



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

1 Company details

Company number 0 9 5 8 9 2 8 3

Company name in full Giant Hospitality Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Philip

Surname Duffy

3 Administrator's address

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 E W

Country United Kingdom

4 Administrator's name ①

Full forename(s) Sarah

Surname Bell

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 E W

Country United Kingdom

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

| | | | | | | | | | | | | | | | | |
|-----------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| From date | d | 1 | d | 6 | m | 0 | m | 9 | y | 2 | y | 0 | y | 2 | y | 0 |
| To date | d | 1 | d | 5 | m | 0 | m | 3 | y | 2 | y | 0 | y | 2 | y | 1 |

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| d | 1 | d | 2 | m | 0 | m | 4 | y | 2 | y | 0 | y | 2 | y | 1 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

**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 **Perry Eleftheriou**

Company name **Duff & Phelps Ltd. t/a Kroll**

Address **The Chancery**

58 Spring Gardens

Post town **Manchester**

County/Region

Postcode

| | | | | | | |
|---|---|--|---|---|---|--|
| M | 2 | | 1 | E | W | |
|---|---|--|---|---|---|--|

Country **United Kingdom**

DX

Telephone **0161 827 9000**

**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

Progress Report to Creditors

9 April 2021

Giant Hospitality Limited
(In Administration)

Joint Administrators' Progress Report for the period from 16 September
2020 to 15 March 2021

Duff & Phelps Ltd.
The Chancery
58 Spring Gardens
Manchester
M2 1EW

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1. Introduction

The Joint Administrators were appointed on 16 September 2019 by an order of the Court.

This Progress Report provides an update on the Administration of the Company.

This Progress Report should be read with in conjunction with the Joint Administrators' Proposals and the previous Progress Reports published on 8 April 2020 and 8 October 2020.

The Joint Administrators' have also explained their future strategy for the Administration and how likely it is that they will be able to pay each class of creditor.

You will find other important information in this Progress Report such as the costs the Joint Administrators have incurred.

A glossary of the abbreviations and definitions used throughout this document is attached at Appendix 8.

Please also note that an important legal notice about this Progress Report to Creditors is attached at Appendix 9.

2. Creditor summary

This Progress Report covers the period from 16 September 2020 to 15 March 2021.

Summary of Proposals

The purpose of an Administration is to achieve one of the following hierarchical objectives:

- Rescue the company as a going concern, or
- 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), or
- Realising property in order to make a distribution to one or more secured or preferential creditors.

Based on current information, it is uncertain whether the second objective will be achieved. This will be dependent on future realisations in the Administration and the total costs of the Administration.

As previously advised, the Joint Administrators' Proposals for achieving the purpose of the Administration, namely achieving a better result for the Company's Creditors as a whole than would be likely if the Company were wound up and realising property in order to make a distribution to one or more Secured or Preferential Creditors, were approved by Creditors using the deemed consent process.

There were no major amendments to or deviations from these Proposals.

Progress to date

Following the Appointment Date, the Joint Administrators dismissed the remaining marketing and sales team as the Joint Administrators had instructed Assured Hotels to manage the day to day operations of the Hotels, the remaining three members of staff resigned.

Assured Hotels continued the operation of the Hotels until they were all permanently closed during May and June 2020.

Outcome for Creditors

Mysing

The Company granted Mysing fixed and floating charges over all the assets of the Company on 5 December 2018.

The charge remains outstanding at Companies House and based upon information held at the appointment date the indebtedness to Mysing is approximately £1.9m, subject to accruing interest and charges. However, the Joint Administrators are aware that five other companies within the NPD group have also granted charges to Mysing (Llandudno Bay Hotel Limited, The Old Golf House Hotel Limited, Belmont Hotel Limited - all in Administration and The Old Golf House Hotel Management Limited and Queens Hotel Management Limited – both in Liquidation).

Any available distributions to Mysing will be subject to the principles of subrogation across the estates within the NPD Group upon which it holds security.

Fiduciam

In consideration for monies advanced under the loan facility the Company granted Fiduciam a fixed charge over the Company's shares held in The Coach House Hotel Management Limited on 5 December 2018.

As at the appointment date the Company's indebtedness to Fiduciam was approximately £3.7m plus accruing interest and charges, however, we now understand that Fiduciam has been paid in full under its indebtedness from the realisations within other NPD Group entities.

Based on current information, it is unlikely that there will be sufficient realisations to enable a distribution to the Preferential Creditors and the non-preferential creditors of the Company, other than from the Prescribed Part, if any.

Please note, this Progress Report provides Creditors with an account of the progress of the Administration of the Company in the period. The Joint Administrators' Statement of Proposals issued to the Company's Creditors are available to view at <https://micro.duffandphelps.com/ukrestructuring> and paper copies can be provided free of charge by writing to Perry Eleftheriou.

Unless otherwise stated, all amounts in this Progress Report and appendices are stated net of VAT.

3. Progress of the Administration

This section provides an update on the Joint Administrators' strategy for the Administration and progress to date.

3.1 Strategy and progress to date

As previously advised Assured Hotels continued the day to day operation of the Hotels until they were all permanently closed during May and June 2020.

3.2 Trading

3.2.1 Post appointment sales

The Company continued to provide central management functions to assist the trading of the Hotels in Administration until all of the hotels were permanently closed.

This enabled the ongoing trading of the Hotels' operations including finance, human resources and payroll service.

The management charges to the Hotels have been made up to the closure dates and the sum of £34,526 has been received in the Reporting Period. This relates to IT services that were paid by the Company on behalf of the Hotels which have since been recharged.

To date over the life of the Administration, £240,870 has been received from the operating Hotels. A further £5,506 is due from the operating Hotels from CG & Co.

3.2.2 Trading expenditure

During the Reporting Period, the Company has paid the sum of £16,201 in relation to IT services on behalf of the Hotels which will shortly be re-charged to the Hotels.

The Joint Administrators have incurred and paid insurance costs of £15,283.

During the Reporting Period, the Joint Administrators have also paid PAYE and NI of £779.

3.2.3 Trading surplus

During the Reporting Period, the Joint Administrators achieved a trading surplus of £2,264 as detailed at Appendix 3.

Over the life of the Administration, a trading surplus of £53,325 has been achieved.

3.3 Asset realisations

3.3.1 Office equipment and furniture and fittings

The Company's management accounts noted office equipment with a value of £107,000 as at 31 March 2019.

Upon further review of the accounts, this balance relates to the book value of the Whisper branding and the website. An estimated to realise value has not been disclosed in order not to prejudice any future marketing and sale negotiations.

The Joint Administrators are currently marketing the branding, ITAS software and website with assistance of the Agents and it is uncertain whether any realisations will be made in this regard.

3.3.2 Intercompany debt

According to the Company's books and records, there are several outstanding debts due to the Company from associated companies totalling £1,139,000.

All of the associated companies are in formal insolvency processes and it is uncertain whether these inter-company debts are recoverable. The Joint Administrators will lodge claims in each of the relevant estates and the Joint Administrators have submitted formal claims in the estates controlled by CG & Co as appropriate.

3.3.3 Investments

The management accounts for the period ending 31 March 2019 shows investments with a book value of £29,463. These are shareholdings held in associated companies that are all subject to insolvency proceedings and therefore it is not anticipated that any value would be obtained from the sale of these shares.

3.3.4 Loan from LBHS Management

During the Reporting Period, the Company received a loan of £13,460 from LBHS Management. These funds were immediately loaned to Fishguard Bay Hotel to assist with its ongoing liabilities.

This loan will be repaid from the realisations in Fishguard Bay Hotel following the sale of the freehold property that it owns.

3.3.5 Investigations

The Joint Administrators have a statutory obligation to file a report with DBEIS concerning the conduct of all directors of the Company that served in the three years prior to the Joint Administrators appointment. The Joint Administrators have filed their confidential report with DBEIS regarding the conduct of the Directors of the Company. The content of this report is confidential and has been submitted to the Insolvency Practitioners Compliance Unit.

The Joint Administrators reviewed the affairs of the Company to determine the extent of any actions which could be taken against third parties to increase recoveries for Creditors. An initial assessment was made which involved collecting and analysing the books and records of the Company including the bank accounts, management accounts and considering the Directors responses to questionnaires.

The Joint Administrators' investigations into the Companies affairs are currently ongoing. The Joint Administrators cannot, at this stage, detail the nature of these investigations as it may hamper any further action that may be required. However, should any of the Companies' Creditors have information concerning the Companies' affairs that they would like to bring to the Joint Administrators' attention, please contact this office.

Investigations into NPD and all of the associated companies remain ongoing and further reports may be submitted to DBEIS following these investigations if necessary.

3.4 Costs

Payments made in the Reporting Period are set out in the attached receipts and payments account at Appendix 3.

Summaries of the most significant payments during the Reporting Period are provided below:

3.4.1 Loan to Fishguard

During the Reporting Period, in order to assist Fishguard Bay Limited in finalising its trading operations the Company loaned funds to Fishguard Bay Limited in its capacity as sole shareholder. This loan remains outstanding and is expected to be repaid following any sale of the Fishguard Bay Hotel.

The Company received a loan from LBHS Management Limited to support the above payment and this will be repaid following any sale of Fishguard Bay Hotel.

3.4.2 Loan to Fourcroft

During the Reporting Period, in order to assist Fourcroft Hotel (Tenby) Limited in finalising its trading operations the Company loaned funds to Fourcroft Hotel (Tenby) Limited in its capacity as sole shareholder. This loan remains outstanding and is expected to be repaid following any sale of the Fourcroft Hotel in Tenby.

3.4.3 NPD Recharge

During the Reporting Period, the Company incurred and paid £1,252 to NPD. This was in relation to the realisation of plant and machinery, office furniture and equipment. The assets were owned by NPD.

The Company is liable to pay for the final property rental costs to the office owner for use of the offices by the Assured Hotels staff. The final costs of the office use have been set off against the realisations of plant and machinery, office furniture and equipment. There are no further costs due in respect of the offices.

3.5 Schedule of expenses

The Joint Administrators have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached at Appendix 4.

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

| Significant expenses incurred but not paid | | |
|---|---------|---|
| Joint Administrators' time costs | £34,385 | Total time costs incurred in the period is £34,385. See Appendix 5. See section 6 for further details in relation to the Joint Administrators' fees. |
| Legal fees and disbursements Hewlett Swanson | £245 | Hewlett Swanson has incurred legal fees in providing legal advice and assisting with the Court proceedings during the Interim Manager period and post appointment period. |
| Legal fees and disbursements Addleshaw Goddard | £10,231 | Addleshaw Goddard has incurred legal fees and disbursements in relation to conducting the security review of Mysing's security |

4. Outcome for Creditors

4.1 Secured Creditors

Mysing

The Company granted Mysing fixed and floating charges over all the assets of the Company on 5 December 2018.

The charge remains outstanding at Companies House and based upon information held at the appointment date the indebtedness to Mysing is approximately £1.8m, subject to accruing interest and charges. However, the Joint Administrators are aware that five other companies within the NPD group have also granted charges to Mysing (Llandudno Bay Hotel Limited, The Old Golf House Hotel Limited, Belmont Hotel Limited – all in Administration and The Old Golf House Hotel Management Limited and Queens Hotel Management Limited– both in Administration).

In addition, Mysing holds security in Woodhouse Family Limited and Campus House Limited which are in Administration along with certain estates controlled by CG & Co. To date Mysing has received the sum of £492k from the estate of Woodhouse Family Limited and £650k from Gilsland Hall Limited which is also under the control of CG & Co.

The Joint Administrators have sought advice from the solicitors who have confirmed the validity of the Mysing security.

Any available distributions to Mysing will be subject to the principles of subrogation across the estates within the NPD Group in which it holds security (pending confirmation of the validity of the security).

Fiduciam

In consideration for monies advanced under the loan facility the Company granted Fiduciam a fixed charge over the Company's shares held in The Coach House Hotel Management Limited on 5 December 2018.

As at the appointment date the Company's indebtedness to Fiduciam was approximately £3.7m plus accruing interest and charges, however, we now understand that Fiduciam has been paid in full under its indebtedness from the realisations within other NPD Group entities.

4.2 Preferential Creditors

Pursuant to the Company's records, the Preferential Creditors of the Company will be former employee claims in respect of arrears of wages and unpaid accrued holiday pay.

The Joint Administrators are yet to receive notification of the Preferential Creditors' claims, however, at this stage, it is likely that a significant element of the preferential employees' claims will be subrogated to the Secretary of State, following payment by the RPS.

Based on current information, it is unlikely that there will be sufficient realisations to enable a distribution to the preferential creditors.

4.3 Unsecured Creditors

According to the Company's books and records, non-preferential trade creditors total £98,431.

At the date of this report, Unsecured Creditor claims total £323,733.

Based on the current information available to the Joint Administrators, it is anticipated that there will be insufficient realisations to enable a distribution to the Unsecured Creditors of the Company other than from the Prescribed Part if any.

4.4 Prescribed Part

The Company granted floating charges to the Secured Creditors and the Prescribed Part provisions will apply.

The quantum and timing of the Prescribed Part distribution, if any, is currently unknown at this stage and is dependent on final asset realisations and the discharge of the costs of the Administration. A further update on the Prescribed Part distribution, if any, will be provided to creditors in future reports.

5. Other matters

5.1 **Joint Administrators'** receipts and payments account

A detailed receipts and payments account for the period is shown in Appendix 3 together with a cumulative account for the whole of the Administration.

5.2 **Creditors' rights**

Further information regarding the remuneration and disbursements of the Joint Administrators, including Creditors' rights to challenge such costs is provided at Appendix 7, Statement of Creditors Rights.

6. **Joint Administrators'** fees and expenses and pre-Administration costs

6.1 Fees and expenses

6.1.1 Time costs

It was proposed that the Joint Administrators' fee basis was based on time costs and remuneration will be drawn on the basis of time properly given by the Joint Administrators and their staff in accordance with the

fee estimate provided in the Joint Administrators' Proposals and Duff & Phelps' usual charge-out rates for work of this nature.

Upon a review of our hourly rates, inflation and industry averages, Duff & Phelps Ltd's hourly charge out rates have been revised to reflect market rates. Rate changes will apply to all appointments held by employees of Duff & Phelps. Time is charged in six-minute units and set out below are the hourly rates, with effect from 1 February 2020, excluding VAT:

| | £ |
|----------------------------|-----------|
| Partners | 650 - 750 |
| Managers / Directors | 390 - 665 |
| Seniors | 250 - 380 |
| Assistants / Support Staff | 50 - 200 |

It was reported in the Previous Progress Reports that time costs had exceeded the original fees estimate. Following a review of the time costs incurred and the estimated future time costs, an updated fee estimate in the sum of £277,455 was prepared in regard to the Company and approval was sought from the Secured Creditors.

To date, the basis of remuneration and fee estimate is yet to be approved by the Secured Creditors and the Joint Administrators have since submitted an application to Court for the approval of the basis of remuneration, the fee estimate, category 2 disbursements and their discharge from liability.

Time has been charged in six-minute units. Details of the time charged for the Reporting Period are attached at Appendix 5.

Time costs incurred in the Reporting Period total £34,385 which represents £21,262 of post-appointment time representing 67 hours at an average hourly rate of £318 and £13,123 of specialist investigations time representing 30 hours at an average hourly rate of £437.

Time costs over the life of the Administration total £248,047 which represents £136,088 of post-appointment time representing 439 hours at an average hourly rate of £310 and £111,959 of specialist investigations time representing 279 hours at an average hourly rate of £402.

In accordance with SIP 9, the Joint Administrators have provided further narrative detail of the time costs incurred at Appendix 6.

6.1.2 Fees

No fees have been drawn in the Reporting Period and are therefore not shown at Appendix 3.

6.1.3 Expenses

Details of the expenses charged for the Reporting Period are attached at Appendix 4.

Expenses incurred during the Reporting Period total £59,581 of which £49,105 have been paid.

6.1.4 Disbursements

During the Reporting Period, no disbursements have been incurred for services provided by Duff & Phelps Ltd (defined as Category 2 Disbursements in the Statement of Insolvency Practice 9).

Disbursements over the life of the Administration total £1,096. None of these have been paid to date.

6.1.5 Additional information

Also attached at Appendix 6 is a narrative summary of the work carried out to assist Creditors in understanding the progress of the Administration, the associated costs and expenses of the related activities and the financial benefit to Creditors.

Details of how to obtain further information relating to the fees and disbursements of the Joint Administrators is set out in Appendix 7.

6.2 Pre-Administration costs

Pre-Administration costs are fees, charges and expenses incurred by the Joint Administrators or their firm, or another person qualified to act as an insolvency practitioner, before the Company entered Administration but with a view to it doing so.

Any Pre-Administration costs incurred in respect of the Company were incurred by the Interim Managers and therefore, approval of these costs has been sought from the Court accordingly.

A Court Order was obtained on 2 March 2020 which approved and fixed the Interim Managers' fees of the Company in the sum of £113,221 plus VAT. These costs are to be paid as an expense of the Administration once there are sufficient realisations.

7. Future strategy

7.1 Future conduct of the Administration

The Joint Administrators will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the Administration. This will include but not be limited to:

- Paying outstanding costs of the Administration and dealing with the collection of the inter-estate loans;
- Seeking approval of the Joint Administrators' fees from the Court;
- Dealing with other statutory matters and duties including accounting for VAT and completing corporation tax returns;
- Continuing with the ongoing investigations.

7.2 Extension of the Administration

An Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the Creditors' consent.

The Joint Administrators requested that the period of Administration be extended by 12 months to 15 September 2021 to continue to realise assets for the benefit of the Administration estate of the Company.

The extension request was granted by the Secured Creditors on 24 July 2020, therefore the revised automatic end date is 15 September 2021.

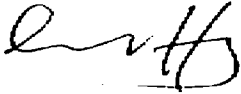
A notice of the extension is available for viewing and downloading from the Duff & Phelps Website <http://www.duffandphelps.com/ukrestructuring>.

No further notice of the extension will be delivered to creditors. A hard copy is available on request.

7.3 Future reporting

The Joint Administrators will provide a further progress report within one month of 16 September 2021 or earlier if the Administration has been completed prior to that time.

If you require further information or assistance, please do not hesitate to contact Perry Eleftheriou.



Philip Duffy
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Philip Duffy and Sarah Bell, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association.

Appendix 1 – Statutory information

COMPANY INFORMATION

| | | |
|--------------------------|--|---|
| Company and trading name | Giant Hospitality Limited | |
| Date of incorporation | 13 May 2015 | |
| Registered Number | 09589283 | |
| Company Director(s) | Gavin Woodhouse | |
| Shareholders | Northern Powerhouse Developments Hotels Limited | |
| Trading address | Unit D2 Elland Riorges Link, Lowfields Business Park, Elland, HX5 9DG | |
| Registered office | Current: c/o Duff and Phelps The Chancery 58 Spring Gardens Manchester | Former: Unit D2 Elland Riorges Link, Lowfields Business Park, Elland, HX5 9DG |
| Any Other trading names | N/A | |

ADMINISTRATION INFORMATION

| | | |
|------------------------------------|--|--|
| Administration Appointment | The Administration appointment granted in the High Court of Justice, Business and Property Courts of England and Wales 004269 of 2019 | |
| Appointor | Court | |
| Date of Appointment | 16 September 2019 | |
| Joint Administrators | Philip Duffy and Sarah Bell | |
| Original purpose | 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 | |
| Functions | The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1 | |
| Current Administration expiry date | 15 September 2021 | |
| Prescribed Part | The Prescribed Part is applicable in this case. It has been taken into account when determining the dividend prospects for Unsecured Creditors. | |
| Application of EC Regulations | EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations. | |

Appendix 2 – Approved Proposals

That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect.

That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration.

That the Joint Administrators, once all outstanding matters have been satisfactorily completed, take the necessary steps to give notice under Paragraph 84 of Schedule B1 of the Act to the Registrar of Companies to the effect that the Company has no remaining property which might permit a distribution to its creditors, at which stage the Administration will cease.

That the Joint Administrators, where they consider that there are funds available to be distributed to the non-preferential creditors (other than under the Prescribed Part) take the necessary steps to put the Company into either creditors' voluntary liquidation or into compulsory liquidation as they deem appropriate. It is proposed that the Joint Administrators, currently Philip Duffy and Sarah Bell of Duff & Phelps would act as Joint Liquidators should the Company be placed into creditors' voluntary liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 3.60(6)(b) of the Rules creditors may nominate a different person as the proposed liquidator, provided the nomination is received at this office prior to the approval of these Proposals. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators and in accordance with Section 231 of the Act any act required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them.

Appendix 3 – Receipts and payments account

Giant Hospitality Limited
(In Administration)
Joint Administrators' Trading Account

| Statement of Affairs £ | From 16/09/2020 To 15/03/2021 £ | From 16/09/2019 To 15/03/2021 £ |
|----------------------------------|---------------------------------------|---------------------------------------|
| POST APPOINTMENT SALES | | |
| Management Charges: Hotels | 34,526.34 | 240,869.70 |
| | 34,526.34 | 240,869.70 |
| OTHER DIRECT COSTS | | |
| Direct Labour | NIL | 1,927.51 |
| PAYE/NI | 778.70 | 778.70 |
| | (778.70) | (2,706.21) |
| TRADING EXPENDITURE | | |
| Rent re: Stockport site | NIL | 2,826.00 |
| Telephone | NIL | 1,121.25 |
| Insurance | 15,282.59 | 15,282.59 |
| Professional Fees | NIL | 74,413.64 |
| Hire of Equipment | NIL | 274.00 |
| Sales Commission | NIL | 1,869.57 |
| IT Costs | 16,201.00 | 68,483.34 |
| Staff Expenses | NIL | 706.88 |
| Cash Collection Charges | NIL | 230.00 |
| Staff Training | NIL | 3,361.98 |
| NPD Recharge for Trading Costs | NIL | 17,135.61 |
| Payroll Costs | NIL | 133.42 |
| | (31,483.59) | (185,838.28) |
| TRADING SURPLUS/(DEFICIT) | 2,264.05 | 52,325.21 |

Giant Hospitality Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

| Statement of Affairs £ | From 16/09/2020 To 15/03/2021 £ | From 16/09/2019 To 15/03/2021 £ |
|--------------------------------------|---------------------------------------|---------------------------------------|
| SECURED ASSETS | | |
| Gross bank interest - fixed account | NIL | 0.91 |
| | NIL | 0.91 |
| ASSET REALISATIONS | | |
| Bank Interest Gross | NIL | 45.26 |
| Cash at Bank | NIL | 207.82 |
| Interim Manager Surplus | NIL | 36,708.98 |
| Loan from LBHS Management Ltd | 13,459.92 | 13,459.92 |
| Trading Surplus/(Deficit) | 2,264.05 | 52,325.21 |
| | 15,723.97 | 102,747.19 |
| COST OF REALISATIONS | | |
| Legal Disbursements | NIL | 5,000.00 |
| Legal Fees | NIL | 16,000.00 |
| Legal Fees: Caer Rhun Hall Hotel Ltd | NIL | 74,268.15 |
| Loan to Caer Rhun Hotel Management | NIL | 6,960.00 |
| Loan to Fishguard | 13,459.92 | 13,459.92 |
| Loan to Fourcroft Hotel | 2,130.12 | 2,130.12 |
| NPD Recharge | 1,252.00 | 1,252.00 |
| Statutory Advertising | NIL | 1,221.48 |
| | (16,842.04) | (120,291.67) |
| | (1,118.07) | (17,543.57) |
| REPRESENTED BY | | |
| Fixed bank account | | 0.91 |
| Floating/main current account | | 8,140.77 |
| General VAT control account | | 2,542.50 |
| VAT payable | | (45,645.27) |
| VAT Receivable | | 17,417.52 |
| | | (17,543.57) |

Appendix 4 – Schedule of expenses

A summary of expenses incurred during the period of this report is set out below:

| Schedule of Expenses | Incurred and paid in the period (£) | Incurred in the period and not yet paid (£) |
|--|-------------------------------------|---|
| Expenses | | |
| Legal fees and disbursements – Hewlett Swanson | - | 245 |
| Legal fees and disbursements – Addleshaw Goddard | - | 10,231 |
| IT costs | 16,201 | - |
| PAYE/NI | 779 | - |
| Insurance | 15,283 | - |
| Loan to Fishguard Bay Hotel | 13,460 | - |
| Loan to Fourcroft Hotel (Tenby) | 2,130 | - |
| NPD Recharge | 1,252 | - |
| Total | 49,105 | 10,476 |

The Joint Administrators choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and basis of their fee.

The above costs exclude VAT.

Appendix 5 – Analysis of time charged and disbursements incurred

Refer to the table overleaf for a detailed breakdown on the Joint Administrators' time and cost summary in accordance with SIP 9.

We have incurred no disbursements during the Reporting Period.

110077 GIANT HOSPITALITY LIMITED
ANALYSIS OF TIME COSTS FOR THE PERIOD 16/09/2020 to 15/03/2021

ADM-Admin. - Post Appt.

| Classification of Work Function | Hours | | | | | Total Hours | Time Cost £ | Avg Hourly Rate £ |
|--|-------------------|------------------|-----------------|-----------------|-------------|--------------|------------------|-------------------|
| | Managing Director | Manager | Senior | Assistant | Support | | | |
| Administration and Planning | | | | | | | | |
| Case review & Case Diary management | 0.00 | 1.00 | 0.00 | 0.10 | 0.00 | 1.10 | 409.00 | 371.82 |
| Cashiering & accounting | 0.00 | 3.70 | 3.40 | 9.45 | 0.00 | 16.55 | 4,424.50 | 267.34 |
| Insurance | 0.00 | 0.25 | 0.00 | 0.20 | 0.00 | 0.45 | 147.50 | 327.78 |
| Statutory matters (Meetings & Reports & Notices) | 0.00 | 3.00 | 0.00 | 7.20 | 0.00 | 10.20 | 2,618.00 | 256.67 |
| Strategy planning & control | 0.00 | 7.25 | 0.10 | 2.05 | 0.00 | 9.40 | 3,363.00 | 357.77 |
| Tax Compliance / Planning | 0.00 | 1.00 | 0.00 | 1.40 | 0.00 | 2.40 | 665.00 | 277.08 |
| Creditors | | | | | | | | |
| Communications with Creditors / Employees | 0.00 | 0.00 | 0.00 | 0.85 | 0.00 | 0.85 | 212.50 | 250.00 |
| Secured Creditors | 0.00 | 0.00 | 0.00 | 2.85 | 0.00 | 2.85 | 427.50 | 150.00 |
| Realisation of Assets | | | | | | | | |
| Book debts | 0.00 | 2.00 | 0.00 | 0.00 | 0.00 | 2.00 | 780.00 | 390.00 |
| Other Tangible Assets | 0.00 | 0.50 | 0.00 | 0.00 | 0.00 | 0.50 | 195.00 | 390.00 |
| Stock & Work In Progress | 0.00 | 0.25 | 0.00 | 0.00 | 0.00 | 0.25 | 97.50 | 390.00 |
| Trading | | | | | | | | |
| Trading - Accounting | 0.00 | 3.00 | 0.00 | 0.00 | 0.00 | 3.00 | 1,170.00 | 390.00 |
| Trading - Employees | 0.00 | 0.00 | 0.00 | 0.10 | 0.00 | 0.10 | 25.00 | 250.00 |
| Trading - Operations | 0.00 | 17.25 | 0.00 | 0.00 | 0.00 | 17.25 | 6,727.50 | 390.00 |
| Total Hours: | 0.00 | 39.20 | 3.50 | 24.20 | 0.00 | 66.90 | | 317.82 |
| Total Fees Claimed: £ | 0.00 | 15,492.00 | 1,330.00 | 4,440.00 | 0.00 | | 21,262.00 | |

Category 2 Disbursements:

106646 GIANT HOSPITALITY LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 16/09/2020 to 15/03/2021

Investigations

| Classification of Work Function | Hours | | | | | Total Hours | Time Cost £ | Avg Hourly Rate £ |
|---------------------------------|-------------------|-----------------|---------------|-------------|-----------------|--------------|------------------|-------------------|
| | Managing Director | Manager | Senior | Assistant | Support | | | |
| | 0.00 | 14.80 | 1.90 | 0.00 | 13.30 | 30.00 | 13,122.50 | 437.42 |
| Total Hours: | 0.00 | 14.80 | 1.90 | 0.00 | 13.30 | 30.00 | | 437.42 |
| Total Fees Claimed: £ | 0.00 | 9,028.00 | 703.00 | 0.00 | 3,391.50 | | 13,122.50 | |

Category 2 Disbursements:

110077 GIANT HOSPITALITY LIMITED
ANALYSIS OF TIME COSTS FOR THE PERIOD 16/09/2019 to 15/03/2021

ADM-Admin. - Post Appt.

| Classification of Work Function | Hours | | | | | Total Hours | Time Cost £ | Avg Hourly Rate £ |
|--|-------------------|------------------|------------------|------------------|---------------|---------------|-------------------|-------------------|
| | Managing Director | Manager | Senior | Assistant | Support | | | |
| Administration and Planning | | | | | | | | |
| Case review & Case Diary management | 1.50 | 15.00 | 0.00 | 2.10 | 0.00 | 18.60 | 6,576.00 | 353.55 |
| Cashiering & accounting | 0.00 | 17.35 | 8.50 | 58.10 | 0.00 | 83.95 | 20,784.00 | 247.58 |
| Dealings with Directors and Management | 0.00 | 0.00 | 0.00 | 0.40 | 0.00 | 0.40 | 84.00 | 210.00 |
| IPS set up & maintenance | 0.00 | 0.00 | 0.00 | 1.60 | 0.00 | 1.60 | 219.00 | 136.88 |
| Insurance | 0.00 | 4.25 | 0.00 | 3.00 | 0.00 | 7.25 | 2,179.25 | 300.59 |
| Statement of affairs | 0.00 | 0.00 | 0.00 | 0.10 | 0.00 | 0.10 | 11.50 | 115.00 |
| Statutory matters (Meetings & Reports & Notices) | 1.30 | 17.60 | 16.50 | 51.20 | 0.00 | 86.60 | 22,291.75 | 257.41 |
| Strategy planning & control | 1.80 | 43.20 | 22.60 | 20.45 | 0.00 | 88.05 | 30,672.50 | 348.35 |
| Tax Compliance / Planning | 0.00 | 2.00 | 0.00 | 3.15 | 0.00 | 5.15 | 1,299.25 | 252.28 |
| Creditors | | | | | | | | |
| Communications with Creditors / Employees | 1.00 | 0.60 | 0.00 | 9.25 | 0.00 | 10.85 | 2,761.50 | 254.52 |
| Non Pref Creditors / Employee claims handling | 0.00 | 0.00 | 0.00 | 5.05 | 0.00 | 5.05 | 919.75 | 182.13 |
| Secured Creditors | 0.00 | 0.00 | 0.00 | 3.35 | 0.00 | 3.35 | 552.50 | 164.93 |
| Investigations | | | | | | | | |
| CDDA & reports & Communication | 0.00 | 0.00 | 0.00 | 0.30 | 0.00 | 0.30 | 63.00 | 210.00 |
| Financial review and investigations (S238/239 etc) | 0.00 | 0.00 | 0.00 | 1.10 | 0.00 | 1.10 | 126.50 | 115.00 |
| Realisation of Assets | | | | | | | | |
| Book debts | 0.00 | 2.50 | 0.00 | 2.40 | 0.00 | 4.90 | 1,478.00 | 301.63 |
| Hire Purchase and Lease Assets | 0.00 | 0.00 | 0.00 | 0.25 | 0.00 | 0.25 | 58.75 | 235.00 |
| Other Intangible Assets | 0.00 | 1.50 | 0.00 | 0.00 | 0.00 | 1.50 | 502.50 | 335.00 |
| Other Tangible Assets | 0.00 | 0.50 | 0.20 | 0.00 | 0.00 | 0.70 | 271.00 | 387.14 |
| Plant & Machinery & Fixtures & Motor Vehicles | 0.00 | 0.00 | 0.50 | 0.00 | 0.00 | 0.50 | 190.00 | 380.00 |
| Sale of business | 0.00 | 2.80 | 0.00 | 0.00 | 0.00 | 2.80 | 938.00 | 335.00 |
| Stock & Work In Progress | 0.00 | 0.75 | 0.00 | 0.00 | 0.00 | 0.75 | 292.50 | 390.00 |
| Trading | | | | | | | | |
| Trading - Accounting | 0.00 | 37.50 | 2.10 | 0.00 | 0.00 | 39.60 | 15,150.25 | 382.58 |
| Trading - Employees | 0.00 | 2.50 | 4.90 | 1.40 | 0.00 | 8.80 | 3,149.75 | 357.93 |
| Trading - Operations | 0.00 | 65.25 | 1.20 | 0.40 | 0.00 | 66.85 | 25,516.75 | 381.70 |
| Total Hours: | 5.60 | 213.30 | 56.50 | 163.60 | 0.00 | 439.00 | | 310.00 |
| Total Fees Claimed: £ | 3,304.00 | 81,731.50 | 20,941.00 | 29,418.50 | 693.00 | | 136,088.00 | |

Category 2 Disbursements:

106646 GIANT HOSPITALITY LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 16/09/2019 to 15/03/2021

Investigations

| Classification of Work Function | Hours | | | | | Total Hours | Time Cost £ | Avg Hourly Rate £ |
|---------------------------------|-------------------|------------------|-----------------|---------------|------------------|---------------|-------------------|-------------------|
| | Managing Director | Manager | Senior | Assistant | Support | | | |
| | 2.50 | 133.75 | 20.95 | 2.35 | 119.30 | 278.85 | 111,959.21 | 401.50 |
| Total Hours: | 2.50 | 133.75 | 20.95 | 2.35 | 119.30 | 278.85 | | 401.50 |
| Total Fees Claimed: £ | 1,325.00 | 72,210.43 | 7,358.50 | 643.78 | 30,421.50 | | 111,959.21 | |

Category 2 Disbursements:

Appendix 6 – Narrative of work carried out for the Reporting Period

The key areas of work have been:

SIP 9 narrative for the Reporting Period

Administration and planning

- Monitoring and reviewing the Administration strategy;
- Briefing staff on the Administration strategy and matters in relation to workstreams;
- Regular case management and reviewing of process 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 Administration;
- Allocating and managing staff/ case resourcing and budgeting exercises and reviews;
- Liaising with legal advisors regarding various instructions, including agreeing content of engagement letters; and
- Complying with internal filing and information recording practices, including documenting strategy decisions.

Creditors

- Updating the list of Unsecured Creditors;
- Responding to enquiries from Creditors regarding the Administration and submission of their claims;
- Reviewing completed forms submitted by Creditors, recording claim amounts and maintaining claim records; and
- Drafting progress statutory progress reports.
- Providing written and oral updates to the Secured Lenders regarding the progress of the Administration and cases strategy;
- Filing notice of the extension of the Administration; and

Investigations

- Managing and reviewing the Company books and records;
- Investigating the affairs of the Company to identify any actions available to the Company against third parties in respect of antecedent transactions or other litigation;
- Obtaining records from third parties;
- Conducting interviews with counterparties and officeholders;
- Enquiring with counterparties who has raised disputes against the Company;
- Reviewing pre-appointment transactions; and
- Documenting investigations.

Statutory and compliance

- Ensuring compliance with all statutory obligations within the relevant timescales;
- Uploading information to the Creditors' Portal/Website;
- Drafting and publishing progress reports;
- Running decision procedures;
- Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9;
- Monitoring the fees estimate; and
- Monitoring the expenses estimate.

| | |
|--------------------|---|
| Cashiering | <ul style="list-style-type: none">• Preparing statutory receipts and payments accounts;• Renewing bonding and complying with statutory requirements; |
| Asset realisations | <ul style="list-style-type: none">• Collating information from the Company's records regarding assets, specifically compiling historical Company records on motor vehicles, records of purchase and part exchange trading on the vehicles;• Liaising with finance companies in respect of assets subject to finance agreements;• Liaising with agents regarding the sale of assets;• Liaising with suppliers on retention of title claims;• Reviewing outstanding debtors and management of debt collection strategy;• Seeking legal advice in relation to book debt collections;• Communicating with landlords regarding rent; property occupation and other property issues;• Liaising with third parties regarding costs incurred;• Collecting and paying rent due on the Company's remaining premises;• Reviewing and agreeing invoices;• Reviewing costs incurred to ensure recorded accurately; and• Arranging payments to agents and solicitors in a timely manner. |
| Trading | <ul style="list-style-type: none">• Attending to supplier and customer queries and correspondence;• Reviewing invoices to ensure they correspond with the relevant purchase orders;• Raising payments to suppliers in respect of Administration costs; and• Contacting all suppliers to obtain final invoices for the trading period. |
| Tax | <ul style="list-style-type: none">• Analysing and considering the tax effects of asset sales;• Working on tax returns relating to the periods affected by the Administrator;• Analysing VAT related transactions; reviewing the Company's duty position to ensure compliance with duty requirements; and• Dealing with post appointment tax compliance. |

Appendix 7 – **Statement of Creditors' rights**

Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)

Section or paragraph numbers refer to Insolvency Act 1986

If you require a copy of any relevant rule or section, please contact Perry Eleftheriou at Perry.Eleftheriou@DuffandPhelps.com.

Information for Creditors on remuneration and disbursements of Administrators

Information regarding the fees and disbursements of Administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at:

<https://www.duffandphelps.co.uk/-/media/assets/pdfs-international/uk/creditors-guide/administration-a-creditors-guide-to-insolvency-practitioner-fees-updated.ashx?la=en-gb&hash=007D99D0FCC2E1AAADA98AA36B09E2D94292DBA9>

(click on the document 'Administration (appointment from 1 October 2015)'). Should you require a copy, please contact this office.

Creditors' requests for further information

If you would like to request more information about the Joint Administrators' remuneration and disbursements disclosed in this progress report, you must do so in writing within 21 days of receiving this progress 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 the Joint Administrators' remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by Unsecured Creditors (including the Unsecured Creditors 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 Perry Eleftheriou at this office.

Appendix 8 – Definitions

| Word or Phrase | Definition |
|--------------------------|---|
| the Act | The Insolvency Act 1986 (as amended) |
| the Appointment Date | 16 September 2019, being the date of appointment of the Joint Administrators |
| Assured Hotels | Assured Hotels Limited, managing agents instructed to operate the subsidiaries of the Company |
| Category 2 Disbursements | The Joint Administrators' internal costs and expenses in dealing with the Administration |
| the Company | Giant Hospitality Limited (In Administration) (Company Number: 09589283) |
| DBEIS | Department for Business, Energy & Industrial Strategy |
| the Director | Gavin Woodhouse the sole director of the Company |
| Duff & Phelps | Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW |
| EC Regulation | EC Regulation on Insolvency Proceedings 2000 |
| Fiduciam | Fiduciam Nominees Limited, the holder of a fixed charge over the Company's shares held in The Coach House Hotel Management Limited |
| Fishguard Bay Hotel | Fishguard Bay Hotel Limited (In Liquidation) (Company Number: 00923726) |
| Fourcroft Hotel (Tenby) | Fourcroft Hotel (Tenby) Limited (In Liquidation) (Company Number: 00772050) |
| the Hotels | Belmont Hotel, Caer Rhun Hotel, Fishguard Bay Hotel, Fourcroft Hotel (Tenby), Llandudno Bay Hotel & Spa, Pennine Manor Hotel, Old Gold House Hotel, Queens Hotel, Gilsland Hotel, Esplanade Hotel, Imperial Crown Hotel, Dunsmore Hall. Operational hotels being managed by the Company and its subsidiaries. |
| the Joint Administrators | Philip Duffy and Sarah Bell of Duff & Phelps |
| LBHS Management | LBHS Management Limited (In Liquidation) (Company Number: 09342719) |
| Mysing | Mysing Capital Limited, the holder of a fixed and floating charge over the Company's assets |
| NPD | Northern Powerhouse Developments Limited (In Administration) a connected company by way of common directorship |
| the Reporting Period | The period 16 September 2020 to 15 March 2021 |

| | |
|-----------------------|--|
| the Prescribed Part | Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to Unsecured Creditors |
| RPS | Redundancy Payments Service |
| the Rules | The Insolvency (England & Wales) Rules 2016 (as amended) |
| the Secured Creditors | Mysing and Fiduciam - The holders of a fixed and floating charge over the Company's assets |
| SIP 9 | Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements |

Appendix 9 – Notice about this report

This report has been prepared by Philip Francis Duffy and Sarah Helen Bell, the Joint Administrators of the Company, solely to comply with their statutory duty to report to Creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of any financial interest in the Company or any other company in the same group.

Any estimated outcomes for Creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for Creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Philip Francis Duffy and Sarah Helen Bell are authorised to act as insolvency practitioners by the Insolvency Practitioners' Association.

The Joint Administrators are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Duff & Phelps Ltd. does not assume any responsibility and will not accept any liability to any person in respect of this Progress Report or the conduct of the Administration.