

In accordance with
Rule 18.6 of the
Insolvency (England &
Wales) Rules 2016.

AM10

Notice of administrator's progress report



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1

Company details

Company number	0	2	3	4	9	7	5	4
Company name in full	Cordserve Limited							

→ Filling in this form

Please complete in typescript or in bold black capitals.

2

Administrator's name

Full forename(s)	John Dean
Surname	Cullen

3

Administrator's address

Building name/number	2 Sovereign Quay							
Street	Havannah Street							
Post town	Cardiff							
County/Region								
Postcode	C	F	1	0		5	S	F
Country								

4

Administrator's name ❶

Full forename(s)	Bethan Louise
Surname	Evans

❶ Other administrator

Use this section to tell us about another administrator.

5

Administrator's address ❷

Building name/number	2 Sovereign Quay							
Street	Havannah Street							
Post town	Cardiff							
County/Region								
Postcode	C	F	1	0		5	S	F
Country								

❷ Other administrator

Use this section to tell us about another administrator.

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Notice of administrator's progress report

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Period of progress report

From date	<div><div>d</div><div>2</div></div>	<div><div>d</div><div>1</div></div>	<div><div>m</div><div>1</div></div>	<div><div>m</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	
To date	<div><div>d</div><div>2</div></div>	<div><div>d</div><div>0</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>4</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>1</div></div>	


7

Progress report

☒ I attach a copy of the progress report

8

Sign and date

Administrator's signature	<div>Signature</div> <div><div>X</div><div></div><div><div>X</div></div></div>								
Signature date	<div><div>d</div><div>1</div></div>	<div><div>d</div><div>2</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>5</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>1</div></div>	

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Notice of administrator's progress report

**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 **Ryan Spinks**Company name **Menzies LLP**Address **Lynton House****7 - 12 Tavistock Square**Post town **London**

County/Region

Postcode

W C 1 H 9 L T

Country

DX

Telephone

020 7387 5868**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

CORDSERVE LIMITED (T/A ATLANTIC HOTEL) - **IN ADMINISTRATION** (“THE COMPANY”)

BUSINESS & PROPERTY COURTS OF ENGLAND & WALES
CARDIFF DISTRICT REGISTRY NO: 000033 OF 2020

JOINT ADMINISTRATORS’ SIX MONTH PROGRESS REPORT TO CREDITORS

FOR THE PERIOD 21 OCTOBER 2020 TO 20 APRIL 2021

DATED: 18 MAY 2021

Joint Administrators' names:	John Dean Cullen and Bethan Louise Evans
Joint Administrators' address:	Menzies LLP, Sovereign Quay, 2 Havannah Street, Cardiff, CF10 5SF
Joint Administrators' date of appointment:	21 October 2020
Functions of Administrators:	In accordance with Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, the functions of the Joint Administrators are being exercised by either of them
Appointed by:	The directors of the Company pursuant to Paragraph 22 of Schedule B1 of the Insolvency Act 1986
Details of any extension to initial period of appointment:	N/A
Report period to:	20 April 2021
Contact details of the Joint Administrators:	Contact: Ryan Spinks Email: rspinks@menzies.co.uk Tel: +44 (0)207 465 1974

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ABBREVIATIONS / DEFINITIONS

Abbreviation or definition	Meaning
“Act”	The Insolvency Act 1986 (as amended)
“Assetz”	Assetz Capital
“DLA”	Directors Loan Account
“HMRC”	HM Revenue & Customs
“Joint Administrators”	John Dean Cullen and Bethan Louise Evans
“LSH”	Lambert Smith Hampton
“m”	Million
“Proposals”	Joint Administrators’ Statement of Proposals dated 5 November 2020
“Purchaser”	Booth Atlantic Limited
“Reporting Period”	21 October 2020 to 20 April 2021
“Rules”	The Insolvency (England & Wales) Rules 2016
“Schedule”	Schedule B1 of the Insolvency Act 1986
“SIP2”	Statement of Insolvency Practice 2
“SIP16”	Statement of Insolvency Practice 16
“TUPE”	Transfer of Undertakings (Protection of Employment) Regulations 2006

1 INTRODUCTION AND EXECUTIVE SUMMARY

- 1.1 The Company was incorporated on 20 February 1989 and operated as a hotel in the seaside town of Porthcawl in Wales. The directors resolved on 21 October 2020 to appoint Bethan Louise Evans and I as Joint Administrators. The notice of appointment was lodged at Court on 21 October 2021 and we were duly appointed.
- 1.2 In accordance with the Rule 18.6 of the Rules, I now report on the progress made in the Administration during the Reporting Period.
- 1.3 This report should be read in conjunction with the Joint Administrators' SIP16 memorandum, which was circulated to creditors on 27 October 2020, as well as the Joint Administrators' Proposals. In the Proposals, the Joint Administrators were of the opinion that the objective in accordance with Paragraph 3(1)(b) of the Schedule, *'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'*, would be viable.
- 1.4 The Joint Administrators remain of the opinion that this objective will be achieved as a result of facilitating a pre-pack sale of the business to the Purchaser in order to achieve greater realisations. This will also create a better return for creditors than if the Company had been placed into Liquidation.
- 1.5 The Proposals were approved by creditors by way of decision by correspondence on 24 November 2020. A copy of the Proposals is attached at Appendix V.
- 1.6 Based on current estimates, it is not anticipated that there will be a distribution to the unsecured creditors. Please see section 7 for more details.
- 1.7 Statutory information about the Company, the Administration and the officeholders is given at Appendix 1.

2 PROGRESS / ASSET REALISATIONS

- 2.1 The manner in which the affairs of the Company have been managed since the appointment of Joint Administrators and how they will continue to be managed is set out below.
- 2.2 My receipts and payments account for the Reporting Period, which I have reconciled to the financial records that I am required to maintain, is attached at Appendix 2. All receipts and payments are shown net of VAT.

Pre-packaged sale

- 2.3 As advised in my Proposals, after exploring all routes to solve the Company's financial difficulties, it was agreed that the most appropriate way forward would be to sell the Company as a pre-packaged sale to maximise realisations. To assist with the sale, LSH, a registered valuer, were formally engaged to provide a valuation report on a market value as a going concern (in situ) and market value on a breakup (ex situ) basis. LSH were also tasked with marketing the sale process and a through marketing strategy was undertaken.
- 2.4 Prior to any inspection by the interested parties, various offers were received which ranged from £200,000 to £1.1m. The highest offer received subsequently fell away and LSH recommended that the offer from the Purchaser of £956,577 be accepted.

- 2.5 The offer from the Purchaser was therefore accepted and detailed below is a schedule of the consideration:

£100,000	Satisfied by assignment of debt
£790,000	Paid in full on completion of sale, of this: £750,000 was paid to Assetz as formally agreed £40,000 held in a client account with Capital Law
£66,577.47	Deferred consideration Of this: £35,000.00 would be paid within 60 days of 21 October 2020 £31,577.47 to be paid in 12 instalments over 12 months. This is remaining amount owing to Assetz in accordance with their redemption statement. These funds will be ringfenced in a designated fixed charged bank account in the Administration.
Total: £956,577.47	

- 2.6 I continue to receive the agreed deferred consideration on a monthly basis which is subsequently transferred to Assetz. Due to the timing of this report, the receipts and payments account shows a balance at bank. I can confirm that the payment to Assetz was made shortly after the Reporting Period.

- 2.7 As advised in my Proposals, the deferred consideration has been secured by personal guarantee from the Company's director, Philip Booth.

Bank interest

- 2.8 During the Reporting Period I have received nominal bank interest.

Other assets

- 2.9 I am not aware of any other assets owned by the Company. If creditors are aware of any other assets of the Company, please contact Ryan Spinks on +44 (0)207 465 1974 or email rspinks@menzies.co.uk.

3 LIABILITIES, DIVIDEND PROSPECTS AND ALLOCATION OF COSTS

Liabilities

- 3.1 I will deal with the Company's creditors in order of priority.

Secured creditors

- 3.2 As advised in my Proposals, the Company had fixed and floating charges in favour of Assetz and a legal charge in favour of Richard James Guy (subsequently transferred on agreement to Booth Group Leisure and Hospitality Limited) on 10 August 2020.

- 3.4 The legal advice obtained suggested that security granted by the Company is valid. However, all charges against the Company have been released.

Preferential creditors

- 3.5 As the Company's employees were adopted by the Purchaser under TUPE as part of the pre-pack sale, there are no preferential creditors.

Non-preferential unsecured creditors

- 3.6 As at the date of my appointment, unsecured creditors were estimated to total £954,189. I have received seven unsecured claims totalling £155,069. I have not received claims from 35 creditors with original estimated claims in the statement of affairs of £799,120.

Dividend prospects and allocation of costs

Unsecured creditors

- 3.7 After taking into account the costs of the Administration and the level of realisations, there is not expected to be any return to the unsecured creditors.

4 INVESTIGATIONS

- 4.1 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, considering potential recoveries and potential costs involved.
- 4.2 There were no matters that justified further investigation in the circumstances of this appointment.
- 4.3 I am obliged to investigate the Company's financial affairs and submit a report to the Secretary of State in accordance with Section 7(3) of the Company Directors Disqualification Act 1986. A report on the directors' conduct has been filed, the content of which is confidential and cannot be disclosed to creditors.

5 PRE-ADMINISTRATION COSTS

- 5.1 The Board of Directors instructed Menzies LLP on 19 February 2019 to assist with placing the Company into Administration. The directors agreed that Menzies LLP should be paid pre-administration costs on a fixed fee basis of £25,000 plus VAT.
- 5.2 My firm actually incurred total pre-appointment time costs of £35,649 plus VAT. Prior to the Administration the Company paid Menzies LLP £7,500 plus VAT and the balance of £28,149 plus VAT was paid from post appointment realisations as detailed on my receipts and payments account at Appendix 2.
- 5.3 On 24 November 2020, my pre-appointment fees above and pre-administration costs detailed below were approved by the creditors by way of a decision by correspondence.
- 5.4 The following table summarises the pre-administration costs incurred which have now been paid and those which remain outstanding:

Supplier	Incurred (£)	Paid (£)	Outstanding (£)
Menzies LLP	35,649.00	35,649.00	NIL
LSH	6,350.00	6,350.00	NIL
Capital Law	15,547.00	15,547.00	NIL
Total	55,976.00	55,976.00	NIL

- 5.5 Capital Law's pre-appointment costs totalled £15,547 comprising £1,570 already held in their client account from the transaction as detailed at section 2 and £13,977 paid from realisations as per the receipts and payments account at Appendix 2.

6 JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

Joint Administrators' remuneration

- 6.1 The Joint Administrators' remuneration was fixed by reference to the time properly spent by the Joint

Administrators and their staff in attending to matters arising in the Administration, based on a fee estimate of £40,095 plus VAT. An initial fee estimate was included in the Proposals. The fee estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the secured creditor.

- 6.2 My total time costs for the Reporting Period amount to £64,388, representing 235 of hours work at a blended charge out rate of £275 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £306 in my fees estimate. There is a difference in the blended rate charged, compared with the estimated blended rate due to less time be spent by a lower grade of staff working on the case than originally anticipated.
- 6.3 During the Reporting Period I have drawn time costs £20,000 plus VAT of which £17,429 plus VAT has been paid as detailed on the receipts and payments account at Appendix 2. The balance will be paid following receipt of a VAT refund from HMRC.
- 6.4 I attach at Appendix 3, a breakdown of these time costs by work category and staff grade, together with a narrative explanation of work done during the Reporting Period.
- 6.5 Given the size and technical nature of the Administration, much of the work described in the sections above was undertaken by me, a manager and an administrator. Additional assistance was provided by cashiers dealing with banking and statutory duties, and administrators offering various support services. All time spent on administering various duties was charged directly to the case in 6-minute units.
- 6.6 As at the end of the Reporting Period, the total time costs that I have incurred in the Administration have exceeded the total estimated remuneration which was set out in my fees estimate, when my remuneration was authorised by the creditors. Please see Appendix 4 which details the actual time costs incurred as compared to the fee estimate provided to creditors in the Proposals dated 5 November 2020. As you will see, the time costs incurred has been exceeded by £24,293.
- 6.7 The reasons for exceeding the fee estimate are:
- Dealing with the Company's pension scheme which has taken longer than anticipated;
 - Considerable additional time liaising with the Company's director regarding the payments of deferred consideration and reporting to Assetz;
 - Difficulties in obtaining the Company's historical bank statements from the bank and
 - Corresponding with HMRC in respect of the delays with deregistering the Company for VAT.
- 6.8 Currently I do not intend to draw remuneration more than my fees estimate and so will not be seeking a decision to increase my fees estimate. However, should any unforeseen matters arise where I may need to increase my fee estimate, I will write to creditors accordingly.
- 6.9 A creditors' guide to fees charged by an Administrator is available via the following link: <http://www.menzies.co.uk/helping-you/business-recovery/fees-guide/>. There are different versions available, please refer to the September 2015 version which you can find under the heading "Appointments made after September 2015". Alternatively, you can obtain a hard copy free of charge by contacting Ryan Spinks. Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.

Expenses

- 6.10 Appendix 5 details Menzies LLP's expenses recovery policy which provides an explanation of the categories of expenses which may be drawn from the Administration without creditor approval and those which require creditor approval. The creditors approved payments to Menzies LLP in respect of the pre and post appointment time costs.

6.11 I have incurred total expenses of £322 in the Reporting Period of which £202 has been paid.

Details of expense	Amount incurred during the Reporting Period (£)	Amount paid in the Reporting Period (£)	Amount outstanding (£)
Specific penalty bonding	120.00	Nil	£120.00
Statutory advertising	89.95	89.95	Nil
Insurance of assets	112.00	112.00	Nil
Total:	321.95	201.95	120.00

6.12 I have engaged and used the following professional advisors in the Reporting Period:

Professional advisor	Nature of work	Basis of fees
Clumber Consultancy	ERA work	Fixed cost of £500 plus VAT
Clumber Consultancy		

6.13 Due to its specialised nature, I sub-contracted some of the work we are required to undertake as Joint Administrators, namely Employment Rights Act work (i.e. calculation of any occupational pension claims), as well as dealing with any issues arising from the occupational pension scheme ran by the Company (i.e. liaison with the Pension Regulator, the Pension Protection Fund and the pension providers). I sub-contracted this work to Clumber Consultancy, who are not associated with either of the Joint Administrators, and are satisfied that taking this approach ensured that the best value and service was provided to creditors, because they are specialists in this type of work and, because their agreed fees were cheaper than doing it in house. Clumber Consultancy have charged £500 plus VAT for undertaking that work which remains outstanding. Whilst further work is expected to be completed by Clumber, no further costs are expected to be incurred.

6.14 Appendix 6 details the expenses I estimated that I would incur in this matter when my remuneration was authorised by the creditors and compares them with those incurred and drawn in the Reporting Period

6.15 As at the end of the Reporting Period, the expenses I have incurred in this matter have not exceed the total expenses I estimated I would incur when my remuneration was authorised by the creditors.

6.16 Based on our knowledge of the case to date, we do not anticipate being able to draw our time costs and expenses in full. As a result, it is not anticipated that there will be a return to unsecured creditors.

7 EXTENSION OF THE ADMINISTRATION

7.1 In accordance with Paragraph 76(1) of Schedule B1 of the Act, the appointment of an Administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect. Accordingly, my appointment will end on 20 October 2021, unless steps are taken to extend the Administration, pursuant to Paragraph 76(2) of Schedule B1 of the Act.

8 EXIT ROUTE OF THE ADMINISTRATION

8.1 The Proposals provided reasons in respect of the chosen exit route of the Administration. The current position indicates that the likely exit route of the Administration will be by filing a notice to move from Administration to dissolution at Companies House. Should this position change, creditors will be made aware in the next progress report.

9 CREDITORS' RIGHTS

Creditors' right to request information

- 9.1 Any secured creditor, or an unsecured creditor may, with the support of at least 5% in value of unsecured creditors or with the leave of court, may (in writing) request me to provide additional information regarding remuneration or expenses already supplied within this report. In accordance with Rule 18.9(2) of the Rules, such a request or application for leave must be made within 21 days of receipt of this report.

Creditors' right to challenge remuneration and/or expenses

- 9.2 Any secured creditors, or an unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the court, may apply to court for one or more orders under Rules 18.36(4) or 18.37(4) of the Rules to challenge the amount and/or basis of the Administrator's fees and the amount of any proposed expenses or expenses already incurred. In accordance with Rule 18.34(3) of the Rules, such applications must be made within 8 weeks of receipt of this report.

10 FURTHER INFORMATION

- 10.1 The Joint Administrators are data controllers of personal data as defined by the relevant provisions of the applicable data protection legislation. Menzies LLP will act as a data processor on their instructions. Personal data will be kept secure and processed only for matters relating to the insolvency appointment. Full details of our privacy notice are at the following link: <https://www.menzies.co.uk/legal/>.
- 10.2 To comply with the Provision of Services Regulations, some general information about Menzies LLP, including about our complaints policy and Professional Indemnity Insurance, can be found at <https://www.menzies.co.uk/legal/> and <https://www.menzies.co.uk/helping-you/business-recovery/making-a-complaint/>.

11 CONCLUSION

- 11.1 The Administration will remain open until the Joint Administrators have received and transferred the outstanding funds to Assetz in respect of the deferred consideration.
- 11.2 In this regard, I anticipate the Administration will remain open for at least an additional six months. If deemed necessary to finalise matters the appropriate steps will be taken to extend the automatic end date of 20 October 2021.
- 11.3 If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available on-line, they should contact Ryan Spinks by email at rspinks@menzies.co.uk or by phone on +44 (0)20 465 1974.



John Dean Cullen
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

APPENDIX 1

STATUTORY INFORMATION

Company name: Cordserve Limited

Trading names: Atlantic Hotel

Company number: 02349754

Court reference: 000033 of 2020

Date of incorporation: 20 February 1989

Trading address: Atlantic Hotel, West Drive, Porthcawl, CF36 3LT

Current registered office: c/o Menzies LLP, Sovereign Quay, 2 Havannah Street, Cardiff, CF10 5SF

Former registered office: Atlantic Hotel, West Drive, Porthcawl, CF36 3LT

Principal trading activity: Hotel

Directors:

Name:	Start date:	End date:
Philip Booth	20 February 2020	Active
Veronica Booth	29 November 2004	Active

Company secretary: Veronica Booth 29 November 2004 Active

Share capital: The Company's share capital is as follows:

	Per the management accounts as £1 each
Ordinary shares	2
Preferential shares	-
Total shares	2

These shares are held by Booth Atlantic Limited which is incorporated in England & Wales. The beneficial owner is Philip Booth.

Charges:	Beneficiary	Type of charge	Date created	Assets secured
	Assetz Capital Trust	Fixed and floating charge	12 March 2019	Property
	Company Limited			

APPENDIX 2

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD 21 OCTOBER 2020 TO 20 APRIL 2021

**~~Cordserve~~ Limited Trading As: Atlantic Hotel
(In Administration)
Joint Administrators' Summary of Receipts and Payments
To 20 April 2021**

RECEIPTS	Statement of Affairs (£)	Total (£)
Deferred consideration		15,786.24
Sale of property	881,572.47	849,995.00
Goodwill	1.00	1.00
Sellers records	1.00	1.00
Stock	1.00	1.00
Business contracts	1.00	1.00
Fixtures and fittings	75,000.00	75,000.00
Business IPR	1.00	1.00
Cash at Bank	53.83	0.00
Bank Interest Gross		0.61
		940,786.85
PAYMENTS		
Payments to Assetz		13,155.20
Joint Administrators' pre-appt fee		28,149.00
Administrator's Fees		17,429.12
Valuers Fees		2,500.00
Legal Fees		13,977.00
Statutory Advertising		89.95
Insurance of Assets		112.00
Assignment of Richard Guy Charge		100,000.00
Repayment - Assetz on completion of sale		750,000.00
Trade & Expense Creditors	(254,970.34)	0.00
Intercompany balances	(463,357.45)	0.00
HM Revenue and Customs - PAYE & NIC	(121,531.32)	0.00
HM Revenue and Customs - VAT	(114,330.09)	0.00
		925,412.27
Net Receipts/(Payments)		15,374.58

MADE UP AS FOLLOWS

Barclays Bank	2,631.57
VAT Receivable / (Payable)	12,743.01
	15,374.58

Notes to receipts and payment account

1. Funds are held in interest-bearing bank accounts.
2. As per the Joint Administrators' Proposals the sale price was £881,572.47, the difference being the remaining deferred consideration to be collected.
3. As advised in my progress report, the second charge to Richard Guy was assigned to Booth Group Leisure and Hospitality Limited on 10 August 2020.
4. The payment of deferred consideration for April to Assetz fell outside of the Reporting Period.
5. The Joint Administrators' pre-appointment fee was approved by creditors on 24 November 2020.
6. Costs above are net of VAT.

APPENDIX 3

JOINT ADMINISTRATORS' TIME COSTS FOR THE REPORTING PERIOD

CORDSERVE LIMITED (T/A ATLANTIC HOUSE) - IN ADMINISTRATION

TIME CHARGE OUT SUMMARY FOR THE PERIOD FROM 21.10.2020 - 20.04.2021

Classification of work function	HOURS					Total hours	Blended hourly rate	Time costs
	Partner / Director	Manager	Senior	Administrator	Support			
							£	£
Brought forward from 21.10.2020						-	-	-
Administration and planning	17.70	106.10	0.20	45.00	4.10	173.10	276.58	47,876.80
Realisation of assets	5.10	1.60	-	-	-	6.70	435.60	2,918.50
Creditors	3.40	16.10	-	8.20	-	27.70	281.77	7,805.00
Investigations	1.10	7.60	-	18.30	-	27.00	214.37	5,788.00
Total hours	27.30	131.40	0.20	71.50	4.10	234.50	274.58	
Total costs	12,957.50	37,344.00	46.00	13,220.80	820.00	64,388.30		64,388.30
Total carried forward						234.50	274.58	64,388.30
Fees drawn in the Reporting Period:								
20.04.2021								20,000.00
Total fees drawn to date:								20,000.00
Balance of time costs accrued but unpaid								44,388.30

CHARGE OUT RATES OF INSOLVENCY TEAM MEMBERS		
	From 1 October 2020	1 Oct 2019 to 30 Sept 2020
	£ per hour	£ per hour
Partner/Director	425-525	400-525
Manager	260-360	260-350
Senior	230-250	230-250
Administrator	100-200	100-205
Support Staff	100	100-135
Note 1 There may have been a number of promotions through the various grades during the period of the administration. Note 2 Overhead costs are reflected in the charge out rates detailed. Note 3 The charge-out rate of the Insolvency Practitioner for this assignment is currently £475 per hour, manager is £260 and the administrator is £170 per hour. Note 4 Time is recorded in minimum units of 6 minutes. Note 5 In line with many professional service firms, our scale rates may rise to cover inflationary cost increases. Note 6 The time costs above are net of VAT.		

APPENDIX 3A

JOINT ADMINISTRATORS' NARRATIVE OF WORK UNDERTAKEN IN THE REPORTING PERIOD

A description of the work undertaken since my appointment as Joint Administrator is as follows:

1 Administration and planning

There are certain aspects of the case that are required by statute and for the efficient running of the case. They are not expected to provide a direct quantifiable benefit to creditors; however, without them, other aspects of the case which do provide a quantifiable benefit to creditors would be less efficient. They include:

- The maintenance of physical case files and electronic case management information.
- Periodic review of files.
- Strategic case planning and the routine administration of the case; and
- Preparation of documentation and reports, dealing with correspondence and statutory advertising.

During the Reporting Period, the following work was undertaken:

Administration

- Completion of formalities of the appointment, including statutory notifications to the Registrar of Companies, HMRC, charge holders, bank, creditors, shareholders and directors.
- Periodic file review including an initial one-month review.
- Completion of case checklists.
- Strategy meetings with the Joint Administrators.
- Reviewing adequacy of the specific penalty bond on a quarterly basis.
- Corresponding with the Company's director regarding matters pertaining to the case; and
- Ensuring compliance with Menzies LLP's anti-money laundering procedures and insolvency code of ethics.

Cashiering

- Setting up an estate bank accounts.
- Lodging receipts including funds from the Purchaser in respect of the deferred consideration to Assetz.
- Preparing and processing invoices for payment.
- Reconciling the bank accounts and producing the receipts and payments accounts.
- Arranging the specific penalty bonding.
- Preparation and submission of VAT forms to HMRC to deregister the Company for VAT.
- Liaising with HMRC as to the possible timing of deregistration for VAT.

2 Asset realisations

Net asset realisations provide the financial benefit to creditors and their quantum directly contributes to any dividend ultimately available to creditors.

- Liaising with the Purchaser regarding the deferred consideration; and
- Providing periodic updates to Assetz in respect of the payments.

3 Investigations

Complying with statutory requirements will not necessarily produce a financial benefit to creditors but may identify potential avenues which could lead to a recovery for the benefit of creditors.

Directors' conduct report

It is a statutory requirement that the office holder prepares a report on the conduct of each person who was a

director of the company within the three years prior to the failure of the company.

- Work undertaken includes the time spent in reviewing the company records, including the Company's bank statements for the 12 months prior to my appointment to identify possible breaches of the legislation and considering any concerns raised by creditors.

4 Creditors (claims and distribution)

Time spent in this category included the following:

- Dealing with routine correspondence and queries and taking telephone calls from creditors.
- Maintaining creditor information on the electronic case management files as well as the physical case files.
- Liaising with Assetz regarding the ongoing deferred sales consideration payments; and
- Liaising with Clumber Consultancy in respect of the Company pension scheme.

APPENDIX 4

JOINT ADMINISTRATORS' COMPARISON OF ORIGINAL FEE ESTIMATE AND ACTUAL TIME COSTS INCURRED

CORDSERVE LIMITED (T/A ATLANTIC HOTEL) - IN ADMINISTRATION

FEE ESTIMATE COMPARISON AGAINST TIME COSTS INCURRED

Classification of work function	Fee estimate			Actual - 21.10.2020 TO 20.04.2021		
	Total hours	Blended hourly rate	Total time costs	Total hours	Blended hourly rate	Total time costs
		£	£		£	£
Administration and planning	72.00	292.43	21,055.00	173.10	276.58	47,876.80
Realisation of assets	30.00	370.00	11,100.00	6.70	435.60	2,918.50
Creditors	20.00	270.25	5,405.00	27.70	281.77	7,805.00
Investigations	9.00	281.67	2,535.00	26.10	212.80	5,554.00
Trading	-	-	-	0.90	260.00	234.00
Total Hours	131.00			234.50		
Blended Hourly Rate		306.07			274.58	
Total Time Costs			40,095.00			64,388.30

APPENDIX 5

JOINT ADMINISTRATORS' COMPARISON OF ESTIMATED EXPENSES AND ACTUAL COSTS INCURRED AND PAID

Details of expense/disbursement	Estimated amount	Incurred in the Reporting Period	Paid in the Reporting Period	Remains outstanding
	(£)	(£)	(£)	(£)
Statutory advertising – various notices relating to the Company have to be placed in the London Gazette	99.95	89.95	89.95	NIL
Specific penalty bonding – this is insurance required by statute that every office holder has to obtain for the protection of each estate, with the premium being based on the value of the Company's assets	20.00	120.00	NIL	120.00
Insurance of assets	112.00	112.00	112.00	NIL
Clumber Consultancy – To assist with dealing with the occupation pension scheme and provide advice accordingly	500.00	500.00	NIL	£500
Capital Law – legal advice that may arise	2,000.00	NIL	NIL	NIL
JG Collections – Collection, listing and storage of books and records. The books and records will be stored by the agent throughout the period of the Administration and for one year following the dissolution of the Company	60.00	NIL	NIL	NIL
Total:	2,791.95	£821.95	£201.95	£620.00

*The costs above are net of VAT.

APPENDIX 6

MENZIES LLP'S EXPENSES RECOVERY POLICY

Category 1 expenses

Specific expenditure relating to the administration of the insolvent estate and payable to a person or persons who are not associates of the office holder is recoverable without creditor approval. Such expenditure is made if funds are available from the insolvent estate. If funds are not available, then payment is made from this firm's office account and reimbursed from the estate should funds become available.

Category 1 expenses will generally comprise external supplies of incidental services specifically identifiable to the case. Typical items include legal fees, agents' fees, sub-contractors' fees, statutory advertising, insurance of assets, search fees, specific penalty bonding, telephone calls, postage, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case.

APPENDIX 7

JOINT ADMINISTRATORS' PROPOSALS

It was proposed to creditors, in the Proposals report issued on 5 November 2020, that (in addition to the specific itemised proposals below, the Proposals report in its entirety constitutes our Proposals):

- a. Continue to manage the business, affairs and property of the company in order to achieve the purposes of the Administration. In particular that we will:
 - (i) Facilitate and assist all parties in concluding the sale of the Company business and assets so that the money is realised to benefit the Company creditors which would not have been available if the Company was not first placed into Administration. Given that the monies will be continued to be received for Assets, this may require an extension of the Administration.
 - (ii) Investigate and, if appropriate, pursue any claims that the Company may have against any person, firm, or company whether in contractor or otherwise, including any officer or former officer of the Company and any person, firm or company which supplies or has supplied goods or services to the Company; and
 - (iii) Do all such things and generally exercise all our powers as Joint Administrators as we consider desirable or expedient at our discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of the assets, or of any purpose incidental to these Proposals.
- b. That the Administration of the Company will end by the filing notice of move from administration to dissolution with the Registrar of Companies. The Company will then automatically be dissolved by the Registrar three months after the notice is registered.
- c. If, having realised the assets of the Company, the Joint Administrators are of the opinion that the Company has no property which might permit a distribution to its unsecured creditors but that there are further matters which would be better dealt with in a liquidation, the Administration will end by the presentation of a winding up petition to the court for the compulsory liquidation of the Company, and we propose that John Dean Cullen and Bethan Louise Evans are appointed Joint Liquidators of the Company by the court.