

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

04555930

Name of Company

Thornton Inns Limited

I / We

Edward T Kerr, Pannell House, 159 Charles Street, Leicester, LE1 1LD

Ian J Gould, Pannell House, 159 Charles Street, Leicester, LE1 1LD

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 04/04/2013 to 03/04/2014

Signed



Date

15/5/14

BDO LLP
Pannell House
159 Charles Street
Leicester
LE1 1LD

Ref 4023777/ETK/IJG/HR/GS

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Thornton Inns Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 04/04/2013 To 03/04/2014
	ASSET REALISATIONS	
1,155 00	Cash at Bank and in Hand	2,113 96
	Bank Interest Gross	3 19
		<u>2,117 15</u>
	COST OF REALISATIONS	
	Preparation of S of A & Convening Me	<u>1,000 00</u>
		(1,000 00)
	UNSECURED CREDITORS	
(277,101 23)	Trade & Expense Creditors	NIL
(35,000 00)	Geoffrey B Thornton - Directors Loan	NIL
(15,000 00)	Geoffrey T Thornton - Directors Loan	NIL
(18,309 77)	HM Revenue & Customs (PAYE)	NIL
(15,356 00)	HM Revenue & Customs (VAT)	<u>NIL</u>
		NIL
	DISTRIBUTIONS	
(1 00)	Ordinary Shareholders	<u>NIL</u>
		NIL
<u>(359,613.00)</u>		<u><u>1,117.15</u></u>
	REPRESENTED BY	
	VAT Receivable	200 00
	Bank 1 - Current	<u>917 15</u>
		<u><u>1,117.15</u></u>



Edward T Kerr
Joint Liquidator

Private and Confidential

TO ALL KNOWN CREDITORS

16 May 2014

Our ref 4023777/ETK/IG/HR/GS

Ext 42421

Email

gemma.sharman@bdo.co.uk

Dear Sirs

Thornton Inns Limited - In Liquidation

Report to creditors on the progress of the liquidation pursuant to Rule 4.49C of the Insolvency Rules 1986

I write to give you a progress report on the conduct of the liquidation for the period from 4 April 2013 to 3 April 2014.

The following schedules are attached to this report

- 1 Statutory information.
- 2 An abstract of the joint liquidators' receipts and payments account for the period of the report
- 3 An analysis of the time charged to the liquidation estate to date

Please be advised that the business of PKF (UK) LLP was transferred to BDO LLP at the close of business on 28 March 2013.

The merger date is 29 March 2013, being the first day of the new business. The new merged business started trading at 00 01 hours on 29 March 2013.

General overview

Ian J Gould and I were appointed Joint Liquidators of the Company on 4 April 2013. This is the first progress report sent to creditors since the date of my appointment.

Progress of the liquidation

The Company was incorporated in June 2003 and traded successfully from this date through to 2009. From 2009 onwards, the Company turnover decreased as a result of poor sales and new sites in Manchester not achieving potential.

In 2010 after a sale and forced repayment of a loan from the bank the Company suffered cash flow issues and struggled to meet its overheads. It was resolved that the situation was not going to resolve itself and therefore the Company sought professional advice from BDO LLP (formerly PKF (UK) LLP).





The company ceased trading and was placed into Creditors Voluntary Liquidation on 4 April 2013.

During the first year of the liquidation, realisations have been made in respect of cash at bank and interest. This is detailed further in this report.

Asset realisations

Cash at Bank

During the course of the Liquidation I have received £2,114 in respect of the funds held in the Company bank account compared to the Statement of Affairs figure of £1,155.

Bank Interest

I have also received £3 in relation to bank interest net of tax

No further realisations are expected

Creditor claims

Secured Creditors

The Bank of Scotland ("The Bank") held a mortgage debenture dated 26 February 2010 giving them a fixed and floating charge over the assets of the Company.

The Bank also held a legal charge dated 18 June 2007.

The directors of the Company confirmed on appointment that there was no indebtedness due to the Bank

Preferential Creditors

There are no preferential creditors in the Liquidation.

Prescribed Part

Section 176A of the Insolvency Act 1986 requires liquidators to set aside a prescribed proportion of the Company's 'net property' towards the satisfaction of unsecured, non-preferential claims. Net property is the amount of property that would otherwise be available to holders of debentures secured by, or holders of, any floating charge created by the Company after 15 September 2003.

Due to the amount of realisable assets in this case there will be insufficient funds to allow for the prescribed part and this will therefore not apply in this instance.

Unsecured Creditors

To date I have received unsecured creditors claims totalling £117,654 in comparison to £360,767 shown in the statement of affairs.

Distributions

The Liquidators do not anticipate that there will be sufficient funds to allow a dividend distribution to the unsecured creditors

Remuneration and disbursements

At the meeting of the creditors held on 4 April 2013, the creditors approved that the joint liquidators remuneration be based on time costs. It was also agreed at the meeting that BDO LLP (formerly PKF (UK) LLP) be paid £1,000 plus disbursements and VAT for their assistance in the preparation of the statement of affairs, costs of convening the meeting of creditors and general assistance provided to the company in the period prior to the liquidation.

The time costs incurred since the commencement of the liquidation on 4 April 2013 to 3 April 2014 amount to £4,123 and represent 181 hours at an average hourly rate of £23 per hour. No fees have been drawn against these time costs to date. The director has given an indemnity to settle the Liquidator's fees.

Please find attached two schedules which provide detailed analysis of the time costs incurred in this case. During the liquidation, time has been recorded using two different time recording systems following the merger of PKF (UK) LLP with BDO LLP. Time recorded on the PKF (UK) LLP system amounts to £1,846 and represents time charged up to 24 May 2013. Time recorded on the BDO LLP system, from 25 May 2013 to date amounts to £2,277.

A detailed analysis of the time costs incurred is enclosed and the charge out rates for the period are summarised as follows:

Staff grade	Average rate (£ per hour)
Partner / Director	256 - 461
Senior Manager / Manager	203 - 295
Supervisor / Senior Administrator	183
Administrator / Support Staff	51 - 172

These amounts are derived from BDO LLP's normal rates for time properly spent by the liquidators and their staff in attending to matters arising in the liquidation. Where members of staff have been employed on this case they have been so based on their experience and abilities in dealing with a case of this nature. Where appropriate certain staff have dealt with a specific area of the liquidation due to their specialist skills in that area. BDO LLP's scale rates may increase from time to time over the period of an assignment.

All staff who have worked on this matter, including cashiers and secretarial staff, have charge time directly to the assignment and are included in the enclosed analysis. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

A creditors guide to fees, which provides information regarding creditors' rights in relation to insolvency practitioners' fees can be obtained by visiting our website at www.bdo.co.uk/cgtf. Alternatively a copy can be sent upon request

In accordance with Rule 4.49E of the Insolvency Rules 1986 any unsecured creditor with the concurrence of at least 5% in value of the total unsecured creditors (including the value of their own claim) or with the permission of the court, or any secured creditor may make a formal request in writing to the liquidators(s) for further information about the remuneration or expenses (other than pre-liquidation costs) set out in this report. Such a request must be made within 21 days from the date of receipt of this progress report

Additionally, creditors who believe that the liquidators remuneration is, in the circumstances, excessive or inappropriate may apply to the court under the provisions of Rule 4.131 of the Insolvency Rules 1986. Such application may be made by a secured creditor or any unsecured creditor, the latter requiring the concurrence of 10% of the total unsecured creditors (including their own claim) or the permission of the court. Any application must, subject to any order of the Court under Rule 4.49E(5), be no later than 8 weeks after receipt by the applicant of the progress report "

The Insolvency Service has established a central gateway for considering complaints in respect of insolvency practitioners. In the event that you make a complaint to me but are not satisfied with the response from me then you should visit <http://www.bis.gov.uk/insolvency/contact-us/IP-Complaints-Gateway> where you will find further information on how you may pursue the complaint.

Concluding Comments

I trust the above provides you with sufficient information, but if you require more or have any questions please contact Gemma Sharman on 0116 250 4421

Once all the remaining matters have been resolved, I will be in a position to conclude the liquidation.

Lastly, if any creditor has any information regarding the Company or its affairs that they believe would be of assistance to the liquidators, they are invited to provide such information by contacting Gemma Sharman above

Yours faithfully



Edward T Kerr
Joint Liquidator
For and on behalf of BDO LLP

1. STATUTORY INFORMATION

Company name	Thornton Inns Limited
Registration number	04555930
Registered office address	Pannell House, 159 Charles Street, Leicester, LE1 1LD
Liquidator(s) details	<p>Edward T Kerr BDO LLP (formerly PKF (UK) LLP) Pannell House, 159 Charles Street, Leicester, LE1 1LD Appointed 04/04/2013 Resigned</p> <p>Ian J Gould BDO LLP (formerly PKF (UK) LLP) Pannell House, 159 Charles Street, Leicester, LE1 1LD Appointed. 04/04/2013 Resigned:</p>

Thornton Inns Limited
(In Liquidation)
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<u>(359,613.00)</u>		<u>1,117.15</u>	<u>1,117 15</u>
	REPRESENTED BY		
	VAT Receivable		200 00
	Bank 1 - Current		917 15
			<u>1,117.15</u>



Edward T Kerr
Joint Liquidator

SIP9 Analysis of OfficeHolders Timecosts

From 4 April 2013 to 24 May 2013

Client: 4023777 Thornton Inns Limited - Post

Grade	Partner / Director	Manager	Supervisor / Senior Administrator	Administrator / Assistant	Total
Average Cost per hour:	£461.00	£244.00	£125.00	£138.00	
Tasks	Amount (£)	Hours	Amount (£)	Hours	Amount (£)
Planning & Monitoring	0 00	0 00	30 00	0 10	0 00
Cashiering Function Generally	0 00	0 00	0 00	0 00	0 00
Office Holders Tax Liabilities	0 00	0 00	230 00	1 00	0 00
CDDA 1986 Work	0 00	0 00	0 00	0 00	0 00
Non Preferential Creditors	0 00	0 00	0 00	0 00	0 00
Other Asset Realisations	0 00	0 00	0 00	0 00	0 00
Insurance & Bonding	0 00	0 00	0 00	0 00	0 00
Statutory Compliance (including CRO returns and lodges)	46 10	0 10	45 00	0 15	0 00
Pre Appointment Work (including investigation work)	0 00	0 00	0 00	0 00	0 00
	46 10	0 10	305 00	1 25	0 00

Thornston Inns Limited In Liquidation

Summary of time charged and rates applicable for the period from 25 May 2013 to 3 April 2014

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		TOTAL		AVERAGE HOURLY RATE £ PH
	Hours	Value £	Hours	Value £	Hours	Value £	Hours	Value £	Hours	Value £	Hours	Value £	Hours	Value £	
A Pre appointment matters															-
B Steps on appointment	0 25	98 75	0 90	208 80			1 20	206 40	0 10	14 70			2 45	528 65	215 78
C Planning and Strategy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D General administration	0 20	92 20	0 10	27 10	-	-	0 40	69 00	1 40	202 30	0 80	40 80	2 90	431 40	148 76
E Asset and realisations/dealing	-	-	-	-	-	-	-	-	1 05	154 35	-	-	1 05	154 35	147 00
F Trading related matters									-	-	-	-	-	-	-
G Employee matters			-	-			-	-	0 70	69 30	0 10	8 50	0 80	77 80	97 25
H Creditor claims	-	-	-	-			1 65	283 80	0 30	44 10			1 95	327 90	168 15
I Reporting	-	-	-	-	-	-	4 40	756 80		-	-	-	4 40	756 80	172 00
J Distribution and closure	-	-	-	-	-	-	-	-		-	-	-	-	-	-
K Other work	-	-	-	-	-	-	-	-		-	-	-	-	-	-
TOTAL	0 45	190 95	1 00	235 90	-	-	7 65	1,316 00	3 55	484 75	0 90	49 30	13 55	2,276 90	168 04