and floating charge distributions to the secured lender totalling £256,326,826 on 11 September 2014.

However, based on other realisable assets, adequate provision has been made for the Prescribed Part and the unsecured creditors have not been prejudiced by these settlement mechanics.

There are no options or buy-back agreements as part of the sale contract. There were no conditions attached to the sale.

- **Purchaser and Related Parties**

The names of the individual purchasers are outlined at Appendix 3 together with details of the transaction. The individual purchasers are newly incorporated entities set up specifically to acquire the Group's businesses and assets.

LSREF is the secured lender to the Purchaser and is also the secured lender to the Group.

There is no common ownership of the Purchaser and the Group, nor are there any common directors.

None of the Group's directors or former directors were or remain employees or directors of the Purchaser from 11 September 2014.

The directors of the Group had not provided any personal guarantees to the secured lender.

- **Statutory Purpose**

The statutory 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.

The first objective was not achieved as there were insufficient funds and assets available to enable the Group to be rescued as a going concern.

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

- If the Group had been wound up, it is likely that the value of the Group's assets would have been significantly impeded.
- Due to the continuation of trading, the sale of the Group's businesses and assets to the Purchaser will generate enhanced returns compared to a scenario in which the Group had been immediately wound up. This will allow for greater returns to the secured creditors and allow the Joint Administrators to pay a dividend to the non-preferential unsecured creditors, via the Prescribed Part.
- Book debt collections will be enhanced by the continuity of service to customers provided by the Purchaser.
- The Purchaser has agreed to honour bookings placed pre-Administration which will minimise non-preferential unsecured claims.
- If the Group had been wound up, it is likely that the employees would have been made redundant resulting in an increase in both preferential and non-preferential unsecured claims.

The third objective will also be achieved for most entities in the Group as distributions will be paid to the secured creditor in respect of most of the Administrations.

Consequently the transaction is expected to enable the statutory purpose of an Administration to be achieved.

The Joint Administrators consider that the outcome achieved was the best reasonably obtainable in all of the circumstances.

Appendix 3

SELLERS	Stirling Highland Hotel Limited	Scottish Highland Hotels Limited	Carlton Hotel (Edinburgh) Limited	Furlong Cotswolds Limited	Old Ship Hotel (Brighton) Limited
Fixed charge - Assets acquired as part of SPA	£	£	£	£	£
Hotel	7,100,000	14,200,000	37,800,000	15,500,000	14,200,000
IPR / business name	1	0	0	0	0
	7,100,001	14,200,000	37,800,000	15,500,000	14,200,000
Floating charge - Assets acquired as part of SPA					
Stock	18,432	63,676	33,412	31,162	27,167
Plant and machinery	218,000	557,000	343,000	596,000	283,000
Motor vehicles	0	0	0	0	0
Cash float	2,200	6,380	4,480	1,975	3,820
Business rights, customer contracts, transferred records and residual assets	4	8	4	4	4
	238,636	627,064	380,896	629,141	313,991
Total sale consideration	7,338,637	14,827,064	38,180,896	16,129,141	14,513,991

PURCHASERS	Hotel Collection Hotel No. 13 Limited	Hotel Collection Hotel No. 15 Limited Hotel Collection Hotel No. 14 Limited	Hotel Collection Hotel No. 2 Limited	Hotel Collection Hotel No. 10 Limited	Hotel Collection Hotel No. 8 Limited
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SELLERS	Combe Grove Manor Hotel & Country Club Limited	Paramount Hotels Limited	Furlong Hotels Limited	Paramount Hotels (Daventry) Limited	Paramount Hotels (Hinckley) Limited
Fixed charge - Assets acquired as part of SPA	£	£	£	£	£
Hotel	6,400,000	86,600,000	7,400,000	6,100,000	30,400,000
IPR / business name	0	75,434	0	0	0
	6,400,000	86,675,434	7,400,000	6,100,000	30,400,000
Floating charge - Assets acquired as part of SPA					
Stock	20,537	274,572	27,803	23,495	56,622
Plant and machinery	155,000	2,613,000	194,000	301,000	688,000
Motor vehicles	0	112,000	0	0	0
Cash float	1,150	29,550	1,875	1,970	7,240
Business rights, customer contracts, transferred records and residual assets	4	32	4	4	4
	176,691	3,029,154	223,682	326,469	752,866
Total sale consideration	6,576,691	89,704,588	7,623,682	6,426,469	31,152,866

PURCHASERS	Hotel Collection Hotel No. 20 Limited	Hotel Collection Hotel No. 7 Limited Hotel Collection Hotel No. 19 Limited Hotel Collection Hotel No. 3 Limited Hotel Collection Hotel No. 9 Limited Hotel Collection Hotel No. 4 Limited Hotel Collection Hotel No. 17 Limited Hotel Collection Hotel No. 18 Limited Hotel Collection Hotel No. 6 Limited Hotel Collection Services Limited	Hotel Collection Hotel No. 11 Limited	Hotel Collection Hotel No. 12 Limited	Hotel Collection Hotel No. 1 Limited Hotel Collection Services Limited
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SELLERS	Paramount Hotels (Basingstoke) Limited	Paramount Hotels Walton Hall Limited	Paramount Hotels Services Limited	TOTAL
Fixed charge - Assets acquired as part of SPA	£	£	£	£
Hotel	5,300,000	17,800,000	0	248,800,000
IPR / business name	0	0	0	75,435
	5,300,000	17,800,000	0	248,875,435
Floating charge - Assets acquired as part of SPA				
Stock	21,498	56,140	0	654,518
Plant and machinery	242,000	427,000	0	6,618,000
Motor vehicles	0	0	0	112,000
Cash float	3,150	3,000	0	66,790
Business rights, customer contracts, transferred records and residual assets	4	4	3	83
	266,652	486,144	3	7,451,391
Total sale consideration	5,566,652	18,286,144	3	256,326,826

PURCHASERS	Hotel Collection Hotel No. 16 Limited	Hotel Collection Hotel No. 5 Limited	Hotel Collection Services Limited
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Appendix 4

Chargor(s)	Date Security Granted	Description of Security
UK Group of Hotels Plc, Paramount Hotels Group Limited, Paramount Hotels Holdings Limited, Paramount Hotels Investments Limited, Paramount Hotels Limited, Paramount Hotels Services Limited, Old Ship Hotel (Brighton) Limited, Stirling Highland Hotel Limited, Scottish Highland Hotels Limited and Carlton Hotel (Edinburgh) Limited	12 July 2004	Debenture
Paramount Hotels (Basingstoke) Limited	14 January 2005	Debenture
Paramount Hotels (Daventry) Limited	14 January 2005	Debenture
Paramount Hotels (Hinckley) Limited	14 January 2005	Debenture
UK Group of Hotels Plc	14 January 2005	Supplemental Debenture
Scottish Highland Hotels Limited	13 July 2005	Supplemental Legal Charge
Furlong Hotels Limited, Furlong Cotswolds Limited, Combe Grove Manor & Country Club Limited and The Lygon Arms Hotel Limited	09 December 2005	Debenture
UK Group of Hotels Plc	09 December 2005	Supplemental Debenture
Paramount Hotels Walton Hall Limited	06 September 2007	Debenture
UK Hotels (Guernsey) Limited	23 August 2007	Debenture
Paramount Hotels Limited	10 December 2010	Deed of Assignment
Paramount Hotels Limited	23 December 2010	Deed of Assignment
UK Group of Hotels Plc	16 December 2011	Supplemental Deed of Assignment
UK Group of Hotels Plc	03 April 2012	Supplemental Deed of Assignment
Stirling Highland Hotel Limited and Carlton Hotel (Edinburgh) Limited	03 April 2012	Debenture
Carlton Hotel (Edinburgh) Limited	12 July 2004	Floating Charge
Scottish Highland Hotels Limited	12 July 2004	Floating Charge
Stirling Highland Hotel Limited	12 July 2004	Floating Charge
Carlton Hotel (Edinburgh) Limited	20 July 2004	Standard Security
Scottish Highland Hotels Limited	20 July 2004	Standard Security
Stirling Highland Hotel Limited	20 July 2004	Standard Security
Carlton Hotel (Edinburgh) Limited	07 July 2009	Deed of Confirmation
Scottish Highland Hotels Limited	07 July 2009	Deed of Confirmation
Stirling Highland Hotel Limited	07 July 2009	Deed of Confirmation
UK Group of Hotels Plc	16 December 2011	Security Interest Agreement
UK Group of Hotels Plc	03 April 2012	Security Interest Acknowledgement
UK Group of Hotels Plc	28 June 2013	Security Interest Acknowledgement

The Insolvency Act 1986

Notice of administrator's appointment

Name of Company UK Hotels (Finance) Plc	Company number 05154151
In the High Court of Justice Chancery Division Companies Court London (full name of court)	For court use only 6118 of 2014

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

We Paul Williams, David Whitehouse and Paul Clark
Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

give notice that we were appointed as Joint Administrators of the above company on:

(b) Insert date

(b) 11 September 2014

Signed

Dated

15/9/2014

Joint Administrators

IP Nos. 9294, 8699 and 8570

Contact Details:

You do not have to give any
contact information in the box
opposite but if you do, it will help
Companies House to contact you
if there is a query on the form.
The contact information that you
give will be visible to searches of
the public record

Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG
Tel: +44 (0) 20 7089 4700

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

DX 33050 Cardiff

The Insolvency Act 1986

Notice of administrator's appointment

Name of Company

Paramount Hotels Services Limited

Company number

03079287

In the High Court of Justice
Chancery Division
Companies Court
London

(full name of court)

For court use only
6123 of 2014(a) Insert full name(s) and
address(es)We Paul Williams, David Whitehouse and Paul Clark
Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

give notice that we were appointed as Joint Administrators of the above company on:

(b) Insert date

(b) 11 September 2014

Signed

Dated

15/9/2014

Joint Administrators

IP Nos. 9294, 8699 and 8570

Contact Details:

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contact information in the box
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Companies House to contact you
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Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

Tel: +44 (0) 20 7089 4700

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Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

The Insolvency Act 1986

Notice of administrator's appointment

Name of Company Furlong Cotswolds Limited	Company number 04768192
In the High Court of Justice Chancery Division Companies Court London (full name of court)	For court use only 6117 of 2014

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

We Paul Williams, David Whitehouse and Paul Clark
Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

give notice that we were appointed as Joint Administrators of the above company on:

(b) Insert date

(b) 11 September 2014

Signed

Dated

15/9/2014

Joint Administrators

IP Nos. 9294, 8699 and 8570

Contact Details:

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contact information in the box
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Companies House to contact you
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Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

Tel: +44 (0) 20 7089 4700

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

The Insolvency Act 1986

Notice of administrator's appointment

Name of Company Old Ship Hotel (Brighton) Limited	Company number 00025785
In the High Court of Justice Chancery Division Companies Court London (full name of court)	For court use only 6106 of 2014

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

We Paul Williams, David Whitehouse and Paul Clark
Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

give notice that we were appointed as Joint Administrators of the above company on:

(b) Insert date

(b) 11 September 2014

Signed

Dated

15/9/2014

Joint Administrators

IP Nos. 9294, 8699 and 8570

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searches of the public record

Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG
Tel: +44 (0) 20 7089 4700

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

The Insolvency Act 1986

Notice of administrator's appointment

Name of Company Combe Grove Manor Hotel & Country Club Limited	Company number 01976443
In the High Court of Justice Chancery Division Companies Court London (full name of court)	For court use only 6109 of 2014

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

We Paul Williams, David Whitehouse and Paul Clark
Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

give notice that we were appointed as Joint Administrators of the above company on:

(b) Insert date

(b) 11 September 2014

Signed _____

Dated 15/9/2014

Joint Administrators IP Nos. 9294, 8699 and 8570

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searches of the public record

Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

Tel: +44 (0) 20 7089 4700

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Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

The Insolvency Act 1986

Notice of administrator's appointment

Name of Company Paramount Hotels Limited	Company number 02940925
In the High Court of Justice Chancery Division Companies Court London (full name of court)	For court use only 6116 of 2014

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

We Paul Williams, David Whitehouse and Paul Clark
Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

give notice that we were appointed as Joint Administrators of the above company on:

(b) Insert date

(b) 11 September 2014

Signed 

Dated 15/9/2014

Joint Administrators IP Nos. 9294, 8699 and 8570

Contact Details:

You do not have to give any
contact information in the box
opposite but if you do, it will help
Companies House to contact you
if there is a query on the form.
The contact information that you
give will be visible to searches of
the public record

Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG
Tel: +44 (0) 20 7089 4700

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

The Insolvency Act 1986

Notice of administrator's appointment

Name of Company Furlong Hotels Limited	Company number 00809652
In the High Court of Justice Chancery Division Companies Court London (full name of court)	For court use only 6107 of 2014

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

We Paul Williams, David Whitehouse and Paul Clark
Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

give notice that we were appointed as Joint Administrators of the above company on:

(b) Insert date

(b) 11 September 2014

Signed 

Dated 15/9/2014

Joint Administrators IP Nos. 9294, 8699 and 8570

Contact Details:

You do not have to give any
contact information in the box
opposite but if you do, it will help
Companies House to contact you
if there is a query on the form.
The contact information that you
give will be visible to searches of
the public record

Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG
Tel: +44 (0) 20 7089 4700

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

The Insolvency Act 1986

Notice of administrator's appointment

Name of Company

Paramount Hotels (Daventry) Limited

Company number

05314294

In the High Court of Justice
Chancery Division
Companies Court
London

(full name of court)

For court use only
6103 of 2014(a) Insert full name(s) and
address(es)We Paul Williams, David Whitehouse and Paul Clark
Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

give notice that we were appointed as Joint Administrators of the above company on:

(b) Insert date

(b) 11 September 2014

Signed

Dated

15/9/2014

Joint Administrators

IP Nos. 9294, 8699 and 8570

Contact Details:

You do not have to give any
contact information in the box
opposite but if you do, it will help
Companies House to contact you
if there is a query on the form.
The contact information that you
give will be visible to searches of
the public record

Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

Tel: +44 (0) 20 7089 4700

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

The Insolvency Act 1986

Notice of administrator's appointment

Name of Company Paramount Hotels (Hinckley) Limited	Company number 05314309
In the High Court of Justice Chancery Division Companies Court London (full name of court)	For court use only 6119 of 2014

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

We Paul Williams, David Whitehouse and Paul Clark
Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

give notice that we were appointed as Joint Administrators of the above company on:

(b) Insert date

(b) 11 September 2014

Signed _____

Dated 15/9/2014

Joint Administrators IP Nos. 9294, 8699 and 8570

Contact Details:

You do not have to give any
contact information in the box
opposite but if you do, it will help
Companies House to contact you
if there is a query on the form.
The contact information that you
give will be visible to searches of
the public record

Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

Tel: +44 (0) 20 7089 4700

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

The Insolvency Act 1986

Notice of administrator's appointment

Name of Company Paramount Hotels (Basingstoke) Limited	Company number 05314316
In the High Court of Justice Chancery Division Companies Court London (full name of court)	For court use only 6110 of 2014

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

We Paul Williams, David Whitehouse and Paul Clark
Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

give notice that we were appointed as Joint Administrators of the above company on:

(b) Insert date

(b) 11 September 2104

Signed

Dated

15/9/2014

Joint Administrators

IP Nos. 9294, 8699 and 8570

Contact Details:

You do not have to give any
contact information in the box
opposite but if you do, it will help
Companies House to contact you
if there is a query on the form.
The contact information that you
give will be visible to searches of
the public record

Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

Tel: +44 (0) 20 7089 4700

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

The Insolvency Act 1986

Notice of administrator's appointment

Name of Company Paramount Hotels Walton Hall Limited	Company number 05379172
In the High Court of Justice Chancery Division Companies Court London (full name of court)	For court use only 6121 of 2014

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

We Paul Williams, David Whitehouse and Paul Clark
Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

give notice that we were appointed as Joint Administrators of the above company on:

(b) Insert date

(b) 11 September 2014

Signed

Dated

15/9/2014

Joint Administrators IP Nos. 9294, 8699 and 8570

Contact Details:

You do not have to give any
contact information in the box
opposite but if you do, it will help
Companies House to contact you
if there is a query on the form.
The contact information that you
give will be visible to searches of
the public record

Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

Tel: +44 (0) 20 7089 4700

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

The Insolvency Act 1986

Notice of administrator's appointment

Name of Company Paramount Hotels Group Limited	Company number 03612017
In the High Court of Justice Chancery Division Companies Court London (full name of court)	For court use only 6111 of 2014

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

We Paul Williams, David Whitehouse and Paul Clark
Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

give notice that we were appointed as Joint Administrators of the above company on:

(b) Insert date

(b) 11 September 2014

Signed

Dated

15/9/2014

Joint Administrators IP Nos. 9294, 8699 and 8570

Contact Details:

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Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

Tel: +44 (0) 20 7089 4700

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

The Insolvency Act 1986

Notice of administrator's appointment

Name of Company Paramount Hotels Investments Limited	Company number 03812646
In the High Court of Justice Chancery Division Companies Court London (full name of court)	For court use only 6108 of 2014

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

We Paul Williams, David Whitehouse and Paul Clark
Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

give notice that we were appointed as Joint Administrators of the above company on:

(b) Insert date

(b) 11 September 2014

Signed 

Dated 15/9/2014

Joint Administrators IP Nos. 9294, 8699 and 8570

Contact Details:

You do not have to give any
contact information in the box
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Companies House to contact you
if there is a query on the form.
The contact information that you
give will be visible to searches of
the public record

Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

Tel: +44 (0) 20 7089 4700

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

DX 33050 Cardiff

The Insolvency Act 1986**Notice of administrator's appointment**

Name of Company Paramount Hotels Holdings Limited	Company number 03533651
In the High Court of Justice Chancery Division Companies Court London (full name of court)	For court use only 6113 of 2014

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

We Paul Williams, David Whitehouse and Paul Clark
Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

give notice that we were appointed as Joint Administrators of the above company on:

(b) Insert date

(b) 11 September 2014

Signed 

Dated 15/9/2014

Joint Administrators IP Nos. 9294, 8699 and 8570

Contact Details:

You do not have to give any
contact information in the box
opposite but if you do, it will help
Companies House to contact you
if there is a query on the form.
The contact information that you
give will be visible to searches of
the public record

Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG
Tel: +44 (0) 20 7089 4700

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

The Insolvency Act 1986

Notice of administrator's appointment

Name of Company The Lygon Arms Hotel Limited	Company number 03669276
In the High Court of Justice Chancery Division Companies Court London (full name of court)	For court use only 6114 of 2014

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

We Paul Williams, David Whitehouse and Paul Clark
Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

give notice that we were appointed as Joint Administrators of the above company on:

(b) Insert date

(b) 11 September 2014

Signed

Dated

15/9/2014

Joint Administrators IP Nos. 9294, 8699 and 8570

Contact Details:

You do not have to give any
contact information in the box
opposite but if you do, it will help
Companies House to contact you
if there is a query on the form.
The contact information that you
give will be visible to searches of
the public record

Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG

Tel: +44 (0) 20 7089 4700

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

The Insolvency Act 1986

Notice of administrator's appointment

Pursuant to paragraph 46 of Schedule B1 to the Insolvency Act 1986
and Rule 2.19 of the Insolvency (Scotland) Rules 1986

Name of Company
Stirling Highland Hotel Limited

Company Number
SC111734

I/We (a) Paul David Williams, (b) Paul John Clark and (c) David John Whitehouse of Duff & Phelps Ltd., The Shard, 32 London Bridge Street, London, SE1 9SG.

give notice that ~~I was~~ / we were appointed as administrator(s) of the above company on.

(c) Insert full name(s)
and address(es)

(b) 11 September 2014

and attach a copy of the ~~administration order~~ / notice of appointment.

Signed

Dated

15/9/2014

Joint Administrators (IP No(s) Paul David Williams, 9294, Paul John Clark, 8570 and David John Whitehouse: 8699)

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

	Tel
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House receipt date barcode

Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF
DX 235 Edinburgh / LP 4 Edinburgh-2

Notice of appointment of an administrator by company or director(s)

(Where a notice of intention to appoint has been issued)

Pursuant to paragraphs 22 and 29 of Schedule B1 to the Insolvency Act 1986 and Rule 2.16 of the Insolvency (Scotland) Rules 1986

Name of Company

Stirling Highland Hotel Limited

Company number

SC111734

(a) Name and address of holder of registered office of the company

*Delete as applicable

1. Notice is given that, in respect of (a) Stirling Highland Hotel Limited, having its registered office at 15 Atholl Crescent, Edinburgh, EH3 8HA ("the company")

the sole director of the company ("the appointor") hereby appoints

(b) Give name(s) and address(es) of administrator(s)

(b) Paul John Clark and Paul David Williams both of Duff & Phelps Ltd, The Shard, 32 London Bridge Street, London, SE1 9SG and David John Whitehouse of Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW

as administrator(s) of the company.

*Delete as applicable

2. The amount of the company's share capital paid up or credited as paid up is £500,000.00.

3. The statement(s) of the proposed administrator(s) are attached.

4. The appointor is entitled to make an appointment under paragraph 22 of Schedule B1 to the Insolvency Act 1986.

5. The appointment is in accordance with Schedule B1 to the Insolvency Act 1986.

*Delete as applicable

6. The company is not an insurance undertaking/a credit institution/an investment undertaking providing services involving the holding of funds or securities for third parties/a collective investment undertaking under Article 1.2 of the EC Regulation.

(c) State whether main, secondary or territorial proceedings

7. For the following reasons it is considered that the EC Regulation will apply. If it does, these proceedings will be (d) main proceedings as defined in Article 3 of the Regulation: "Administration" is listed in Annex A of the EC Regulation, being "insolvency proceedings" as referred to in Article 1 of the EC Regulation. The company has its registered office in Scotland, the company's centre of main interest is in the UK and the company does not fall within one of the excepted categories.

8. Where there are joint administrators, a statement for the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 is attached.

9. The appointor has given at least five business days' written notice of the intention to appoint in accordance with paragraph 26(1) of Schedule B1 to the Insolvency Act 1986 and a copy of that notice was lodged in The Court of Session, Parliament House, Parliament Square, Edinburgh, EH1 1RQ (court) on

(d) Insert date

(d) 1 SEPTEMBER 2014

(e) Insert name and
address of person
making declaration

10. I(e) Declan McKelvey of 1 Melrose Court, Lincoln Road, Wilmslow, Cheshire, SK9 2HD

(If making the declaration on behalf of appointor indicate capacity e.g. director/solicitor)

do solemnly and sincerely declare that—

- (i) the information provided in this notice; and
- (ii) the statement made and information given in the notice of intention to appoint,

are, and remain, to the best of my knowledge and belief, true,

AND I making this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London, EC1Y 4AG

Signed Declan McKelvey

This 9th day of September 2014

before me Rachel Alexandra Brown, Solicitor

A Notary Public or Justice of the Peace or Solicitor

DRUCES
SALISBURY HOUSE
LONDON WALL
LONDON EC2M 5PS

(f) Insert date and
time

Endorsement to be completed by the court

This notice was lodged on (f) 11th September 2014 at 4:30pm
V. Zolotov

11 SEP 2014

The Insolvency Act 1986

Notice of administrator's appointment

Pursuant to paragraph 46 of Schedule B1 to the Insolvency Act 1986
and Rule 2.19 of the Insolvency (Scotland) Rules 1986

Name of Company
Carlton Hotel (Edinburgh) Limited

Company Number
SC047923

We (a) Paul David Williams, (b) Paul John Clark and (c) David John Whitehouse of Duff & Phelps Ltd., The Shard, 32 London Bridge Street, London, SE1 9SG.

give notice that ~~I was~~ / we were appointed as administrator(s) of the above company on

(b) Insert full name(s)
and address(es)

(b) 11 September 2014

and attach a copy of the ~~administration order~~ / notice of appointment.

Signed

Dated 15/9/2014

Joint Administrators (IP No(s) Paul David Williams: 9294, Paul John Clark. 8570 and David John Whitehouse: 8699)

Contact Details:

You do not have to give any contact information in the box opposite but if you do it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

	Tel
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House receipt date barcode

Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF
DX 235 Edinburgh / LP 4 Edinburgh-2

Notice of appointment of an administrator by company or director(s)

(Where a notice of intention to appoint has been issued)

Pursuant to paragraphs 22 and 29 of Schedule B1 to the Insolvency Act 1986 and Rule 2.16 of the Insolvency (Scotland) Rules 1986

Name of Company

Carlton Hotel (Edinburgh) Limited

Company number

SC047923

(a) Name and address of holder of registered office of the company

*Delete as applicable

1. Notice is given that, in respect of (a) Carlton Hotel (Edinburgh) Limited, having its registered office at 15 Atholl Crescent, Edinburgh, EH3 8HA ("the company")

the sole director of the company ("the appointor") hereby appoints

(b) Give name(s) and address(es) of administrator(s).

(b) Paul John Clark and Paul David Williams both of Duff & Phelps Ltd, The Shard, 32 London Bridge Street, London, SE1 9SG and David John Whitehouse of Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW

as administrator(s) of the company.

*Delete as applicable

2. The amount of the company's share capital paid up or credited as paid up is £125,000.00.

3. The statement(s) of the proposed administrator(s) are attached.

4. The appointor is entitled to make an appointment under paragraph 22 of Schedule B1 to the Insolvency Act 1986.

5. The appointment is in accordance with Schedule B1 to the Insolvency Act 1986.

*Delete as applicable

6. The company is not an insurance undertaking/a credit institution/an investment undertaking providing services involving the holding of funds or securities for third parties/a collective investment undertaking under Article 1.2 of the EC Regulation.

(c) State whether main, secondary or territorial proceedings

7. For the following reasons it is considered that the EC Regulation will apply. If it does, these proceedings will be (d) main proceedings as defined in Article 3 of the Regulation: "Administration" is listed in Annex A of the EC Regulation, being "insolvency proceedings" as referred to in Article 1 of the EC Regulation. The company has its registered office in Scotland, the company's centre of main interest is in the UK and the company does not fall within one of the excepted categories.

8. Where there are joint administrators, a statement for the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 is attached.

9. The appointor has given at least five business days' written notice of the intention to appoint in accordance with paragraph 26(1) of Schedule B1 to the Insolvency Act 1986 and a copy of the notice was lodged in The Court of Session, Parliament House, Parliament Square, Edinburgh, EH1 1RQ (court) on

(d) Insert date

(d)

1 SEPTEMBER

20 SEP 2014

(c) Insert name and address of person making declaration

10. I(e) Declan McKelvey of 1 Melrose Court, Lincoln Road, Wilmslow, Cheshire, SK9 2HD

(If making the declaration on behalf of appointor indicate capacity e.g. director/solicitor)

do solemnly and sincerely declare that-

- (i) the information provided in this notice; and
- (ii) the statement made and information given in the notice of intention to appoint,

are, and remain, to the best of my knowledge and belief, true,

AND I making this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London, EC1Y 4AG

Signed Declan McKelvey

This 9th day of September 2014

before me Rachel Alexandra Brown, Solicitor

A Notary Public or Justice of the Peace or Solicitor

RAB
DRUCES
SALISBURY HOUSE
LONDON WALL
LONDON EC2M 5PS

(f) Insert date and time

Endorsement to be completed by the court

This notice was lodged on (f) 11th September 2014 at 4:20pm
X. Zdzienicka

11 SEP 2014

The Insolvency Act 1986

Notice of administrator's appointment

Pursuant to paragraph 46 of Schedule B1 to the Insolvency Act 1986
and Rule 2.19 of the Insolvency (Scotland) Rules 1986

Name of Company Scottish Highland Hotels Limited	Company Number SC055493
---	----------------------------

I/We (a) Paul David Williams, (b) Paul John Clark and (c) David John Whitehouse of Duff & Phelps Ltd., The Shard, 32 London Bridge Street London, SE1 9SG.

give notice that ~~I was~~ / we were appointed as administrator(s) of the above company on:

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

(b) 11 September 2014

and attach a copy of the ~~administration order~~ / notice of appointment.

Signed

Dated

15/9/2014

Joint / Administrators (IP No(s) Paul David Williams: 9294, Paul John Clark: 8570 and David John Whitehouse: 8699)

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

	Tel
DX Number	DX Exchange

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF
DX 235 Edinburgh / LP 4 Edinburgh-2

Companies House receipt date barcode

Notice of appointment of an administrator by company or director(s)

(Where a notice of intention to appoint has been issued)

Pursuant to paragraphs 22 and 29 of Schedule B1 to the Insolvency Act 1986 and Rule 2.16 of the Insolvency (Scotland) Rules 1986

Name of Company

Scottish Highland Hotels Limited

Company number

SC055493

(a) Name and address of holder of registered office of the company

*Delete as applicable

1. Notice is given that, in respect of (a) Scottish Highland Hotels Limited, having its registered office at 15 Atholl Crescent, Edinburgh, EH3 8HA ("the company")

the sole director of the company ("the appointor") hereby appoints

(b) Give name(s) and address(es) of administrator(s)

(b) Paul John Clark and Paul David Williams both of Duff & Phelps Ltd, The Shard, 32 London Bridge Street, London, SE1 9SG and David John Whitehouse of Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW

as administrator(s) of the company.

*Delete as applicable

2. The amount of the company's share capital paid up or credited as paid up is £1,461,436.80.

3. The statement(s) of the proposed administrator(s) are attached.

4. The appointor is entitled to make an appointment under paragraph 22 of Schedule B1 to the Insolvency Act 1986.

5. The appointment is in accordance with Schedule B1 to the Insolvency Act 1986.

*Delete as applicable

6. The company is not an insurance undertaking/a credit institution/an investment undertaking providing services involving the holding of funds or securities for third parties/a collective investment undertaking under Article 1.2 of the EC Regulation.

(c) State whether main, secondary or territorial proceedings

7. For the following reasons it is considered that the EC Regulation will apply. If it does, these proceedings will be (d) main proceedings as defined in Article 3 of the Regulation: "Administration" is listed in Annex A of the EC Regulation, being "insolvency proceedings" as referred to in Article 1 of the EC Regulation. The company has its registered office in Scotland, the company's centre of main interest is in the UK and the company does not fall within one of the excepted categories.

8. Where there are joint administrators, a statement for the purposes of paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 is attached.

9. The appointor has given at least five business days' written notice of the intention to appoint in accordance with paragraph 26(1) of Schedule B1 to the Insolvency Act 1986 and a copy of that notice was lodged in The Court of Session, Parliament House, Parliament Square, Edinburgh, EH1 1RQ (court) on

(d) Insert date

(d) 1 SEPTEMBER 2014
11 SEP 2014

(e) Insert name and
address of person
making declaration

10. I(e) Declan McKelvey of 1 Melrose Court, Lincoln Road, Wilmslow, Cheshire, SK9 2HD

(If making the declaration on behalf of appointor indicate capacity e.g. director/solicitor)

do solemnly and sincerely declare that—

- (i) the information provided in this notice; and
- (ii) the statement made and information given in the notice of intention to appoint.

are, and remain, to the best of my knowledge and belief, true,

AND I making this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London, EC1Y 4AG

Signed Declan McKelvey

This 9th day of September 2014

before me Rachel Alexandra Brown, Solicitor

A Notary Public or Justice of the Peace or Solicitor

RAB
RUCES
SALISBURY HOUSE
LONDON WALL
LONDON EC2M 5PS

(f) Insert date and
time

Endorsement to be completed by the court

This notice was lodged on (f) 11th September 2014 at 4:25pm
R. Adedog

11 SEP 2014

Proof of Debt – General Form

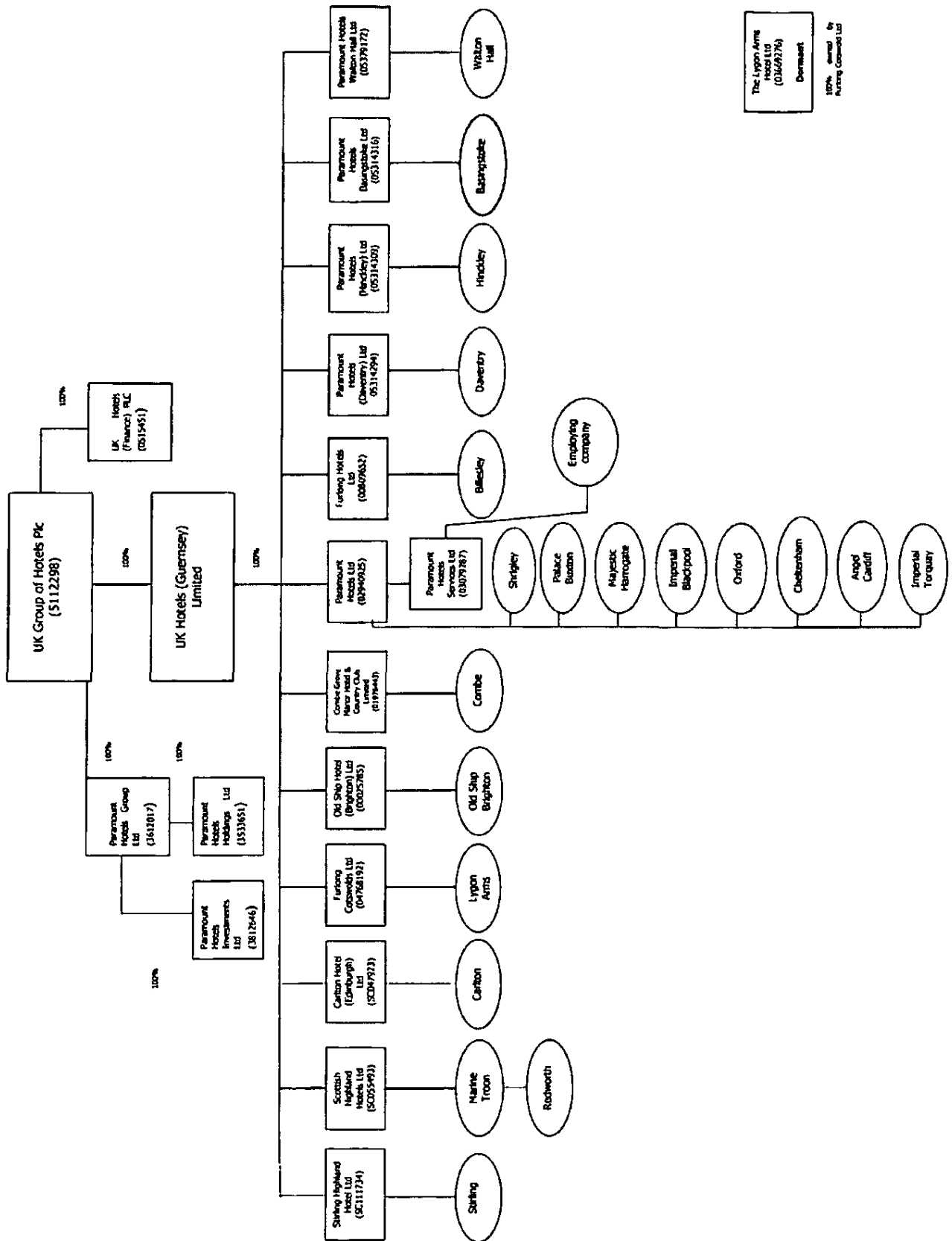
COMPANY NAME:

Date of Administration: 11/09/2014

1.	Name of creditor (If a company please also give company registration number).	
2.	For correspondence: Address of creditor	
	Contact telephone number of creditor	
	Email address of creditor	
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into Administration.	
4.	Details of any documents by reference to which the debt can be substantiated. (Note: There is no need to attach them now but the Administrator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting).	
5.	If amount in 3 above includes outstanding uncapitalised interest please state amount.	£
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form).	
7.	Particulars of any security held, the value of the security, and the date it was given.	
8.	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	
9.	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)	
For Administrators' Use only		
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Administrator		Administrator

Appendix 8

Group Structure Chart



The Lygon Arms Hotel Ltd (01669276) is owned by Paramount Ltd

Appendix 9

Table of Intercompany Receivables

Appendix 9

Table of Intercompany Receivables as at 11 September 2014

	Paramount Hotels Group Limited	Paramount Hotels Limited	Old Ship Hotel (Brighton) Limited	Scottish Highland Hotels Limited	Carlton Hotel (Edinburgh) Limited	Stirling Highland Hotel Limited
Paramount Hotels Limited			33,750,367	21,966,334	13,194,381	16,191,322
UK Hotels (Guernsey) Limited		16,890				
Old Ship Hotel (Brighton) Limited				47		1,133
Carlton Hotel (Edinburgh) Limited				40,512,243		
Stirling Highland Hotel Limited				16,968,391		
Paramount Hotels (Hinckley) Limited						
Paramount Hotels (Daventry) Limited						
Paramount Hotels (Basingstoke) Limited						
Combe Grove Manor Hotel and Country Club Limited						
Paramount Hotels Walton Hall Limited		73,371,638				
Furlong Cotswolds Limited		8,532,882				
Furlong Hotels Limited						
The Lygon Arms Hotels Limited						
Paramount Hotels Services Limited						
UK Group of Hotels Plc		106,947,108	2,166,301	104,793,729	10,070,738	248,686
UK Hotels (Finance) Plc		38,623,238				
Scottish Highland Hotels Limited						
Paramount Holdings Investments Limited	137,802,281					
Paramount Hotels Holdings Limited	525,572,530			3,545,633		
Paramount Hotels Group Limited		33,407,474				
Total Receivable	663,374,810.45	258,899,230.84	35,916,668.06	187,786,376.22	23,265,118.70	16,441,140.19

	Paramount Holdings Investments Limited	Paramount Hotels Holdings Limited	UK Group of Hotels Plc	Paramount Hotels (Hinckley) Limited	Paramount Hotels (Daventry) Limited	Paramount Hotels (Basingstoke) Limited
Paramount Hotels Limited	35,011,425	171,217,534		17,104,712	6,422,284	11,260,590
UK Hotels (Guernsey) Limited						
Old Ship Hotel (Brighton) Limited	1,204,087	35,977,267		365,217	251,657	
Carlton Hotel (Edinburgh) Limited	1,900,563	3,744,150			358,746	
Stirling Highland Hotel Limited	605,290	507,332				
Paramount Hotels (Hinckley) Limited			92,004,079			
Paramount Hotels (Daventry) Limited			36,605,257			
Paramount Hotels (Basingstoke) Limited			33,140,349			
Combe Grove Manor Hotel and Country Club Limited						
Paramount Hotels Walton Hall Limited						
Furlong Cotswolds Limited				213,364		
Furlong Hotels Limited	283,273		69,967,142			
The Lygon Arms Hotels Limited				296,206		
Paramount Hotels Services Limited						
UK Group of Hotels Plc	94,035,595	301,375,665				
UK Hotels (Finance) Plc	245,640					
Scottish Highland Hotels Limited	167,939,221			1,244,360		
Paramount Holdings Investments Limited		143,513,477		214,963		
Paramount Hotels Holdings Limited				411,792	223,511	251,099
Paramount Hotels Group Limited			624,420,336			
Total Receivable	301,225,093.23	666,335,424.21	856,137,163.01	19,850,613.13	7,256,198.49	11,511,689.58

	Paramount Hotels Walton Hall Limited	Furlong Hotels Limited	Furlong Cotswolds Limited	Combe Grove Manor Hotel and Country Club Limited	The Lygon Arms Hotels Limited	Paramount Hotels Services Limited	UK Hotels (Finance) Plc
Paramount Hotels Limited		4,630,361		1,506,044		1,122,876	
UK Hotels (Guernsey) Limited							
Old Ship Hotel (Brighton) Limited							
Carlton Hotel (Edinburgh) Limited							99,954
Stirling Highland Hotel Limited	133,439						
Paramount Hotels (Hinckley) Limited							
Paramount Hotels (Daventry) Limited							
Paramount Hotels (Basingstoke) Limited							
Combe Grove Manor Hotel and Country Club Limited		8,811,975					
Paramount Hotels Walton Hall Limited							
Furlong Cotswolds Limited		44,810,383		72,760	47,694,509		
Furlong Hotels Limited							
The Lygon Arms Hotels Limited	610,440						
Paramount Hotels Services Limited							
UK Group of Hotels Plc	8,215,054		292,700	364,456			88,588,828
UK Hotels (Finance) Plc							
Scottish Highland Hotels Limited			2,084,145				
Paramount Holdings Investments Limited							
Paramount Hotels Holdings Limited	978,592	786,600		78,040			
Paramount Hotels Group Limited	118,716						80,879
Total Receivable	10,056,241.00	59,039,319.58	2,376,845.46	2,021,299.57	47,894,509.44	1,122,876.52	88,769,660.07

Appendix 10

**Joint Administrators' Report and Statement of Proposals regarding the English and Welsh
Companies**

Report to Creditors

27 October 2014

**Combe Grove Manor Hotel & Country Club Limited
Furlong Cotswolds Limited
Furlong Hotels Limited
Old Ship Hotel (Brighton) Limited
Paramount Hotels Limited
Paramount Hotels (Basingstoke) Limited
Paramount Hotels (Daventry) Limited
Paramount Hotels (Hinckley) Limited
Paramount Hotels Walton Hall Limited
Paramount Hotels Services Limited
UK Hotels (Finance) Plc
Paramount Hotels Group Limited
Paramount Hotels Holdings Limited
Paramount Hotels Investments Limited
The Lygon Arms Hotel Limited
(All in Administration)
(together "the Group")**

**Joint Administrators' Report to Creditors and Statement of
Proposals
for the period 11 September 2014 to 22 October 2014
Pursuant to Paragraph 49 of Schedule B1 to the
Insolvency Act 1986**

**Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London
SE1 9SG**

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
Addleshaw Goddard	Addleshaw Goddard LLP, solicitors instructed by the Joint Administrators
the Appointment Date	11 September 2014, being the date of appointment of the Joint Administrators of each company in the Group
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administrations
DBIS	The Department for Business, Innovation and Skills
the Director	Declan McKelvey, the director of all of the companies in the Group
Duff & Phelps	Duff & Phelps Ltd., The Shard, 32 London Bridge Street, London SE1 9SG
EC Regulation	EC Regulation on Insolvency Proceedings 2000
the Group	Combe Grove Manor Hotel & Country Club Limited, Furlong Cotswolds Limited, Furlong Hotels Limited, Old Ship Hotel (Brighton) Limited, Paramount Hotels Limited, Paramount Hotels (Basingstoke) Limited, Paramount Hotels (Daventry) Limited, Paramount Hotels (Hinckley) Limited, Paramount Hotels Walton Hall Limited, Paramount Hotels Services Limited, UK Hotels (Finance) Plc, Paramount Hotels Group Limited, Paramount Hotels Holdings Limited, Paramount Hotels Investments Limited, The Lygon Arms Hotel Limited (All in Administration)
Hilco	Hilco Appraisal Europe, valuation agents instructed by the Joint Administrators
HMRC	HM Revenue and Customs
the Hotel Operating Companies	Combe Grove Manor Hotel & Country Club Limited, Furlong Cotswolds Limited, Furlong Hotels Limited, Old Ship Hotel (Brighton) Limited, Paramount Hotels Limited, Paramount Hotels (Basingstoke) Limited, Paramount Hotels (Daventry) Limited, Paramount Hotels (Hinckley) Limited, Paramount Hotels Walton Hall Limited, Paramount Hotels Services Limited (All in Administration)
the Joint Administrators	Paul David Williams, Paul John Clark and David John Whitehouse of Duff & Phelps Ltd., The Shard, 32 London Bridge Street, London SE1 9SG
Knight Frank	Knight Frank LLP, valuation agents instructed by the Joint Administrators
LSREF or the Secured Creditor	LSREF III Wight Limited, the holder of various charges and securities registered against the Group

the Parent Company	UK Group of Hotels plc (In Administration) (Company Number: 05112298)
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 Former Directors	Peter Procopis and Michael Jourdain, the directors of the Parent Company and former directors of the Group
the Purchaser	The purchasers of the businesses and assets of the Group as detailed in Appendix 8
the Reporting Period	11 September 2014 to 23 October 2014
RPS	Redundancy Payments Service
the Rules	The Insolvency Rules 1986 (as amended)
the Scottish Companies	Carlton Hotel (Edinburgh) Limited, Scottish Highland Hotels Limited and Stirling Highland Hotel Limited (All in Administration)
The Security Trustee	Hudson Agency Services Limited
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SIP 16	Statement of Insolvency Practice 16 – Industry best practice for Insolvency Practitioners in relation to disclosure of information with respect to a 'Pre-Packaged' sale of business and/or assets
SOA	Statement of Affairs, documentation to be supplied by the Director outlining the Group's financial position as at the Appointment Date
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

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2. Background
3. Events Leading up to the Administrations
4. Purpose of the Administrations
5. Progress of the Administrations to Date
6. Statement of Affairs
7. Statement of Pre-Administration Costs
8. Joint Administrators' Costs
9. Dividend Prospects / Prescribed Part
10. EC Regulation
11. Creditors' Meetings
12. End of the Administrations
13. Joint Administrators' Proposals
14. Other Matters

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1. Statutory Information
 2. Receipts and Payments Accounts
 3. Analyses of Time Charged and Expenses Incurred
 4. Joint Administrators' Statement of Pre Administration costs
 5. Statement of Affairs
 6. Forms 2.21B - Creditor's Request for a Meeting
 7. Proof of Debt Forms
 8. Disclosure in accordance with Statement of Insolvency Practice 16 "Pre-Packaged Sales in Administrations"
 9. Group Structure Chart
 10. Table of Intercompany Receivables
 11. Joint Administrators' Report and Statement of Proposals regarding the Scottish Companies
-

1. Introduction

- 1.1 The Joint Administrators were appointed on the Appointment Date by the Director of the Group pursuant to Paragraph 22 of Schedule B1 to the Act.
- 1.2 The Court References in relation to the appointments are detailed at Appendix 1.
- 1.3 In accordance with Paragraph 100(2) of Schedule B1 to the Act the functions of the Joint Administrators may be exercised by any of the Joint Administrators.
- 1.4 This report sets out the circumstances leading up to the appointments of the Joint Administrators and the steps taken by them to date.
- 1.5 Please note that the Joint Administrators were also appointed over each of the Scottish Companies on 11 September 2014. The Joint Administrators Report and Statement of Proposals in respect of the Scottish Companies is attached at Appendix 11. Two separate reports are required as the Administrations of the Scottish Companies are undertaken in accordance with Scottish insolvency legislation. The report is appended for transparency.

2. Background

- 2.1 Statutory information on the Group and a summary of its financial history is included at Appendix 1.
- 2.2 The Group operated 17 4 star hotels in England and Wales.
- 2.3 The Group operated under the 'Puma Hotels' name to June 2014 when it rebranded to 'The Hotel Collection'.
- 2.4 The trading addresses of each of the hotels are detailed at Appendix 1. The Group's head office function was located in Hinckley, Leicestershire.
- 2.5 Further details regarding the background of the Group is enclosed at Appendix 8.

3. Events Leading up to the Administrations

- 3.1 For details of the events leading up to the Administrations, please refer to Appendix 8.
- 3.2 The Joint Administrators considered the positions prior to accepting the appointments and, having regard to the Insolvency Practitioners Association's ethical guidelines, considered that there were no circumstances preventing them from accepting the appointments.
- 3.3 Subsequently, the Joint Administrators were appointed on the Appointment Date.

4. Purpose of the Administrations

- 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 In accordance with Paragraph 49(2) of Schedule B1 to the Act, the Joint Administrators note the following:

- The first objective will not be achieved in respect of any of the companies within the Group as there are insufficient funds and assets available to enable any of the companies in the Group to be rescued as a going concern.

The Hotel Operating Companies

- The Joint Administrators are pursuing the second objective as it is likely that a better result for these companies' creditors as a whole will be achieved than if they were wound up without first being in Administration for the following reasons:
 - The sale of the Hotel Operating Companies' businesses and assets to the Purchaser ensured continuation of trading which will generate enhanced returns compared to a scenario in which the companies were immediately wound up and ceased to trade. A sale will allow for greater returns to the Secured Creditor and allow the Joint Administrators to pay a dividend to the non-preferential unsecured creditors, via the Prescribed Part.
 - Book debt collections will be enhanced by the continuity of service to customers provided by the Purchaser.
 - The Purchaser has agreed to honour bookings placed pre-Administration which will reduce non-preferential unsecured claims.
 - If the Hotel Operating Companies had been wound up, the value of their assets would have been significantly diminished.
 - If the Hotel Operating Companies had been wound up, the employees would have been made redundant resulting in an increase in both preferential and non-preferential unsecured claims.
- In any event, the third objective has been achieved for all of the Hotel Operating Companies (excluding Paramount Hotels Services Limited) as distributions have been paid to the Secured Creditor in each estate.

UK Hotels (Finance) Plc, Paramount Hotels Group Limited, Paramount Hotels Investments Limited, Paramount Hotels Holdings Limited and The Lygon Arms Hotel Limited

- The second objective may not be achievable as it is unlikely that a better result for the creditors as a whole will be achieved than if the companies had been wound up without first being in Administration. However, the simultaneous appointments of the Joint Administrators over all of the companies within the Group allowed control to be exercised over all of the companies within the Group to ensure a consistent approach to dealing with all companies.
- The third objective will not be achieved as it is anticipated that there will be insufficient asset realisations to enable distributions to be paid to the Secured Creditor. Further details are set out below.

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

5. Progress of the Administrations to Date

5.1 The manner in which the affairs and business of the Group have been managed since the appointment of Joint Administrators and will continue to be managed and financed are set out below.

The Hotel Operating Companies

Sale of Businesses and Assets

- 5.2 A sale of the businesses and certain assets of the 10 Hotel Operating Companies completed on 11 September 2014 shortly following the appointments. The total sale consideration was £195,980,229.
- 5.3 As detailed at Appendix 8, the sale consideration was payable in full on completion and there was no deferred sale consideration. However, as the Group's Secured Creditor, LSREF, is also the secured lender to the Purchaser, no cash sums were paid to the Joint Administrators. Instead, there was a deemed payment of £195,980,229 from the Purchaser to the Joint Administrators on 11 September 2014 and corresponding deemed fixed and floating charge distributions to the Secured Creditor totalling £195,980,229 on 11 September 2014.
- 5.4 Please note that a sale of the businesses and assets of the Scottish Companies also completed on 11 September 2014. The sale consideration was £60,346,597.
- 5.5 The total sale consideration for the Group was £256,326,826.
- 5.6 Please note that certain companies within the Group were not subject to the pre-packaged sale transaction. For a detailed breakdown of the assets realised in respect of each company within the Group and the consideration paid, please refer to Appendix 8.
- 5.7 Full details of the sale transaction are attached at Appendix 8. Please note that the Joint Administrators of the Parent Company were provided with a copy of a restructuring proposal addressed to the Secured Creditor from a shareholder of the Parent Company on 7 August 2014, however this was not deemed acceptable by the Secured Creditor and the Group's business was instead restructured via the pre-packaged sales described at Appendix 8.

Book Debts

- 5.8 The Group's book debts were excluded from the sale agreements.
- 5.9 As at the Appointment Date, certain companies within the Group had outstanding book debt ledgers, as set out below. The Purchaser has agreed to collect the book debts. The book debt collections for the period 11 September 2014 to 19 October 2014 are detailed below:

Company	Book Debt Ledger as at 11 September 2014	Collections for the Period 11 September 2013 to 19 October 2014	Outstanding Balance
Combe Grove Manor Hotel & Country Club Limited	125,105	(54,447)	70,657
Furlong Cotswolds Limited	289,318	(155,118)	134,200
Furlong Hotels Limited	396,346	(177,654)	218,691
Old Ship Hotel (Brighton) Limited	244,941	(157,758)	87,183
Paramount Hotels Limited	2,668,404	(1,109,703)	1,558,701
Paramount Hotels (Basingstoke) Limited	141,364	(56,571)	84,793
Paramount Hotels (Daventry) Limited	182,711	(94,955)	87,756
Paramount Hotels (Hinckley) Limited	969,815	(370,217)	599,598
Paramount Hotels Walton Hall Limited	897,985	(370,145)	527,840
	<u>5,915,988</u>	<u>(2,546,569)</u>	<u>3,369,420</u>

- 5.10 Of the £2,546,569 collected to date, it is anticipated that the net collections after Booking Agent Commission will total £2,254,883.

- 5.11 A total of £2,027,234 to date has been received into the Joint Administrators' accounts, as noted at Appendix 2. A further £179,577 is cash in transit and £48,072 is currently unreconciled.
- 5.12 The balance of the debtor collections have not yet been transferred into the Joint Administrators' bank accounts, with the collection process subject to ongoing reconciliation and review. Further information regarding book debt collections will be provided in the Joint Administrators' next report.

Cash at Bank

- 5.13 As at the Appointment Date, the following cash balances were held:

Company	Cash at bank as at 11 September 2014
	£
Combe Grove Manor Hotel & Country Club Limited	215,084
Furlong Cotswolds Limited	291,925
Furlong Hotels Limited	389,525
Old Ship Hotel (Brighton) Limited	369,598
Paramount Hotels Limited	11,952,288
Paramount Hotels (Basingstoke) Limited	272,167
Paramount Hotels (Daventry) Limited	301,463
Paramount Hotels (Hinckley) Limited	689,701
Paramount Hotels Walton Hall Limited	605,176

- 5.14 The Joint Administrators have received the above cash balances into the relevant Administration estate bank accounts.

Intercompany Book Debts

- 5.15 A table of intercompany book debts is attached at Appendix 10. This summarises the amounts due to the Hotel Operating Companies from other companies within the Group. The Joint Administrators have not yet completed a review of this information.
- 5.16 Since the Appointment Date, all of the entities that the balances are due from have been placed into Administration and these debts will rank as non-preferential, unsecured claims in the relevant Administrations. Certain of these entities may pay dividends from the Prescribed Part to their non preferential unsecured creditors (which includes the Administration estates of the Hotel Operating Companies) however, pursuant to legal advice taken by the Joint Administrators, any dividends receivable from these intercompany book debts are subordinated to LSREF until LSREF has been paid in full. Any dividends to be paid to intercompany claims will therefore be paid directly to LSREF via the Security Trustee.

Cash in Transit

- 5.17 The Joint Administrators are currently liaising with the Purchaser to reconcile cash in transit with the Hotel Operating Companies' merchant service providers as at the Appointment Date. Further details will be provided in the Joint Administrators next progress report.

Deposit held by Royal Bank of Scotland Plc

- 5.18 A £120,000 deposit is held by Royal Bank of Scotland Plc in respect of the direct debit and credit card facilities operated by the hotel operating companies. Following a full reconciliation of the accounts, the Joint Administrators will assess whether this deposit is recoverable. Further details will be provided in the Joint Administrators' next progress report.

UK Hotels (Finance) Plc, Paramount Hotels Group Limited, Paramount Hotels Investments Limited, Paramount Hotels Holdings Limited and The Lygon Arms Hotel Limited

Intercompany Book Debts

- 5.19 According to Appendix 10, all five of the companies are owed sums from other entities within the Group. As noted above, the entities that these balances are due from have been placed into Administration and any dividends receivable from these intercompany book debts are subordinated to LSREF until LSREF has been paid in full.

Other Assets

- 5.20 As illustrated in the group structure chart at Appendix 9, Paramount Hotels Group Limited owns 100% of the share capital in two companies; Paramount Hotels Investments Limited and Paramount Hotels Holdings Limited. Paramount Hotels Investments Limited and Paramount Hotels Holdings Limited were placed into Administration on 11 September 2014 and no realisable value is expected for the shares.
- 5.21 Prior to the Joint Administrators' appointments, Paramount Hotels Holdings Limited (together with the Parent Company) had instructed solicitors to lodge a claim against Irish Bank Resolution Corporation Limited (In Special Liquidation) with regard to the sale of various interest rate swap products. The Joint Administrators are currently liaising with their legal advisors in order to assess the merits of this claim.
- 5.22 The five companies have no other assets, therefore no realisations are anticipated.

Investigations

- 5.23 The Joint Administrators' investigations into the Group's affairs are currently ongoing.
- 5.24 The Joint Administrators have a statutory obligation to file a separate report in respect of each individual company within the Group with DBIS regarding the conduct of the directors that held office in the three years prior to the Administrations. The reports must be filed within six months from the Appointment Date and the content of the reports are confidential.
- 5.25 The Joint Administrators also have a duty to investigate antecedent transactions which include:
- Transactions at an undervalue, Section 238 of the Act;
 - Preferences, Section 239 of the Act; and
 - Transactions to defraud creditors, Section 423 of the Act.
- 5.26 The Joint Administrators invite creditors to bring to their attention any information concerning the affairs of the Group, or any company within the Group, which they believe should be taken in to consideration during their investigations.

Receipts and Payments Accounts

- 5.27 Receipts and payments accounts for all of the companies within the Group are provided at Appendix 2.

Joint Administrators' Agents and Solicitors

- 5.28 Details of the agents and solicitors engaged by the Joint Administrators to assist them with the affairs of the Group can be found at Appendix 4.
- 5.29 The Joint Administrators' choice of those instructed was based on their perception of the ability and experience to perform this type of work, the complexity and nature of the assignment and the basis of the Joint Administrators' fee arrangements with them.

6. Statement of Affairs

- 6.1 In accordance with Paragraph 47 of Schedule B1 to the Act, the Joint Administrators have requested and received a SOA for each company within the Group from the Director. Please refer to Appendix 5 for the SOA for each company.
- 6.2 Some creditors' amounts shown may differ from the actual amount owed. This does not affect their ability to claim a different amount.

7. Statement of Pre-Administration Costs

- 7.1 Pre-Administration costs are defined in the Rules as fees, charges and expenses incurred by the administrators or their firm, or another person qualified to act as an insolvency practitioner, before a company entered administration, but with a view to it doing so.
- 7.2 The time costs incurred by Duff & Phelps in relation to advising the Group on its financial position and insolvency options and taking the necessary steps to place the Group into Administration total £557,490. The costs were incurred by reference to engagement letters detailed at paragraphs 7.3 and 7.4 below.
- 7.3 Duff & Phelps was engaged by LSREF in accordance with an engagement letter dated 16 May 2014 to provide restructuring advice and options analysis to LSREF. Duff & Phelps was paid £65,000 plus disbursements by LSREF for this advice. The time costs incurred for this advice totalled £152,534.
- 7.4 In addition, Duff & Phelps was engaged by the Hotel Operating Companies, UK Hotels (Finance) Plc and the Scottish Companies in accordance with an engagement letter dated 11 August 2014 to provide advice with regard to a debt restructuring. Duff & Phelps was paid £200,000 plus VAT and disbursements by the Group for this advice. The time costs incurred for this advice totalled £404,956.
- 7.5 A breakdown of the Pre-Administration time costs of Duff & Phelps, as defined in Rule 2.33(2A) of the Rules, is attached at Appendix 3.
- 7.6 The Joint Administrators' agents and solicitors have incurred expenses in relation to the sale of the Group's businesses and certain assets and assisting with the steps required to place the Group into Administration, as detailed at Appendix 4. To date, no payments have been made in respect of these costs.

- 7.7 The Joint Administrators confirm that payment of the unpaid pre-Administration costs, as an expense of the relevant Administration, is subject to approval under Rule 2.67A of the Rules, and is not part of the Proposals subject to approval under Paragraph 53 of Schedule B1 to the Act. The amounts subject to approval are confirmed at Appendix 4. Approval for this basis is to be sought from the Secured Creditor in respect of each company within the Group except for UK Hotels (Finance) Plc where approval will be sought from the non-preferential, unsecured creditors of UK Hotels (Finance) Plc.

8. Joint Administrators' Costs

- 8.1 In accordance with Rule 2.106 of the Rules, it is proposed that the basis upon which the Joint Administrators' remuneration should be fixed is by reference to the time properly given by them and their staff in attending to matters arising in the Administrations. Approval for this basis is to be sought from the Secured Creditor in respect of each company within the Group except for UK Hotels (Finance) Plc where approval will be sought from the non-preferential, unsecured creditors of UK Hotels (Finance) Plc.
- 8.2 The Joint Administrators' total time costs in respect of all of the companies within the Group for the Reporting Period total £195,938.50. These time costs are analysed individually for each company at Appendix 3.
- 8.3 To date, no remuneration has been drawn by the Joint Administrators.
- 8.4 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 in respect of the Group, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at <http://www.duffandphelps.com/uk-restructuring/creditor-guides>. Should you require a copy, please contact this office.

9. Dividend Prospects / Prescribed Part

All companies within the Group except for UK Hotels (Finance) Plc

Secured Creditors

- 9.1 On 16 May 2014 LSREF acquired debts owed by the Group to Irish Bank Resolution Corporation Limited (In Special Liquidation) and took an assignment of all of the rights under the associated security which confers fixed and floating charges over all of the assets of the Group (excluding UK Hotels (Finance) Plc). All of the companies within the Group (excluding UK Hotels (Finance) Plc) cross-guaranteed the LSREF debt. A list of all securities registered against the Group is enclosed at Appendix 8.
- 9.2 As at 29 August 2014, the Group's indebtedness to LSREF was £327,520,160, subject to accruing interest, charges and costs.
- 9.3 As noted at Appendix 8 and paragraph 5.3 above, deemed fixed and floating charge distributions totalling £195,980,229 were made to the Secured Creditor on 11 September 2014.
- 9.4 Further floating charge distributions have been made to LSREF totalling £11,999,985 from Paramount Hotels Limited.
- 9.5 It is anticipated that there will be insufficient asset realisations to repay LSREF in full. Each company within the Group is unable to repay the full amount of the cross-guaranteed debt to LSREF in full.

Preferential Creditors

- 9.6 Paramount Hotels Services Limited had circa 2,400 employees as at the Appointment Date. None of the other companies within the Group had any employees.
- 9.7 Following the sale of the businesses and assets of the Group, the employees of Paramount Hotels Services Limited were transferred pursuant to TUPE to Hotel Collection Services Limited. Accordingly, it is anticipated there will be no preferential claims in relation to the employees of Paramount Hotels Services Limited.
- 9.8 It is anticipated that there will be no preferential claims in relation to all of the companies within the Group.

Prescribed Part

- 9.9 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.

- 9.10 LSREF's security is dated post 15 September 2003 and therefore the Prescribed Part applies.
- 9.11 It is anticipated that there will be sufficient asset realisations to enable distributions to be made from the Prescribed Part to the non-preferential unsecured creditors from the below Administration estates:

Combe Grove Manor Hotel & Country Club Limited
Furlong Cotswolds Limited
Furlong Hotels Limited
Old Ship Hotel (Brighton) Limited
Paramount Hotels Limited
Paramount Hotels (Basingstoke) Limited
Paramount Hotels (Daventry) Limited
Paramount Hotels (Hinckley) Limited
Paramount Hotels Walton Hall Limited

- 9.12 It is anticipated that there will be insufficient asset realisations to enable distributions to be made from the Prescribed Part to the non-preferential unsecured creditors of the remaining companies within the Group.

Non-Preferential Unsecured Creditors

- 9.13 It is anticipated that there will be insufficient asset realisations to enable a distribution to the non-preferential unsecured creditors in respect of all of the companies within the Group, other than from the Prescribed Part in certain estates as noted at paragraph 9.11 above.
- 9.14 Creditors of the companies listed at paragraph 9.11 above should complete the appropriate proof of debt form(s) at Appendix 7 and return to the Joint Administrators. Creditors should only complete the proof of debt form(s) regarding the company / companies that their debt is due from.

UK Hotels (Finance) Plc

Secured Creditors

- 9.15 UK Hotels (Finance) Plc did not cross guarantee the LSREF debt and has no secured creditors.

Preferential Creditors

- 9.16 UK Hotels (Finance) Plc has no employees and therefore no preferential claims are anticipated.

Prescribed Part

- 9.17 The Prescribed Part does not apply to UK Hotels (Finance) Plc.

Non-Preferential Unsecured Creditors

- 9.18 The non-preferential unsecured creditors of UK Hotels (Finance) Plc are intercompany creditors and bondholders. It is anticipated that there will be insufficient asset realisations to enable a distribution to the non-preferential unsecured creditors of UK Hotels (Finance) Plc.

10. EC Regulation

- 10.1 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.
- 10.2 The centre of main interest of the Group is in England and Wales. The Administrations will therefore be conducted according to England and Wales insolvency legislation.

11. Creditors' Meetings

All companies within the Group except for UK Hotels (Finance) Plc

- 11.1 In accordance with Paragraph 52(1) of Schedule B1 to the Act, creditors' meetings will not be convened in respect of all of the companies within the Group, except for UK Hotels (Finance) Plc, as the Joint Administrators believe that all of the companies will have insufficient property to enable distributions to be made to non-preferential unsecured creditors, other than from the Prescribed Part in certain estates as noted in paragraph 9.11 above.
- 11.2 However, the Joint Administrators shall summon initial creditors' meetings, if requested to by the creditors of the companies within the Group, whose debts amount to at least 10% of the total debts of the respective companies using the prescribed Form (Form 2.21B) attached at Appendix 6, within 8 business days from the day these proposals are sent out.
- 11.3 Creditors are reminded that the costs of any meetings called shall be paid for by them and that deposits will be required for this purpose. These costs may be ordered to be paid as an expense of the relevant Administration if the meetings so resolve.

UK Hotels (Finance) Plc

- 11.4 In accordance with Paragraph 51 of Schedule B1 to the Act, a creditors' meeting will be held in respect of UK Hotels (Finance) Plc only at 11.30am on 14 November 2014 at Duff & Phelps, The Shard, 32 London Bridge Street, London SE1 9SG. Formal notice of the meeting, a proof of debt form and a proxy form will be sent by post to the creditors of UK Hotels (Finance) Plc for the purpose of this meeting.

- 11.5 The purpose of this meeting is to vote on the Joint Administrators' proposals as outlined in Section 13 of this report.

12. End of the Administrations

- 12.1 The options available to the Joint Administrators for the exit from the Administrations are as follows:

- Compulsory Liquidation
- Creditors' Voluntary Liquidation
- Company Voluntary Arrangement
- Return of control to the Director(s)
- Dissolution of Company

- 12.2 The Joint Administrators are continuing to review the Group's financial position and have not yet formed a view on the most likely exit route in respect of all of the companies within the Group.

- 12.3 However at present, the Joint Administrators are of the opinion that once all outstanding Administration matters have been satisfactorily completed, it is likely that the Joint Administrators will give notice to the Registrar of Companies that all of the companies within the Group be dissolved.

- 12.4 A further update in respect of the exit route of each company within the Group will be provided in the Joint Administrators' next progress report.

- 12.5 You will note from the proposals section below that the Joint Administrators have left the choice of exit routes from Administration open so that the appropriate strategies can be adopted, once the necessary information has been obtained and the Joint Administrators' own investigations have been completed.

13. Joint Administrators' Proposals

- 13.1 The Joint Administrators separately propose the following in respect of each individual company within the Group:

- 13.1.1 That the Joint Administrators continue the Administrations to deal with such outstanding matters in relation to the companies within the Group as the Joint Administrators consider necessary until such time as the Administrations cease to have effect.

- 13.1.2 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 Administrations.

- 13.1.3 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 to the Act to the Registrar of Companies to the effect that the companies within the Group have no property which might permit a distribution to its creditors, at which stage the Administrations will cease.

- 13.1.4 In the event that the Joint Administrators do not follow 13.1.3 above, the Joint Administrators will, when it is anticipated that no better realisations will be made in the Administrations than would be available in a winding up, take the necessary steps to put the companies within the Group into either creditors' voluntary liquidation, company voluntary arrangement or into compulsory liquidation as deemed appropriate by the Joint Administrators. It is proposed that the Joint Administrators, currently Paul David Williams, Paul John Clark and David John Whitehouse of Duff & Phelps would act as Joint Liquidators should any of the companies within the Group be placed into creditors' voluntary liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 2.117A 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.
- 13.1.5 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Act, upon filing the end of the Administrations or their appointments otherwise ceasing.
- 13.1.6 That the Joint Administrators' remuneration, where no Creditors' Committees are established, be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administrations and that they be allowed to draw such remuneration as and when the funds permit without further recourse to the creditors.
- 13.1.7 That the Joint Administrators be authorised to draw Duff & Phelps' internal costs, being cost of business mileage in dealing with the Administrations ("Category 2 Disbursements").

All companies within the Group except for UK Hotels (Finance) Plc


- 13.2 Pursuant to Rule 2.33(5) of the Rules, the proposals in paragraphs 13.1.1 to 13.1.4 above shall be deemed to be approved by the creditors of each company within the Group (except for UK Hotels (Finance) Plc), on the expiry of the period in which a meeting can be requisitioned by creditors in the manner described in paragraph 11.2 above, provided that no meeting has been so requisitioned.
- 13.3 The Joint Administrators will be seeking the following specific resolutions from the Secured Creditor in respect of each of the companies within the Group, (except for UK Hotels (Finance) Plc):
- 13.3.1 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Act, upon filing the end of the Administrations or their appointments otherwise ceasing.
- 13.3.2 That the Joint Administrators' remuneration, where no Creditors' Committees are established, be fixed by reference to the time properly incurred by them and their staff in attending matters during the Administrations and that they be allowed to draw such remuneration as and when funds permit without further recourse to the creditors.
- 13.3.3 That the Joint Administrators' statements of pre-Administration costs under Rule 2.33, where no Creditors' Committees are established, be approved for payment in accordance with Rule 2.67A.
- 13.3.4 That the Joint Administrators be authorised to draw Duff & Phelps' internal costs, being cost of business mileage in dealing with the Administrations ("Category 2 Disbursements").

UK Hotels (Finance) Plc

- 13.4 The Joint Administrators will be seeking approval of the resolutions outlined at paragraphs 13.1.1 to 13.1.7 from the non-preferential unsecured creditors of UK Hotels (Finance) Plc at the creditors' meeting on 14 November 2014 (further details of which can be found at paragraph 11.4).

14. Other Matters

- 14.1 If any creditor has any information concerning the Group's affairs that they would like to bring to the Joint Administrators' attention, then they would be pleased to hear from them.
- 14.2 If you require further information or assistance, please do not hesitate to contact Sebastien Johnson of this office.



Paul Williams
Joint Administrator

Encs.

The affairs, business and property of the Group are being managed by the Joint Administrators, Paul Williams, Paul Clark and David Whitehouse, who act as agents for the Group and without personal liability. They are licensed by the Insolvency Practitioners Association.