

# Liquidator's Progress Report

# S.192

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

To the Registrar of Companies

Company Number

00970668

Name of Company

Bold Hotel (Southport) Limited

I/ We

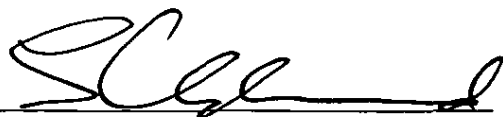
Simon James Underwood, Lynton House, 7-12 Tavistock Square, London, WC1H 9LT

Robert Harry Pick, Lynton House, 7-12 Tavistock Square, London, WC1H 9LT

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

The Progress Report covers the period from 18/06/2015 to 17/06/2016

Signed



Date

5 August 2016

Menzies LLP  
Lynton House  
7 - 12 Tavistock Square  
London  
WC1H 9LT

Ref B101/SJU/RHP/SCB/CED

TUESDAY



A16 \*A5CZNA01\* #217  
09/08/2016  
COMPANIES HOUSE

**BOLD HOTEL (SOUTHPORT) LIMITED (IN CREDITORS' VOLUNTARY LIQUIDATION)**

**JOINT LIQUIDATORS' PROGRESS REPORT PURSUANT TO  
SECTION 104A OF THE INSOLVENCY ACT 1986 AND  
RULE 4.49C OF THE INSOLVENCY RULES 1986**

**FOR THE PERIOD 18 JUNE 2015 TO 17 JUNE 2016**

**5 August 2016**

**SUMMARY INFORMATION**

Type of insolvency procedure	Creditors' Voluntary Liquidation		
Registered office	Lynton House 7-12 Tavistock Square London WC1H 9LT		
Registered number	00970668		
Former trading address	The Bold Hotel Lord Street Southport Lancashire PR9 0BE		
Principal activity	Hotel		
Joint Liquidators' names and address	Simon Underwood and Robert Pick Menzies LLP* Lynton House 7-12 Tavistock Square London WC1H 9LT		
Date of Liquidation	25 March 2014		
Date of Joint Liquidators' appointment	18 June 2015		
Details of any changes in office holder		Appointed	Resigned
	Patrick Lannagan	25/03/2014	18/06/2015
	Dermot Power	25/03/2014	18/06/2015
Contact details	020 7465 1956 cdavenport@menzies.co.uk		

\*At the outset of their appointment, the Joint Liquidators' firm was Menzies Business Recovery LLP  
With effect from 1 July 2015 Menzies Business Recovery LLP was acquired by Menzies LLP

## 1 INTRODUCTION

- 1 1 Robert Pick and I were appointed Joint Liquidators of the Company at a meeting held on 18 June 2015, following the resignation of Partick Lannagan and Dermot Power of BDO LLP ("BDO") as Joint Liquidators. The previous Liquidators resigned from office as they considered that they may have a conflict of interest, should the consequential loss claim require litigation against the Royal Bank of Scotland ("RBS").
- 1 2 I now present my progress report for the first year of my appointment as Joint Liquidator, pursuant to Section 104A of the Insolvency Act 1986 ("the Act") and Rule 4.49C of the Insolvency Rules 1986 ("the Rules").
- 1 3 I attach at Appendix I a receipts and payments account for the period ended 17 June 2016. Details of progress during the period are set out in sections 2 to 4 below.
- 1 4 I refer you to the previous report prepared by BDO on the progress of the Liquidation, dated 19 May 2015, along with the Joint Administrators' progress reports dated 11 November 2011, 26 April 2012, 25 October 2012, 11 June 2013, 21 October 2013 and 4 April 2014. Should you require a copy of any of these reports please contact my office.

## 2 ASSET REALISATIONS

### *Mis-Sold 'Interest Rate Hedging Product'*

- 2 1 As creditors will be aware from the aforementioned previous reports, in 2007 an Interest Rate Hedging Product ("IRHP") was sold to an associated company, Melton Grange Limited, and novated to the Company in 2008. The Company was deemed eligible for participation in the compensation scheme agreed between the participating banks and the Financial Conduct Authority ("FCA").
- 2 2 In October 2014, RBS issued a provisional offer of redress of £366,131. They have advised that they intend to apply set-off against the residual debt due, leaving a net liability to RBS of £1,745 million.
- 2 3 A provisional consequential loss claim was submitted to RBS on 4 March 2016. RBS have responded to the provisional claim, which was received after the period covered by this report. This is being reviewed with a view to determining the next steps.
- 2 4 All other assets were realised by BDO during the Administration of the Company and I am not aware of any other potential recoveries other than the IRHP.

## 3 CREDITORS' CLAIMS

- 3 1 I will deal with these in order of priority prescribed by legislation.
- Secured creditor*
- 3 2 The Company granted a debenture to RBS providing both fixed and floating charges. At the date of the appointment of Administrators, RBS was owed £3.026 million.
- 3 3 To date, RBS has received £1.1825 million under its fixed charge. It is uncertain whether there will be a further distribution to RBS under its floating charge and this will be dependent upon the outcome of the IRHP review.

- ## 4 INVESTIGATIONS

## 5 COSTS AND EXPENSES

### *Joint Liquidators' remuneration*

- 5 1 Pursuant to the Rules, Joint Liquidators are obliged to fix their remuneration in accordance with Rule 4 127(2) This permits remuneration to be fixed either
- 1) As a percentage of the assets realised and distributed, or
  - 2) By reference to the time the liquidators and their staff spend on attending to matters in the liquidation, or
  - 3) As a set amount, or
  - 4) As a combination of the above
- 5 2 In this matter, I am now seeking creditors' approval to fix the Joint Liquidators' remuneration by reference to the time properly given by me and my staff in attending to matters arising in the winding up This includes work undertaken by Menzies in-house specialist forensic staff
- 5 3 I attach at Appendix II a breakdown of the time costs incurred by grade of staff and by work category for the period 18 June 2015 to 17 June 2016 The time costs total £29,619 08, representing 134 31 hours at an average charge out rate of £220 53 Of which £13,644 08 was incurred by me and my staff and £15,975 by the specialist in-house forensic staff
- 5 4 Given the size and technical nature of formulating the Claim against RBS, much of the work was undertaken by Menzies Forensics Additional assistance was provided by cashiers dealing with banking and statutory duties, and administrators offering various support services All time spent on administering various duties was charged directly to the case in six minute units
- 5 5 In addition to the work described in sections 2 to 4 above, the following was also undertaken
- i Preparation and circulation of a report to creditors
  - ii Filing of forms and returns with the Registrar of Companies
  - iii Maintenance of bank accounts, sundry administrative matters and compliance generally with the Insolvency legislation
  - iv General correspondence and creditor queries
  - v Preparation and submission of tax returns
- 5 6 I attach as Appendix III form 2 25B, Notice of Meeting by Correspondence to seek approval for the following resolutions
- "The Joint Liquidators' be remunerated by reference to the time properly spent by them and the various grades of their staff and in-house forensic staff in dealing with the matters relating to the Liquidation of the Company, such time is to be charged at the hourly charge out rate of staff undertaking the work at the time it was undertaken and the Joint Liquidators be at liberty to draw remuneration without any further reference to creditors"
- 5 7 If you wish to vote on the resolutions you must complete and returned the enclosed notice of meeting by correspondence form to my office by no later than 12 00 noon on 24 August 2016 If you have already submitted a proof of debt, please complete the enclosed form and return it to me, together with relevant supporting documentation (copies of your unpaid invoices for example)
- 5 8 Your vote on the resolutions will not count unless you have lodged a proof of debt by no later than 12 noon on 24 August 2016
- 5 9 Please note I must receive at least one vote by the above deadline or the resolutions will not be passed The legislation requires me to call a physical meeting if that happens, which will increase the costs in the Liquidation

- 5 10 An explanatory note "A Creditors' Guide to Liquidators' Fees" can be found on the following link

<http://www.menzies.co.uk/helping-you/business-recovery/fee-guide/>

Alternatively, it is available free of charge by contacting Menzies LLP

- 5 11 Full details of the Insolvency team's charge out rates are as follows

	<i>From 01 10 2015</i>	<i>From 01 10 2014</i>
	<i>Rate per hour (£)</i>	<i>To 30 09 2015</i>
		<i>Rate per hour (£)</i>
Partner/Director	375-505	350-395
Manager	250-330	250
Senior Administrator	175	100-150
Administrator	80-170	75
Support	80-170	

- 5 12 Full details of the Forensic team's charge out rates are as follows

	<i>Rate per hour (£)</i>
Partner/Director	300-350
Consultant	250
Manager (Assistant-Senior)	195-230
Supervisor/Administrator	150

#### *Liquidators' disbursements*

- 5 13 In relation to disbursements, where my firm has incurred a cost that is directly referable to this matter and the payment was made to a third party, these costs have been reimbursed. The disbursements incurred during the period are shown on Appendix II
- 5 14 No disbursements have or will be claimed which, while directly referable to this matter, did not involve a payment to a third party. Neither will any cost be reimbursed which included an element of shared or allocated cost (eg photocopying)

## **6 CONCLUDING REMARKS**


### *Creditors' right to request information*

- 6 1 Any secured creditor, or an unsecured creditor with the support of at least 5% in value of unsecured creditors or with the leave of court, may (in writing) request me to provide additional information regarding remuneration or expenses already supplied within this report. In accordance with Rule 4.49E of the Rules, such a request or application for leave must be made within 21 days of receipt of this report.

*Creditors' right to challenge remuneration and/or expenses*

- 6.2 Any secured creditor, or an unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the court, may apply to court for one or more orders under Rule 4.131(4) of the Rules. Such applications must be made within eight weeks of receipt of this report.
- 6.3 Should you require further information, please do not hesitate to contact Caroline Davenport of my office.

Yours faithfully

  
Simon Underwood  
Joint Liquidator

**Appendix I**

**Joint Liquidators' Receipts & Payments**

**Bold Hotel (Southport) Limited  
(In Liquidation)**

**Summary of Receipts & Payments**

	From 18/06/2015 To 17/06/2016 (£)
<b>RECEIPTS</b>	-
	<u>NIL</u>
<b>PAYMENTS</b>	-
	<u>NIL</u>
<b>Net Receipts/(Payments)</b>	<u><u>NIL</u></u>
<b>MADE UP AS FOLLOWS</b>	
<b>Cash at Bank</b>	-
	<u><u>NIL</u></u>

## Appendix II

### Joint Liquidators' Time Costs Analysis

**BOLD HOTEL (SOUTHPORT) LIMITED (IN CREDITORS' VOLUNTARY LIQUIDATION)**

**Appendix II**

**Analysis of Joint Liquidators' Time Costs**  
**Period 18 June 2015 to 17 June 2016**

	Partner / Director	Manager	Senior	Administrator	Cashier / Support	Total Hours	Charge £	Average rate £
<b>Period 18 June 2015 to 17 June 2016</b>								
Administration and planning	15 00	0 20	2 05	22 50	2 06	41 81	8,402 58	200 97
Creditors	2 90	0 00	1 70	0 40	0 00	5 00	1,238 50	247 70
Investigations	4 80	0 50	0 70	0 00	0 00	6 00	1,883 50	0 00
Realisation of assets	6 50	0 20	0 00	0 00	0 00	6 70	2,119 50	316 34
Hours	29 20	0 90	4 45	22 90	2 06	59 51		
Charge (£)	9,609 50	208 50	778 75	2,579 00	468 33		13,644 08	229 27
Forensics	11 00	45 50	17 00	1 30	0 00	74 80	15,975 00	213 57
Hours	11 00	45 50	17 00	1 30	0 00	74 80		
Charge (£)	3,850 00	9,012 50	2,975 00	137 50	0 00		15,975 00	
<b>Total time costs</b>						<b>134 31</b>	<b>29,619 08</b>	220 53

#### Summary of Joint Liquidators' Disbursements Incurred & Paid

Nature	Incurred 18-Jun-15 to 17-Jun-16 £	Paid 18-Jun-15 to 17-Jun-16 £	Total Incurred	Total Paid £
Statutory advertising	84 60	-	84 60	-
Specific penalty bond	10 00	-	10 00	-
	94 60	0 00	94 60	0 00

**Appendix III**

Rule 4 63A

Form 2 25B

**Notice of conduct of business by  
correspondence**

Name of Company

Bold Hotel (Southport) Limited

Company number

00970668

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

Notice is hereby given by (a) Simon Underwood and Robert Pick, Joint Liquidators, of Menzies LLP, Lynton house, 7-12 Tavistock Square, London WC1H 9LT

to the creditors of (b) Bold Hotel (Southport) Limited (In Liquidation), Lynton House, 7-12 Tavistock Square, London, WC1H 9LT

that, pursuant to Rule 4 63A of the Insolvency Rules 1986, detailed below are (c) two resolution for your consideration Please indicate below whether you are in favour or against each resolution

(b) Insert  
full name and  
address of  
registered  
office of the  
company

This form must be received at (d) Menzies LLP, Lynton House, 7-12 Tavistock Square, London, WC1H 9LT

by 12 00 hours on (e) 24 August 2016 in order to be counted It must be accompanied by details in writing of your claim unless those details have already been submitted for the purpose of a meeting of creditors Failure to do so will lead to your vote(s) being disregarded

(c) Insert  
number of  
resolutions  
enclosed

Resolution (1) "The Joint Liquidators' be remunerated by reference to the time properly spent by them and the various grades of their staff and in-house forensic staff in dealing with the matters relating to the Liquidation of the Company, such time is to be charged at the hourly charge out rate of staff undertaking the work at the time it was undertaken and the Joint Liquidators be at liberty to draw remuneration without any further reference to creditors"

(d) Insert  
address to  
which form is  
to be  
delivered

I am \*in Favour / Against

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM

(e) Insert  
closing date

Name of  
creditor \_\_\_\_\_

Signature of  
creditor \_\_\_\_\_

Repeat as  
necessary for  
the number of  
resolutions  
attached

(If signing on behalf of creditor, state capacity e g director/solicitor)

If you require any further details or clarification prior to returning your votes, please contact me / us at the address above

Signed

Joint / Liquidator(s)

Dated

5 August 2016

## **Appendix IV**

### **DISBURSEMENTS RECOVERY POLICY**

#### **Category 1 Disbursements**

Specific expenditure relating to the administration of the insolvent estate and payable to an independent third party is recoverable without creditor approval. Such expenditure is made if funds are available from the insolvent estate. If funds are not available then payment is made from this firm's office account and reimbursed from the estate should funds become available.

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case. Typical items include legal fees, agents' fees, statutory advertising, insurance of assets, search fees, specific penalty bonding, telephone calls, postage, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case.

All such disbursements such as, insurance of assets, search fees and specific penalty bonding will be paid initially by Menzies LLP and will be recharged through the estate as and when funds are available.

#### **Category 2 Disbursements**

Expenditure incidental to the administration of the insolvent estate, which by its nature includes an element of shared or allocated cost is recoverable with creditor approval.

Payments in respect of the above are defined as 'Category 2 Disbursements'. These charges are generally in respect of storage at £40 per box per annum or part thereof and destruction at £3.50 per box, plus VAT, in respect of company records stored.

These records are usually destroyed one year after dissolution of the company and the creditors will be asked to approve resolutions for category 2 disbursements at the appropriate time.