

The Insolvency Act 1986

Administrator's progress report

Name of Company

Kayterm Limited

Company number

04785061

In the
High Court of Justice, Chancery Division,
Companies Court

(full name of court)

Court case number
8571 of 2011(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
Malcolm Shierson
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YUDaniel R W Smith
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

administrator(s) of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 30 March 2012

(b) 19 September 2012

Signed



Joint / Administrator(s)

Dated

24 September 2012

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

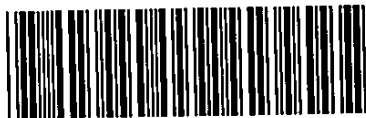
The contact information that you give will be visible to searchers of the public record

Malcolm Shierson
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

DX Number

Tel/Fax
DX Exchange

FRIDAY



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28/09/2012

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COMPANIES HOUSE

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



Our Ref MBS/JHB/ZLC/EZF/K00255/PF7

Your Ref

To the creditors

20 September 2012

Dear Sirs

Recovery and Reorganisation

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

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Kayterm Limited - in Administration
High Court of Justice, Chancery Division, Companies Court
No 8671 of 2011

1 Introduction

1.1 Following my appointment as joint administrator of the above company with Daniel R W Smith by The Royal Bank of Scotland plc, 36 St Andrews Square, Edinburgh, EH2 2YB on 30 September 2011, I now report on the progress of the administration and enclose

- Appendix A, Form 2.24B, together with an account of our receipts and payments for the period ended 19 September 2012 in accordance with Rule 2.47 of the Insolvency Rules 1986
- Appendix B, a statement of the remuneration charged by the joint administrators in the period 30 March 2012 to 19 September 2012 and a statement of expenses incurred in the period
- Appendix C, an analysis of our time costs as required by Statement of Insolvency Practice 9
- Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator (Rule 2.48A)
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrators' remuneration and expenses, if excessive (Rule 2.109)
- Appendix F, a summary of statutory information concerning the company, and all other connected companies to which the Administrators were appointed (the "Group")

1.2 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the administrators are to be exercised by any or all of them. We are both authorised by the Insolvency Practitioners Association to act as Insolvency Practitioners.

2 Statutory information

2.1 The statutory details of the Group are attached at Appendix F.

2.2 Each administration constitutes "main proceedings" under EC Regulations in Insolvency Proceedings.

Chartered Accountants

Member firm within Grant Thornton International Ltd

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales. No. OC307742. Registered office: Grant Thornton House, Mutton Street, Euston Square, London NW1 2EP.

A list of members is available from our registered office.

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address.

3 Receipts and payments account

- 3 1 I attach our receipts and payments account at Appendix A. You will note that no amounts have been paid to the unsecured creditors by virtue of the application of section 176A of the Insolvency Act 1986 (prescribed part).

4 Background to the Administrators' appointment

- 4 1 Creditors of the Group were provided with information regarding the pre-packaged sale of the Group's business and assets by letter dated 30 September 2011, the contents of which were in compliance with SIP16 regulations on pre-packaged sales in administrations. Further information was provided within the administrators' proposals dated 18 November 2011.
- 4 2 I do not propose to repeat information previously provided, save to point out that the companies placed into administration owned property in their own name or on trust for Jarvis Hotels Limited and were party to the group funding provided by the secured lenders. It was necessary to place all the companies into administration to realise property in order to make a distribution to one or more secured creditors or preferential creditors.
- 4 3 As detailed in our SIP 16 letter, the secured debt of the Group was held by a syndicate of banks made up of the Royal Bank of Scotland Plc, HSBC Bank Plc, and the Governor and the Company of the Bank of Ireland. The lending facility totalled c £130 million.
- 4 4 A shortfall to the secured lending syndicate of c £33 million is expected.

5 Report and outcome of administration

- 5 1 As part of the pre-packaged sale the company received 30,000 preference shares in the purchasing companies. The proceeds of sale, when realised, will be caught by the Banks' security.
- 5.2 The only other assets were investments in subsidiaries, however these have no realisable value.
- 5 3 The Administrators' proposals dated 18 November 2011 provided for the company to be dissolved on exit from administration. This will occur once the preference shares are realised and the proceeds distributed.

6 Joint administrators' remuneration and expenses

- 6 1 The proposals dated 18 November 2011 provided for administrators' remuneration to be calculated according to the time properly given by the administrators and their staff in attending to matters arising in the administration, such remuneration to be drawn on account with the approval of the creditors' committee, or if one was not formed, with approval of the secured creditors (there being no preferential creditors).

6.2 The charge our rates applying during the period covered by this report were as follows

Grade	2012/13	2012/13	2011/12	2011/12
	London	Provinces	London	Provinces
Partner	580-720	465	560-700	445
Director	480	440	460	425
Senior Manager	440	400	425	385
Manager	375	310	360	300
Assistant Manager	310	270	300	260
Senior	260-285	220-230	250-275	210-220
Administrator	155-210	150-185	150-205	145-180
Treasury	145-165	140-165	140-160	135-160

- 6.3 In accordance with Statement of Insolvency Practice (SIP 9), I enclose a summary of my firm's time costs to 19 September 2012 by grade of staff and type of work. I summarise in Appendix B the time across the Group. No remuneration has been drawn against the company. It is anticipated that, with approval from the secured creditors, administrators' fees of £650,000 plus VAT will be drawn against Jarvis Hotels Limited.
- 6.4 Background information regarding the fees of administrators can be found at www.insolvency-practitioners.org.uk (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees'). Alternatively, we will supply this information by post on request. Time is charged in units of 6 minutes.
- 6.5 Also at Appendix B is a summary of out of pocket expenses (Category 1 disbursements) incurred by the administrators. With regard to the company, none of these expenses have been billed.

7 Administrators' discharge from liability

- 7.1 Where Administrators cease to act, they are discharged from liability in respect of any action as Administrators at a time appointed by resolution of the creditors
- 7.2 In this instance, having been appointed under paragraph 14 and made a statement under paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986 that there was to be no return to unsecured creditors other than by virtue of the prescribed part of floating charge realisations, then the resolution required from creditors can be obtained from each secured creditor of the Company pursuant to paragraph 98(3)(a)
- 7.3 It is our intention to seek approval from the secured creditors for our discharge from liability to be effective 14 days from the date of our final report

Yours faithfully
for and on behalf of Kayterm Limited



Malcolm B Shierson
Joint Administrator

The affairs, business and property of Kayterm Limited, Jarvis Hotels Limited, Jarvis Hotels Bolton Limited, Jarvis Hotels Gloucester Limited, Jarvis Hotels Walsford Limited, Jarvis Hospitality Services Limited, Jarvis Hotels Bolton Nominee 1 Limited, Jarvis Hotels Bolton Nominee 2 Limited, Jarvis Hotels Gloucester Nominee 1 Limited, Jarvis Hotels Gloucester Nominee 2 Limited, Jarvis Hotels Walsford Nominee 1 Limited, Jarvis Hotels Walsford Nominee 2 Limited, Jarvis Hotels (Trustee) Limited and Aberdeen Hotels Company Limited are being managed by Malcolm Shierson and Daniel R W Smith, appointed as joint administrators on 30 September 2011

Enc

A Abstract of the administrators' receipts and payments

Rule 2.47

Form 2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company Kayterm Limited	Company number 04785061		
In the High Court of Justice, Chancery Division, Companies Court <small>(full name of court)</small>	Court case number 8571 of 2011		
(a) Insert full name(s) and address(es) of administrator(s)	<table border="0"> <tr> <td data-bbox="406 1041 925 1191"> I/We (a) Malcolm Shierson Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU </td> <td data-bbox="957 1041 1426 1191"> Daniel R W Smith Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU </td> </tr> </table>	I/We (a) Malcolm Shierson Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU	Daniel R W Smith Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU
I/We (a) Malcolm Shierson Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU	Daniel R W Smith Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU		

administrator(s) of the above company attach a progress report for the period

(b) Insert date	From (b) 30 March 2012	To (b) 19 September 2012
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Signed



Joint / Administrator(s)

Dated

24 September 2012

Joint Administrators' receipts and payments 30 March 2012 to 19 September 2012

	Per Statement of affairs £	B/fwd from 29/3/12 £	This Period £
Receipts			
Investments	Nil	Nil	Nil
Preference shares	Nil	Nil	Nil
Payments	Nil	Nil	Nil

B Remuneration charged and expenses incurred by the administrators in the period

Company	Hours b/fwd from 29 April 2012 report	Time cost b/fwd from 29 April 2012 report	Hours since 29 April 2012	Time costs since 29 April 2012	Cumulative hours to date	Cumulative time costs to date	Paid since 29 April 2012	Balance remaining unpaid	Average / hr
Kayterm Limited ¹	23.45	9,470.00	22.90	9,341.25	46.35	18,811.25	-	18,811.25	406
Jarvis Hotels Bolton Limited ²	0.95	152.00	2.90	798.00	3.85	950.00	-	950.00	247
Jarvis Hotels Gloucester Limited ²	1.05	160.50	3.05	819.75	4.10	980.25	-	980.25	239
Jarvis Hotels Watford Limited ²	1.25	177.50	3.05	819.75	4.30	997.25	-	997.25	232
Jarvis Hospitality Services Limited ²	1.05	160.50	8.55	2,708.00	9.60	2,868.50	-	2,868.50	299
Jarvis Hotels Limited ²	1,601.97	491,917.95	403.26	143,598.55	2,005.23	635,516.50	-	635,516.50	317
Jarvis Hotels Bolton Nominee 1 Limited	0.85	143.50	2.10	570.00	2.95	713.50	-	713.50	242
Jarvis Hotels Bolton Nominee 2 Limited	0.85	143.50	2.10	570.00	2.95	713.50	-	713.50	242
Jarvis Hotels Gloucester Nominee 1 Limited	0.95	152.00	2.10	570.00	3.05	722.00	-	722.00	237
Jarvis Hotels Gloucester Nominee 2 Limited	0.85	143.50	2.10	570.00	2.95	713.50	-	713.50	242
Jarvis Hotels Watford Nominee 1 Limited	0.85	143.50	2.10	570.00	2.95	713.50	-	713.50	242
Jarvis Hotels Watford Nominee 2 Limited	0.95	152.00	2.35	606.25	3.30	758.25	-	758.25	230
Jarvis Hotels (Trustee) Limited	1.15	176.50	2.10	570.00	3.25	746.50	-	746.50	230
Aberdeen Hotel Company Limited	0.85	123.50	7.40	2,486.50	8.25	2,610.00	-	2,610.00	316
Total for Group	1,637.02	503,216.45	466.06	164,598.05	2,103.08	667,814.50	0.00	667,814.50	318

¹ Further time costs will be incurred in dealing with the extension of the period of administration, with the consent of the secured creditors

² Further time costs will be incurred in converting these 5 companies into creditors voluntary liquidation. It is anticipated that the only fees drawn in the group will be £650,000 against Jarvis Hotels Limited, with charge-holder approval

Company	Description	Paid to 29 April 2012	Unpaid as at 29 April 2012	Incurred since 29 April 2012	Cumulative charge to date	Paid since 29 April 2012	Balance remaining unpaid
Kayterm Limited	Bonds	-	20.00	-	20.00	-	20.00
Jarvis Hotels Bolton Limited	Bonds	-	30.00	-	30.00	-	30.00
Jarvis Hotels Gloucester Limited	Bonds	-	80.00	-	80.00	-	80.00
Jarvis Hotels Watford Limited	Bonds	-	80.00	-	80.00	-	80.00
Jarvis Hospitality Services Limited	Bonds	-	80.00	-	80.00	-	80.00
Jarvis Hotels Limited	Bonds	420.00	-	-	420.00	-	0.00
	Travel	1,633.12	432.55	-	2,065.67	432.55	0.00
	Subsistence	290.60	86.33	-	376.93	86.33	0.00
	Land Registry Search	-	4.00	108.00	112.00	4.00	108.00
	Counter	-	114.27	-	114.27	114.27	0.00
							0.00
Jarvis Hotels Bolton Nominee 1 Limited	Bonds	-	20.00	-	20.00	-	20.00
Jarvis Hotels Bolton Nominee 2 Limited	Bonds	-	20.00	-	20.00	-	20.00
Jarvis Hotels Gloucester Nominee 1 Limited	Bonds	-	20.00	-	20.00	-	20.00
	Counter	-	40.00	-	-	-	40.00
Jarvis Hotels Gloucester Nominee 2 Limited	Bonds	-	20.00	-	20.00	-	20.00
Jarvis Hotels Watford Nominee 1 Limited	Bonds	-	20.00	-	20.00	-	20.00
Jarvis Hotels Watford Nominee 2 Limited	Bonds	-	20.00	-	20.00	-	20.00
Jarvis Hotels (Trustee) Limited	Bonds	-	20.00	-	20.00	-	20.00
Aberdeen Hotel Company Limited	Bonds	-	20.00	-	20.00	-	20.00
Total for Group		2,343.72	1,127.15	108.00	3,538.87	637.15	598.00

C SIP 9 information

Kayterm Limited - K30200255 - SIP 9 TIME COST ANALYSIS

Job(s) CMU code, Administration

Transaction period All transactions

Export version

Standard	Partner			Manager			Executive			Administrator			Total		
	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate	Hrs	£	Avg Hrly Rate
Administration and Planning	13.15	8,950.00	680.61	2.10	900.00	429.57	9.60	2,736.00	285.00	2.35	283.00	120.43	27.20	12,869.00	473.13
Creditors				40	163.00	407.50							40	163.00	407.50
Widened period													00	.00	
Investigations													00	.00	
Realisation of Assets				1.25	481.25	385.00							1.25	481.25	385.00
Trading													00	.00	
Tax				2.70			14.60	6,718.00	285.00				17.90	5,298.00	302.74
Total	13.15	8,950.00	680.61	6.45	1,384.25	411.80	24.40	6,954.00	285.00	2.35	283.00	120.43	46.35	18,011.25	405.85

Total fees billed to date (Time) £

D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the administrator

Rule 2.48A

- (1) If
 - (a) within 21 days of receipt of a progress report under Rule 2.47 -
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
 - (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2.47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)
- (2) The administrator complies with this paragraph by either -
 - (a) providing all of the information asked for, or
 - (b) so far as the administrator considers that
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information,giving reasons for not providing all of the information
- (3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of -
 - (a) the giving by the administrator of reasons for not providing all of the information asked for, or
 - (b) the expiry of the 14 days provided for in paragraph (1),and the court may make such order as it thinks just
- (4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2.109(1B) by such further period as the court thinks just

E An extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the administrator's remuneration or expenses if excessive

Rule 2 109

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application may be made on the grounds that -
 - (a) the remuneration charged by the administrator,
 - (b) the basis fixed for the administrator's remuneration under Rule 2 106, or
 - (c) expenses incurred by the administrator,
 is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
 - (a) an order reducing the amount of remuneration which the administrator was entitled to charge
 - (b) an order fixing the basis of remuneration at a reduced rate or amount
 - (c) an order changing the basis of remuneration
 - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration
 - (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify
 and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration

STATUTORY INFORMATION

Company name	Registration No	Registered office	Court	Court no
Kayterm Limited	04785081	30 Finsbury Square London, EC2P 2YU	High Courts of Justice Chancery Division, Companies Court	8571 of 2011
Jarvis Hotels Limited	02498634	30 Finsbury Square London, EC2P 2YU	High Courts of Justice Chancery Division, Companies Court	8563 of 2011
Jarvis Hotels Bolton Limited	04250974	30 Finsbury Square London, EC2P 2YU	High Courts of Justice Chancery Division, Companies Court	8587 of 2011
Jarvis Hotels Bolton Nominee 1 Limited	04250977	30 Finsbury Square London, EC2P 2YU	High Courts of Justice, Chancery Division, Companies Court	8559 of 2011
Jarvis Hotels Bolton Nominee 2 Limited	04277348	30 Finsbury Square London, EC2P 2YU	High Courts of Justice Chancery Division, Companies Court	8557 of 2011
Jarvis Hotels Gloucester Limited	04250902	30 Finsbury Square London, EC2P 2YU	High Courts of Justice Chancery Division, Companies Court	8553 of 2011
Jarvis Hotels Gloucester Nominee 1 Limited	04250908	30 Finsbury Square London, EC2P 2YU	High Courts of Justice Chancery Division, Companies Court	8547 of 2011
Jarvis Hotels Gloucester Nominee 2 Limited	04277355	30 Finsbury Square London, EC2P 2YU	High Courts of Justice Chancery Division, Companies Court	8560 of 2011
Jarvis Hotels Watford Limited	04277350	30 Finsbury Square London, EC2P 2YU	High Courts of Justice Chancery Division, Companies Court	8568 of 2011
Jarvis Hotels Watford Nominee 1 Limited	04251165	30 Finsbury Square London, EC2P 2YU	High Courts of Justice Chancery Division, Companies Court	8564 of 2011
Jarvis Hotels Watford Nominee 2 Limited	04277348	30 Finsbury Square London, EC2P 2YU	High Courts of Justice, Chancery Division, Companies Court	8562 of 2011
Jarvis Hospitality Services Limited	00562310	30 Finsbury Square London, EC2P 2YU	High Courts of Justice Chancery Division, Companies Court	8574 of 2011
Jarvis Hotels (Trustee) Limited	02534144	30 Finsbury Square London, EC2P 2YU	High Courts of Justice, Chancery Division, Companies Court	8548 of 2011
Aberdeen Hotel Company Limited	SC018394	95 Bathwell Street, Glasgow G2 7JZ	Court of Session	P1094 of 2011