

Liquidator's Progress Report**S.192****Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986**

To the Registrar of Companies

Company Number

06327076

Name of Company

(a) Insert full name of
company

(a) Menzies Hotels Property No 21 Limited


(b) Insert full name(s)
and address(es)

We (b) Neil David Gostelow and David John Standish

Both of Arlington Business Park, Theale, Reading, Berkshire RG7 4SD

the liquidators of the company attach a copy of our Progress Report
under section 192 of the Insolvency Act 1986The Progress Report covers the period from 17/12/2014
to 16/12/2015

Signed



Date 16 February 2016

Presenter's name,
address and reference
(if any)

WEDNESDAY



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17/02/2016

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COMPANIES HOUSE



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Notice to creditors

This report provides an update on the liquidation of the Company

We have included (Appendix 2) an account of all amounts received and payments made during the period of 17 December 2014 to 16 December 2015, including the cumulative receipts and payments since the date of our appointment

We have also explained our future strategy for the liquidation and how likely it is that we will be able to pay each class of creditor

You will find other important information in this report such as the costs which we have incurred to date

A glossary of the abbreviations used throughout this document is attached (Appendix 5)

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+MDB1861344.html> We hope this is helpful to you

Please also note that an important legal notice about this report is attached (Appendix 6)

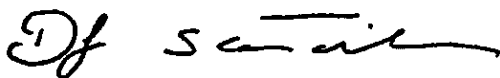


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1 Executive summary

- This progress report covers the period from 17 December 2014 to 16 December 2015
- There have been no significant realisations in the period (Section 2 - Progress to date)
- The Secured Creditor is expected to suffer a significant shortfall in their lending to the Company (Section 3 - Dividend prospects)
- We are not aware of any preferential claims (Section 3 - Dividend prospects)
- The Company's only unsecured creditor is Bank of Scotland Plc. As the Bank is both a secured and an unsecured creditor, a distribution is anticipated to the Bank (Section 3 - Dividend prospects)
- Please note you should read this report in conjunction with any previous reports issued to the Company's creditors, these can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+MDB1861344.html> Unless stated otherwise, all amounts in this report and appendices are stated net of VAT



David Standish
Joint Liquidator

2 Progress to date

This report covers the period from 17 December 2014 to 16 December 2015. However, please refer to previous reports where information has previously been disclosed.

This section updates you on our progress to date. It follows the information provided in our previous report.

2.1 Asset realisations

There have been no significant realisations during the period as shown in the attached receipts and payments account (Appendix 2).

Investigations

All investigation work is complete.

2.2 Costs

No payments have been made in this period as shown in the attached receipts and payments account (Appendix 2).

2.3 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below.

Liquidators' fees

During the period from 17 December 2014 to 16 December 2015, we have incurred time costs of £9,233. These represent 31 hours at an average rate of £294 per hour. No remuneration has been drawn in this period.

3 Dividend prospects

3.1 Secured creditor

As previously reported, a distribution of £300,000 was made to the Secured Creditor in May 2014.

No further distributions are anticipated.

3.2 Preferential creditors

As previously reported we are not aware of any preferential claims against the Company.



3.3 Unsecured creditors

According to the Directors' Statement of Affairs there is one unsecured creditor, Bank of Scotland Plc, with a claim of £35,000,000

As the Bank is both a secured and an unsecured creditor, a distribution is anticipated to the Bank

4 Joint Liquidators' remuneration and disbursements

At a meeting of creditors held on 17 December 2013 the creditors passed a resolution providing approval that

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff according to the charge-out rates included in Appendix 4
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 4

Time costs

During the period from 17 December 2014 to 16 December 2015, we have incurred time costs of £9,233. These represent 31 hours at an average rate of £294 per hour.

Remuneration

During the period, we have not drawn any remuneration.

Disbursements

During the period, we have not incurred any disbursements.

Additional information

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 17 December 2014 to 16 December 2015. We have also attached our charging and disbursements policy.

5 Future strategy

5.1 Future conduct of the liquidation

The following matters are still ongoing in the liquidation:

- distributions to Bank of Scotland Plc,
- finalising and paying costs of the liquidation, including our remuneration,



5.2 Future reporting

We will report again on the progress of this liquidation by 16 February 2017 or in the draft final report if matters have been concluded earlier



Appendix 1 Statutory information

Company name	Menzies Hotels Property No 21 Limited
Previous company names if applicable	None
Date of incorporation	27 July 2007
Company registration number	06327076
Previous registered office	Bakum House, Etwall Road, Mickleover, Derby DE3 0DL
Present registered office	Arlington Business Park, Theale, Reading RG7 4SD
Trading address	Menzies Chequers Hotel, Gatwick
Nature of business	Owning and leasing of Menzies Chequers Hotel, Gatwick

Appointed by	Members and creditors pursuant to Section 98 of the Insolvency Act 1986
Date of appointment	17 December 2013
Joint Liquidators' details	Neil Gostelow and David Standish
Joint Liquidators' address	Arlington Business Park, Theale, Reading, Berkshire, RG7 4SD
Values of the Net Property and Prescribed Part	Net Property is £13,924 Prescribed Part is £5,785 The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3)
Prescribed Part distribution	The Joint Liquidators intend to distribute the Prescribed Part
Functions	The functions of the Joint Liquidators are being exercised by them individually or together in accordance with Section 231(2) of the Insolvency Act 1986
EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations

Appendix 2 Joint Liquidators' receipts and payment account

Abstract of receipts & payments

Statement of affairs (£)		From 17/12/2014 To 16/12/2015 (£)	From 17/12/2013 To 16/12/2015 (£)
FIXED CHARGE ASSETS			
	Freehold property	NIL	380,000 00
	Disbursements funded by purchaser	NIL	353 16
		NIL	380,353 16
FIXED CHARGE COSTS			
	Liquidators fees	NIL	(45,281 75)
	Legal fees	NIL	(4,500 00)
	Legal fees (2)	NIL	(391 46)
	Agents'/Valuers' fees	NIL	(5,700 00)
		NIL	(55,873 21)
FIXED CHARGE CREDITORS			
	Fixed charge creditor	NIL	(300,000 00)
		NIL	(300,000 00)
ASSET REALISATIONS			
39,480 00	Intercompany debtor - MHOL	NIL	41,423 62
		NIL	41,423 62
OTHER REALISATIONS			
	Bank interest, gross	6 36	60 54
		6 36	60 54
COST OF REALISATIONS			
	Section 98 meeting	NIL	(1,250 00)
	Statement of affairs work	NIL	(750 00)
	Liquidators fees	NIL	(15,500 00)
	Bank charges	NIL	(60 00)
		NIL	(17,560 00)
FLOATING CHARGE CREDITORS			
(21,983,022 00)	Floating charge	NIL	NIL
		NIL	NIL
UNSECURED CREDITORS			
(35,000,000 00)	Banks/Institutions	NIL	NIL
		NIL	NIL
DISTRIBUTIONS			

Abstract of receipts & payments

Statement of affairs (£)		From 17/12/2014 To 16/12/2015 (£)	From 17/12/2013 To 16/12/2015 (£)
(8,691,000 00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(65,634,542 00)		6 36	48,404 11
REPRESENTED BY			
	Floating ch VAT rec'able		12,556 35
	Floating charge current		48,404 11
	Fixed charge VAT rec'able		2,054 69
	Floating ch VAT payable		(76,008 43)
	Floating ch VAT control		63,452 08
	Fixed charge VAT control		(2,054 69)
			48,404 11



Appendix 3 Schedule of expenses

Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Cost of realisations			
Liquidators' fees	0 00	9,232 75	9,232 75
TOTAL	0 00	9,232 75	9,232 75

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this report, you must do so in writing within 21 days of receiving this report

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this report, you must do so by making an application to Court within eight weeks of receiving this report

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court

The full text of the relevant Rules can be provided on request by writing to Kelly Haines at KPMG LLP, Arlington Business Park, Theale, Reading, RG7 4SD

Appendix 4 Joint Liquidators' charging and disbursements policy

Joint Liquidators' charging policy

The time charged to the liquidation is by reference to the time properly given by us and our staff in attending to matters arising in the liquidation. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the liquidation to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Liquidators' Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at

http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees_Nov2011.pdf

If you are unable to access this guide and would like a copy, please contact Kelly Haines on 0118 3731401.

Hourly rates

Set out below are the relevant charge-out rates per hour worked for the grades of our staff actually or likely to be involved on this liquidation. Time is charged by reference to actual work carried out on the liquidation.

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

Grade	From 01 Oct 2014 £/hr	From 01 Oct 2015 £/hr
Partner	595	595
Director	535	535
Senior Manager	485	485
Manager	405	405
Senior Administrator	280	280
Administrator	205	205
Support	125	125

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the liquidation. In our next statutory report, we will inform creditors of any material amendments to these rates.



Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows

Category 1 disbursements These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff

Category 2 disbursements These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows

Mileage claims fall into three categories

- Use of privately-owned vehicle or car cash alternative – 45p per mile
- Use of company car – 60p per mile
- Use of partner's car – 60p per mile

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate

We have not incurred any disbursements during the period

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company

Category 2 disbursements have been approved in the same manner as our remuneration

Narrative of work carried out for the period 17 December 2014 to 16 December 2015

The key areas of work have been

Statutory and compliance	<ul style="list-style-type: none">■ preparing statutory receipts and payments accounts,■ ensuring compliance with all statutory obligations within the relevant timescales
Strategy documents, Checklist and reviews	<ul style="list-style-type: none">■ regular case management and reviewing of progress, including regular team update meetings and calls,■ meeting with management to review and update strategy and monitor progress,■ reviewing and authorising junior staff correspondence and other work,■ reviewing matters affecting the outcome of the liquidation,■ complying with internal filing and information recording practices, including documenting strategy decisions
Cashiering	<ul style="list-style-type: none">■ reconciling post-appointment bank accounts to internal systems,■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments
Tax	<ul style="list-style-type: none">■ working initially on tax returns relating to the periods affected by the liquidation,■ reviewing the Company's duty position to ensure compliance with duty requirements,■ dealing with post appointment tax compliance
General	<ul style="list-style-type: none">■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9,
Creditors and	<ul style="list-style-type: none">■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records,



claims	■ agreeing unsecured claims,
	■ drafting our report

Time costs

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	0 50	102 50	205 00
Reconciliations (& IPS accounting reviews)	3 90	1,039 50	266 54
General			
Books and records	0 20	41 00	205 00
Fees and WIP	0 90	184 50	205 00
Statutory and compliance			
Checklist & reviews	5 70	1,347 00	236 32
Reports to debenture holders	0 60	205 50	342 50
Strategy documents	0 60	218 00	363 33
Tax			
Post appointment corporation tax	4 80	2,107 00	438 96
Post appointment VAT	0 50	162 50	325 00
Creditors			
Creditors and claims			
Agreement of unsecured claims	0 30	121 50	405 00
General correspondence	2 15	515 75	239 88
Payment of dividends	0.10	20 50	205 00
Statutory reports	11 20	3,167 50	282 81
Total in period	31.45	9,232 75	293 57

Brought forward time (appointment date to SIP 9 period start date)	212 80	78,003 00
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	31 45	9,232 75
Carry forward time (appointment date to SIP 9 period end date)	244 25	87,235 75

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

All time shown in the above analysis is charged in units of six minutes.



Appendix 5 Glossary

Company	Menzies Hotels Property No 21 Limited - in Liquidation
Joint Liquidators/we/our/us	Neil Gostelow and David Standish
KPMG	KPMG LLP
Secured Creditor	Bank of Scotland Plc

Any references in this report to Sections, Paragraphs and Rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 respectively



Appendix 6 Notice About this report

This progress report has been prepared by Neil Gostelow and David Standish, the Joint Liquidators of Menzies Hotels Property No 21 Limited (the 'Company'), solely to comply with their statutory duty under the Insolvency Act and Rules 1986 to provide members and creditors with an update on the progress of the liquidation of the estate, and for no other purpose

This report is not suitable to be relied upon by any other person, or for any other purpose or in any other context including any decision in relation to the debt of or any financial interest in the Company or any other company in the Group. Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Act and Rules 1986 (as amended) does so at their own risk. Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for individual creditors

Neil David Gostelow is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales

David John Standish is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association

We are bound by the Insolvency Code of Ethics

The appointments of the Joint Liquidators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the liquidation





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