

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company Ablecrest Limited	Company number 02241973
In the High Court of Justice, Preston District Registry <small>[full name of court]</small>	Court case number 245 of 2014

(a) Insert full name(s) and address(es) of administrator(s) We, (a) Lila Thomas and David Acland of Begbies Traynor (Central) LLP, 1 Winckley Court, Chapel Street, Preston, PR1 8BU

* Delete as applicable 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 January 2015

Signed

Joint Administrator

Dated

27/1/15.

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.

Begbies Traynor (Central) LLP	
1 Winckley Court, Chapel Street, Preston PR1 8BU	
	Tel 01772 202000
Fax Number 01772 200099	DX Number

If 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

FRIDAY



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30/01/2015

#483

COMPANIES HOUSE

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

Ablecrest Limited (In Administration)

Statement of proposals for achieving the purpose of administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.33 of the Insolvency Rules 1986

Important Notice

This statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Ablecrest Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 of the Act on 10 December 2014
"the administrators", "we", "our", "us"	Lila Thomas and David Acland of Begbies Traynor (Central) LLP, 1 Winckley Court, Chapel Street, Preston, PR1 8BU
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency Rules 1986 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (ii) In relation to Scotland, 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) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. STATUTORY INFORMATION

Name of Company	Ablecrest Limited
Trading name(s)	The Carlton Hotel, Best Western
Date of Incorporation	8 April 1988
Company registered number	02241973
Company registered office	C/o Begbies Traynor (Central) LLP, 1 Winckley Court, Chapel Street, Preston, PR1 8BU
Former registered office	C/o KLSA LLP Chartered Accountants, Klaco House, 28-30 St John's Square, London, EC1M 4DN
Trading address(es)	T/a The Carlton Hotel, Best Western, 282 North Promenade, Blackpool, Lancashire, FY1 2EZ
Principal business activities	Leisure - Hotels and Accommodation

Directors and details of shares held in the Company (if any)	Name	Shareholding
	Kirit Rambhai Patel	20
	Praful Ranchhodbhai Patel	5
	Shilpa Praful Patel	5
Company Secretary and details of the shares held in Company (if any)	None listed	
Auditors	KLSA LLP Chartered Accountants Klaco House, 28-30 St John's Square, London, EC1M 4DN	
Share capital	100 ordinary £1 shares 400,000 ordinary non voting £1 shares	
Shareholders	Kirit Rambhai Patel Praful Ranchhodbhai Patel Shilpa Praful Patel Sulochana Kirit Patel Aruna Piyush Patel Rajnikant Babubhai Patel Ravaben Rajnikant Patel	

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Date of appointment	10 December 2014
Date of resignation	None
Court	High Court of Justice, Preston District Registry
Court Case Number	245 of 2014
Person(s) making appointment / application	The Director, Mr Kirit Rambhai Patel
Acts of the administrators	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.

STATUTORY PURPOSE OF ADMINISTRATION

Pursuant to Paragraph 3(1) of Schedule B1 to the Act ("Sch B1 to the Act") the Administrator of a Company must perform his functions with the objective of

- Firstly, to rescue the company as a going concern (in other words a restructuring which keeps the entity intact)
- Secondly, if the purpose stated above is not reasonably practicable (or the second would be a better objective for creditors as a whole), then the Administrators must perform their functions to achieve a better result for the company's Creditors as a whole than would be if the company were wound up (without first being in administration)
- Thirdly, if neither of the first two parts of the purpose is reasonably practicable, the Administrator must perform his functions with the objective of realising property in order to make a distribution to one or more secured creditor

In this case there was no interest in purchasing the entity as a whole i.e. a share sale therefore the first objective is not possible to achieve. The monies received for the hotel and the monies likely to be received following a sale of the property post appointment are unlikely result in sufficient funds to enable a distribution to be paid to the unsecured creditors. Therefore, the purpose of the Administration is to realise property in order to make a distribution to the secured creditor.

4. CIRCUMSTANCES GIVING RISE TO OUR APPOINTMENT

The Company operated The Carlton Hotel ("the hotel"), a 58 bedroom hotel equipped with a lounge bar, restaurant and two function rooms located in Blackpool on the North Promenade trading under a franchise held with Best Western Hotels. The business was owned and operated by Mr Kirt Patel, Mr Praful Patel and Mrs Shilpa Patel ("the board") successfully for a number of years.

In addition, the Company also owns a small terraced freehold property located on Banks Street, Blackpool ("the property"). This property was historically operated as a small bed and breakfast but has been unoccupied for some time and requires modification and building works.

Over recent years the Company had been experiencing a downturn in trade as operational costs continue to rise. As such the board and the shareholders undertook a review into the Company's financial position. As a result of the review the Patel family decided to focus their attention on their other business interests and approached the secured creditor, The Royal Bank of Scotland plc ("the Bank") to discuss a strategy and the disposal of the operating hotel. The board hoped that the disposal would be sufficient to discharge the Bank's indebtedness, which amounts to circa £1.1 million, in full.

In July 2014 the Company engaged BTG Financial Consulting LLP to undertake a review of the business following discussions with their bankers, The Royal Bank of Scotland plc ("the Bank").

With the consent of the Bank, the board instructed agents Christie & Co ("Christies") to market the business for sale. In addition, the board instructed Assured Hotels Ltd, a company which specialises in hotel management to oversee trading operations until a buyer could be secured. Full details of the marketing exercise are detailed further within the report.

Unfortunately, it was clear upon receipt of best and final offers from interested parties that a sale was unlikely to generate sufficient funds to discharge the Company's liabilities in full. The Company was therefore insolvent on a balance sheet basis and an insolvency process was required in conjunction with any sale of the hotel.

Once it became clear that the sale of the property would not generate sufficient funds to discharge the Bank's indebtedness in full, it was agreed by all parties that the sale would be concluded via an Administration under the pre-pack procedure. As such, the proposed Administrators and their instructed solicitors, Shoosmiths LLP

negotiated with the purchaser on behalf of the Company and advised the Company on the process and requirements in order to facilitate a pre-packaged sale

It was agreed that a sale would take place on 10 December 2014 in conjunction with the appointment of the Administrators. However, on 4 December 2014, the purchaser sought to renegotiate the price to be paid and delay the sale until January 2015 and insisted upon a period of time between exchange and completion. Consequently, on 10 December 2014, a Notice of Appointment of an Administrator was filed in the High Court of Justice, Preston District Registry appointing Lila Thomas and David Acland as Joint Administrators.

5. STATEMENT OF AFFAIRS

The notice requesting completion of the statement of affairs has been sent to the Director. According to statute, the Director has 11 days from the date of receipt to submit this document. The Administrators have agreed to an extension of time for its completion. To aid creditors, the Joint Administrators have prepared an Estimated Outcome Statement ("EOS") for creditors based upon information extracted from the Company's records (see Appendix 1).

6. THE ADMINISTRATION PERIOD

Upon appointment the Directors were advised of the effect of the appointment of Administrators and the restrictions consequently placed upon them. All statutory documents confirming the appointment were filed at Court and Companies House in accordance with requirements and all known creditors were provided with notice of the Administration. The necessary insurance cover was arranged via our insurance brokers, AUA Insolvency Risk Services Limited ("AUA").

Creditors of the Company would ordinarily have already been provided with information on any pre-packaged sale of the Company's business and assets by letter post appointment. However as the sale of the hotel was delayed by the purchaser and completed on 22 January 2015, the information has therefore been provided in this report.

Marketing

The Directors initially sought a sale of the hotel and approached their contacts within the industry. No immediate interest was received and following discussions with the Bank, the board instructed Christies on 1 April 2014 to carry out a full marketing campaign. An initial asking price of £1,250,000 was set and the particulars were posted on their website and circulated to more than 1,000 applicants via a targeted email campaign. Unfortunately, only two formal viewings and a handful of customer viewings were secured and no formal offers were forthcoming.

Despite the profit and occupancy figures improving under the guidance of Assured Hotels, the hotel was still not achieving the net turnover and profit it would have hoped for. The board was keen to find a buyer quickly and ideally before the end of the 2014 season so the marketing campaign was accelerated. On 8 July 2014, the asking price was reduced to £800,000 following instructions from the board. The sales particulars were redistributed and a number of expressions of interest were received.

As a result of the positive feedback and viewing appointments arranged, it was agreed that parties would be invited to submit their best and final offers by 5pm on 8 August 2014. A further 13 viewing appointments were generated and six separate offers were received between £878,000 and £415,000.

The offers were submitted to the board for their consideration and the offer from Starboard Hotels Limited ("Starboard") of £878,000 was subsequently accepted. The agent confirmed that this was not only the highest offer but Starboard were the most credible applicant who own, develop and operate a portfolio of

hotels and hostels throughout the UK. In comparison, the second and third highest offers were £800,000 and £770,000 albeit the second bidder then subsequently withdrew their interest to pursue another opportunity. The offer from the third bidder was only on the basis that the current seller would provide a 50% vendor loan. As detailed above, Starboard later reduced their offer to £800,000.

RECEIPTS

Sale of the Business and Assets

The sale of the hotel completed to Starboard Hotels Limited ("Starboard") on 22 January 2015. The consideration in the sum of £800,000, less agreed offsets, has been paid in full to the instructed solicitors Shoosmiths LLP. The employees have transferred to Starboard in accordance with TUPE regulations.

Property

The Company owns a freehold property at 3 Banks Street, Blackpool, FY1 1RN. The property previously traded as a bed and breakfast but has been unoccupied for some time. The property has been secured for insurance purposes and our agents, Eddisons have been instructed to clear the site and provide a valuation. In order not to jeopardise any sale, the Administrators have not disclosed details of any valuations within this report. For the purposes of the Estimated Outcome Statement ("EOS") attached at Appendix 1, a realisation figure has been included however this is not intended to be a guide to valuation nor anticipated realisation, simply a guide to demonstrate how the proceeds will be distributed.

Book Debts

Upon appointment, the Company had an outstanding customer debtor ledger in the sum of £19,291 before provisions were applied for bad debts. The management have identified certain contras and disputes in the sum of £2,981. It is likely funds will be realised from this source and to be prudent and for the purposes of the EOS, a 25% provision has been applied to the ledger.

Trading

Prior to the Administrators appointment, Assured Hotels Limited ("Assured") were instructed to operate the business. Following our appointment Assured attended site and all the staff were notified of the appointment. Assured have provided initial purchase invoices for the period of trading, however there are still a number of invoices outstanding. We are therefore unable to provide an exact trading loss figure at this stage, and an estimated trading loss of circa £10,000 has been stated for the purposes of the EOS based on initial trading forecasts provided by Assured.

Rates Refunds

The sum of £6,582 has been received from Blackpool Borough Council in respect of an overpayment of rates.

PAYMENTS

Agents Fees

Christie & Co were instructed to market the hotel for sale and provide advice and recommendation on any offers received. Fees of £14,000 plus VAT have been agreed (1.75% of sale price).

Specialist valuers Robson Kay & Co Limited ("RKC") were instructed to value the Company's chattel assets. Total fees and disbursements have been agreed at £1,563.80 plus VAT.

Assured Hotels Limited were instructed to assist with the management of the hotel during the trading period. The sum of £5,316 plus VAT has been paid for their services to date.

Legal Fees

Shoosmiths LLP ("LA") were instructed to prepare the sale and purchase agreement on behalf of the Company and the proposed Administrators and are also instructed to assist in the conveyance of the Banks Street property. Fees of £12,000 plus VAT have been agreed.

Receipts and Payments

Attached at Appendix 1 is our account of receipts and payments from the commencement of administration, 10 December 2014 to 27 January 2015.

7. ESTIMATED OUTCOME FOR CREDITORS

The sums owed to creditors at the date of appointment are detailed below. On the basis of realisations to date and estimated future realisations we have also estimated the outcome for each class of the Company's creditor.

Secured creditor – The Royal Bank of Scotland plc ("the Bank")

The Bank has the benefit of a debenture creating fixed and floating charges over the Company's assets dated 11 November 1991. In addition, the Bank holds specific legal charges over the Company's properties at The Carlton Hotel dated 9 May 1989 and 3 Banks Street dated 25 November 2004. The balance due to the Bank on appointment was £1,115,865.

Preferential creditors

As a result of the sale of part of the business and assets and the employees of the Company transferring to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006, there are no known preferential claims.

Unsecured creditors

Claims of unsecured trade creditors are estimated at £28,875. In addition, monies due to HM Revenue & Customs in respect of outstanding VAT and PAYE are estimated at £53,824.

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditor as follows:

Secured creditor

Based on the illustrative sales figure included for the property in the EOS it is anticipated that, after the application of the associated costs, the Bank will suffer a shortfall in respect of their indebtedness.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Section 176A of the Act provides that, where the company has created a floating charge on or after 15 September 2003, the administrator must make a *prescribed part* of the Company's *net property* available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured debts. *Net property* means the amount which would, were it not for this provision, be available to floating charge holders out of floating charge assets (i.e. after accounting for preferential debts and the costs of realising the floating charge assets). The *prescribed part of the Company's net property* is calculated by reference to a sliding scale as follows:

- 50% of the first £10,000 of *net property*,
- 20% of *net property* thereafter,
- Up to a maximum amount to be made available of £600,000

An administrator will not be required to set aside the *prescribed part of net property* if

- the *net property* is less than £10,000 and the administrator thinks that the cost of distributing the *prescribed part* would be disproportionate to the benefit, (Section 176A(3)) or
- the administrator applies to the court for an order on the grounds that the cost of distributing the *prescribed part* would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in section 176A(6) of the Act, to be nil and the prescribed part of the Company's net property to be nil as the Bank's charge pre-dates the introduction of the prescribed part rules

Unsecured creditors

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors. In the circumstances, pursuant to paragraph 52(1)(b) of Schedule B1 to the Act, we do not intend to summon an initial meeting of creditors

8. OUR PROPOSALS FOR ACHIEVING THE PURPOSE OF THE ADMINISTRATION

Purpose of the Administration

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above

The affairs and business of the Company have, since the date of the Administrators' appointment been managed by the Administrators. If the proposals are approved, the affairs and business will continue to be managed by the Administrators and financed from the realisation of the Company's assets

The Administrators propose to do all such things and generally exercise their powers as Joint Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve either of the objectives specified in sub-paragraph 3(1)(a) and 3(1)(b), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(c), namely realising property in order to make a distribution to one or more secured or preferential creditors. Furthermore, we consider that pursuing this objective should not unnecessarily harm the interests of the creditors of the Company as a whole

We consider that this objective has already largely been achieved due to the sale of part of the business and assets to Starboard Hotels Limited and the mitigation of employee claims

In order that the purpose of the administration may be fully achieved, we propose to remain in office as administrators in order to sell the remaining property and complete all statutory matters

Following these events we propose to finalise distributions to the secured creditor

Exit from Administration

On present information we consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as we are satisfied that we have fully discharged our duties as administrators and that the purpose of the administration has been fully achieved, we propose to implement the provisions of Paragraph 84 of Schedule B1 to the Act. Under these provisions, on the registration of a notice sent by us to the Registrar of Companies, our appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

Discharge from Liability

It is proposed that pursuant to Paragraph 98(2)(b) of Schedule B1 of the Act, the Joint Administrators be given their full discharge from liability in respect of any action as Administrator with effect from the date that their appointment as Joint Administrators' ceases to have effect.

9. REMUNERATION AND DISBURSEMENTS

Pre-administration costs

We were initially contacted by the BTG Financial Consulting LLP to carry out a review of the Company's financial position. We discussed the options available to the Bank and the Board and instructed independent agents, Robson Kay & Co Limited, to provide a valuation of the chattel assets.

It was agreed an insolvency process was required with any sale of the hotel. The hotel had been marketed by Christies since April 2014. Following the marketing process, an offer was accepted upon the Christies advice and a sale was to be concluded via a pre-pack procedure. Following acceptance of the offer, we instructed solicitors, Shoosmiths LLP to assist in drafting a sale and purchase agreement ("SPA"). However, shortly prior to completion the purchasers requested for the sale of the hotel to be delayed until 22 January 2015. The proposed administrators advised the Bank and the Board that it would be viable to continue with the appointment and trade during an Administration procedure. The board took the decision to file a Notice of Intention to Appoint an Administrator ("NOIAA"). The Company would benefit from the protection of an interim moratorium whilst a formal sale and purchase agreement ("SPA") was prepared.

For these reasons, we consider that the Work has furthered the achievement of the objective of administration being pursued, namely realising property in order to make a distribution to one or more secured or preferential creditors.

The Pre-administration costs are as follows

Our fees are in the total sum of £16,619 and disbursements of £55.52 (please see the Analysis of Pre-administration Costs attached at Appendix 3). We are seeking that the sum of £12,500 plus VAT and disbursements of £55.52 plus VAT be paid as an expense of the administration. Pursuant to Rule 2.67A of the Rules, approval to pay these costs as an expense is required from the creditors' committee, or in the absence of a committee, or if the committee does not make a determination, the secured creditor of the Company. Payment of the unpaid Pre-administration costs requires separate approval and is not part of our proposals subject to approval pursuant to Paragraph 53 of Schedule B1 to the Act.

In order to provide sufficient information to enable approval of our fees, an Analysis of Pre-administration Costs and a Pre-administration Time Costs Summary appear at Appendix 3. These show the number of hours spent by each grade of staff involved in the case and give the average hourly rate charged for the Pre-administration costs. They also provide an explanation of the work undertaken prior to our appointment.

Remuneration

We propose that the basis of our remuneration be fixed under Rule 2.106 of the Rules by reference to the time properly given by us (as administrators) and the various grades of our staff calculated at the prevailing hourly rates of Begbies Traynor (Central) LLP in attending to matters arising in the administration.

These proposals contain a statement by us, in accordance with paragraph 52(1)(b) of Schedule B1 to the Act, that we consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of Section 176A(2)(a) of the Act (the 'prescribed part' for unsecured creditors referred to at section 7). In these circumstances, if there is no creditors' committee, or the committee does not make a determination, it is for each secured creditor and the preferential creditors of the Company to determine the basis of our remuneration under Rule 2.106 of the Rules. In the absence of an initial meeting of creditors (see section 11 Conclusion, below) and the establishment of a creditors' committee, our remuneration is fixed by the approval of the secured and preferential creditors in accordance with Rule 2.106 (5A).

Appendix 3 sets out our firm's hourly charge out rates and the time that we and our staff have spent in attending to matters arising in the administration since 10 December 2014.

Disbursements

We propose that disbursements, including disbursements for services provided by our firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9) be charged in accordance with our firm's policy, details of which are set out at Appendix 3. These disbursements will be identified by us and subject to the approval of those responsible for determining the basis of our remuneration.

10. OTHER INFORMATION TO ASSIST CREDITORS

Report on the conduct of directors

We have a statutory duty to investigate the conduct of the director's and any person we consider to be or have been a shadow or de facto director during the period of three years before the date of our appointment, in relation to their management of the affairs of the Company and the causes of its failure. We are obliged to submit confidential reports to the Department for Business, Innovation and Skills.

As administrators of the Company we are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration, or wish to bring to our attention any potential recoveries for the estate. If you would like to bring any such issues to our attention please do so in writing to the address detailed at Section 1 of this report. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

11. CONCLUSION

We presently consider that neither of the objectives specified in paragraph 3(1)(a) and (b) of Schedule B1 to the Act can be achieved.

In the circumstances, we do not intend to summon an initial meeting of the Company's creditors. However, creditors, whose debts amount to at least 10% of the total debts of the Company, may requisition such a meeting. Any such requisition must be in the prescribed manner in accordance with Rule 2.37 and be made within 8 business days of the date on which our statement of proposals is sent out. The expenses of summoning and holding a meeting at the request of a creditor shall be paid by that person, who shall deposit

with us security for their payment. If no such meeting is requisitioned, then by Rule 2.33(5), our proposals are deemed to have been approved by the creditors. Where the proposals are deemed to have been approved, we will write to you to confirm that is the position.

In the absence of an initial creditors' meeting, we will report on progress again approximately six months after the commencement of the administration, or at the conclusion of the administration, whichever is the sooner.



L Thomas
Joint Administrator

Date 27 January 2015

ACCOUNT OF RECEIPTS AND PAYMENTS

10 December 2014 to 27 January 2015

JOINT ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS, INCORPORATING ESTIMATED OUTCOME FOR CREDITORS

Period 10 December 2014 to 27 January 2015

	Receipts & Payments to date £	Anticipated Receipts & Payments £	Projected Outcome £
ASSETS SPECIFICALLY PLEDGED			
Freehold Property			
- Carlton Hotel, 282 North Promenade, Blackpool	-	731,000	731,000
- 3 Banks Street, Blackpool, FY1 1RN	-	50,000	50,000
Net fixed charge assets	-	781,000	781,000
Less Costs of Realisation			
Administrators' Pre Appointment Fees and Disbursements	-	(6,250)	(6,250)
Administrators' Fees	-	(6,250)	(6,250)
Administrators' Disbursements	-	(1,000)	(1,000)
Legal Fees and Disbursements	-	(8,000)	(8,000)
Agents Fees and Disbursements			
- Chnsties & Co	-	(12,793)	(12,793)
- Eddisons	-	(7,500)	(7,500)
Management Fees and Disbursements	-	(6,955)	(6,955)
Deposits Refunds	-	(11,901)	(11,901)
Trading Surplus/Loss	-	(10,000)	(10,000)
Ransom payments	(302)	(2,500)	(2,802)
Property Costs	-	(10,000)	(10,000)
Available to The Royal Bank of Scotland plc under fixed charge	(302)	697,851	697,549
Due to The Royal Bank of Scotland plc	-	(1,115,865)	(1,115,865)
	(302)	(418,014)	(418,316)
ASSETS NOT SPECIFICALLY PLEDGED			
Fixtures & Fittings	-	69,000	69,000
Stock/Cash Float	-	5,170	5,170
Debtors	-	12,232	12,232
Rates Refund	6,582	-	6,582
Net floating charge assets	6,582	86,402	92,984
Less Costs of Realisation			
Administrators' Pre Appointment Fees and Disbursements	-	(6,250)	(6,250)
Administrators' Fees	-	(10,000)	(10,000)
Administrators' Disbursements	-	(2,500)	(2,500)
Legal Fees	-	(4,000)	(4,000)
Agents Fees and Disbursements			
- Robson Kay & Co Limited	-	(1,564)	(1,564)
- Chnsties & Co	-	(1,208)	(1,208)
Management Fees and Disbursements	(5,316)	(5,000)	(10,316)
Statutory Advertising	(85)	-	(85)
Bank Charges	(15)	-	(15)
Available for preferential creditors	1,166	55,881	57,046
Arrears of wages and holiday pay	-	-	-
Net property	1,166	55,881	57,046
Prescribed part of net property set aside for unsecured creditors	-	-	-
Available to The Royal Bank of Scotland plc under floating charge	1,166	55,881	57,046
Shortfall to The Royal Bank of Scotland plc carried down	-	(418,014)	(418,316)
Surplus / (Shortfall) to The Royal Bank of Scotland plc	863	(362,133)	(361,270)
Summary of outcome for creditors			
The Royal Bank of Scotland plc			754,595
Preferential and unsecured creditors			Nil
			754,595

Begbies Traynor (Central) LLP
Ablecrest Limited
B - Company Creditors

Key	Name	Address	£
CE00	3663	Langley Road South, Salford, Manchester, M6 6TZ	1,434 64
CA00	Alliance Disposable Ltd	Alliance House, Marshfield Bank, Crewe, Cheshire, CW2 8UY	822 59
CA01	Aspen Print Com	The Fun Factory, 262 Ringwood Road, Poole, Dorset, BH14 0RS	564 00
CA02	Assured Hotels	Forge Barn, Oak Tree Lane, Cookhill, Alcester, B49 5LH	8,345 97
CB00	BT Insolvency	Department W, Durham TE, Providence Row, Durham, DH1 1RR	0 00
CB01	British Gas Business	C/o Baker Tilly, National Client Service Centre, Salisbury House, 31 Finsbury Circus, London, EC2M 5SQ	0 00
CB02	BDO LLP	3 Hardman Street, Manchester, M3 3AT	5,227 72
CB03	Berendsen UK Ltd	PO Box 6114, Basingstoke, RG24 8JP	2,765 99
CB04	Best Western Hotel	Consort House, Amy Johnson Way, Clifton Moor, York, YO30 4GP	2,941 87
CB05	Blackpool Borough Council	Revenues & Benefits, PO Box 50, Town Hall, Blackpool, FY1 1NF	10,962 00
CB06	Blackpool Council Waste	Leisure & Operational Servs, Commercial Waste, Waste Management, Depot Road, Blackpool, FY3 7HW	215 79
CB07	Brabins	77 Corporation Street, Blackpool, FY1 4PD	1,140 35
CB08	Brakes Bros Ltd	PO Box 222, Ashford, Kent, TN24 8ZL	1,330 08
CB09	Brilliant Hotel Software	Transingel 8COMPANY DISSOLVED, 4814 ABBRRDACOMPANY DISSOLVED, COMPANY DISSOLVED	316 26
CB0A	Brodie Melrose Drysdale Co	Newhailes Ind Est, Newhailes Road, Musselburgh, EH21 6SY	308 95
CB0B	Book-O-Tel Limited	Unit 7, Berkeley Bus Pk, Wainwright Road, Worcester, WR4 9FA	0 00
CC00	Choice Meats Catering	220 Dickson Road, Blackpool, FY1 2JS	3,837 20
CC01	Canon UK Ltd	Woodhatch, Reigate, RH2 8BF	0 00
CD00	David Brown	64 Heron Way, Blackpool, FY3 8FB	168 00
CD01	Donnington Manor Hotel	London Road, Dunton Green, Sevenoaks, Kent, TN13 2TD	10,840 00
CE00	E-On Energy	Insolvency Team, 9th Floor, Newlands House, Mount Street, Nottingham, NG1 6PG	2,667 31
CE01	Eagle Consulting	15a Harbour Road, Inverness, IV1 1SY	63 00
CE02	Elavon Merchant Services	PO Box 466, Brighton, BN50 9AW	540 94
CH00	HM Revenue & Customs	National Insolvency Unit, 5th Floor, Regian House, James Street, Liverpool, L75 1AD	0 00
CH01	HM Revenue & Customs	Insolvency & Securities, 3rd Floor Euston Tower, 286 Euston Road, London, NW1 3UQ	0 00
CH02	HM Revenue & Customs	Specialist Investigations, 5th Floor Trinity Bridge House, 2 Dearmans Place, Salford, M3 5AQ	0 00

Begbies Traynor (Central) LLP
Ablecrest Limited
B - Company Creditors

Key	Name	Address	£
CH03	HM Revenue & Customs	Enforcement & Insolvency, Durrington Bridge House, Worthing, West Sussex, BN12 4SE	0 00
CH04	Hotelbeds UK Ltd	Whitfield Court 30-32, Whitfield Street, London, W1T 2RG	0 00
CI00	Inland Revenue NIC Office	Insolvency Unit, Room BP3202, Warkworth House, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	0 00
CI01	Incom Network Services	Clarendon House, Clarendon Road, Manchester, M30 9AL	177 85
CI02	Investec Asset Finance Plc	C/o Baker Tilly, Salisbury House, 31 Finsbury Circus, London, EC2M 5SQ	426 56
CI03	I T Action Ltd	46 Skylines Village, Limeharbour, London, E14 9TS	567 00
CI04	Ilesso	Chasseveld 15 G, 4811 DH Breda, The Netherlands	0 00
CJ00	James Mercer Group Ltd	Hesketh Street, Preston, PR2 2RB	92 40
CL00	Lumea Ltd	Hartnoll Business Centre, Tiverton, Devon, EX16 4NG	0 00
CM00	Maes Corporation Ltd	15a London Road, Halstead, TN14 7DS	3,684 12
CM01	Matthew Clark Wholesale Ltd	Whitchurch Lane, Bristol, BS14 0JZ	1,445 24
CM02	Mentor Natwest	250 St Vincent Street, Glasgow, G2 5SH	555 60
CM03	Merlin Entertainment	The Blackpool Tower, Bank Hey Street, Blackpool, FY1 4BJ	172 80
CM04	Mico Lighting Ltd	Troydale Lane Pudsey, West Yorkshire, LS28 9LD	4 00
CN00	North Shore Workshop & DIY Centre	145 Dickson Road, Blackpool, Lancashire, FY1 2EU	0 00
CN01	NICE Ltd	7a Lupton Road, Thame, Oxfordshire, OX9 3SE	0 00
CO00	Otis Ltd	5 Corporation Road, Leicester, LE4 5PW	1,120 97
CR00	Redundancy Payments Office	PO Box 16685, Birmingham, B2 2LX	0 00
CR01	Rentokil Pest Control	Credit Control, PO Box 4973, Dudley, DY1 9EY	50 22
CS00	Scottish Power	Wrexham Road, Pentre Bychan, Wrexham, LL14 4DU	0 00
CT00	Talk Talk Business	PO Box 136, Birchwood, Warrington, WA3 7WU	31 06
CT01	Tower Employment Services	37-39 St Annes Road, Blackpool, Lancs, FY4 2AP	309 60
CU00	United Utilities	PO Box 459, Warrington, WA55 1WB	852 61
CV00	Viking Cleaning Services	32a/32b Station Road, South Shore, Blackpool, FY4 1EU	12 96
CW00	Waybridge Services	61 Connaught Street, London, W2 2AE	6,746 92
51 Entries Totalling			70,742.57

TIME COSTS AND EXPENSES

Remuneration drawn will be notified to any creditors' committee appointed under paragraph 57 of Schedule B1 to the Act. In the absence of a creditors' committee, details of time incurred and disbursements drawn will be reported to creditors in accordance with *Statement of Insolvency Practice* 9 issued by the Joint Insolvency Committee on behalf of our licensing bodies.

Total time spent to date on this assignment amounts to 51 hours at an average composite rate of £219.19 per hour resulting in total time costs of £11,179.

To assist creditors in determining this matter, the following further information on time costs and expenses are set out:

- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses
- ☐ Begbies Traynor (Central) LLP's charge-out rates
- ☐ Pre-administration Time Costs Summary
- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value

In addition, a copy of 'A Creditors Guide to Administrators' Fees (E&W) 2011' which provides guidance on creditors' rights can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact my office and I will arrange to send you a copy.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance² requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories.

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of £100 per meeting.
- Car mileage is charged at the rate of 45 pence per mile.
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Preston office as at the date of this report are as follows

	Standard 1 May 2011 – until further notice Regional
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units

[illegible]

SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	Ablecrest Limited
CASE TYPE	ADMINISTRATION
OFFICE HOLDERS	Lila Thomas and David Acland
DATE OF APPOINTMENT	10 December 2014

1 CASE OVERVIEW

1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holders' fees to consider the level of those fees in the context of the case

1.2 Complexity of the case

As detailed within the report, we were contacted by BTG Financial Consulting LLP to carry out a review of the Company's financial position and assist with the sale of the hotel via an insolvency procedure. An offer was received in respect of the hotel. It was determined that the sale should be completed on a pre-pack basis in order to preserve the goodwill thereby maximising realisations for creditors. The sale was delayed, and the administrators traded the hotel whilst the sale was completed.

1.3 Exceptional responsibilities

None

1.4 The office holders' effectiveness

The strategy, once it became clear that the survival of the Company was not possible to achieve, was to enhance the value of the assets by disposing of them as a whole or part. Sale of part of the business was achieved. In addition, Company employees were transferred to the purchaser, Starboard Hotels Limited, under TUPE regulations mitigating the number of claims against the Company.

1.5 Nature and value of property dealt with by the office holders'

The assets included in the sale were freehold land and property and fixtures and fittings and stock. The remaining freehold property is to be marketed for sale.

1.6 Anticipated return to creditors

Based on current anticipated realisations, it is likely that the secured creditor, The Royal Bank of Scotland plc will receive a distribution in accordance with their fixed and floating charge security; however, it is likely that the Bank will suffer a shortfall. There will be insufficient monies available to enable a distribution to be made to the preferential and unsecured creditors.

1.7 Time costs analysis

An analysis of time costs incurred between 10 December 2014 and 27 January 2015 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only.

In addition to the post appointment time costs detailed in the time costs analysis, pursuant to rule 2.67(1)(c) of the Insolvency Rules 1986, the office holders consider that the sum of £12,500 plus

VAT and disbursements in the sum of £55 52 plus VAT is also properly recoverable in relation to work undertaken prior to their appointment in particular to the completion of the sale

1 8 The views of the creditors

These proposals will be circulated to all known creditors for their information. As the Joint Administrators presently consider that the Company has insufficient property to enable a distribution to be made to unsecured creditors, other than by virtue of the provisions of Paragraph 176A, no initial meeting of the Company's creditors will be summoned and the Joint Administrators' proposals will be deemed approved. However, the approval of the secured creditor is sought for certain resolutions regarding fees, disbursements and discharge from liability.

1 9 Approval of fees

The proposals include a provision for the Joint Administrators to be remunerated on a time cost basis. This is detailed further within the report and is subject to approval by the secured creditors.

1 10 Approval of Expenses and Disbursements

The Proposals include a provision for the joint administrators to be authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9), in accordance with their firm's policy and is subject to the approval of the secured creditor.

1 11 Other professionals employed & their costs

Christie & Co were instructed to market the hotel for sale and provide advice and recommendation on any offers received. Fees of £14,000 plus VAT have been agreed (1.75% of sale price).

Specialist valuers Robson Kay & Co Limited ("RKC") were instructed to value the Company's chattel assets. Total fees and disbursements have been agreed at £1,563.80 plus VAT.

Assured Hotels Limited were instructed to assist with the management of the hotel during the trading period. The sum of £5,316 plus VAT has been paid for their services to date. In addition, outstanding fees for the pre-appointment period will be paid as agreed by the Bank.

Shoosmiths LLP ("LA") were instructed to prepare the sale and purchase agreement on behalf of the Company and the proposed Administrators and assist with the conveyance of the Banks Street property. Fees of £12,000 plus VAT have been agreed.

2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached

2 2 The rates charged by the various grades of staff who may work on a case are attached

Staff Grade	Partner	Director	Snr Mngr	Mngr	Asst Mngr	Snr Admin	Admin	Jnr Admin	Support	Total Hours	Time cost £	Average hourly rate £	
Administration and Planning	13							4.7		6.00	1 030 50	171.75	
								0.1		11.50	1,730 00	150.43	
								8.5		8.50	1 487 50	175.00	
Investigations													
Realisation of assets	36												
								1.0		4.60	1 597 00	347.17	
								10.0		17.10	4 554 50	266.35	
Trading	7.1												
Creditors	11												
								1.5	0.2	0.5	3.30	779 00	* 236.06
Other matters													
Total hours by staff grade		13.1						25.5	7.1	5.3	51.0		
Total time cost by staff grade £		5,174.50						4,462.50	958.50	583.00	11,178.50		
Average hourly rate £		395.00						175.00	135.00	110.00		219.19	
Total fees drawn to date £											0.00		