

LIQ14

Notice of final account prior to dissolution in CVL



Companies House

TUESDAY



A11 *A6H8BMCA* #108
17/10/2017
COMPANIES HOUSE

1 Company details

Company number 0 6 3 2 7 0 7 6

Company name in full Menzies Hotels Property No.21 Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Neil David

Surname Gostelow

3 Liquidator's address

Building name/number Arlington Business Park

Street Theale

Post town Reading

County/Region Berkshire

Postcode R G 7 4 S D

Country

4 Liquidator's name ①

Full forename(s) David John

Surname Standish

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Arlington Business Park

Street Theale

Post town Reading

County/Region Berkshire

Postcode R G 7 4 S D

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ14

Notice of final account prior to dissolution in CVL

6

Liquidator's release

☐ Tick if one or more creditors objected to liquidator's release.

7

Final account

☒ I attach a copy of the final account.

8

Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d1

^d6

^m1

^m0

^y2

^y0

^y1

^y7



Joint
Liquidators'
final report for
the period 17
December
2016 to 7
August 2017

Menzies Hotels Property
No.21 Limited - in Liquidation

11 August 2017

Notice to creditors

This final report provides a final update on the liquidation of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

You will find other important information in this report such as the costs which we have incurred in the final period.

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

Creditors' right to object to the Liquidators' release

If you wish to object to the release of the Liquidators, you must give notice, in writing, to the Liquidators within eight weeks of delivery of this notice, or if any request for information is made (as above), within eight weeks of when that request is determined.

The Liquidators will vacate office on delivering to the Registrar of Companies the final account and notice stating that no creditor has objected to their release.

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

Contents

1	Executive summary	1
2	Progress to date	2
3	Outcome for creditors	3
4	Joint Liquidators' remuneration and disbursements	4
Appendix 1	Statutory information	5
Appendix 2	Joint Liquidators' final receipts and payment account	6
Appendix 3	Schedule of expenses	8
Appendix 4	Joint Liquidators' charging and disbursements policy	9
Appendix 5	Glossary	13
Appendix 6	Notice: About this report	14

1 Executive summary

- This is the final progress report of the liquidation of the Company and includes movements in the final period from 17 December 2016 to 7 August 2017.
- There have been no realisations during the period (Section 2 - Progress to date).
- We have distributed £32,771 to the Secured Creditor during the period. They have suffered a significant shortfall in their lending to the Company (Section 3 – Outcome for creditors).
- We are not aware of any preferential claims (Section 3 - Outcome for creditors).
- A dividend was available for unsecured creditors under the Prescribed Part, but no claims were received other than from the Secured Creditor for the unsecured element of their claim. Secured creditors are not permitted to participate in Prescribed Part distributions, therefore there was no distribution to unsecured creditors (Section 3 - Outcome for creditors).
- Please note: you should read this report in conjunction with any previous reports issued to the Company's creditors. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.



Neil Gostelow
Joint Liquidator

2 Progress to date

This final report covers the period from the date of our appointment to 7 August 2017. It also covers the period from 17 December 2016 to 7 August 2017, which is the period since our last progress report. However, please refer to previous reports where information has previously been disclosed.

This section provides you with detail of the final outcome of the liquidation. It follows the information provided in our previous reports.

2.1 Asset realisations

Realisations during the liquidation are set out in the attached receipts and payments account (Appendix 2). There were no realisations made during this period, also shown in the receipts and payments account.

Summaries of the most significant realisations during the liquidation are provided below.

Freehold property

The Company owned the land and buildings adjacent to the former Menzies Hotel in Horley, Sussex. We sold this property in 2014 for £380,000.

Inter-company book debt

The Company was owed an inter-company balance of £527,260 by a related company, Menzies Hotels Operating Limited - in administration. We received a first and final distribution of £41,424 from the administration in 2014.

Investigations

We can confirm we have complied with the relevant statutory requirements to provide information on the conduct of the Company's directors and any shadow directors to the Department for Business, Energy and Industrial Strategy. The contents of our submission are confidential.

2.2 Costs

Payments made during the liquidation are set out in the attached receipts and payments account (Appendix 2). Payments made during this period are also shown in the receipts and payments account.

Summaries of the most significant payments made during the liquidation are provided below.

Agents' fees

Agents' and Valuers' fees in relation to the sale of the property totalled £5,700 for the liquidation, none of which was paid in this period.

Solicitors' fees

Legal fees and disbursements in relation to the sale of the property totalled £4,891, none of which was paid in this period.

2.3 Schedule of expenses

We have detailed the costs incurred during the final period in the schedule of expenses attached (Appendix 3).

Summaries of the most significant expenses which have been incurred in the final period are provided below.

Liquidators' fees

We have incurred time costs of £11,057 in the period, however we will not be drawing any further fees.

3 Outcome for creditors

3.1 Secured creditor

At the date of appointment, there was £56,983,022 due to the Secured Creditor under cross guarantees.

During the liquidation, we have made total distributions of £332,771 to the Secured Creditor, £313,732 of which relates to fixed charge realisations and £19,039 to floating charge realisations.

During the period, we have made total distributions of £32,771 to the Secured Creditor. Of these, £13,732 relates to fixed charge realisations and £19,039 to floating charge realisations.

The Secured Creditor has suffered a significant shortfall.

3.2 Preferential creditors

Claims from employees in respect of (1) arrears of wages up to a maximum of £800 per employee, (2) unlimited accrued holiday pay and (3) certain pension benefits, rank preferentially.

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.

A notice of intended dividend was advertised in relation to dividend available under the Prescribed Part, however no further claims were received. Secured creditors are not permitted to receive distributions under the Prescribed Part, therefore no dividend was paid under the Prescribed Part.

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

From the date of our appointment to 7 August 2017, we have incurred time costs of £108,730. These represent 320 hours at an average rate of £340 per hour.

Remuneration

During the final period, we have not drawn any remuneration. Total remuneration drawn during the liquidation is £65,782, of which £45,282 relates to fixed charge and £20,500 relates to floating charge.

Disbursements

During the final period, we have not incurred any disbursements. During the liquidation we have paid total disbursements of £10,883.

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 final period from 17 December 2016 to 7 August 2017. We have also attached our charging and disbursements policy.

Appendix 1 Statutory information

Company information

Company name	Menzies Hotels Property No.21 Limited
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	Chequers Hotel Gatwick, 1 Horley Row, Horley, RH6 8DN
Nature of business	Owning and leasing of hotel

Liquidation information

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 £19,039. Prescribed Part is £6,808. The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3). However, no prescribed part dividend was paid.
Prescribed Part distribution	The Joint Liquidators have obtained an order from the Court that the Prescribed Part shall not apply on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits.
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 are the Main Proceedings as defined in Article 3 of the EC regulations.

Appendix 2 Joint Liquidators' final receipts and payment account

Menzies Hotels Property No.21 Limited - in Liquidation			
Abstract of receipts & payments			
Statement of affairs (£)		From 27/12/2016 To 07/08/2017 (£)	From 17/12/2013 To 07/08/2017 (£)
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)
	Liquidators expenses	NIL	(10,748.13)
	Legal fees	NIL	(4,500.00)
	Legal disbursements	NIL	(391.46)
	Agents'/Valuers' fees	NIL	(5,700.00)
		NIL	(66,621.34)
FIXED CHARGE CREDITORS			
	Fixed charge creditor	(13,731.82)	(313,731.82)
		(13,731.82)	(313,731.82)
ASSET REALISATIONS			
39,480.00	Intercompany debtor - MHOL	NIL	41,423.62
		NIL	41,423.62
OTHER REALISATIONS			
	Bank interest, gross	NIL	60.54
	Sundry refunds	NIL	363.33
		NIL	423.87
COST OF REALISATIONS			
	Section 98 meeting	NIL	(1,250.00)
	Statement of affairs work	NIL	(750.00)
	Liquidators fees	NIL	(20,500.00)
	Liquidators expenses	NIL	(135.36)
	Statutory advertising	(82.80)	(82.80)
	Bank charges	(30.00)	(90.00)
		(112.80)	(22,808.16)
FLOATING CHARGE CREDITORS			
(21,983,022.00)	Floating charge	(19,039.33)	(19,039.33)

Menzies Hotels Property No.21 Limited - in Liquidation

Abstract of receipts & payments

Statement of affairs (£)		From 27/12/2016 To 07/08/2017 (£)	From 17/12/2013 To 07/08/2017 (£)
		(19,039.33)	(19,039.33)
	UNSECURED CREDITORS		
(35,000,000.00)	Banks/Institutions	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(8,691,000.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(65,634,542.00)		(32,883.95)	NIL
	REPRESENTED BY		
	Floating ch. VAT rec'able		13,583.42
	Floating charge current		NIL
	Fixed charge VAT rec'able		4,204.32
	Floating ch. VAT payable		(76,008.43)
	Floating ch. VAT control		62,425.01
	Fixed charge VAT control		(4,204.32)
			NIL

Appendix 3 Schedule of expenses

Schedule of expenses (27/12/2016 to 07/08/2017)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
Cost of realisations			
Statutory advertising	82.80	0.00	82.80
Bank charges	30.00	0.00	30.00
Liquidators' fees	0.00	11,057.10	11,057.10
TOTAL	112.80	11,057.10	11,169.90

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 Rumsam 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:

<https://www.r3.org.uk/what-we-do/publications/professional/fees/liquidators-fees>

If you are unable to access this guide and would like a copy, please contact Kelly Rumsam on 0118 3731423.

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.

Charge-out rates (£) for: Restructuring

Grade	From 01 Nov 2016 £/hr
Partner	625
Director	560
Senior Manager	510
Manager	425
Senior Administrator	295
Administrator	215
Support	131

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 this final 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 2016 to 7 August 2017

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none">■ preparing statutory receipts and payments accounts;■ arranging bonding and complying with statutory requirements;■ dealing with all closure related formalities;■ 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;■ dealing with queries arising during the appointment;■ 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">■ preparing and processing vouchers for the payment of post-appointment invoices;■ creating remittances and sending payments to settle post-appointment invoices;

	<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"> ■ 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; ■ drawing remuneration in accordance with the basis which has been approved by creditors at the Section 98 meeting.
Creditors and claims	<ul style="list-style-type: none"> ■ responding to enquiries from creditors regarding the liquidation and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; ■ arranging distributions to the secured creditors; ■ drafting our report.
Statutory and compliance	<ul style="list-style-type: none"> ■ preparing statutory receipts and payments accounts; ■ dealing with all closure related formalities; ■ ensuring compliance with all statutory obligations within the relevant timescales.

Time costs

SIP 9 –Time costs analysis (17/12/2016 to 07/08/2017)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Administration & planning			
Cashiering			
General (Cashiering)	1.40	301.00	215.00
Reconciliations (& IPS accounting reviews)	2.90	770.50	265.69
General			
Fees and WIP	0.50	212.50	425.00
Statutory and compliance			
Checklist & reviews	7.90	2,258.10	285.84
Statutory advertising	0.50	147.50	295.00
Statutory receipts and payments accounts	0.80	172.00	215.00
Tax			
Post appointment corporation tax	1.90	492.50	259.21
Creditors			
Creditors and claims			
General correspondence	2.00	262.00	131.00
Payment of dividends	0.60	177.00	295.00
Secured creditors	2.50	1,062.50	425.00
Statutory reports	13.70	4,899.50	357.63
Realisation of assets			
Asset Realisation			
Cash and investments	0.60	177.00	295.00
Other assets	0.20	125.00	625.00
Total in period	35.50	11,057.10	311.47

SIP 9 –Time costs analysis (17/12/2016 to 07/08/2017)

	Hours	Time Cost (£)	Average Hourly Rate (£)
Brought forward time (appointment date to SIP 9 period start date)	284.75	97,672.75	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	35.50	11,057.10	
Carry forward time (appointment date to SIP 9 period end date)	320.25	108,729.85	

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 and the Insolvency (England and Wales) Rules 2016 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 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. Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Act 1986 (as amended) does so at their own risk.

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.

www.kpmg.com

© 2017 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

For full details of our professional regulation please refer to 'Regulatory Information' at www.kpmg.com/uk

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are registered trademarks or trademarks of KPMG International Cooperative.

LIQ14

Notice of final account prior to dissolution in CVL



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

Kelly Rumsam

Company name

KPMG LLP

Address

Arlington Business Park

Theale

Post town

Reading

County/Region

Berkshire

Postcode

R G 7 4 S D

Country

DX

Telephone

Tel +44 (0) 118 964 2000



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 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.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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