

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192 of the Insolvency Act 1986

To the Registrar of Companies

Company Number

07705098

Name of Company

Best Loved Hotels (Europe) Ltd

I / We

Mark S Goldstein, Kingswood Court, 1 Hemlock Close, Kingswood, Surrey, KT20 6QW

the liquidator(s) of the company attach a copy of my/our Progress Report under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 30/09/2013 to 29/09/2014

Signed

Date

08/01/2015

Mark Goldstein Associates Limited
Kingswood Court
1 Hemlock Close
Kingswood
Surrey, KT20 6QW

Ref BEST0002/MSG/MDG

FRIDAY



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COMPANIES HOUSE

**Best Loved Hotels (Europe) Ltd
(In Liquidation)
Liquidator's Abstract of Receipts & Payments**

Statement of Affairs	From 30/09/2013 To 29/09/2014
ASSET REALISATIONS	
350 00	Furniture & Equipment NIL
4,000 00	Motor Vehicles NIL
	Book Debts 3,112 06
	Bank Charges Refunded 228 65
3,006 57	Cash at Bank 131 80
31,000 00	Goodwill 10,000 00
	Bank Interest Gross 2 17
	<u>13,474 68</u>
COST OF REALISATIONS	
	Preparation of S of A 4,166 67
	Office Holders Fees 7,887 00
	Office Holders Expenses 565 31
	Accounting Software fees 125 00
	<u>(12,743 98)</u>
PREFERENTIAL CREDITORS	
(5,523 79)	RPO Arrears & Holiday Pay NIL
(2,143 06)	Employee Arrears/Hol Pay NIL
	<u>NIL</u>
UNSECURED CREDITORS	
(63,204 17)	Trade & Expense Creditors NIL
(7,390 17)	Employees NIL
(34,816 71)	RPO Redundancy & PILON NIL
(37,750 00)	Directors Loans NIL
(91,728 34)	HM Revenue & Customs - PAYE & NI NIL
(13,988 41)	HM Revenue & Customs - VAT NIL
	<u>NIL</u>
DISTRIBUTIONS	
(1 00)	Ordinary Shareholders NIL
	<u>NIL</u>
<u>(218,189.08)</u>	<u>730.70</u>
REPRESENTED BY	
	VAT Receivable 674 03
	Bank 1 Current 56 67
	<u>730.70</u>



Mark S Goldstein
Liquidator

Best Loved Hotels (Europe) Ltd
Liquidator's Annual Report to Members and Creditors
For the year ending 29th September 2014

STATUTORY INFORMATION

Company name Best Loved Hotels (Europe) Ltd

Registered office Kingswood Court, 1 Hemlock Close, Kingswood, Surrey, KT20 6QW

Former registered office Curzon House, 64 Clifton Street, London EC2A 4HB

Registered number 07705098

Liquidator's name Mark S Goldstein

Liquidator's address Mark Goldstein Associates Ltd Kingswood Court, 1 Hemlock Close,
Kingswood, Surrey, KT20 6QW

Liquidator's date of appointment 30th September 2013

LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

There are two significant events to remind creditors of that were instigated immediately before my appointment as liquidator

Mr Tobias, the Company's director, instructed independent valuation agents SIA Group (UK) Ltd to undertake a valuation of the Company's business and assets to establish if it was possible to sell the business and assets as a going concern before the Company went into Liquidation. On 2 September 2013, HMRC presented a petition to the Court for the Company to be compulsorily wound up. Terms were agreed with HMRC that enabled the Company to convene the statutory meetings of shareholders and creditors to enter into voluntary liquidation rather than being compulsorily wound up.

A sale could not be achieved prior to my appointment and therefore my agents and I made further attempts to quickly find a buyer of the business as a going concern. Various parties expressed an interest but in the event only two actually lodged an offer, one of whom was the director Mr Tobias. As the two offers were reasonably close to one another my agents arranged for final sealed bids to be lodged within a prescribed timescale. This resulted in Mr Tobias making the highest (conditional) bid to buy the business, motor vehicle and goodwill, which included the web site content, intellectual property rights and the use of the name *Best Loved Hotels* and also taking responsibility for the staff and their contracts of employment. My agents recommended that the offer should be accepted as it was the highest and there was to be a speedy completion to ensure continuity of the business and thus minimising the risk of claims for refunds from the majority of the customer base who had pre-paid for the Company's services. In addition, it also meant that there would not be claims from the employees for arrears of wages, accrued holiday pay, redundancy entitlements and payments in lieu of notice that in aggregate are in the order of £50,000. Mr Tobias used a corporate vehicle for the acquisition named Best Vision Hotels Ltd.

The purchase price accepted was for the sum of £35,000 with deferred equal instalments over a period of four months. In the event, however, as at the anniversary date of my appointment £30,000 of the £35,000 due has been collected in by my agents. Best Vision Hotels Ltd kept in regular contact with my agents and I to explain their difficulties of repayment throughout the year, but whenever extended terms were agreed they adhered to their word, although as you will appreciate regularly requesting revised terms of credit throughout this period. I am hopeful the balance will be collected in the early part of the new year.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 30th September 2013 to 29th September is attached at Appendix 1

ASSETS

Goodwill The summary of receipts and payments only reflects a realisation of £10,000 for goodwill following the sale of the business, a balance of £20,000 is held by my agents on their client account They are under instruction to collect the balance of £5,000.

Motor Vehicle This was sold with the business and its value is partly attributable to the sale balance of £5,000 still to collect

Debtors No provision for debtors was made on the Statement of Affairs, but on further enquiry two accounts were found to still be outstanding, one of which was in the ROI That was collected after solicitors were instructed to issue proceedings but the one remaining account on the main land remains in dispute Additionally the Company was due commission for energy contracts sold

LIABILITIES

Secured Liabilities

An examination of the company's mortgage register held by the Registrar of Companies, showed that the company has not granted any debentures

Preferential Creditors

The statement of affairs anticipated £7,650 in preferential creditors These claims from the former employees will not now rank as the purchaser agreed to absorb the employees' contractual entitlements

The legislation requires that if the company has created a floating charge after 15 September 2003, a prescribed part of the company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors In this case there were no secured creditors and accordingly the prescribed part provisions do not apply.

Unsecured Creditors

The statement of affairs included fifteen unsecured creditors with an estimated total liability of £256,545, which included a provision for the claims of employees arising in the event the business could not be sold as a going concern As explained above, those claims of approximately £50,000 will not rank for dividend I have received claims from six creditors at a total of £214,606 This figure includes HMRC's final claim of £122,870 for both VAT and PAYE/NIC and a disputed claim some £30,600. To date I have not received claims from four creditors with original estimated claims in the statement of affairs of £69,430.90, including the loan account of the director Mr Tobias

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. There were no matters that justified further investigation in the circumstances of this appointment

Within six months of my appointment as liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which

may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of the company I would confirm that my report has been submitted.

PRE-APPOINTMENT REMUNERATION

The board previously authorised the payment of a fee of £5,000 for assistance with preparing the statement of affairs, producing and circulating the notices for the meetings of members and creditors and prior to my appointment at a meeting held 5th August 2013. In addition the board also authorised a fee of £1,500 for assisting the director with regard to

- the negotiations for the sale of the business as a going concern pre-liquidation,
- instructing and liaising with independent external valuation agents,
- consideration of the advice and conclusions of the agent, and
- advising on all issues arising from a potential sale arising pre-liquidation

The majority of this fee was paid from first realisations on appointment and is shown in the enclosed receipts and payments account

LIQUIDATOR'S REMUNERATION

My remuneration was previously authorised by creditors at a meeting held on 30th September 2013 to be drawn on a time cost basis. My total time costs to 29th September 2014 amount to £ 7,887.00 and a schedule of my time costs incurred is attached as Appendix 2

A description of the routine work undertaken in the liquidation to date is as follows

- 1 Administration and Planning
 - Preparing the documentation and dealing with the formalities of appointment
 - Statutory notifications and advertising
 - Preparing documentation required
 - Dealing with all routine correspondence
 - Maintaining physical case files and electronic case details on IPS.
 - Review and storage
 - Case bordereau
 - Case planning and administration
 - Preparing reports to members and creditors.
 - Convening and holding meetings of members and creditors
- 2 Cashiering
 - Maintaining and managing the liquidator's cashbook and bank account
 - Ensuring statutory lodgements and tax lodgement obligations are met
- 3 Creditors
 - Dealing with creditor correspondence and telephone conversations
 - Preparing reports to creditors
 - Maintaining creditor information on IPS
 - Reviewing and adjudicating on proofs of debt received from creditors
- 4 Investigations
 - Review and storage of books and records
 - Prepare a return pursuant to the Company Directors Disqualification Act
 - Conduct investigations into suspicious transactions.
 - Review books and records to identify any transactions or actions a liquidator may take against a third party in order to recover funds for the benefit of creditors

5 Realisation of Assets

- Corresponding with debtors and attempting to collect outstanding book debts
- Liaising with the company's bank regarding the closure of the account
- Liaising with and instructing agents on a sale of the Company's business and assets as a going concern

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals, together with an explanatory note which shows Mark Goldstem Associates Limited's fee policy are available upon request from the address below

LIQUIDATOR'S EXPENSES

My expenses to 29th September 2014 amount to £565 31, the details of which are included in appendix 2

The following agents or professional advisors have been utilised in this matter

Professional Advisor	Nature of Work	Fee Arrangement
SIA Group (UK) Ltd	Valuer/Auctioneer	Percentage of realisations, plus Time costs for clearing the offices
Charles B W Boyle & Son	Solicitors	Percentage of realisation

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case

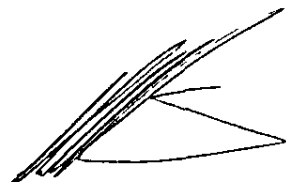
DIVIDEND PROSPECTS

A dividend to ordinary non-preferential unsecured creditors is anticipated but until all the claims have been received and the adjudicated upon, the timing and the quantum of any dividend cannot yet be ascertained. I therefore take this opportunity to invite those creditors who have yet to claim to please do so now

SUMMARY

The liquidation will remain open until the agreement of claims is complete. Once that has been dealt with the liquidation will be finalised and our files will be closed

Should you have any queries regarding this matter please contact Michael Giles on 01737 830763.



Mark S Goldstem
Liquidator

**Best Loved Hotels (Europe) Ltd
(In Liquidation)**

**Liquidator's Abstract Of Receipts And Payments
To 29 September 2014**

RECEIPTS	Statement of Affairs (£)	Total (£)
Furniture & Equipment	350 00	0 00
Motor Vehicles	4,000 00	0 00
Book Debts		3,112 06
Bank Charges Refunded		228 65
Cash at Bank	3,006 57	131 80
Goodwill	31,000 00	10,000 00
Bank Interest Gross		2 17
		<hr/> 13,474 68 <hr/>
 PAYMENTS		
Preparation of S of A		4,166 67
Office Holders Fees		7,887 00
Office Holders Expenses		565 31
Accounting Software fees		125 00
RPO Arrears & Holiday Pay	(5,523 79)	0 00
Employee Arrears/Hol Pay	(2,143 06)	0 00
Trade & Expense Creditors	(63,204 17)	0 00
Employees	(7,390 17)	0 00
RPO Redundancy & PILON	(34,816 71)	0 00
Directors Loans	(37,750 00)	0 00
HM Revenue & Customs - PAYE & NIC	(91,728 34)	0 00
HM Revenue & Customs - VAT	(13,988 41)	0 00
Ordinary Shareholders	(1 00)	0 00
		<hr/> 12,743 98 <hr/>
 Net Receipts/(Payments)		 <hr/> 730 70 <hr/>
 MADE UP AS FOLLOWS		
Bank 1 Current		56 67
VAT Receivable / (Payable)		674 03
		<hr/> 730 70 <hr/>

Schedule of time costs to 29th September 2014

Classification of work function	Office Holder	Snr Support Staff	Jnr Support Staff	Total Hours	Time Cost £
Statutory regulatory & planning	2.00	4.50	0.00	6.50	1,270.00
Dealing with realisation of assets	15.23	0.00	0.00	15.23	3,503.59
Communications with directors	1.40	0.00	0.00	1.40	322.00
Debtor collections	4.50	0.00	0.00	4.50	1,035.00
General correspondence	4.90	0.00	7.87	12.77	1,756.28
Total	28.03	4.50	7.87	40.40	£7,886.87

Category 1 disbursements analysis

Disbursement	
Company Search	£15.00
Printing Circulars	£51.78
Travel	£28.70
Statutory Advertising	£169.83
Specific Bond	£300.00
Total	£565.31

The average hourly charge out rates, excluding VAT, were

Office holder	£230
Senior support staff	£180
Junior Support Staff.	£80