

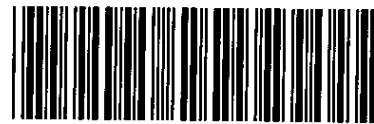
WU07

Notice of progress report in a winding-up by the court



Companies House

THURSDAY



A16 *A6EG0182* 07/09/2017 #167
COMPANIES HOUSE

1 Company details

Company number 7 0 0 3 4 3 3

Company name in full Adonis Hotels Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Finbarr Thomas

Surname O'Connell

3 Liquidator's address

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region

Postcode

Country

4 Liquidator's name ①

Full forename(s) Adam Henry

Surname Stephens

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number 25 Moorgate

Street London

Post town EC2R 6AY

County/Region




Postcode

Country

② Other liquidator
Use this section to tell us about
another liquidator.

WU07

Notice of progress report in a winding-up by the court

6	Period of progress report											
From date	^d	^d	^m	^m	^y	^y	^y	^y				
	2	2	0	7	2	0	1	6				
To date	^d	^d	^m	^m	^y	^y	^y	^y				
	2	1	0	7	2	0	1	7				
7	Progress report											
<input checked="" type="checkbox"/> The progress report is attached												
8	Sign and date											
Liquidator's signature	Signature											
												
												
Signature date	^d	^d	^m	^m	^y	^y	^y	^y				
	0	1	0	9	2	0	1	7				

WU07

Notice of progress report in a winding-up by the court

**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	Jonathan Draper
Company name	Smith & Williamson LLP
Address	25 Moorgate
	London
Post town	EC2R 6AY
County/Region	
Postcode	
Country	
DX	
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 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



Adonis Hotels Limited (in compulsory liquidation)

*Joint liquidators' annual progress report for the period from 22
July 2016 to 21 July 2017*

30 August 2017



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1. Glossary

Abbreviation	Description
the Company	Adonis Hotels Limited
the liquidators/joint liquidators	Finbarr Thomas O'Connell and Adam Henry Stephens
Bergman	Bergman Rubenstein Hotels Limited
Pegasus	Pegasus Hotels Limited
The Courtlands Hotel	The Courtlands Hotel, 19-27 The Drive, Brighton & Hove, East Sussex BN3 3JE
The Imperial Hotel	The Imperial Hotel, First Avenue, Brighton and Hove, East Sussex BN3 2GU
The Langfords Hotel	The Langfords Hotel, 8-16 Third Avenue, Brighton and Hove, East Sussex BN3 2PX
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
HMRC	HM Revenue & Customs

2. Introduction and statutory information

This report provides an update on the progress in the liquidation of the Company for the year ended 21 July 2017. It should be read in conjunction with any previous reports. By way of reminder, we, Finbarr Thomas O'Connell and Adam Henry Stephens, of Smith & Williamson LLP, 25 Moorgate, London, EC2R 6AY, were appointed liquidators of the Company on 22 July 2014 following the presentation of a petition by HMRC for the compulsory winding up of the Company. The winding up order was made on 3 February 2014 under Brighton County Court reference number 98 of 2014.

The trading addresses of the Company were principally located at The Courtlands Hotel, The Imperial Hotel, and The Langfords Hotel and the Company traded under the names of these hotel businesses. According to records provided to the joint liquidators, the Company has also had involvement in certain other hotels, including The Shelleys Hotel in Lewes and The Royal Pavillion Townhouse, in Brighton.

The Company's registered office is 25 Moorgate, London, EC2R 6AY and its registered number is 7003433.

The liquidators were initially appointed as provisional liquidators of the Company on 5 December 2013 pursuant to an application by HMRC.

The liquidation of the Company is linked to the liquidation of Bergman and Pegasus, which entered into liquidation on 16 July 2012 and 2 July 2011, respectively. On 14 February 2013, Finbarr Thomas O'Connell and Adam Henry Stephens were appointed as joint liquidators of Bergman and Pegasus.

No assets have been realised to date. The liquidators are continuing their investigations into possible routes of recovery for creditors. Given this, the payment of any dividend to creditors remains uncertain.

3. Realisation of assets

Attached at Appendix I is our receipts and payments account for the period from 22 July 2016 to 21 July 2017. This account includes cumulative figures for the period from 22 July 2014 to 21 July 2017.

The receipts and payments account also includes a comparison with the Official Receiver's report to creditors.

No assets have been realised to date. Realisations are most likely to flow from investigations. The Joint Liquidators are continuing their investigations into possible routes to recovery, which are summarised at section 4 below.

4. Investigations

4.1 Current status

The joint liquidators have investigated, and continue to investigate, any matters that might lead to recoveries for the estate and any further matters that may be appropriate to report to the Official Receiver. As previously reported, we have received no cooperation from the Company's former management in respect of the liquidators' investigations into the Company's business activities. Therefore, our work has focused on obtaining information from various third parties, such as banks and service providers.

Our investigations involve the Company, Bergman and Pegasus and we are broadly seeking to identify the causes of the insolvency of these companies and whether there was any misconduct on the part of the former management and/or other connected parties which may lead to pursuable asset recoveries. Our investigations are ongoing and therefore we are unable to provide further specific details at this juncture.

4.2 Directors' conduct

As you may be aware, in a compulsory liquidation, the duty to investigate the Company's affairs is the responsibility of the Official Receiver. There is no requirement on the joint liquidators to submit a report or return on the directors' conduct to the Department for Business Innovation and Skills. However, where matters are brought to the joint liquidators' attention, these are reported as appropriate to the Official Receiver for further consideration.

4.3 Current situation

The joint liquidators' investigations are ongoing in this matter.

If creditors believe they have useful information, then they are asked to provide it to us now.

5. Creditors

5.1 Secured creditors

There are no secured creditors.

5.2 Prescribed Part

Insolvency legislation provides for funds to be set aside for the unsecured creditors from any assets subject to a floating charge that was created after 15 September 2003. These funds (the Prescribed Part) are paid to the unsecured creditors and are not available for the chargee, unless the unsecured creditors have been paid in full.

The Company did not grant any floating charges and the Prescribed Part requirements do not therefore apply.

5.3 Preferential creditors

There are no preferential creditors.

5.4 Unsecured creditors

We have received claims totalling £5,708,559.43 from five creditors.

At present realisations are insufficient to declare a dividend to unsecured creditors. We have not therefore taken steps to agree unsecured creditor claims.

6. Liquidators' remuneration

The creditors approved that the basis of the liquidators' remuneration be fixed by reference to the time properly spent by them and their staff in attending to matters arising in the liquidation. This was granted by means of a resolution by correspondence.

The liquidators' time costs are:

Period	Total hours hrs	Total costs £	Average hourly rate £/hr	Fees drawn £
22 July 2014 to 21 July 2015	76.75	26,772.00	348.82	Nil
22 July 2015 to 21 July 2016	25.25	4,604.75	182.37	Nil
22 July 2016 to 21 July 2017	12.30	3,020.50	245.57	Nil
Total	114.30	34,397.25	300.93	Nil

Attached as Appendix II, 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 liquidators and their staff in attending to matters arising in the liquidation. Details of work carried out in the period are also included in the body of this report.

Also attached as Appendix III, is a cumulative time analysis for the period from 22 July 2014 to 21 July 2017 which provides details of the liquidators' time costs since appointment. No funds have been drawn on account of these costs.

The joint liquidators' anticipate the future costs to be in the region of £17,000.00.

A detailed narrative explanation of these costs can be found in the 'Outstanding matters' section of this report.

Please note that this estimate is based on present information and may change due to unforeseen circumstances arising.

On a general note, creditors should be aware that some of the work is required by statute and may not necessarily provide any financial benefit to creditors.

A copy of 'A Creditors' Guide to Liquidators' Fees' is available free of charge upon request or can be downloaded from the ICAEW's website at the following address:

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

It should be noted that, whilst this statement makes reference to the need to provide creditors with a fees and costs estimate in the event that fees are being drawn on a time costs basis, this requirement only applies to appointments on or after 1 October 2015, the date that the Insolvency (Amendment) Rules 2015 took effect. The principles of these rules continue to apply following commencement of The Insolvency (England and Wales) Rules 2016. Prior to 1 October 2015, there was no statutory obligation to produce fees and costs estimates.

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

7. Liquidation expenses

7.1 Subcontractors

There has been no need to instruct any subcontractors in this case.

7.2 Professional advisers

We have not used any professional advisers in this case.

7.3 Liquidators' disbursements

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

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Storage costs	73.92	Nil	182.24
Statutory advertising	Nil	Nil	75.00
Company searches	Nil	Nil	6.00
Travel costs	Nil	Nil	139.20
Land registry searches	Nil	Nil	282.00
Total	73.92	Nil	684.44

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

7.4 Category 2 disbursements

No Category 2 disbursements have been incurred and/or paid in the current period.

7.5 BEIS and Secretary of State charges

All monies received by the liquidators must be paid into the Insolvency Service's Account. This account is held by a division of the Department for Business, Energy & Industrial Strategy ('BEIS') with National Westminster Bank Plc and is under the control of the Secretary of State. This account attracts charges which are deducted at source and apply in all cases.

The current and most recent charges are listed below. Details of previous charges can be found on the Insolvency Service's website.

Fee type	Current fee £
Banking Fee	22.00
BACS Payment	0.15
Cheque Fee	1.10
CHAPS Payment	10.30
Unclaimed Dividend Fee	25.75

Secretary of State fees:

Realisations	Fees applicable for Winding Up Orders between 6 April 2010 to 15 November 2015
Up to £2,500	0%
£2,500.01 to £4,200	100%
£4,200.01 to £5,700	75%
£5,700.01 to £401,700	15%
Charge on further realisations up to £80,000 maximum fees	1%

Details of the various fees and charges levied in this case are contained within the liquidators' receipts and payment account at Appendix I.

7.6 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.

8. Outstanding matters

The remaining actions to be concluded in the liquidation are as follows:

- Finalising our investigations;
- Obtaining tax clearance; and
- Closure of the liquidation, including preparing and issuing the final report.

9. 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 liquidators 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 liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the liquidators, 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 Finbarr Thomas O'Connell or Adam Henry Stephens 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.

10. Next report

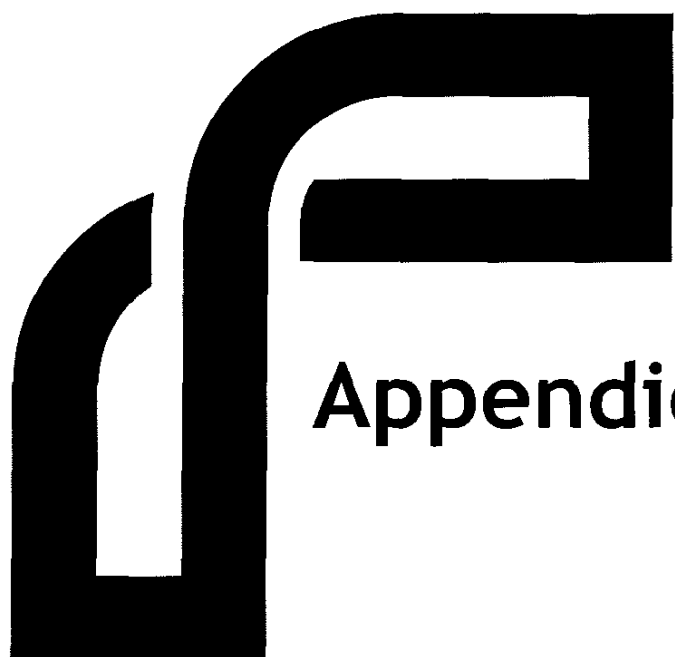
We are required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this, in which case we will write to all creditors and members with our final account.



Finbarr Thomas O'Connell and Adam Henry Stephens

Joint Liquidators

Date: 30 August 2017



Appendices

I Receipts and payments account

Receipts and payments account to 21 July 2017

Adonis Hotels Limited
(In Liquidation)
Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £	From 22/07/2016 To 21/07/2017 £	From 22/07/2014 To 21/07/2017 £
	COST OF REALISATIONS	
	Official Receiver Debit Balance (Net)	1,132.53
	Official Receiver Expenses	43.52
	BEIS Banking Fees	264.00
	(88.00)	(1,440.05)
	UNSECURED CREDITORS	
(49,163.74)	Trade & Expense Creditors	NIL
(2,618,923.00)	Inland Revenue	NIL
	NIL	NIL
<u>(2,668,086.74)</u>	<u>(88.00)</u>	<u>(1,440.05)</u>
	REPRESENTED BY	
	ISA Interest Bearing	(1,440.05)
		<u>(1,440.05)</u>

Notes and further information required by SIP 7

- We have not yet sought approval of or drawn any other costs that would require the same approval as our remuneration.
- No payments have been made to us from outside the estate.
- Details of significant expenses paid are provided in the body of our report.
- Information concerning the liquidators' remuneration and disbursements incurred is provided in the body of our report.
- Information concerning the ability to challenge the liquidators' remuneration and expenses of the liquidation is provided in our report.
- All bank accounts are interest bearing.
- 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.

II Time analysis for the period

From 22 July 2016 to 21 July 2017

Adonis Hotels Limited (In Liquidation)
Breakdown of time spent by Smith & Williamson LLP employees
for the period 22 July 2016 to 21 July 2017

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 & planning								
Case planning, administrative set-up, Appointment notification, Maintenance of records, statutory reporting	0.20	0.00	1.25	6.90	0.00	8.35	£1,803.50	£215.99
Investigations								
SIP2 review, CODA reports, Investigating antecedent transactions	1.20	0.00	2.25	0.00	0.00	3.45	£1,084.50	£314.35
Creditors								
Communication with creditors, Creditors' claims (including employees and other preferential creditors)	0.00	0.00	0.50	0.00	0.00	0.50	£132.50	£265.00
Totals	1.40	0.00	4.00	6.90	0.00	12.30	£3,020.50	£245.57

Explanation of major work activities undertaken

Administration and Planning

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

- Preparing the joint liquidators' progress report
- Dealing with routine correspondence
- Maintaining physical case files and electronics case details on IPS (case management software)
- Case reviews (including 1 month, 3 month, 6 month and annual reviews)
- Case planning and administration

Investigations

The joint liquidators have investigated, and continue to investigate, any matters that might lead to recoveries for the estate and any further matters that may be appropriate to report to the Official Receiver. Given the nature of the joint liquidators' ongoing investigations, I can provide only broad details of our work recorded under the investigation activity code, as follows:

- Conducting further reviews of available books and records and financial information
- Discussions and correspondence with relevant parties

Creditors

The Joint Liquidators are continuing to identify and investigate creditors' claims against the Company. Work recorded under the creditors activity code comprised:

- Providing HMRC with an update on our investigations
- Dealing with ad hoc creditor queries

III Cumulative time analysis

From 22 July 2014 to 21 July 2017

Adonis Hotels Limited (In Liquidation)
Breakdown of time spent by Smith & Williamson LLP employees
for the period 22 July 2014 to 21 July 2017

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 & planning								
Case planning, administrative set-up, Appointment notification, Maintenance of records, statutory reporting	0.20	2.50	1.85	31.25	4.30	40.10	7,336.50	182.96
Investigations								
SIP2 review, CDDA reports, Investigating antecedent transactions	16.70	36.20	12.80	0.00	0.00	65.70	24,397.75	371.35
Creditors								
Communication with creditors, Creditors' claims (including employees and other preferential creditors)	0.40	5.50	0.50	0.50	0.00	6.90	2,395.50	347.17
AML/Compliance	0.00	0.00	0.00	0.00	0.10	0.10	20.00	200.00
Forensics	0.00	0.00	0.00	1.50	0.00	1.50	247.50	165.00
Totals	17.30	44.20	15.15	33.25	4.40	114.30	£34,397.25	£300.94

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

Introduction

Detailed below are:

- Smith & Williamson LLP's policy 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.

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 liquidators' 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 2017.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates	London office £/hr		Regional offices £/hr	
	From 1/7/15	From 1/7/16	From 1/7/15	From 1/7/16
Partner / Director (from 1 January 2016)	425-480	435-485	350	350-375
Associate Director	370	370-380	295-300	295-305
Managers	235-310	235-315	190-290	190-290
Other professional staff	150-235	150-235	120-175	120-175
Support & secretarial staff	85	85-90	60-135	60-135

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2017	London office £/hr		Regional offices £/hr	
Partner / Director	435-500		350-375	
Associate Director	390-410		295-310	
Managers	250-350		190-310	
Other professional staff	160-305		120-180	
Support & secretarial staff	80-170		60-135	

Notes

1. Time is recorded in units representing 3 minutes or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. The cashiering function time is incorporated within "Other professional staff" rates.

www.smithandwilliamson.com

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

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