

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

WEDNESDAY



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11/03/2020

#33

COMPANIES HOUSE

1 Company details

Company number 0 5 6 5 3 3 5 5

Company name in full D H Waterloo Hotel Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Court details

Court name High Court of Justice, Business and Property Courts
of England & Wales, Insolvency & Companies List

Court case number 0 0 1 9 6 5 2 0 1 9

3 Administrator's name

Full forename(s) Mark Christopher

Surname Ford

4 Administrator's address

Buildingname/number 25 Moorgate

Street

Post town London

County/Region

Postcode E C 2 R 6 A Y

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

5 Administrator's name

Full forename(s) Finbarr Thomas

Surname O'Connell

Other administrator

Use this section to tell us about another administrator.

6 Administrator's address

Building name/number 25 Moorgate

Street

Post town London

County/Region

Postcode E C 2 R 6 A Y

Country

Other administrator

Use this section to tell us about another administrator.

7 Appointor/applicant's name

Give the name of the person who made the appointment or the administration application.

Full forename(s) Qualifying Floating Charge Holder

Surname Export-Import Bank of Malaysia Berhad

8 Proposed liquidator's name

Full forename(s) Mark Christopher

Surname Ford

Insolvency practitioner number 9 5 2 1

9 Proposed liquidator's address

Building name/number 25 Moorgate

Street

Post town London

County/Region

Postcode E C 2 R 6 A Y

Country

AM22

Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name

Full forename(s)	Finbarr Thomas									
Surname	O'Connell									
Insolvency practitioner number	7	9	3	1						

Other liquidator

Use this section to tell us about another liquidator.

11 Proposed liquidator's address

Building name/number	25 Moorgate									
Street										
Post town	London									
County/Region										
Postcode	E	C	2	R	6	A	Y			
Country										

Other liquidator

Use this section to tell us about another liquidator.

12 Period of progress report

From date	^d 1	^d 9	^m 0	^m 9	^y 2	^y 0	^y 1	^y 9
To date	^d 1	^d 0	^m 0	^m 3	^y 2	^y 0	^y 2	^y 0

13 Final progress report

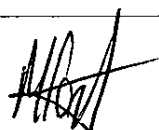
☒ I have attached a copy of the final progress report.

14 Sign and date

Administrator's signature

Signature

X



X

Signature date

^d 1	^d 0	^m 0	^m 3	^y 2	^y 0	^y 2	^y 0
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**Presenter information**

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

Contact name **Mark Christopher Ford**

Company name **Smith & Williamson LLP**

Address **25 Moorgate**

Post town **London**

County/Region

Postcode **E C 2 R 6 A Y**

Country

DX **119507 Finsbury Square EC2**

Telephone **020 7131 4000**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

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This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

● You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Henry Anthony
Surname Shinnars

3 Insolvency practitioner's address

Building name/number 25 Moorgate

Street

Post town London

County/Region

Postcode E C 2 R 6 A Y

Country



D H Waterloo Hotel Limited (in administration)

Joint administrators' final progress report

10 March 2020



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1. Glossary

Abbreviation	Description
the Company	D H Waterloo Hotel Limited
the administrators/joint administrators	Mark Christopher Ford, Finbarr Thomas O'Connell and Henry Anthony Shinnars
the receivers / joint receivers	Mark Christopher Ford, Finbarr Thomas O'Connell and Henry Anthony Shinnars
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
SOA	Statement of Affairs
ETR	Estimated to realise
CVA	Company Voluntary Arrangement
CVL	Creditors' Voluntary Liquidation
HMRC	HM Revenue & Customs
EXIM / the Bank	Export-Import Bank of Malaysia Berhad, a QFCH
QFCH	Qualifying Floating Charge Holder - a secured creditor who has the power to appoint an administrator
The Premises	Days Inn Hotel, 54 Kennington Road, Lambeth, London, SE1 7BJ
Business Sales Agreement	BSA
RPS	Redundancy Payments Service

2. Introduction & Summary

This report provides an account of the administration of the Company since the last progress report and a summary of the outcome of the administration of the Company. It should be read in conjunction with our proposals and any previous reports.

By way of reminder, we, Mark Christopher Ford, Finbarr Thomas O'Connell and Henry Anthony Shinnars of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed administrators of the Company on 19 March 2019 by Export Import Bank of Malaysia Berhad in their capacity as QFCH.

Statutory information in respect of the Company and the administration is set out at Appendix I.

The joint administrators' appointment was made further to their appointment as joint receivers on 15 March 2019 in respect of the Premises, from which the Company traded.

3. Administrators' proposals

As previously advised the administrators must perform their functions with the purpose of achieving one of the following objectives, as defined by P3(1) of Sch B1, namely:

- (a) Rescuing the Company as a going concern; or
- (b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up without first being placed into administration; or
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors.

Due to its significant claims and known liabilities, including an above market rate lease, it was not possible to rescue the Company in line with Objective 3(1)(a) of Sch B1.

The joint administrators completed a sale of the Company's business and assets, benefitting creditors as a whole and achieving a better outcome for creditors as a whole. It is therefore the joint administrators' opinion that Objective 3(1)(b) has been achieved, namely by securing a better result for the Company's creditors as a whole than would have been likely if the Company were wound up (without first being in administration).

The objective pursued in this case was the second objective above and our strategy for achieving this objective was set out in our proposals, which were issued to all creditors on 10 May 2019. No creditor with partly or wholly unsecured claims, or shareholder has raised queries, objections or challenged the issued proposals or requested us to call a meeting to consider the Proposals. As such, the Proposals were deemed to have been approved on 31 May 2019.

In addition, no creditors requested the establishment of a Creditors' Committee. As such, the administrators were in a position to seek the sanction for the approval of a number of resolutions (including those relating to the basis of their remuneration) from the Bank, (in the absence of any preferential creditors having arisen). This was subsequently received from the secured creditor on 4th July 2019.

This report should be read in conjunction with the joint administrators' proposals dated 10 May 2019. The key points outlined in this report are as follows:

- As stated in the joint administrators' proposals, the administrators traded the business of the Company whilst a combined sale of the Premises and the Company's business and assets was pursued in conjunction with the receivers;
- The joint administrators completed a sale of certain business assets on 2 September 2019 to an unconnected party after an extensive marketing campaign, achieving going concern values which were considerably in excess of breakup values;
- In concurrence with the above, the receivers secured a sale of the Premises, discharging the secured creditor claim in full;
- The sale of the Premises and the Company's assets has achieved a better outcome for employees, pre-paid customers, suppliers, the QFCH, the landlord and certain creditors with claims against the corporate owner of the Premises as well as unsecured creditors of the Company;
- Since the completion of the sale of the Premises, the receivers have discharged the total redemption sum (including all associated charges), owed to the secured creditor.

- Following the resolution of the intercompany position, and the costs of the administration including the resolution of the rental payment, the joint administrators have a net fund of £556,752.20 subject to resolving any tax liability relating to the sale of the Company's business and assets as well as the trading period of the administration.

In light of all secured and preferential liabilities of the Company being settled in full, the remaining funds within the estate will be due to the unsecured creditors of the Company. The administrators as such, believe they will be in a position to declare a dividend to unsecured creditors other than by virtue of the Prescribed Part.

Therefore, the administrators are filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move the Company automatically into CVL in order that the distribution to unsecured creditors can be made.

4. Progress of the administration

Attached at Appendix II is our receipts and payments account for the period since 18 September 2019. This account includes cumulative figures for the whole of the period of the administration from 19 March 2019.

The receipts and payments account also includes a comparison with the director's SOA values.

As outlined in the joint administrators' proposals, the administrators' strategy had been to preserve the value of goodwill in the trading operations and leasehold improvements, by continuing to trade whilst a sale of the Company (or its business and assets) as a going concern was pursued. By the administrators' trading the business it has also assisted in the mitigation of sizeable preferential and unsecured claims against the Company.

As indicated in our previous report, a sale of the Company's business and assets was completed on 2 September 2019. Additional trading costs of £95,310.25 were settled within the period to finalise the trading obligations and liabilities of the administration.

The settlement of these costs, and the lower than estimated additional sales revenue (as outlined in section 4.1.1 below), resulted in an overall trading deficit of £387,555.70. This included payment in full of the above market rent as well as honouring the following pre-administration liabilities, in order to preserve future trading and brand value:

- Customer deposits and pre-payments not available to the administrators (totalling circa £270,173);
- Resolving outstanding employee and contractor claims (totalling circa £49,500); and
- Honouring various broker's/ intermediaries' claims' (totalling circa £24,000).

Whilst the administrators have incurred a sizeable trading deficit, by trading the business, claims against the Company have been mitigated claims by circa £340,700 (in addition to any subsequent additional employee related claims). This trading also enabled the recovery of circa £200,000 of book debts.

Therefore, trading the business and the subsequent sale of the Premises and business and assets of the Company for a sum that was greater than would otherwise have been available, was ultimately a benefit to creditors of the Company as a whole.

We provide additional narrative below on the notable realisations achieved within the period.

4.1 Assets realised within the period

4.1.1 Sales Revenue

The joint administrators traded the business of the Company from the date of their appointment (being 19 March 2019) to 2 September 2019 (the date of sale). The administrators engaged Licensed Solutions Ltd to oversee day to day operations of the hotel.

In our previous report we indicated that during the trading period of the administration, the Company generated sales of £1,756,664, of which £1,710,349 was received within the previous period. Of the

outstanding balance some £23,500 is irrecoverable due to one client (SuperBreaks) entering administration, but the residual balance of circa £22,800 was expected to be recovered in due course.

Following an accounting exercise with the purchaser, it was identified that the majority of the remaining sales revenue was ultimately due to the purchaser. It was identified that the sale ledger was recording sales the date of booking rather than occupation. As the majority of the further revenues / sales related to post sale occupancy, the economic benefit of sales was due to the purchaser not to the administration.

The adjusted revenue position resulted in further sales recoveries within the period of £2,733.00.

Subject to any recovery under the balance due from SuperBreaks (in administration), the joint administrators now believe sale revenue collections are complete.

4.1.2 Resolution of intercompany balance – Cranborne Enterprise Limited (BVI)

The director's statement affairs included an intercompany balance due to the Company of circa £477,000.

Following the administrators' appointment, we instructed the Company's former accountants (Equiom Scotland Ltd) to bring the Company's management accounts up to date. This was undertaken for a number of reasons, but mainly to bring the intercompany balances up to date and assist in the verification of claims by HMRC.

The management accounts provided to the administrators indicated that a balance of £2.287m was due to the Company from Cranborne Enterprise Limited ("Cranborne") (also the landlord). Following correspondence with Cranborne, £1.787m of the balance due to the Company was agreed in principle, with the residual balance being disputed.

On that basis the administration period rent (due under the lease to Cranborne) of £1,040,514.06 (being £867,095.04 plus VAT) was offset against the balance due to the Company. The transactions in the previous period's receipts and payments account relating to rents paid and the intercompany balance recovered document this offset, leaving a residual balance due to the Company of circa £747,000.

As highlighted in our previous report, Cranborne contested the previously agreed balance of circa £1.788m, stating that they had failed to account for the outstanding balance of rents due to Cranborne for 2018/2019, prior to administration.

Following additional analysis of the position (including cost allocation on the intercompany balances) the following finalised position was established and agreed with Cranborne:

Position as at 19 March 2019		£
Cranborne Enterprises Limited (BVI)	Intercompany balance liability	1,732,462.41
DH Waterloo Hotel Limited	Rental liability to Cranborne Enterprises Limited (BVI)	(1,461,774.28)
Pre-Admin Net Intercompany Balance due to DH Waterloo Hotel Limited		270,688.13

Taking in to account the administration rent (£1,040,514.06 inc VAT), a net payment of £769,825.93 was made to Cranborne Enterprises Limited (BVI) within the period. This payment can be seen within the administrators receipts and payment account as a reversal of the intercompany balance recovery to the same amount.

This payment settled both the administration liability in full and was net of the balance due to the Company £270,688.13.

4.1.3 Bank Interest Gross

During the period covered by this report, additional gross interest of £1,541.72 was received, resulting in a total of £1,938.98 being received during the administration.

4.2 Assets realised within period up to 18 September 2019

4.2.1 Cash at Bank

As reported in the joint administrators' proposals, the Company's former bankers, NatWest Bank Plc, were informed immediately following the appointment of the joint administrators, requesting that the Company's funds be transferred into a designated administration account.

At the date of appointment, the Company's cash at bank totalled £161,610, the balance of which has been realised in full by the joint administrators.

In order to prevent any negative impact arising from the recovery of debtors, please note that the joint administrators elected to utilise the Company's existing bank account to enable further receipts, as the administration process unfolded. The balance has since been recovered into the general administration estate account.

4.2.2 Book Debts

The majority of guest bookings and sales at the hotel were via various intermediaries and brokers, in line with pre-administration trading practices.

By continuing to trade the Company's hotel operations, the administrators were able to maximise debtor recoveries by mitigating offset claims from various intermediaries and brokers for incomplete bookings (in the event of the hotel ceasing to trade), estimated to be in the region of £270,000.

As referred to in the joint administrators' proposals (and outlined above), it was also deemed to be necessary, based on the advice from our specialised trading agents (Licensed Solutions Ltd), that pre-administration commission costs of £23,700 be settled to ensure the compliance of these parties, thus enabling trade operations to continue as normal following the administrators' appointment.

By continuing to trade the business of the Company in administration, a sum of £197,144.25 was realised in respect of Company book debts. These predominantly relate to bookings made by guests via the various intermediaries and brokers.

4.2.3 Trading account refunds

These funds represent supplier refunds for services paid for pre-administration but not used or otherwise charged to the acquirer under the BSA.

4.2.4 Sale of the Company's business and assets

54 Kennington Road – Leasehold interest

As explained in previous sections, the Company traded under a leasehold for the Premises, owned by Cranborne Enterprises Limited.

The Company carried a book value of £2 million for the lease, a figure that was also outlined in the director's SOA.

Upon appointment, agents were instructed to provide a valuation of the lease and other assets owned by the Company. Our agents advised that the lease terms were above market rent and, as a result, the lease had nil or no significant value.

The administrators were ultimately able to negotiate the sum of £25,000 for the leasehold interest.

Furniture & Equipment

The director's SOA estimated that the fixtures and fittings within the trading premises were worth circa £285,000.

Following our appointment, the joint administrators instructed Wyles Hardy & Co Ltd ("WH & Co"), to provide a valuation of the various chattels in situ at the hotel.

In accordance with the BSA, the sum of £574,992 was apportioned to the Company's interest in the furniture and equipment at the Premises. This consideration did include any computer equipment owned by the Company which the director's SOA estimated was worth circa £6,594.

This realisation was in excess of the WH & Co valuation of the assets (including computer equipment) on both a going concern and break up basis.

Other assets

In addition to these significant apportionments in the sale consideration outlined in the BSA the following assets of the Company were sold on 2 September 2019.

For simplicity we outline these in the below table with the director's SOA figures where appropriate.

Asset type	Director's SOA	Consideration received
	£	£
IT Software	-	1.00
Goodwill	-	1.00
Plant & Machinery	-	1.00
Stock	1,616.00	1.00
Contracts	-	1.00
Intellectual Property	-	1.00
Records	-	1.00
Other assets	-	1.00
Total	1,616.00	8.00

Please note that the administrators instructed WH & Co, to value all chattel assets held by the Company. Whilst the director's SOA had indicated a value of £1,616.00 against stock held by the Company at the date of administration, our agents concluded that the items owned by the Company were of negligible value.

4.3 Unrealisable assets

Following the sale of the business and assets and the settlement of the intercompany balance due to the Company, the joint administrators are not aware of any further assets.

As detailed above there is potential for further recoveries in respect of the sales ledger, relating to the balance due SuperBreaks (in administration), but at present we believe any dividend/return in this regard is unlikely.

5. Investigations

Under the Company Directors Disqualification Act 1986 we have a duty to make a submission to the Secretary of State for Business, Energy & Industrial Strategy on the conduct of all those persons who were directors at the date the Company entered administration or who held office at any time during the three years immediately preceding the administration.

We have complied with our duty in this regard. As all submissions are strictly confidential, we are unable to disclose their content.

Additionally, we have a duty to investigate transactions to establish whether there may be any worth pursuing for the creditors' benefit from, for example, legal proceedings. Shortly after appointment, we made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting (where held) or as a response to our request to complete an investigation questionnaire. Our investigations have not revealed any issues requiring further work.

6. Pre-administration costs

Pre-administration costs are defined as fees charged and expenses incurred by the joint administrators or another person qualified to act as an insolvency practitioner before the Company entered administration (but with a view to its doing so), and “unpaid pre-administration costs” are pre-administration costs which had not been paid when the Company entered administration.

The payment of unpaid pre-administration costs set out above as an expense of the administration is subject to the approval separately from the approval of the joint administrators’ proposals.

The joint administrators’ proposals dated 10 May 2019 were deemed delivered to the creditors and stakeholders of the Company on 14 May 2019. These proposals were issued to creditors pursuant to P52(1)(b) Sch B1, accordingly a creditors’ decision to approve the proposals was, therefore, not sought. No creditor with partly or wholly unsecured claims, or shareholder raised queries, objections or challenged the issued proposals or wish us to call a meeting to consider the Proposals. As such, the Proposals were deemed to have been approved on 31 May 2019.

As no creditors requested the establishment of a Creditors’ Committee, approval to pay these costs as an expense of the administration was sought from EXIM as secured creditors, in accordance with R 3.52 and 18.18 of IR16.

On 4 July 2019 the secured creditor approved a resolution that the joint administrators’ unpaid pre-administration costs as detailed in section 13 of the administrators’ proposals, be paid as a cost of the administration as and when funds are available.

Within the period the following amounts have been paid in respect of these unpaid pre-administration costs:

Charged by/service(s) provided	Brief description of services provided	Amount unpaid at date of administration £	Amount paid in the period £	Total amount paid £	Amount outstanding £
Smith & Williamson LLP	Pre appointment planning and liaising with agents on appointment formalities.	5,607.75	-	5,607.75	-
BWB LLP	Assisting joint administrators with appointment formalities	2,000.00	2,000.00	2,000.00	-
Total		7,607.75	2,000.00	7,607.75	-

7. Administrators’ remuneration

The joint administrators’ proposals dated 10 May 2019 were deemed delivered to the creditors and stakeholders of the Company on 14 May 2019. These proposals were issued to creditors pursuant to P52(1)(b) Sch B1, accordingly a creditors’ decision to approve the proposals was, therefore, not sought. No creditor with partly or wholly unsecured claims, or shareholder raised queries, objections or challenged the issued proposals or wish us to call a meeting to consider the Proposals. As such, the Proposals were deemed to have been approved on 31 May 2019.

As no creditors requested the establishment of a Creditors’ Committee, approval to pay these costs as an expense of the administration was sought from EXIM as secured creditors, in accordance with R 3.52 and 18.18 of IR16.

On 4 July 2019 the secured creditor approved that the basis of the administrators’ remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the administration. This was granted following the joint administrators providing a fees’ and expenses’ estimate which is included as Appendix II.

The administrators' time costs to 10 March 2020 are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
19 March 2019 to 18 September 2019	306.75	143,733.95	468.57	140,750.45
19 September 2019 to 10 March 2020	138.60	64,947.50	468.60	58,545.00
Total	445.35	208,681.45	468.58	199,295.45

Attached as Appendix III is a time analysis which provides details of the activity costs incurred by staff grade during the period of this report in respect of the costs fixed by reference to time properly spent by the administrators and their staff in attending to matters arising in the administration. Details of work carried out in the period are also included in the body of this report and summarised in the appendix.

As detailed above and as shown in Appendix IV, a cumulative time analysis of the administrators' time costs since appointment to 10 March 2020 were £208,681.45. As a reminder the current approved administrators' fee estimate for their time costs is £205,995.75 as detailed in Appendix V.

To date the joint administrators' have drawn £199,295.45 of these costs, therefore, the total outstanding administrators' fees payable in the succeeding liquidation will be £6,700.30. It is our intention that this will be drawn as an expense of the administration, payable in the succeeding liquidation when sufficient funds become available.

As shown in the above paragraph, the administration period's time costs exceed the approved fees and costs estimate by £2,685.70. I can confirm that the joint administrators will not be seeking to recover this remaining balance of our time costs for the administration within the liquidation.

Due to the successful sale of the hotel premises, business and assets, there will be a dividend to creditors, to be dealt with in the liquidation. In light of the work required in respect of liquidation and dividend to unsecured creditors, the joint liquidators will contact creditors, under separate cover, to seek a new decision from unsecured creditors for the relevant fee approval for the liquidation.

A copy of "A Creditor's Guide to Administrator's Fees", as produced by the ICAEW, is available free on request or can be downloaded from their website as follows:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en>

Creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors. Examples would include dealing with former employees' claims through the Redundancy Payments Service and providing information relating to the company and its former officers as required by the Company Directors' Disqualification Act 1986.

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at Appendix IV.

On a general note, please be aware that the charge out rates are subject to an annual review.

8. Administration expenses

8.1 Subcontractors

We have utilised the services of the following subcontractors during the administration:

Name of professional adviser/Service(s)	Basis of fee arrangement	Costs incurred in period £	Costs paid in period £	Total costs incurred £	Total costs paid £	Estimated total costs £	Variance £
Licensed Solutions (trading agents)	Fixed monthly fee + disbursements	1,300.00 + 20.00	1,300.00 + 20.00	61,866.21 + 3,520.21	61,866.21 + 3,520.21	49,708.36	15,678.06
Equiom (Scotland) Ltd (pre-appointment accounts + draft tax computations)	Fixed fee	2,649.50	2,649.50	6,149.50	6,149.50	9,337.50	6,042.65
Equiom (Scotland) Ltd (Debtor Control & Payroll)	Fixed monthly fee	1,062.50	1,062.50	9,230.65	9,230.65		
Croner Group Ltd (HR Services)	Hourly rate + disbursements	-	-	1,000.00 + 21.90	1,000.00 + 21.90	-	1,021.90
Total		5,032.00	5,032.00	81,788.47	81,788.47	59,045.86	22,742.61

Please note that the arrangement with each of the subcontractors is subject to a regular ongoing review.

As summarised in Appendix II the costs incurred in these areas all exceed our estimated subcontractor costs as outlined in Appendix V. This is due to our estimate being produced on the basis of a far shorter trading period than occurred. This was due to an elongated sale process, due to the level of interested parties and matters relating to the Bank security.

Whilst the overall costs outlined above have increased, they have accrued in line with our monthly costing estimates and are offset against the significantly increased sales in addition to the mitigation of pre-bookings achieved from an elongated trading period.

8.2 Professional advisers

On this assignment we have used the professional advisers listed below. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of professional adviser/Service(s)	Basis of fee arrangement	Costs incurred in period £	Costs paid in period £	Total costs incurred £	Total costs paid £	Estimated total costs £	Variance £
Trowers & Hamlins LLP (legal advisers re Sale of business)	Hourly rate + disbursements	-	-	47,266.50	47,266.50	49,708.36	(2,441.86)
BWB LLP (legal advisers)	Hourly rate + disbursements	-	5,578.50	5,578.50	5,578.50	10,000.00	(4,421.50)
Christie & Co (marketing agents)	Fixed fee	-	3,600.00	3,600.00	3,600.00	15,000.00	(11,400.00)
Peter Fenwick & Co (lease valuation)	Fixed fee	-	1,000.00	1,000.00	1,000.00	1,135.00	(135.00)
Wyles Hardy & Co Ltd (valuation agents)	Hourly rate + disbursements		3,525.00 + 378.60	3,903.60 + 378.60	3,525.00 + 378.60	5,000.00	(1,096.40)
Total			14,082.10	61,348.60	61,348.60	80,843.36	(19,494.76)

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

Outlined above and in Appendix V is our estimate of the likely professional advisers' costings that we envisaged would be incurred within the administration. As summarised above and in Appendix II all our agents' costs are in line with our historic estimates.

8.3 Administrators' disbursements

We have paid and/or incurred the following disbursements in the current period:

Description	Costs incurred in period £	Costs paid in period £	Total costs incurred £	Total costs paid £	Estimated total costs £	Variance £
Statutory Advertising	-	-	169.00	169.00	169.00	-
Specific Bond	-	-	140.00	140.00	140.00	-
Travel	-	-	7.00	7.00	21.00	-
Searches	-	-	6.00	6.00	-	6.00
Storage Costs	40.32	40.32	140.32	140.32	1,500.00	(1,359.68)
Category 2 disbursements (Business mileage)	-	-	-	-	-	-
Total	40.32	40.32	462.320	462.32	1,830.00	(1,353.68)

8.4 Category 2 disbursements

Since our appointment, we have not incurred any Category 2 disbursements.

In accordance with SIP9, Remuneration of Office Holders, the joint administrators have secured the approval to draw Category 2 disbursements as and when they arise and from the funds that are available, in accordance with Smith & Williamson's disbursement recovery policy.

8.5 Other expenses

Other expenses (i.e. those not detailed in the preceding sections) paid during the current period together with cumulative totals for the period of the administration are shown in the receipts and payments summary at Appendix II. Detailed below are those expenses which we consider to be significant in the context of this case.

Description	Costs incurred in period £	Costs paid in period £	Total costs incurred £	Total costs paid £	Estimated total costs £	Variance £
AON UK Ltd (Insurance)	-	8,607.49	8,607.49	8,607.49	5,982.41	2,625.08
Total		8,607.49	8,607.49	8,607.49	5,982.41	2,625.08

As summarised in Appendix II the costs incurred in these areas all exceed our estimated costs as outlined in Appendix V. This is due to our estimate being produced on a far shorter trading period than occurred. This was due to an elongated sale process, due to the level of interested parties and matters relating to the Bank's security.

8.6 Policies regarding use of third parties and disbursement recovery

Appendix IV provides details of Smith & Williamson LLP's policies in relation to the use of subcontractors and professional advisers, and the recovery of disbursements.

9. Outcome for creditors

The outcome for each class of creditors is set out below.

9.1 Secured creditors

The Bank held a fixed and floating charge over the Company's assets dated 1 June 2016. At the date of the administration the indebtedness or guarantee liabilities were estimated at £25 million. The Company's business and assets, in addition to the Premises, were caught by the Banks' security.

The subsequent sale of the Premises and Company's business and assets resulted in the Bank being repaid in full by the receivers.

As such, secured creditors' liabilities have been settled, in full, from funds outside of the administration.

9.2 Prescribed Part

The floating charge granted to EXIM was provided on 1 June 2016, accordingly, should the Bank's floating charge be called upon the administrators would have been required to create a Prescribed Part fund out of the Company's net floating charge property for unsecured creditors.

As explained above, the overall sale achieved by the receivers and administrators resulted in the Bank being repaid in full from the consideration achieved for the sale of the Premises.

In light of the QFCH having been discharged in full from funds outside the administration, the provisions of the Prescribed Part will not apply in this instance.

9.3 Preferential creditors

As detailed in the joint administrators' proposals and previous reports, the Company's staff payroll including any arrears of wages have been met as a cost of the administration.

Claims in respect of accrued holiday pay have been resolved during the course of trading within the administration or transferred in accordance with the BSA with employment rights having been transferred to the purchaser of the business.

In light of this, no preferential claims have arisen in this regard since the commencement of the administration.

9.4 Unsecured creditors

We have received claims totalling £2,408,807.78 including the Company's rental liability of £1,461,774.28 (as detailed in section 4.1.2 above). Total claims as per the director's SOA were £1,550,624.

Following the resolution of the intercompany position, and meeting the costs of the administration, the joint administrators have a net fund of £556,752.00. This balance is subject to resolving any tax liability relating to the sale of the Company's business and assets as well as the trading period of the administration.

In light of all secured and preferential liabilities of the Company being settled in full, the remaining funds within the estate will be due to the unsecured creditors of the Company. The administrators as such, believe they will be in a position to declare a dividend to unsecured creditors other than by virtue of the Prescribed Part.

Therefore, the administrators are filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move the Company automatically into CVL in order that the distribution to unsecured creditors can be made.

The joint administrators have already instructed their tax advisers to ascertain the corporate tax liability and finalise the Company's tax affairs, to crystallise the liability arising from both the trading period and sale of the business and assets of the Company. This work will continue within the liquidation, and upon confirmation of the understood liability or tax clearance, the joint liquidators will seek to declare a dividend to unsecured creditors.

10. Ending the administration

Due to the better than anticipated outcome for creditors the administrators believe they will be in a position to declare a dividend to unsecured creditors other than by virtue of the Prescribed Part. Therefore, the administrators are filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move the Company automatically into CVL in order that the distribution can be made.

The joint administrators' proposals outlined that the joint administrators, Mark Christopher Ford, Finbarr Thomas O'Connell and Henry Anthony Shinnars would automatically become the joint liquidators of the Company in CVL in the absence of an alternative nomination, and that the acts of the joint liquidators may be undertaken by any or all of them.

As stated previously, the joint administrators' proposals dated 10 May 2019 were deemed delivered to the creditors and stakeholders of the Company on 14 May 2019. These proposals were issued to creditors pursuant to P52(1)(b) Sch B1, accordingly a creditors' decision to approve the proposals was, therefore, not sought. No creditor with partly or wholly unsecured claims, or shareholder raised queries, objections or challenged the issued proposals or wish us to call a meeting to consider the Proposals. As such, the Proposals were deemed to have been approved on 31 May 2019.

Prior to the proposals being deemed approved on 31 May 2019, no creditors' committee was established, and no party nominated an alternative liquidator. As such, in accordance with the joint administrators' proposals the joint administrators, Mark Christopher Ford, Finbarr Thomas O'Connell and Henry Anthony Shinnars will automatically become the joint liquidators of the Company in CVL at the appropriate time. The administrators will also be discharged from liability under P98(3) of Sch B1 immediately upon their appointment as administrators ceasing to have effect, as authorised by the secured creditor on 4th July 2019.

11. Privacy and data protection

As part of our role as joint administrators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements.

Information about the way that we will use and store personal data in relation to insolvency appointments can be found at:

www.smithandwilliamson.com/rsgdpr

If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact us if you believe this applies.

12. Creditors' rights

Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the administrators provide further information about their remuneration or expenses which have been itemised in this report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of this report make an application to court on the grounds that, in all the circumstances, the basis fixed for the administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the administrators, as set out in this report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Mark Christopher Ford, Finbarr Thomas O'Connell or Henry Anthony Shinnars in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

i) Email: insolvency.enquiryline@insolvency.gsi.gov.uk

ii) Telephone number: +44 300 678 0015

iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.



Mark Christopher Ford, Finbarr Thomas O'Connell & Henry Anthony Shinnars

Joint Administrators

Date: 10 March 2020

I Statutory information

Relevant Court	High Court of Justice, Business and Property Courts of England & Wales, Insolvency & Companies List
Court Reference	CR-001965-2019
Trading Name(s)	DH Waterloo Hotel Limited t/a Days Inn / Hotel Waterloo
Trading Addresses	DH Waterloo Hotel, 54 Kennington Road, London, SE1 7BJ
Former Name(s)	
Registered Office	c/o Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY (Formerly 54 Kennington Road, London, SE1 7BJ)
Registered Number:	05653355
Joint Administrators	Mark Christopher Ford, Finbarr Thomas O'Connell and Henry Anthony Shinnars all of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY (IP Nos 9521, 7931 and 9280) In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally.
Contact details	Postal address: DH Waterloo Limited (in administration), c/o Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY Email: jack.mcginley@smithandwilliamson.com Telephone: 020 7131 4452
Date of Appointment	19 March 2019
Extension to period of administration	N/A

II Receipts and payments account

Trading account to 10 March 2020

Statement of Affairs £	From 19/09/2019 To 10/03/2020 £	From 19/03/2019 To 10/03/2020 £
POST APPOINTMENT SALES		
Bar & Restaurant Sales	544.66	916.74
Miscellaneous Income	NIL	1,400.91
Room Bookings	2,733.00	1,713,082.49
	<u>3,277.66</u>	<u>1,715,400.14</u>
OTHER DIRECT COSTS		
Direct Expenses	NIL	48,161.76
Direct Labour	78.73	177,480.06
HMRC - P32	2.30	40,508.68
Sub Contractors	NIL	924.69
	<u>(81.03)</u>	<u>(267,075.19)</u>
TRADING EXPENDITURE		
Bank Charges	577.52	60,863.34
Broker Fees / Commissions	18,314.33	201,876.25
Consumable Stores	287.70	21,910.67
Heat & Light	52,191.82	77,380.85
Hire of Equipment	389.76	7,022.41
Indirect Labour - Contractors	1,255.38	224,320.27
Insurance	8,607.49	8,607.49
Petty Cash	NIL	14,869.37
Ransom Payments	2,908.07	73,455.21
Rates	3,207.26	147,388.07
Rents	NIL	867,095.04
Repairs & Maintenance	792.35	35,237.58
Stationery	NIL	741.75
Telephone / Internet	4,315.04	19,371.14
Trading Agents Expenses	20.00	3,542.11
Trading Agents Fees	2,362.50	72,199.10
	<u>(95,229.22)</u>	<u>(1,835,880.65)</u>
TRADING SURPLUS/(DEFICIT)	<u>(92,032.59)</u>	<u>(387,555.70)</u>

Notes and further information

The trading deficit of £387,555.70 recorded above includes payment in full of the above market rent as well as honouring the following pre administration liabilities:

- Deposits and pre-payments not available to the administrators (totalling circa £270,173);
- Resolving outstanding employee and contractor claims (totalling circa £49,500); and
- Honouring various brokers/ intermediaries claims (totalling circa £24,000).

Receipts & Payments account to 10 March 2020

Statement of Affairs £		From 19/09/2019 To 10/03/2020 £	From 19/03/2019 To 10/03/2020 £
	ASSET REALISATIONS		
1,975,600.00	54 Kennington Rd - Leasehold Interest	NIL	25,000.00
	Bank Interest Gross	1,541.72	1,938.98
84,101.00	Book Debts	NIL	197,144.25
145,806.00	Cash at Bank	NIL	161,610.19
6,594.00	Computer Equipment	NIL	NIL
	Contracts	NIL	1.00
490.00	Deposit Account	NIL	NIL
285,409.00	Furniture & Equipment	NIL	574,992.00
	Goodwill	NIL	1.00
476,972.00	IntCo Bal - Cranborne Enterprise BVI	(769,825.93)	270,688.13
	Intellectual Property Rights	NIL	1.00
	IT Software	NIL	1.00
	Misc Refunds	NIL	40.00
	Other Assets	NIL	1.00
	Plant & Machinery	NIL	1.00
	Records	NIL	1.00
1,616.00	Stock	NIL	1.00
	Suspense Account	(974.07)	NIL
	Trading account refunds	54.79	6,935.90
	TRADING SURPLUS/(DEFICIT)	(92,032.59)	(387,555.70)
		(861,236.08)	850,801.75
	COST OF REALISATIONS		
	Administrators' Expenses	NIL	7.00
	Administrators' Fees	58,545.00	199,295.45
	Agents/Valuers Expenses	378.60	378.60
	Agents/Valuers Fees	8,125.00	11,625.00
	Bank Charges	17.80	17.80
	Company Search	NIL	6.00
	Joint Liquidators' Pre-Appointment Fee	NIL	5,607.75
	Legal Fees	5,578.50	52,845.00
	Legal Fees - Pre-Appointment	2,000.00	2,000.00
	Specific Bond	NIL	140.00
	Statutory Advertising	NIL	169.00
	Storage Costs	40.32	140.32
		(74,685.22)	(272,231.92)
	UNSECURED CREDITORS		
(270,730.58)	Deposit Ledger	NIL	21,817.83
(19,550.00)	Employees	NIL	NIL
(1,055,726.00)	Intercompany Balances	NIL	NIL
(513,778.00)	Trade & Expense Creditors	NIL	NIL
		NIL	(21,817.83)
1,116,803.42		(935,921.30)	556,752.00
	REPRESENTED BY		
	Clients Deposit (Int Bearing)		467,337.86
	FLT Vat Control Account		89,414.14
			556,752.00

Notes and further information required by SIP 7

The joint administrators have achieved Objective 3(1) (b), in that a better result for the Company's creditors as a whole has been attained, than would have been likely if the Company were wound up (without first being in administration).

The principal costs outlined in the receipts & payment account ("R&P") relate to expenditure arising from trading the business, whilst a sale of the Premises was sought by the joint receivers in the concurrent receivership process. In continuing to trade the business, the administrators successfully preserved value within the Premises, whilst also realising a greater consideration through the BSA, both of which completed on 2nd September 2019.

In addition to these notes:

- The joint administrators' remuneration was approved by the secured creditor on 4th July 2019. Details of costs drawn during the period, can be found in the main body of this report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report.
- Details of significant expenses paid, and payments made to sub-contractors are provided in the body of our report.
- Information concerning our disbursements incurred is provided in the body of the report.
- All bank accounts are interest bearing.
- As detailed in the body of the report, the joint administrators trading agents LS maintained a trading account in respect of ongoing trade. The balance of this account and cost incurred and paid to date are accounted within the receipts and payments account above.

There are no foreign currency holdings. All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.

Notes and further information required by SIP 9

As you will be aware, our estimated expenses (outlined in appendix II below) included the cost of instructing professional advisers and the table below discloses the costs incurred and paid, along with the original estimates:

Nature of Expense	Estimated fees to be incurred £	Actual Fees Incurred £	Variance £
Specific Bond	140.00	140.00	-
Statutory advertising	169.00	169.00	-
Searches	-	6.00	6.00
Insurance	5,982.41	8,607.49	2,625.08
Valuation Agents (Chattels)	5,000.00	3,903.60	(1,096.40)
Valuation Agents (lease)	1,135.00	1,000.00	(135.00)
Sales Agents	15,000.00	3,600.00	(11,400.00)
Legal Fees	53,800.50	52,845.00	(955.50)
Subcontractor - Licensed Solutions Ltd	49,708.36	65,386.42	15,678.06
Subcontractors - Equiom Scotland Ltd	9,337.50	15,380.15	6,042.65
Subcontractor - Croner Group Ltd	-	1,124.14	1,124.14
Storage Costs	1,500.00	140.32	(1,359.68)
Travel	21.00	7.00	(14.00)
Total	141,805.77	152,309.12	

As outlined above, the costs incurred to date are in line with our initial estimates in all areas except the estimated subcontractor costs. The variance in costs is due to our estimate being produced on a far shorter trading period than actually occurred. This was due to an extended sale process, due to the level of interested parties and matters relating to the Bank security. However, this resulted in a sale of the Premises and business and assets for considerably above their recent professional valuations.

Whilst the overall costs outlined above have increased (in these areas), they have accrued in line with our monthly costing estimates and are offset against the increased sales in addition to the mitigation of pre-bookings achieved from an extended trading period.

III Time analysis for the period

From 19 September 2019 to 10 March 2020

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning								
Statutory returns, reports & meetings	1.00	0.00	24.00	13.40	0.00	38.40	£14,112.00	£367.50
Initial post-appointment notification letters, including creditors	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Call letters general, including banking	0.15	0.00	0.00	6.60	0.00	6.75	£2,651.25	£392.78
Job planning, reviews and progressions and 6 months cycle plan and planning	0.25	0.00	2.40	5.00	0.00	7.65	£2,962.50	£387.13
Post-appointment tax return (VAT, PAYE/NI40, Corp Tax that are not trading related)	0.00	0.00	3.75	1.00	0.00	4.75	£1,861.25	£391.83
Protection of company records (incl electronic)	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Insurance & general asset protection	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Travelling	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Agents and advisers, general	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Filing - Administrative and planning	0.00	0.00	0.00	0.75	0.00	0.75	£283.75	£358.33
Director/Manager review, approval and signing	0.55	0.00	0.00	0.00	0.00	0.55	£211.75	£385.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Investigations								
Director's correspondence to conduct questionnaire	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Statutory books and accounting records review	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Investigation of legal claims	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
SIP2 and SIP4 obligations (incl. CDOs and forster)	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Asset tracing (incl. Land Registry and Company Searches)	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Realisation of assets								
Fixed charge Property (land and buildings)	0.55	0.00	0.00	0.00	0.00	0.55	£211.25	£385.00
Fixed charge other (e.g. chattel mortgages)	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Debt (incl. fixed and floating, re-assigned debtors)	1.45	0.00	0.00	0.00	0.00	1.45	£578.75	£398.00
Share (business) (incl. share including transfer to legal advisers, lawyers)	0.00	0.00	0.00	1.10	0.00	1.10	£425.00	£386.36
Cash at bank	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Dealing with agents (general)	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Sale of business assets, completion matters	0.00	0.00	12.25	0.00	0.00	12.25	£4,750.00	£388.00
Other	0.00	0.00	18.10	0.00	0.00	18.10	£7,012.50	£387.43
Trading								
Trading on decision and day 1-3 operations	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Sales and customers	0.00	0.00	1.10	0.00	0.00	1.10	£425.00	£386.36
Purchasing suppliers (incl. landlord)	0.00	0.00	1.10	0.00	0.00	1.10	£425.00	£386.36
Accounting	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Insurance	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Staff and payroll (incl. PAYE/NI40 for trading portfolio)	0.00	0.00	1.00	0.00	0.00	1.00	£385.00	£385.00
Pre-issues issues (incl. landlord and site clearance)	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Health & Safety	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Studio room hire/other	0.00	0.00	2.40	0.00	0.00	2.40	£922.50	£384.38
Other	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Creditors								
Fixed charge creditors	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Floating charge creditors	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
FPD and EPA claims & tribunal	0.00	0.00	0.00	0.00	0.00	0.00	£0.00	
Employment & personal (other (incl. J1, J2, J3, J4, J5, J6, J7, J8, J9, J10, J11, J12, J13, J14, J15, J16, J17, J18, J19, J20, J21, J22, J23, J24, J25, J26, J27, J28, J29, J30, J31, J32, J33, J34, J35, J36, J37, J38, J39, J40, J41, J42, J43, J44, J45, J46, J47, J48, J49, J50, J51, J52, J53, J54, J55, J56, J57, J58, J59, J60, J61, J62, J63, J64, J65, J66, J67, J68, J69, J70, J71, J72, J73, J74, J75, J76, J77, J78, J79, J80, J81, J82, J83, J84, J85, J86, J87, J88, J89, J90, J91, J92, J93, J94, J95, J96, J97, J98, J99, J100, J101, J102, J103, J104, J105, J106, J107, J108, J109, J110, J111, J112, J113, J114, J115, J116, J117, J118, J119, J120, J121, J122, J123, J124, J125, J126, J127, J128, J129, J130, J131, J132, J133, J134, J135, J136, J137, J138, J139, J140, J141, J142, J143, J144, J145, J146, J147, J148, J149, J150, J151, J152, J153, J154, J155, J156, J157, J158, J159, J160, J161, J162, J163, J164, J165, J166, J167, J168, J169, J170, J171, J172, J173, J174, J175, J176, J177, J178, J179, J180, J181, J182, J183, J184, 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- Maintaining physical case files and electronics case details on IPS (case management software).
- Undertaking periodic case reviews.
- Case bordereau and reviews.
- Case planning; administration; and general case progression, including adjustments in appointment strategy.
- Preparing reports to stakeholders, including but not limited to the joint administrators' progress reports.
- Maintaining and managing the appointment's cash book and bank accounts.
- Ensuring statutory lodgements and tax lodgements obligations are met.
- Dealing with matters arising from actions in Malaysia.

Investigations

Investigations include work carried out as a consequence of the obligations placed upon us to investigate the Company's affairs. The work undertaken is that described in SIP2 and SIP4 which govern both the investigations of the Company's failure and also examine the conduct of the directors. This work includes the following:

- Matters relating to intercompany balance.

Realisation of assets

This section is in relation to the realisation of the Company's assets, which is explained in detail through the contents of our report. A significant amount of time was spent in relation to the sale of the assets of the Company, which may also be allocated to trading. The work generally includes the following:

This section is in relation to the realisation of the Company's assets.

- Liaising with secured chargeholders in respect of the sale of assets subject to their security.
- Managing book debt collection.
- Resolving trading costs apportionments with purchaser (including sales ledgers).
- Resolving intercompany balance (linked to rental liability of the administration trading period).
- Miscellaneous asset realisation (i.e. cash at bank), outlined in the contents of the report.
- Dealing with certain VAT and tax matters relating to the sales process. This includes sourcing certain records (which were not available at the time of the sale).

Trading

In order to achieve a better realisation of the Company's assets and to maintain the goodwill of the business the joint administrators allowed the Company to continue to trade the hotel. Detailed below is a breakdown of time spent in relation to trading:

- Overseeing the work of managing agents on the closure of trading activity, including resolving trading handover matters. This represents a major proportion of the time incurred under the sub-headings "accounting" and also "other". On certain occasions financial information provided was not consistent and required further investigations to resolve particular matters. Those matters recorded under the subcategory "other" are:

- Reviewing the trading information provided by managing agents for cost / sales revenue apportionments.

Particular matters that were recorded under the "accounting" subcategory are:

- Reconciling case receipts and payments to records provided
- Ensuring that VAT was appropriately accounted for
- Discussions with purchaser in respect of trading liabilities and sales receipts.

Some matters were recorded under both categories from time to time; and so both sub-categories (of "accounting" and "other") should be reflected upon jointly.

- Approving payments to suppliers and staff.

- Dealing with customers and suppliers including landlords.
- Management of the organised handover of business.

Creditors

Work under this section includes correspondence and other contact with the creditors of the Company. The work includes the following:

- Dealing with creditor correspondence via email and telephone.
- Maintaining creditors' information on our insolvency database.
- Resolving pre-appointment rental claim via offset of intercompany balance.

Shareholders

Work under this section includes correspondence and other contact with the shareholders as creditors of the Company. The work includes the following:

- Certain discussions with shareholders queries on the sale of business and lease interest.

Corporate Tax

Work under this section relates to matters undertaken by our corporation tax colleagues relating to the Company's affairs. To date their work has been in connection with the sale of business. The work includes the following:

- Advice to the administrators relating to the tax consequences / liabilities associated with the BSA.
- Works undertaken in respect of accessing the capital losses available to the Company.

IV Cumulative time analysis

From 19 March 2019 to 10 March 2020

Classification of work function	Hours					Total hours	Time cost	Average hourly rate
	Partner / Director	Associate director	Manager/ Assistant Manager	Other professional staff	Assistants & support staff			
Administration and planning								
Statutory and regulatory compliance	0.48	0.00	14.40	31.15	0.00	46.03	£26,527.15	£426.15
External post appointment notification letters, including agreed fees	0.15	0.00	0.00	2.21	0.00	2.35	£1,211.70	£341.72
Cashiering, general (including banking)	0.75	0.00	1.25	24.00	0.00	26.00	£12,345.50	£475.11
Job planning, monthly and bi-monthly new 6 months reviews and planning new time sheets and duties	1.95	0.00	4.95	14.70	0.00	21.60	£10,532.50	£488.10
Post appointment fees to HMRC, HM Revenue & Customs (including related)	0.00	0.00	13.85	2.30	0.00	16.15	£7,850.00	£486.11
Protection of company's real and electronic assets	0.30	0.00	1.50	3.85	0.00	5.65	£1,517.50	£446.82
Insurance for general asset protection	0.30	0.00	2.50	3.30	0.00	6.10	£1,122.00	£453.86
Traveling	0.00	0.00	0.50	0.40	0.00	1.15	£418.50	£363.91
Agents and advisors - general	0.00	0.00	4.45	0.40	0.00	4.85	£7,124.00	£463.21
Filing - Administration and planning	0.00	0.00	0.60	0.75	0.00	1.35	£452.75	£338.33
Deventer/manager review, approval and signing	0.50	0.00	0.85	0.00	0.00	1.35	£1,011.45	£477.80
Other	0.40	0.00	20.25	0.00	0.00	20.65	£9,247.25	£447.35
Investigations								
Directors' correspondence to provide it questionnaires	0.00	0.00	0.00	0.75	0.00	0.75	£60.00	£300.00
Statutory backlogs and audit record reviews	0.00	0.00	1.90	0.00	0.00	1.90	£432.50	£445.00
Investigation of legal claims	0.00	0.00	0.40	0.00	0.00	0.40	£143.00	£457.00
MF2 and MF4 obligations (including MF4 forms)	2.15	0.00	1.30	1.75	0.00	5.20	£1,248.50	£475.75
Asset tracing (e.g. Land Registry and Company Searches)	0.00	0.00	0.60	0.00	0.00	0.60	£245.00	£408.33
Realisation of assets								
Fixed charge Property, land and buildings	0.20	0.00	0.00	1.00	0.00	1.20	£4,371.00	£551.90
Fixed charge other (e.g. chattels, mortgages)	0.00	0.00	0.00	0.40	0.00	0.40	£134.00	£335.00
Debtors not interested in liquidation (e.g. creditors)	0.15	0.00	1.45	0.00	0.00	1.60	£1,152.00	£469.75
Sale of business as a whole including all non-physical assets (e.g. patents, etc.)	11.45	0.00	11.10	2.50	0.00	25.05	£4,142.75	£171.25
Cash at Bank	0.30	0.00	0.75	3.00	0.00	4.05	£1,052.25	£311.69
Debtors not interested in liquidation (e.g. creditors)	0.00	0.00	5.20	0.00	0.00	5.20	£2,017.00	£475.00
Sale of business, post completion matters	0.00	0.00	19.25	0.00	0.00	19.25	£9,145.75	£475.25
Other	0.00	0.00	20.75	0.00	0.00	20.75	£9,222.25	£471.15
Trading								
Trading on decision and day 1-4 operation	0.30	0.00	7.20	0.00	0.00	7.50	£4,824.50	£513.12
Sales and customers	0.00	0.00	4.15	0.00	0.00	4.15	£1,571.25	£475.00
Purchasing suppliers (cost reduction)	1.40	0.00	11.60	0.00	0.00	13.00	£1,453.75	£510.75
Accounting	3.00	0.00	14.30	0.00	0.00	17.30	£18,852.50	£493.17
Inventory	0.00	0.00	0.00	0.00	0.00	0.00	£457.25	£475.00
Staff and payroll (including HMRC for trading periods)	2.00	0.00	23.95	0.00	0.00	25.95	£12,524.50	£475.00
Insurance, issues and liabilities and to be covered	0.30	0.00	1.50	0.00	0.00	2.40	£1,292.50	£518.54
Health & Safety	0.00	0.00	2.15	0.00	0.00	2.15	£1,111.00	£475.00
Staff issues and issues	0.00	0.00	0.00	0.00	0.00	0.00	£1,298.75	£475.00
Other	1.40	0.00	5.50	0.00	0.00	6.90	£1,538.75	£512.86
Creditors								
Fixed charge creditors	4.15	0.00	1.75	0.00	0.00	5.90	£3,202.50	£493.00
Fluctuating charge creditors	0.00	0.00	4.15	0.00	0.00	4.15	£2,254.75	£475.00
HMRC and HM Revenue & Customs	0.75	0.00	0.00	0.00	0.00	0.75	£366.25	£475.00
Employees & partners (other than HM Revenue & Customs)	0.30	0.00	0.00	2.40	0.00	2.70	£873.00	£345.54
Unsecured creditors	2.40	0.00	2.40	3.40	0.00	8.20	£3,147.25	£445.49
Distributions for preference shareholders	0.00	0.00	0.00	0.00	0.00	0.00	£90.00	£466.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	£146.75	£475.00
Shareholders correspondence								
Shareholder general correspondence	1.00	0.00	0.00	0.00	0.00	1.00	£575.00	£475.00
Shareholder correspondence regarding	0.00	0.00	0.00	0.00	0.00	0.00	£111.75	£475.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	£165.75	£475.00
Corporate Tax								
Corporate Tax	0.00	0.00	0.00	0.00	0.00	0.00	£2,515.00	£555.59
Total	65.70	0.00	285.00	89.45	5.20	445.35	£208,681.45	£468.58

Explanation of major work activities undertaken

Administration and Planning

This section of the analysis encompasses the cost of the administrators and their staff in complying with their statutory obligations, internal compliance requirements, and all tax matters. This work includes the following:

- Preparing the documentation and dealing with the formalities of appointment.
- Statutory notifications and advertising.
- Protection of Company's assets and records (including electronic).

- Dealing with routine correspondence.
- Dealing with agents on general appointment matters, not relating to the sale of assets or correspondence with advisers on investigation matters.
- Maintaining physical case files and electronics case details on IPS (case management software).
- Undertaking periodic case reviews
- Case bordereau and reviews.
- Case planning; administration; and general case progression, including adjustments in appointment strategy.
- Preparing reports to stakeholders, including but not limited to the joint administrators' proposals and progress reports.
- Maintaining and managing the appointment's cash book and bank accounts.
- Ensuring statutory lodgements and tax lodgements obligations are met.
- Informing solicitors purportedly acting for the Company in Malaysia that they are not acting with the consent of the Administrators
- Dealing with matters arising from actions in Malaysia

Investigations

Investigations include work carried out as a consequence of the obligations placed upon us to investigate the Company's affairs. The work undertaken is that described in SIP2 and SIP4 which govern both the investigations of the Company's failure and also examine the conduct of the directors. This work includes the following:

- Commencing investigations into the reasons for the failure of the Company (including initiating enquiries with the Company's director).
- Review and storage of books and records.
- Preparing a return/report pursuant to the Company Directors' Disqualification Act.
- Discussions and correspondence with relevant personnel and agents.
- Corresponding with the director informing them of their obligations including the SOA.
- Matters relating to intercompany balance.

Realisation of assets

This section is in relation to the realisation of the Company's assets, which is explained in detail through the contents of our report. A significant amount of time was spent in relation to the sale of the assets of the Company, which may also be allocated to trading. The work generally includes the following:

This section is in relation to the realisation of the Company's assets.

- Liaising with secured chargeholders in respect of the sale of assets subject to their security.
- Liaising with the interested parties and prospective purchasers. These discussions (as noted earlier) were extended over a longer period than envisaged.
- Discussions with our sales agents including in respect of the most appropriate sales strategy and tactics to conclude the sale as soon as reasonably practicable.
- Sales negotiations, including sales contract negotiations and drafting.
- Discussions with our legal advisors in respect of the sales documentation and subsequently in relation to tax matters.
- Sourcing information necessary for the sale.
- Managing book debt collection
- Insurance of the assets and claims under policies if required.
- Miscellaneous asset realisation (i.e. cash at bank), outlined in the contents of the report.
- Dealing with certain VAT and tax matters relating to the sales process. This includes sourcing certain records (which were not available at the time of the sale).
- Resolving trading costs apportionments with purchaser (including sales ledgers).

Trading

In order to achieve a better realisation of the Company's assets and to maintain the goodwill of the business the joint administrators allowed the Company to continue to trade the hotel. Detailed below is a breakdown of time spent in relation to trading:

- Meeting employees and explaining the administration process and its impact on them
- Insurance of the assets and claims under policies where required.
- Miscellaneous asset realisation (i.e. cash at bank upon appointment)
- Monitoring the Company's trading performance alongside designated agents LS
- Liaising with key stakeholders to ensure continuity of trade whilst a sale of the Premises is sought in the adjoining receivership process.
- Overseeing the work of managing agents and existing management and staff. This represents a major proportion of the time incurred under the sub-headings "accounting" and also "other". On certain occasions financial information provided was not consistent and required further investigations to resolve particular matters. Those matters recorded under the subcategory "other" are:
 - Regular monitoring of trading activities including weekly monitoring meetings
 - Preparing, reviewing and presenting trading update reports
 - Reviewing the trading information provided by managing agents.

Particular matters that were recorded under the "accounting" subcategory are:

- Reconciling cash receipts and payments to records provided
- Ensuring that VAT was appropriately accounted for
- Discussing with staff and management on trading
- On-going discussion and meetings regarding the provision of information to the joint administrators' team.
- Discussions with purchaser in respect of trading liabilities and sales receipts.

Some matters were recorded under both categories from time to time; and so both sub-categories (of "accounting" and "other") should be reflected upon jointly.

- Approving payments to suppliers and staff.
- Dealing with customers and suppliers including landlords.
- Management of the organised handover of business.

Creditors

Work under this section includes correspondence and other contact with the creditors of the Company. The work includes the following:

- Dealing with creditor correspondence via email and telephone.
- Liaising with EXIM in respect of sale of the business and matters relating to resolutions following deemed approval of the joint administrators' proposals.
- Maintaining creditors' information on our insolvency database.
- Resolving pre-appointment rental claim via offset of intercompany balance.

Shareholders

Work under this section includes correspondence and other contact with the shareholders as creditors of the Company. The work includes the following:

- Notifying shareholder of appointment.
- Certain discussions with shareholders on the available capital losses.
- Certain discussions with shareholders queries on the sale of business and lease interest.

Corporate Tax

Work under this section relates to matters undertaken by our corporation tax colleagues relating to the Company's affairs. To date their work has been in connection with the sale of business. The work includes the following:

- Advice to the administrators relating to the tax consequences / liabilities associated with the BSA.
- Works undertaken in respect of accessing the capital losses available to the Company.
- Ensuring statutory lodgements and tax lodgements obligations are met.

Notes

The following gives a summary of our original estimates and the actual time costs incurred as at 10 March 2020 for ease of comparison:

Task	Estimated fees to be incurred £	Actual Fees Incurred £	Variance £
Administration and Planning	62,968.25	75,899.75	12,931.15
Investigations	12,686.00	4,682.00	(8,004.00)
Realisation of Assets	40,183.75	52,751.50	12,567.75
Trading	48,043.25	58,515.70	10,472.45
Creditors	31,384.50	13,260.00	(18,124.50)
Shareholder Correspondence	2,740.00	1,057.50	(1,682.50)
Corporate Tax	7,990.00	2,515.00	(5,475.00)
Total	205,995.75	208,681.45	2,685.70

Notes/reconciliation differences

Overall there is not a material difference between our original estimate and what those that have actually been incurred up to 10 March 2020. However, it should be noted that our estimate envisaged a much shorter trading period than the actual outcome. The reasoning for this delay in the sale and extended trading period is explained in the body of the report.

V Fees and costs estimate

Fees estimate according to number of hours, grade of staff and expected work to be undertaken from 19 March 2019 as provided to EXIM

Classification of work function	Hours					Total hours	Time cost Estimate £	Average hourly rate Estimate £
	Partner / Director	Associate Director	Manager / Assistant Manager	Other professional staff	Assistants & support staff			
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Administration and planning								
Statutory compliance, reporting to stakeholders, accounting, protecting company interests, to well as, depending, case by case, planning, procurement and filing								
Statutory returns, requests and meetings	8.40	0.00	16.35	22.40	1.50	48.65	£13,197.00	£294.51
Initial post-liquidation information letters to creditors	0.15	0.00	0.50	2.30	0.00	3.15	£1,148.50	£361.79
Calculating general liability including bonding	1.25	0.00	0.00	13.50	0.00	14.75	£4,615.25	£392.87
Job planning, reviews and progress on due 6 month reviews and planning meetings, check that done	2.10	0.00	2.10	16.40	0.00	20.60	£8,141.50	£395.14
Post appointment taxation (VAT, PAYE/IRL, Corp Tax that are not trading related)	1.50	0.00	5.05	4.85	0.00	11.40	£4,824.50	£423.20
Protection of company records and electronic data	1.00	0.00	1.00	1.50	0.00	3.50	£1,854.50	£443.85
Insurance & general asset protection	1.50	0.00	3.40	1.80	0.00	6.70	£3,016.00	£450.15
Travelling	0.00	0.00	2.00	2.15	0.00	4.15	£1,576.00	£381.61
Agents and advisors - general	3.00	0.00	1.00	4.00	0.00	8.00	£6,795.00	£849.34
Director's mortgage interest support and signing	2.65	0.00	2.35	0.00	0.00	5.00	£1,551.00	£310.20
Other	2.20	0.00	16.85	2.50	2.50	24.05	£9,622.00	£400.08
Investigations								
Reviewing books, records and antecedent transactions, accessing directors' records and reporting to the Disqualification Unit and liaising with creditors for the Company								
Directors' correspondence & conduct questionnaires	1.00	0.00	2.50	0.20	0.00	3.70	£1,173.00	£316.79
Creditor or shareholder complaints	1.50	0.00	1.00	3.50	0.00	6.00	£1,825.00	£304.25
Statutory books and accounting records review	0.50	0.00	3.90	2.50	0.00	6.90	£2,499.50	£362.54
Investigation of legal claims	0.00	0.50	3.40	0.00	0.00	3.90	£1,564.00	£400.00
SFP and SFA One systems, CDDAA Forms	1.50	0.00	5.20	2.10	0.00	8.80	£4,525.00	£514.67
Realisation of assets								
Identifying, securing, including assets, dealing with assets subject to retention of title and debt collection - Property, business and asset sales								
Fixed charge Property (land and buildings)	0.30	0.00	0.00	1.50	0.00	1.80	£220.50	£122.50
Fixed Charge other (e.g. chattel mortgages)	3.50	0.00	2.50	0.40	0.00	6.40	£1,740.50	£266.80
Debtors (motor cars) (includes repossessed vehicles)	0.50	0.00	0.75	0.00	0.00	1.25	£62.50	£50.00
Stock	1.50	0.00	0.00	0.00	0.00	1.50	£64.50	£42.90
Other chattel assets	4.50	0.00	0.50	0.00	0.00	5.00	£4,152.50	£830.50
Sale of business and assets, including liaisons with realisation agents, etc.	12.00	0.00	10.00	0.50	0.00	22.50	£14,199.50	£631.10
Crystal Ball	0.50	0.00	0.35	1.65	0.00	2.50	£924.50	£369.80
Uncollected assets (general)	4.50	0.00	2.50	2.50	0.00	9.50	£6,765.00	£712.10
Sale of business and asset completion matters	4.50	0.00	4.50	3.50	0.00	12.50	£8,000.00	£640.00
Bank the overage (includes approval and signing)	3.50	0.00	2.00	0.00	0.00	5.50	£2,807.50	£509.82
Trading								
Management of operations, accounting for trading, Disqualification compliance issues								
Trading on decision and day to day operations	5.75	0.00	7.20	0.00	0.00	12.95	£4,560.75	£352.61
Purchasing/suppliers (not bonded)	5.40	0.00	10.90	2.50	0.00	18.80	£10,652.50	£566.88
Accounting	5.20	0.00	20.45	2.00	0.00	32.65	£14,768.25	£452.34
Insurance	0.50	0.00	2.50	0.00	0.00	3.00	£1,150.00	£383.33
Short and long term PAYE/IRL for trading periods	0.15	0.00	10.70	0.00	0.00	10.85	£5,024.75	£463.44
Property issues (incl. landlord and site clearance)	0.00	0.00	3.00	0.00	0.00	3.00	£1,380.00	£460.00
Health and Safety	0.00	0.00	4.10	1.50	0.00	5.60	£2,518.50	£449.73
Other	2.80	0.00	5.40	5.50	0.00	13.70	£5,964.50	£435.44
Creditors								
Communication with creditors, Creditors' claims including employees and other preferential creditors, and the Creditors' claims with the Prescribed part (if applicable), adjustment and distributing								
Fixed charge creditors	5.50	0.00	2.25	1.50	0.00	9.25	£5,176.50	£559.74
Employees & pension (incl. Libby Centre/CSA etc.)	2.50	0.00	3.50	1.25	1.50	8.75	£4,120.00	£470.74
General unsecured creditors	2.50	0.00	4.50	5.00	0.00	12.00	£5,267.50	£438.96
Unsecured creditors	3.50	0.00	10.00	8.75	0.00	22.25	£9,990.50	£448.56
Distribution for profits and interest	2.50	0.00	4.50	0.00	0.00	7.00	£3,200.00	£457.14
Other	0.00	0.00	3.50	0.00	0.00	3.50	£1,610.00	£460.00
Shareholders								
Shareholder communications and distributions								
Shareholder general communications	1.00	0.00	1.50	0.00	0.00	2.50	£1,255.00	£502.00
Other	1.00	0.00	2.00	0.00	0.00	3.00	£1,485.00	£495.00
Corporate Tax								
Corporate Tax	6.10	0.00	2.50	2.50	1.50	12.60	£7,930.00	£629.39
Total	108.20	0.00	210.80	141.35	9.00	469.35	£205,995.75	£438.90

DH Waterloo Hotel Limited (in administration)	
Estimated expenses in accordance with Categories 1 & 2 (SIP 9) and payable to third parties *	
	Total £
Estimated expenses applicable to all cases	
Specific base	£141,000
Statutory advertisement costs	£149,000
Search fees - Land Registry & Companies House	£11,000
Case specific costs - where applicable	
Insurance	£5,957.41
Valuation agents' fees & disbursements (fixed fee category)	£5,000.00
Valuation agents' fees & disbursements (house to house survey)	£1,175.00
Search agents' fees & disbursements	£15,600.00
Legal fees - General advice	£43,800.00
Legal fees - Company law	£10,000.00
Subcontractors - ERM Ltd	£42,000.00
Subcontractors - Equum Scotland Ltd	£7,347.50
Storage costs	£1,500.00
Travel	£21.00
Total	£141,805.77

* Category 1 expenses, in accordance with Statement of Insolvency Practice 9 are specific costs payable to an independent third party and relate directly to the case in question. Category 2 expenses are payable to the office holder's firm and are shared or allocated costs, most notably business mileage.

Explanation of envisaged work to be undertaken

The below provides commentary on the various categories above.

Administration and Planning

This section of the analysis encompasses the cost of the administrators and their staff will need to undertake to comply with their statutory obligations, internal compliance requirements, and all tax matters. This work includes the following:

- Dealing with routine correspondence.
- Dealing with agents on general instruction matters (i.e. not relating to the sale of assets or correspondence with advisers on investigation matters).
- Maintaining physical case files and electronics case details on IPS (case management software).
- Case reviews (including 6-month reviews).
- Case bordereau and reviews.
- Case planning; administration; and general case progression, including adjustments in joint special administrators' strategy.
- Preparing reports to stakeholders.
- Maintaining and managing the special administrators' cash book and bank accounts.
- Ensuring statutory lodgements and tax lodgements obligations are met.
- Submitting VAT returns and Corporation Tax returns (when due).
- Further dealing client identification and internal Smith & Williamson LLP compliance requirements.

Investigations

Investigations include work carried out because of the obligations placed upon us to investigate the Company's affairs. The work undertaken is that described in SIP2 and SIP4 which govern both the investigations of the Company's failure and examine the conduct of the directors. It will also include investigations into further recoveries to the estate. This work includes the following:

- Investigating the reasons for the failure of the Company (including enquiries with the company's directors and possible interviews of key stakeholders).
- Review and investigation of stakeholders' complaints and responses into the failing of the business and actions of company's directors.
- Review and storage of books and records.
- Asset tracing (including land registry and company searches).

- Possible actions (including legal recourse) to restore assets of the company or compensate the company for the financial losses incurred.
- Preparing a return/report pursuant to the Company Directors' Disqualification Act.
- Discussions and correspondence with relevant personnel and agents.

Realisation of assets

This section is in relation to the realisation of the remaining assets of the Company, as well as dealing with post sale obligations relating to the sales detailed in the body of the report. Envisaged work will likely include the following:

- Liaising with the interested parties and prospective purchasers, on the trading operations of the hotel.
- Discussions with our sales agents including in respect of the most appropriate sales strategy and tactics to conclude the sale as soon as reasonably practicable.
- Sales negotiations, including sales contract negotiations and drafting, it is envisaged that this will require interaction with the joint receivers' sales process of the Premises.
- Discussions with our legal advisors in respect of the sales documentation and subsequently in relation to tax matters.
- Sourcing information necessary for the sale.
- Monitoring of book debt collection.
- Insurance of the assets and claims under policies if required.
- Miscellaneous asset realisation of shares believed to be held in Company's name.
- Work on the directors' loan balance.
- Dealing with certain VAT and tax matters relating to the sales process. This includes sourcing certain records (which were not available at the time of the sale).
- Also exploring possible tax asset recoveries, such as VAT bad debt relief or terminal loss relief claims.

Trading

As detailed in the report, in order to achieve a better realisation of the Company's assets and to maintain the goodwill of the business the joint administrators traded the business of the Company hotel. Detailed below is a breakdown of the anticipated work that will be required in relation to finalising trading obligations and accounts:

- Overseeing the work of managing agents and existing management and staff and reconciling records. This represents a major proportion of the time incurred under the sub-headings "accounting" and also "other". On certain occasions where financial information provided may not be consistent and required further investigations to resolve particular matters.
Those matters recorded under the subcategory "other" are:
Regular monitoring of trading activities including weekly monitoring reports and calls
Preparing, reviewing and presenting trading update reports
Reviewing the trading information provided by managing agents or existing management and staff.
- Particular matters that are recorded under the "accounting" subcategory are
Reconciling cash receipts and payments to records provided
Ensuring that VAT was appropriately accounted for
Discussing with staff and management on trading
On-going discussion and meetings with former employees and Suffolk Life regarding the provision of information to the joint special administrators' team.

Some matters were recorded under both categories from time to time; and so both sub-categories (of "accounting" and "other") should be reflected upon jointly.

- Dealing with ad hoc matters including licencing matters (e.g. alcohol, entertainment, software, PDQ, licences)

- Approving payments to suppliers.
- Dealing with customers and suppliers including landlords.
- Management of the organised handover of business.

Creditors

Work under this section will include correspondence and other contact with the creditors of the Company. The future in this regard includes the following:

- Dealing with creditor correspondence via email and telephone.
- As the Company's business is being traded during the administration it was necessary to maintain a dialogue with certain key stakeholders as a result certain dialogue may relate to trading activities.
- Preparing reports.
- Dealing with creditors' possible committee correspondence via email and telephone. Meetings of the creditors' committee will also be recorded within "Administration and Planning" in respect of statutory matters and meetings if established.
- Maintaining creditors' information on an insolvency database.
- Maintaining any employee claims and liaising with Job Centre, Redundancy Payments Services etc.
- Adjudicating creditors' claims including matters of ROT.
- Making distributions to various categories of creditors.

Pensions

We have not provided an estimate of S&WEBC within the above estimate, as we do not envisage they will be required to deal with the Company's pension affairs. However, we have placed a general provision in our expenses estimates in case they are required.

VI Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are:

- Smith & Williamson LLP's policies in relation to:
 - Staff allocation and the use of subcontractors
 - Professional advisers
 - Disbursement recovery
- Smith & Williamson LLP's current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add value to the assignment.

S&WFS

S&WEBC is a pensions consultancy firm which specialises in providing advice to Insolvency Practitioners on their appointment in relation to all aspects of pensions. It is a division of S&WFS, a company associated with Smith & Williamson LLP.

S&WEBC may be engaged to deal with the Company's pension affairs. Payments to parties in which the administrators or their firm have an interest must be disclosed to, and approved by, creditors. Fees for their services are accrued on a time costs basis. Consequently, details of the charge out rates for S&WEBC are provided to creditors.

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

Details of any Category 2 disbursements incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

A schedule of Smith & Williamson LLP's charge out rates was issued to creditors at the time the basis of the administrators' remuneration was approved.

The rates applicable to this appointment are set out below. Changes to the charge out rates during the period of this report were applied with effect from 1 July 2019.

Smith & Williamson LLP	From	From
Restructuring & Recovery Services	1 July 2018	1 July 2019
Charge out rates	£/hr	£/hr
Partner / Director	565-650	590-675
Associate Director	525	550
Managers	315-460	340-475
Other professional staff	215-400	225-475
Support & secretarial staff	115	125

Notes

1. Time is recorded in units representing 3 minutes or multiples thereof.
2. The cashiering function time is incorporated within "Other professional staff" rates.

Smith & Williamson LLP	From 1 July 2018	From 1 July 2019
Corporate Tax	£/hr	£/hr
Charge out rates		
Partner / Director	525-600	575-690
Associate Director	420-440	460
Managers	225-365	245-400
Other professional staff	190	115-210
Support & secretarial staff	100-120	60

Smith & Williamson LLP	From 1 July 2018	From 1 July 2019
Forensics	£/hr	£/hr
Charge out rates		
Partner / Director	610	610
Associate Director	470-515	-
Managers	390-410	480-510
Other professional staff	340	350

S&WFS Employee Benefits Consultancy	From 1 July 2018	From 1 July 2019
Charge out rates	£/hr	£/hr
Director	245-349	245-349
Associate Director	204-244	204-244
Managers	139-195	139-195
Administrator	88-170	88-170

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Principal offices: London, Belfast, Birmingham, Bristol, Cheltenham, Dublin, Glasgow, Guildford, Jersey, Salisbury and Southampton.

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