

2.24B

The Insolvency Act 1986

Administrators progress' report

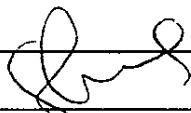
Name of Company Abbey Hotel (2007) Limited	Company number 06137612
In the High Court of Justice, Leeds District Registry (full name of court)	Court case number 1419 of 2007

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

We
Stephen Goderski
Geoffrey Martin & Co
7-8 Conduit Street
London
W1S 2XF

John Twizell
Geoffrey Martin & Co
St James's House
28 Park Place
Leeds
LS1 2SP

Administrators of the above company attach a progress report for the period

(b) Insert date	From	To
	26 May 2007	25 November 2008
	Signed  Joint Administrator	
	Dated <u>4 December 2008</u>	

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.

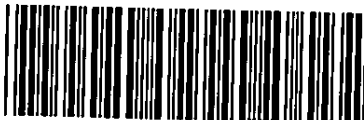
The contact information that you give will be visible to searchers of the

Stephen Goderski
Geoffrey Martin & Co
7-8 Conduit Street
London
W1S 2XF

DX Number

020 7495 1100
DX Exchange

SATURDAY



A4W285F4

A35 06/12/2008 238
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

4 December 2008

«NAME»

«A1»

«A2»

«A3»

«A4»

«A5»

Our Ref: SG/LA/ABBE401/RB/2

Your Ref: «CREF»

Lucy Azzopardi

Dear Sirs

Abbey Hotel (2007) Limited – In Administration (“the Company”)

I write to provide a report to creditors on the progress of the Administration pursuant to Rule 2.47 of The Insolvency Rules 1986 (“The Rules”).

This report should be read in conjunction with two earlier reports, subject to paragraph 49 of Schedule B1 report dated 18 January 2008 and my report pursuant to Rule 2.47 dated 10 June 2008.

The information that is required to be disclosed in accordance with Rule 2.47(1) (a) to (c) of The Rules is attached at Appendix A.

This report will focus on events that have occurred since my last report.

Sale of Business and Assets

As reported previously, the Company's principal asset is the Property consisting of the Hotel and Cottage at Tintern Parva, Nr Chepstow, Monmouthshire, NP16 6SF.

As you will be aware, the Company continued trading under the supervision of Legacy Hotels Limited whilst I explored the possibility of a sale of the business and assets as a going concern.

I have concentrated my efforts in dealing with the key proposed purchasers. There have been numerous requests for information from the interested parties regarding the Company's assets.

It was anticipated that a sale of the Hotel and Cottage would have concluded prior to the anniversary of Administration however, due to various protracted delays this has not been possible.

The anticipated sale did not happen and the Joint Administrators took the decision to shut down the Hotel. I confirm the Company ceased to trade on 19 November 2008.

The Property has been and continues to be marketed.

Due to reasons of confidentiality I am unable to disclose details of the offers received until the sale of the Company's assets have been completed.

Administration Trading

Legacy Hotels Limited traded the Hotel on behalf of the Company in Administration from 20 December 2007 to 19 November 2008.

The remaining employees were made redundant on the cessation of trade, 19 November 2008.

The trading figures should be available in the subsequent statutory report to creditors.

Asset Realisations

To date, there have been no asset realisations.

Receipts and Payments Account Estimated Outcome for Creditors

For reasons of commercial sensitivity, I have not been able to provide you with a Receipts and Payments Account and an Estimated Outcome Statement until such time as the sale of the Property and Assets have concluded.

Outcome for Creditors

The outcome to creditors is largely dependant on future realisations from the sale of the Company's Property and assets and the costs of the Administration.

At this stage, I am unable to confirm the quantum and timing of any distribution.

Extension of the Administration

In accordance with Schedule B1, Paragraph 76(1), the appointment of an Administrator automatically ceases to have effect one year from the date of appointment. However, on the application of an Administrator the Court may by order extend the term of the Administrator's office.

Due to the outstanding issues listed in this report, I have instructed solicitors to make an application to Court in order to allow the Joint Administrators further time to realise the Company's assets, mainly the Hotel and Cottage, pay a distribution to the floating charge creditor and deal with the other outstanding issues mentioned below.

On 21 November 2008, the Court ordered that the period of Administration of the Company be extended for a period of 12 months until 25 November 2009. In accordance with Rule 2.47 (d) Form 2.31B, Notice of extension of period of administration is attached at Appendix B along with a copy of the Order attached at Appendix B1 for your information.

Summary of the Administrators' Proposals

A copy of my proposals as presented in my last report dated 10 June 2008, is attached at Appendix C.

You will recall that the main terms of my proposals were to achieve the purpose of the Administration. This was to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration). These proposals were deemed to have been approved by creditors in accordance with Rule 2.33 (5) of The Insolvency (Amendment) Rules 2003 ("The Rules") on 4 February 2008.

Administrators' Costs

At the initial meeting of creditors held on 4 February 2008 it was resolved that the Joint Administrators be authorised to draw their remuneration from time to time during the period of the Administration, as and when funds allow.

Details of the time costs incurred in respect of the Company are attached at Appendix D. I have provided this information in this format as required by the provisions of the Statement of Insolvency Practice 9. To date, I have not invoiced and drawn any sum against these costs.

As previously advised, the sum of £5,161 relating to the time spent in the period prior to the Administration has been written off.

Appendix E contains further details on the firm's current charging and disbursements policy. Due to insufficient funds, the Administrators have not yet drawn any of the outstanding disbursements.


Outstanding Matters

The outstanding matters requiring resolution and finalisation are:

- i) Completion of the sale of the Company's Property and Assets.
- ii) Wind down the Company's affairs following the Administration trading activities and collect the consideration due from any agreed sale.
- iii) Discharge any remaining Administration undertakings, which include trading costs, legal fees and payment of taxes accrued in the Administration period.
- iv) Distribute available funds to the creditors.
- v) Submission of VAT and Corporation Tax Returns to HM Revenue & Customs for the Administration period.
- vi) Obtain clearance from HM Revenue & Customs that all tax issues have been resolved.
- vii) Conclude the ongoing investigations into the Company's affairs.

Should you require any further information, please do not hesitate to contact my colleague Lucy Azzopardi of this office.

Yours sincerely
For and on behalf of
Abbey Hotel (2007) Limited



Stephen Goderski
Joint Administrator
Acting as agent of the Company
and contracting without personal liability

**ABBHEY HOTEL (2007) LIMITED
IN ADMINISTRATION**

APPENDIX A

STATUTORY INFORMATION

Abbey Hotel (2007) Limited

The statutory information of the Company as extracted from the Company's file at Companies House is as follows:

Court Details:	In the High Court of Justice, Leeds District Registry
Court Number:	1419 of 2007
Date of appointment:	26 November 2007
Administrators' details:	Stephen Goderski & John Twizell Geoffrey Martin & Co 7-8 Conduit Street London, W1S 2XF
Appointed by:	The debenture holder of a fixed and floating charge and legal charge created on 13 June 2007 and registered 15 June 2007. Helmsley Acceptances Limited Colenso House Omega 1 Monks Cross Drive Monks Cross York, YO32 9GZ

In accordance with paragraph 100(2) to Schedule B1 of The Insolvency Act 1986 the Joint Administrators confirm that any act required or authorised under any enactment to be done by an Administrator may be done by either of us individually or jointly.

Company Number:	06137612
Registered Office:	C/o Geoffrey Martin & Co. 7 – 8 Conduit Street London W1S 2XF
Date of incorporation:	05 March 2007
Trading address and former registered office:	The Abbey Hotel Tintern Parva Nr Chepstow Monmouthshire NP16 6SF

Appendix A cont

Authorised & Issued share capital: Unknown

Shareholders: No Annual Return or accounts have been lodged at Companies House and we are unable to confirm any details regarding the Company's shareholding position.

Directors:	Appointed	Resigned
Graham George	24/06/2007	19/07/2007
Paul Dallimore	19/06/2007	N/a
Alun Weeks	18/06/2007	30/06/2007
Susan George	25/04/2007	18/06/2007 *
Christina Powell	25/04/2007	18/06/2007 *
Paul Dallimore	05/03/2007	04/05/2007

*It transpired that the removal of these directors were invalid as no notice was given to them of their removal.

Company Secretary: Colin Harris

Change of name: None

**ABBHEY HOTEL (2007) LIMITED
IN ADMINISTRATION**

APPENDIX B

**FORM 2.31B, NOTICE OF EXTENSION OF PERIOD
OF ADMINISTRATION**

2.31B

The Insolvency Act 1986

Notice of extension of period of Administration

Name of Company Abbey Hotel (2007) Limited	Company number 06137612
In the High Court of Justice, Chancery Division, Leeds. District Registry (full name of court)	Court case number 1419 of 2007

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

We
Stephen Goderski
Geoffrey Martin & Co
7-8 Conduit Street
London
W1S 2XF

John Twizell
Geoffrey Martin & Co
St James's House
28 Park Place
Leeds
LS1 2SP

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

having been appointed administrators of Abbey Hotel (2007) Limited
Geoffrey Martin & Co, 7-8 Conduit Street, London, W1S 2XF ('the company')

(c) Insert date of appointment

on 26th November 2007
by High Court of Justice

(d) Insert name of appointor/applicant

hereby give notice that the Administration has been extended:

(e) Insert date

by the High Court of Justice, Chancery Division, Leeds District Registry
until 25 November 2009

Signed


Joint Administrator

Dated

4 December 2008

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

Stephen Goderski
Geoffrey Martin & Co
7-8 Conduit Street
London
W1S 2XF

DX Number

020 7495 1100
DX Exchange

Companies House receipt date barcode

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

**ABBHEY HOTEL (2007) LIMITED
IN ADMINISTRATION**

APPENDIX B1

EXTENSION ORDER

De

21.11.08

IN THE HIGH COURT OF JUSTICE

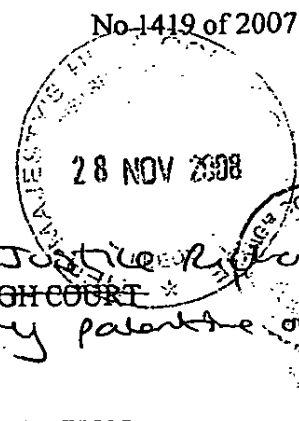
CHANCERY DIVISION

LEEDS DISTRICT REGISTRY

BEFORE

On

The Honourable Mr Justice Richards
~~SITTING AS A JUDGE OF THE HIGH COURT~~
 Vice Chancellor of the County Palatine of
 Lancaster.



IN THE MATTER OF ABBEY HOTEL (2007) LIMITED - IN ADMINISTRATION

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

UPON THE APPLICATION of the Joint Administrators of the Company, John Twizell and

Stephen Goderski

AND UPON reading the evidence

IT IS ORDERED that:

1. The administration of Abbey Hotel (2007) Limited be extended for a period of 12 months to 25

November 2009 pursuant to paragraph 76(2) of Schedule B1 to the Insolvency Act 1986.

2. The costs of the application be an expense of the Administration.

Dated 21st November 2008

**ABBHEY HOTEL (2007) LIMITED
IN ADMINISTRATION**

APPENDIX C

ADMINISTRATORS' PROPOSALS

Joint Administrators' proposals

Abbey Hotel (2007) Limited – In Administration ("the Company")

Statement of Joint Administrators' proposals under Paragraph 49 to Schedule B1 of the Insolvency Act 1986

In accordance with paragraph 49 to Schedule B1 of the Insolvency Act 1986 ("The Act") and Rule 2.33 (1) of The Insolvency (Amendment) Rules 1986 ("The Rules"), Stephen Goderski and John Twizell, the Joint Administrators of the Company, ("the Joint Administrators"), make the following proposals for achieving the purposes of the Administration, following their appointment on 26 November 2007, to the creditors of the Company for consideration and, if thought fit, approval at the meeting of the creditors to be held at 10.30 a.m on 4 February 2008 at Geoffrey Martin & Co, 7-8 Conduit Street, London, W1S 2XF.

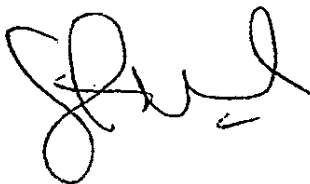
Proposals

The Joint Administrators propose that:

- (1) They continue to manage the business, affairs and property of the Company in order to achieve the following purposes for which the Administration Order was made; namely:
 - 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 in administration); or
 - Realising property in order to make a distribution to the secured or preferential creditors.
- (2) They continue to take any action they consider expedient with a view to achieving the purposes of administration detailed at (1) and in particular that:
 - (i) they continue to trade the Hotel, whilst seeking a sale of the Hotel and Cottage
 - (ii) Investigate the nature of the ownership of the Hotel's business and assets and take whatever action necessary to enhance the realisations available for the creditors
 - (iii) they continue to take any necessary action to vacate the Cottage and take possession
 - (iii) the wind down the Company's affairs following the Administration trading activities and collect the consideration due from the agreed sale of the Company's business and assets on the terms that they consider expedient;
 - (iv) they dispose of the Company's remaining assets, if any, on such terms as they consider expedient.

- (3) They be authorised to make a distribution to any preferential creditors and floating charge holders, where appropriate to calculate the value of the prescribed part from any floating charge realisations and return for the benefit of the unsecured creditors in accordance with Section 176A of The Insolvency Act 1986. If they believe there may be a distribution to the unsecured creditors of the Company the Joint Administrators be authorised to propose that either one or both of them be appointed as liquidator(s) in accordance with paragraph 83(7) of the Act and Rule 2.33(m) of the Rules. Alternative creditors may nominate a difference person as the proposed liquidator, provided that the nomination is made after the receipt of these proposals and before these proposals are accepted by creditors. Any such request should be made in accordance with 2.37 of the Rules and made within twelve days of the date on which these proposals were sent out.
- (4) If the Joint Administrators conclude that the Company has no property to permit a distribution to its unsecured creditors, and when the Joint Administrators think that the purpose of Administration has been sufficiently achieved they will file a notice in accordance with Paragraph 80 of Schedule B1 of the Act and the Administrators appointment shall cease to have effect. Alternatively, in such circumstances they shall send a notice to that effect and in accordance with Paragraph 84 of The Act and the appointment of Joint Administrators appointment shall cease to have effect, and that the Joint Administrators be released at that time. The effect of this is that the Company would be dissolved three months thereafter without any formal liquidation.
- (5) The creditors should consider establishing and if though fit appointing a Creditors' Committee to exercise the functions conferred on it by or under the Act.
- (6) They consult with the Creditors' Committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation and development of these proposals and where they consider it expedient obtain the sanction of that Committee on behalf of the creditors of the Company (and without further reference to them) to any proposed action on the part of the Joint Administrators.
- (7) If no Creditors' Committee is to be formed then the Joint Administrators' remuneration be fixed by reference to the time properly incurred by them and their staff in attending to matters arising in the Administration. The Joint Administrators be authorised to draw their remuneration from time to time during the period of the Administration without further recourse to creditors, as and when funds allow. The Joint Administrators will incur and shall pay such costs and expenses, including professional fees as they consider to be incidental to the achievement of the proposals outlined above or their statutory duties as and when funds allow.
- (8) The Joint Administrators be authorised to draw a disbursements charge relating to the recovery of overheads costs in accordance with their firm's current disbursements policy (Appendix E).
- (9) With the acceptance of these proposals creditors confirm that upon discharge of the Administration by way of whichever route applicable as set out between paragraph 76 to 84 of Schedule B1 of the Act, the Joint Administrators is discharged from all liability incurred in respect of the Administration, in accordance with paragraph 98(1) of Schedule B1 of the Act.
- (10) The Joint Administrators shall be discharged from liability pursuant to Paragraph 98(1) of Schedule B1 of the Act in respect of any action of theirs as Administrators when they cease to be Joint Administrators of the Company at a time fixed by the creditors' committee, or, if there is no creditors' committee, by resolution of the secured creditors and any preferential creditors or in any case by the Court.

- (11) The Joint Administrators may consider it will be necessary to extend the Administration beyond the statutory duration of one year. If an extension is deemed necessary, the Joint Administrators shall seek the appropriate resolutions of the secured creditors and any preferential creditors, or the agreement of the Court.
- (12) That in the event that either one or both of the Joint Administrators be appointed liquidator(s) the following resolutions be approved, namely:-
 - a. that the liquidator be authorised to pay preferential creditors in full if appropriate and any balance of funds available be distributed by way of a dividend to unsecured creditors.
 - b. that the liquidator be authorised to compromise any debt owing to the company, or any claim against the company.
 - c. In order for the liquidator to draw fees by reference to time properly spent by the liquidator and his staff and a disbursements charge relating to the recovery of overhead costs in accordance with his firm's disbursements policy, the liquidator shall seek sanction from either the Court, the Committee, if one is formed or via a meeting of the company's creditors.
 - d. in the event the liquidator is to bring legal proceedings under Section 213,214,238,239,242,243 or 423 of the Insolvency Act 1986, then the liquidator shall seek sanction from either the Court, the Committee, if one is formed or via a meeting of the Company's creditors.
- (13) That in the event that the Joint Administrators considers that the Company should be placed into Compulsory Liquidation, that they be authorised to take the necessary steps and that creditors shall be notified in accordance with the Act.
- (14) In addition, they do all such other things and generally exercise all their powers as Joint Administrators as they in their discretion consider desirable or expedient in order to achieve a purpose of the Administration or protect and preserve the assets of the Company or maximise realisations of those assets, or for any other purpose incidental to these proposals. Without limitation to the general powers of the Joint Administrators they shall have the power and discretion to compromise claims should, in their opinion, it be beneficial to the achievement of the proposals outlined above.



Stephen Goderski and John Twizell
Joint Administrators of Abbey Hotel (2007) Limited

**ABBHEY HOTEL (2007) LIMITED
IN ADMINISTRATION**

APPENDIX D

ADMINISTRATORS' COSTS

ABBE401 Abbey Hotel (2007) Limited

4. December 2008

SIP 9 - Time & Cost Summary

Period: 26/11/07..25/11/08

Time Summary

Hours						Time Cost (£)	Average hourly rate (£)
Classification of work function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration & planning	43.40	0.70	62.80	112.60	219.50	34,931.00	159.14
Investigations	4.20	0.00	9.50	1.80	15.50	3,428.00	221.16
Realisations of assets	240.10	0.80	83.40	8.70	333.00	97,375.50	292.42
Trading	32.50	0.50	54.90	5.90	93.80	22,080.50	235.40
Creditors	61.20	4.00	46.60	16.90	128.70	31,319.50	243.35
Case specific matters	29.70	0.00	27.30	1.30	58.30	15,582.50	267.28
Total Hours	411.10	6.00	284.50	147.20	848.80	204,717.00	241.18
Total Fees Claimed						0.00	

**ABBHEY HOTEL (2007) LIMITED
IN ADMINISTRATION**

APPENDIX E

CHARGING AND DISBURSEMENTS POLICY

Case Name	Abbey Hotel (2007) Limited
Court and Number	High Court of Justice No 1419 of 2007
Office Holder	Stephen Goderski and John Twizell
Firm	Geoffrey Martin & Co
Address	7-8 Conduit Street London W1S 2XF
Telephone	020 7495 1100
Reference	SG/LA/ABBE401/RB2
Type of Appointment	Trading Administration
Date of Appointment	26 November 2007

CHARGING AND DISBURSEMENTS POLICY (Combined London & Leeds Offices)

Time Costs

The firm's hourly charge out rates are revised annually from 1 May. The rates currently in use are within the following bands:

	£
Partner	300 – 350
Manager	190 – 300
Senior Administrator	125 – 210
Junior Administrator and Support Staff	60 – 125

Disbursements

A disbursement charge relating to the recovery of overhead costs is levied at the rate of £9.00 per creditor. This sum is drawn at the outset of the case and on each anniversary thereafter and covers printing, postage, stationery, photocopying, telephone and fax usage.

Outsourced printing and/or photocopying will be charged at cost in addition to the above.

Travelling expenses are charged at the rate of 40p per mile.