



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number	0	9	7	4	1	4	4	6
Company name in full	CAER RHUN HALL HOTEL LIMITED							

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

### 2 Administrator's name

Full forename(s)	ROBERT
Surname	ARMSTRONG

### 3 Administrator's address

Building name/number	C/O KROLL ADVISORY LTD
Street	THE CHANCERY
	58 SPRING GARDENS
Post town	MANCHESTER
County/Region	GREATER MANCHESTER
Postcode	M 2 1 E W
Country	UNITED KINGDOM

### 4 Administrator's name ①

Full forename(s)	ANDREW
Surname	KNOWLES

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

### 5 Administrator's address ②

Building name/number	C/O KROLL ADVISORY LTD
Street	THE CHANCERY
	58 SPRING GARDENS
Post town	MANCHESTER
County/Region	GREATER MANCHESTER
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	0	d	8	m	0	m	2	y	2	y	0	y	2	y	1
To date	d	0	d	7	m	0	m	8	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 <b>X</b> 	<b>X</b>														
Signature date	d	1	d	7	m	0	m	8	y	2	y	0	y	2	y	1

# AM10

## 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 **JOE TWEEDIE**

Company name **KROLL ADVISORY LTD**

Address **C/O KROLL ADVISORY LTD**

**THE CHANCERY**

**58 SPRING GARDENS**

Post town **MANCHESTER**

County/Region **GREATER MANCHESTER**

Postcode 

	M	2		1	E	W	
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Country **UNITED KINGDOM**

DX

Telephone **+44 (0) 161 827 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

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The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ  
DX 33050 Cardiff.



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# Progress Report to Creditors

17 August 2021

## Caer Rhun Hall Hotel Limited (In Administration)

Joint Administrators' Progress Report for the period from 8 February 2021  
to 7 August 2021.

Kroll Advisory Ltd  
The Chancery  
58 Sping Gardens  
Manchester M2 1EW

Duff & Phelps Ltd. has recently rebranded as Kroll with a new name, Kroll Advisory Ltd. Insolvency cases handled by insolvency practitioners from Duff & Phelps Ltd. are still being dealt with in the same way, by the same insolvency practitioners and staff. Our staff email addresses are now from kroll.com and our correspondence and website reflects the Kroll branding.

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## 1. Introduction

As you are aware, Philip Duffy and Sarah Bell were appointed as Joint Administrators of the Company on the Appointment Date by order of the High Court in Manchester, Companies Court (number 4489 of 2020). The capacity in which Philip Duffy and Sarah Bell were acting in these appointments is henceforth referred to collectively as "Joint Office Holder".

Philip Duffy and Sarah Bell have ceased to act as Joint Office Holders of the insolvent estate and have been replaced by Robert Armstrong and Andrew Knowles of Kroll.

Philip Duffy and Sarah Bell will be retiring from Kroll within the next two years and as part of Kroll's preparations for their retirement, they are stepping down as office holders over all of their insolvency appointments and been replaced by colleagues from Kroll. However, Philip Duffy and Sarah Bell have been retained as Senior Advisors by Kroll and will remain part of the senior case team across the insolvency estates.

Philip Duffy and Sarah Bell will continue to assist the Joint Administrators as appropriate in performing their duties for the foreseeable future. Please note that this does not impact the ongoing case strategy of the Administration.

To assist with the above, a Block Transfer Order (High Court of Justice, Business & Property Courts in Manchester CR-2021-MAN-000356) ("the Order") was obtained on 16 June 2021. The Order provided for the formal substitution of Philip Duffy and Sarah Bell from office and the appointment of Robert Armstrong and Andrew Knowles as Joint Office Holders.

In relation to the Administration appointment, Philip Duffy and Sarah Bell will be released from liability 28 days after the date of giving notice to creditors by way of single composite advert in the London Gazette.

A copy of the Order will be made available at Companies House shortly under the individual record for each of the relevant companies in the Group, which can be accessed using this link: <https://find-and-update.company-information.service.gov.uk/>.

This Progress Report provides an update on the Administration of the Company. It should be read in conjunction with the Joint Administrators' previous progress reports.

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 Reporting Period.

### Summary of Proposals

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

- Rescuing 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.

As detailed in the Joint Administrators' Statement of Proposals and the previous progress report, the Joint Administrators are pursuing the third objective, namely realising property in order to make a distribution to one or more secured or preferential creditors.

The Proposals were approved by creditors without modifications, using deemed consent on 2 March 2021. There were no major amendments to, or deviations from, these proposals.

### Progress to date

The primary work completed during the Reporting Period was relative to the Company's principal asset, being the Hotel. Please refer to section 3 of the report for further details.

### Outcome for Creditors

As detailed in the previous progress report, in respect of the Secured Creditor, it is anticipated that there will be a distribution available to the Secured Creditor following the sale of the Hotel. The quantum and timeframe of any distribution to the Secured Creditor is subject to the sale of the Hotel. The anticipated distribution is further subject to the principles of subrogation across the NPD Group companies in which NWAH holds security.

As noted in the Proposals, in the event that an investor holds an equitable lien in respect of the Hotel, they may also qualify for a secured distribution should their security hold validity. Any distribution in this regard is dependent upon whether there is a surplus after costs and the intended distribution to NWAH. It is not anticipated that there will be sufficient realisations from the sale of the Hotel to result in a distribution to the lien holders.

There are no known Preferential Creditors of the Company, given that the Company did not employ any staff.

The Joint Administrators anticipate that based on current information there will be insufficient funds to enable a distribution to the Unsecured Creditors of the Company. However, there may be a Prescribed Part distribution for the benefit of the Unsecured Creditors, the quantum of which is uncertain, if any.

Please note, this Progress Report provides Creditors with an account of the progress of the Administration of the Company in the Reporting Period. The Joint Administrators' previous progress reports and the Statement of Proposals issued to the Company's Creditors are available to view at the Website and paper copies can be provided free of charge by writing to Matthew Welden of this office. 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 noted in the Proposals, the Company's principal asset is the Hotel.

#### 3.2 Asset realisations

No realisations have been made to date as shown in the attached Receipts and Payments account at Appendix 3.

##### 3.2.1 Freehold/Leasehold property

An independent valuation of the Hotel was obtained in the Original Administration, and the Joint Administrators have been liaising with the registered leaseholders in order to negotiate a sale of the Hotel.

In the Original Administration the Joint Administrators explored whether it would be possible to sell the Hotel free of the leasehold interest. An informal tendering process was commenced on that basis. Two formal offers were subsequently received and, after inviting all interested parties to submit their best offers, the Agents placed the Hotel under offer with the higher of the prospective buyers.

It became apparent during the course of October 2020 that a sale of the Hotel free of the leasehold interests was unlikely to be achievable in the short term, if at all as the cooperation of the leaseholders would be required and was not forthcoming.

The Agents were instructed to re-market the Hotel to reflect a sale with the leasehold interests remaining in place. The Agents were successful in re-negotiating with the prospective buyer, however at a lower price than the original offer to reflect a sale with the leasehold interests remaining in place.

The Joint Administrators accepted the offer and contracts for the sale of the Hotel were exchanged on 17 June 2021. However, a condition to completion of the sale is the removal of the UN1s from the titles.

The Joint Administrators with the assistance of their Solicitors have filed an application to Court pursuant to paragraph 71(1) to enable a sale of the Hotel free from the UN1s holders' interests following which completion of the sale will occur. The Joint Administrators' lawyers are currently liaising with the Court to finalise the hearing date.

A further update will be provided in the next report to creditors.

##### 3.2.2 Intercompany Debts

As noted in the Proposals, the total amount owed by associated group companies to the Company totals £3,042,000.

All of the associated companies are in formal insolvency processes and it is uncertain whether any of these debts are recoverable.

##### 3.2.3 Investigations

The Former Joint Administrators completed and filled the statutory report during the Original Administration.

As the appointment was made by the Court retrospectively, the three-month period for filling this report has passed. The Joint Administrators contacted the Insolvency Service for confirmation of the position, and it has been confirmed that no further report is required.



The investigations into the wider NPD group remain ongoing along with assessing recovery actions against former management and third parties and are inclusive of the Company. A further report in this respect may be submitted to the Insolvency Service upon exhaustion of all current avenues of enquiry.

### 3.3 Costs

There have been no payments made in the Reporting Period. A Receipts and Payments account as detailed in Appendix 3.

### 3.4 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		
Legal Fees	£79,652	Addleshaw have incurred legal fees in dealing with legal advice in respect of advice on the sale of the Hotel and the status of the leaseholders
Addleshaw Goddard		
Total	£79,652	

There have been insufficient realisations to pay these costs to date. These costs and any future costs incurred will be paid following the sale of the Hotel.

## 4. Outcome for Creditors

### 4.1 Secured Creditors

#### NWAF

The Company granted a debenture to NWAF on 8 November 2017, which was delivered on 16 November 2017 in consideration for monies advanced under a loan facility agreement. The security confers fixed and floating charges over all of the assets of the Company.

The Company granted a second debenture to NWAF on 8 November 2017 which was delivered on 24 November 2017 in consideration of additional monies advanced under the loan facility agreement, which confers fixed and floating charges over all assets of the Company.

The Joint Administrators are however aware that four other companies within the wider NPD group, being Carmarthen Bay Hotel Limited, Atlantic Bay Hotel Limited (both in Administration) and Fourcroft Hotel Limited and Caer Rhun Hotel Management Limited (both in Liquidation), also granted charges to NWAF.

The indebtedness to NWAF as at the Appointment Date of the Original Administration was circa £1 million, subject to accruing interest and charges.

Based on current information, it is the Joint Administrators' intention to make a distribution to NWAF following the sale of the Hotel.

The quantum and timeframe of any such distribution is dependent upon the completion of the sale of the Hotel and will also be subject to the principles of subrogation across the NPD Group companies in which it holds security.

## Investors

As previously reported, the Company operated an investment scheme whereby investors were offered the opportunity to purchase rooms in the Hotel.

In the event that an investor holds an equitable lien in respect of the Hotel, they may also qualify for a secured distribution. Eligibility to receive such a distribution is dependent upon the validity of their security, together with whether there is a surplus after costs and the anticipated distribution to NWAFF. It is not anticipated that there will be sufficient realisations from the sale of the Hotel to result in a distribution to the lien holders.

### 4.2 Preferential Creditors

The Company did not employ any staff. Therefore, the Joint Administrators do not anticipate receipt of any preferential claims.

### 4.3 Unsecured Creditors

According to the Joint Administrators' Estimated Financial Position prepared by the Former Joint Administrators, Unsecured Creditors total £8,452,000.

As previously detailed, upon review of the investor claims, it was confirmed that the quantum of investor claims received in the Original Administration is £3,630,900.

The Joint Administrators expect that there will be insufficient realisations to enable a dividend to be paid to the Unsecured Creditors, other than by virtue of the Prescribed Part, if any. The final value of the Prescribed Part is dependent upon anticipated future asset realisations, costs of the Administration and the quantum of creditor claims once adjudicated, if deemed viable to do so.

## 5. Other matters

### 5.1 Creditors' Committee

Creditors may recall that as part of the proposals issued in the Original Administration, creditors were invited to form a creditors' committee.

The role of a creditors' committee amongst other things (1) to represent the Unsecured Creditors (2) agree the Joint Administrators' remuneration and (3) assist with the Administrators in discharging the Joint Administrators' functions.

The Former Joint Administrators received five nominations for committee members and a committee was duly established on 7 February 2020 consisting of five members.

The Creditors' Committee did not carry over to the current Administration under the Rules, and therefore, the Joint Administrators liaised with the creditors, nominations for a committee have been received, the Joint Administrators are currently in the process of establishing the Creditors' Committee.

### 5.2 Joint Administrators' Receipts and Payments account

A detailed Receipts and Payments account for the period is shown at Appendix 3.

### 5.3 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. Fees, 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 revised fee estimate and Kroll's usual charge-out rates for work on this nature.

As previously detailed, the Joint Administrators propose to seek approval for their remuneration from the Secured Creditor. This may include investors where an investor has paid substantially all of the purchase price of a lease but not received a completed lease as they may hold an equitable lien and this is classed as a form of security under the Act.

The Joint Administrators have sought direction from the Solicitors in respect of the extent and validity of these investors' security.

The amount proposed to be drawn in fees by the Joint Administrators over the life of the case will be calculated and provided in due course. The total amount estimated effectively acts as a cap on the level of fees to be drawn by the Joint Administrators (although amended estimates can be circulated later but will be subject to additional approval by the relevant parties). The Joint Administrators intend to seek approval of this sum from the Secured Creditor.

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

Time costs incurred in the Reporting Period total £61,111, which represents 141 hours at an average hourly rate of £434 and specialist investigation time totalling £6,398 representing 13 hours at an average hourly rate of £504.

Time costs incurred in the Cumulative Period total £80,493, which represents 180 hours at an average hourly rate of £448 and specialist investigation time totalling £6,398 representing 13 hours at an average hourly rate of £504. In accordance with SIP 9, the Joint Administrators have provided further enumeration of their costs at Appendix 6.

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

#### Original Administration

Time costs incurred in the Original Administration total £198,007. No fees were drawn in the Original Administration and as previously advised the Joint Administrators with the assistance of their Solicitors made an application to Court for the approval of the basis of the Joint Administrators' fees and fee estimate.

The application made a further request of the Court to make provision for how to fix the quantum of the Joint Administrators' fees. The Joint Administrators were legally obliged to make the application as the relevant creditors did not approve the fee estimate despite the Joint Administrators offering to agree their fees on a reduced basis. At the time of the retrospective appointment of the administrators the Court also ordered that such fee approval applications were to be made by 29 January 2021.

An initial one hour directions hearing took place on 15 June 2021 and, in line with the Joint Administrators' request, the Court adjourned the applications so that they can be considered on an efficient basis next year once more information regarding the outcome of the Administration is known. These applications will now

be listed for a further directions hearing on the next available date after 7 March 2022. That hearing will consider whether the investigations work that the Joint Administrators have carried out should be considered separately to the case specific work in each Administration, and whether the Court should hear the fee approval application made in each Administration together or whether each company should be considered separately.

As creditors are aware there are extensive investigations being carried out across the whole of the NPD Group, the adjournment will provide sufficient time to not only allow for assets to be realised but also for litigation claims against the NPD Group's advisors to be progressed.

The Court ordered that the costs of the application rank as an expense of the Administration. It also ordered that the Joint Administrators will be discharged from liability as administrators in the Original Administration at the same time as the Joint Administrators are discharged from liability in this Administration.

The Joint Administrators will provide further updates as and when this matter has progressed. Under the order made by the Court, creditors are entitled to request details from the Joint Administrators of future hearings relating to this matter (noting that at present no hearings are scheduled to be heard before Spring 2022).

#### Joinder application

At the hearing on 15 June some 50 plus investors represented by Alastair Dobbie of Shortlands made an application to be joined as parties to the Joint Administrators' fee approval applications. Following adverse judicial comment from Chief Insolvency and Companies Court Judge Briggs, this application was withdrawn and a costs order was made against Shortlands' clients in favour of the Joint Administrators. The purpose of the Shortlands application had been for one or a small number of investors to be appointed as representatives of all investors or categories of investors across the NPD group and for their costs, in particular the legal costs of Shortlands, to be paid as an expense of the Administration, in priority to the claims of creditors.

During the course of the hearing counsel instructed by Shortlands revised the application so that a representation order was sought in respect only of the (then) 52 clients he represented. He confirmed however that his clients only wished to proceed with the application on the condition that their legal costs were paid as an expense of the Administration.

The judge found that the Shortlands application was misconceived and without legal basis. He considered that the condition that Shortlands' clients' costs should be paid as an expense of the Administration was objectionable to the system of class remedy in insolvency proceedings as it would allow those investors to jump ahead of other creditors in the order of priority to the extent of an unknown amount of costs. The Joint Administrators have instructed their Solicitors to pursue payment of the Joint Administrators' costs in dealing with Shortlands' application as they would otherwise fall to be paid from the Administration estates.

#### 6.1.2 Fees

No fees have been drawn in the Reporting Period.

#### 6.1.3 Expenses

Expenses are any payments from the Administration which are neither an Administrator's remuneration nor a distribution to a creditor or member. Expenses also include disbursements. Disbursements are payments which are first met by the Administrator and then reimbursed to the Administrator from the Administration.

Expenses are divided into those that do not need approval before they are charged to the Administration (Category 1) and those that do (Category 2).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the Administrator.

Category 2 expense are payments to associates or which have an element of shared costs and require approval from creditors in the same manner as the Administrator's remuneration, whether paid directly from the estate or as a disbursement.

Approval of Category 2 expenses in the Original Administration has been sought from the Court.

The Joint Administrators provided in their Proposals report to creditors an estimate of expenses for the Administration, totalling £119,435. This was for information purposes only and could possibly change over the course of the Administration.

Appendix 4 also details the expenses incurred for the Reporting Period and the whole of the Administration.

There have been no payments made in the Reporting Period.

#### 6.1.4 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 expenses 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.

The Joint Administrators have not incurred any pre-Administration costs or expenses.

### 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:

- Facilitating the sale of the Hotel;
- Continuing with the Joint Administrators' investigations into former management and third parties;
- Distributing funds to the Secured Creditor;
- Paying outstanding costs of the Administration; and
- Dealing with other statutory matters and duties.

#### 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.

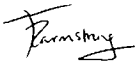
The Joint Administrators sought approval from the Court for the extension of the Administration for a period of 12 months.

Approval for the extension was granted by the Court and therefore the revised automatic end date of the Administration is 7 August 2022.

#### 7.3 Future reporting

The Joint Administrators will provide a further progress report within one month of 7 February 2022 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 Matthew Welden.



Robert Armstrong  
Joint Administrator

Enc.

The affairs, business and property of the Company are being managed by the Joint Administrators, Robert Armstrong and Andrew Knowles, 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	Caer Rhun Hall Hotel Limited
Date of incorporation	20 August 2015
Registered Number	09741446
Company Director(s)	Iain Shelton was appointed by the Interim Managers of NPD in their capacity as shareholders of the Company
Company Secretary	None Appointed
Shareholders	NPD
Trading address	N/A
Registered office	Current: c/o Kroll Advisory Ltd The Chancery 58 Spring Gardens M2 1EW Former: Unit D2 Elland Riorges Link Lowfields Business Park Elland
Any Other trading names	N/A
Administration information	
Administration Appointment	The Administration appointment granted in High Court of Justice, 4489 of 2020
Appointor	The court
Date of Appointment	8 <sup>th</sup> August 2020
Joint Administrators	Robert Armstrong and Andrew Knowles
Original purpose	Realising property in order to make a distribution to one or more Secured or Preferential Creditors
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	7 August 2022
Prescribed part	The prescribed part is applicable in this case. It has been taken into account when determining the dividend prospects for Unsecured Creditors (Section 4). – amend as appropriate
Application of EC Regulations	These proceedings have been defined as the Main Proceedings under Article 3 of the EC Regulations

## Appendix 2 – Approved Proposals

The following Joint Administrators' Proposals were deemed approved by the creditors on 2 March 2021, being the expiry of the period in which a decision can be requisitioned by creditors:

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 unsecured 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 Rob Armstrong and Andrew Knowles of Kroll Advisory 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

**Caer Rhun Hall Hotel Limited**  
**(In Administration)**  
**JOINT ADMINISTRATORSS' RECEIPTS AND PAYMENTS ACCOUNT**

	Statement of affairs £	From 08/02/2021 To 07/08/2021 £	From 08/08/2020 To 07/08/2021 £
<b>RECEIPTS</b>			
		0.00	0.00
<b>PAYMENTS</b>			
		0.00	0.00
Net Receipts/(Payments)		0.00	0.00
<b>MADE UP AS FOLLOWS</b>			
		0.00	0.00

Note:

## Appendix 4 – Analysis of Expenses Incurred

### Joint Administrators' Expenses: Category 1 and Category 2

Category 1 Expenses			Current period		Cumulative period	
Company	Activity	Fee Basis	Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
Addleshaw Goddard	Sale of the property, application to Court re fees and other ad hoc legal advice	Time costs	79,652	0	156,889	0
Sanderson Weatherall	Valuation & Marketing of Hotel and cottage	Time costs	0	0	1,750	0
AUA Insolvency Risk Service	Asset insurance	As incurred	18,300	0	68,000	0
Total			97,952	0	226,639	0

### Notes

The above costs exclude VAT

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 the basis of their fee.

Kroll Advisory Ltd being the employer of the Joint Administrators and the staff working on the Administration, is considered an associate of the Administrators

It is considered that these expenses are fair and reasonable and proportionate to the Administration

## Appendix 5 – Analysis of time charged

### Joint Administrators' Fees

130725 CAER RHUN HALL HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 15/01/2020 to 07/08/2021

ADM-Admin. - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
<b>Administration and Planning</b>								
Case review & Case Diary management	0.50	0.25	0.00	1.30	0.00	2.05	629.50	307.07
Cashiering & accounting	0.00	0.60	0.50	3.30	0.00	4.40	1,121.00	254.77
IPS set up & maintenance	0.00	0.00	0.00	0.50	0.00	0.50	75.00	150.00
Insurance	0.00	2.50	0.00	0.00	0.00	2.50	975.00	390.00
Statutory matters (Meetings & Reports & Notices)	1.00	6.75	0.00	15.35	0.00	23.10	6,761.50	292.71
Strategy planning & control	1.00	50.50	0.00	22.70	0.00	74.20	32,276.50	434.99
<b>Creditors</b>								
Communications with Creditors / Employees	0.00	1.00	0.00	5.55	0.00	6.55	1,777.50	271.37
Creditors committee	0.00	0.00	0.00	0.90	0.00	0.90	225.00	250.00
Secured Creditors	0.00	0.00	0.00	0.35	0.00	0.35	87.50	250.00
<b>Realisation of Assets</b>								
Freehold and Leasehold Property	0.00	61.85	0.00	1.45	0.00	63.30	36,064.50	569.74
Sale of business	0.00	0.00	0.00	2.00	0.00	2.00	500.00	250.00
<b>Total Hours:</b>	<b>2.50</b>	<b>123.45</b>	<b>0.50</b>	<b>53.40</b>	<b>0.00</b>	<b>179.85</b>		<b>447.56</b>
<b>Total Fees Claimed: £</b>	<b>1,725.00</b>	<b>67,441.50</b>	<b>190.00</b>	<b>11,136.50</b>	<b>0.00</b>		<b>80,493.00</b>	

130725 CAER RHUN HALL HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 15/01/2020 to 07/08/2021

CVL Investigations

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
	0.00	8.90	0.00	0.00	3.80	12.70	6,398.00	503.78
<b>Total Hours:</b>	<b>0.00</b>	<b>8.90</b>	<b>0.00</b>	<b>0.00</b>	<b>3.80</b>	<b>12.70</b>		<b>503.78</b>
<b>Total Fees Claimed: £</b>	<b>0.00</b>	<b>5,429.00</b>	<b>0.00</b>	<b>0.00</b>	<b>969.00</b>		<b>6,398.00</b>	

130725 CAER RHUN HALL HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 11/02/2021 to 07/08/2021

ADM-Admin. - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
<b>Administration and Planning</b>								
Case review & Case Diary management	0.50	0.25	0.00	1.30	0.00	2.05	629.50	307.07
Cashiering & accounting	0.00	0.60	0.50	3.30	0.00	4.40	1,121.00	254.77
IPS set up & maintenance	0.00	0.00	0.00	0.50	0.00	0.50	75.00	150.00
Insurance	0.00	2.50	0.00	0.00	0.00	2.50	975.00	390.00
Statutory matters (Meetings & Reports & Notices)	1.00	6.55	0.00	15.35	0.00	22.90	6,659.50	290.81
Strategy planning & control	1.00	12.70	0.00	21.70	0.00	35.40	12,996.00	367.12
<b>Creditors</b>								
Communications with Creditors / Employees	0.00	1.00	0.00	5.55	0.00	6.55	1,777.50	271.37
Creditors committee	0.00	0.00	0.00	0.90	0.00	0.90	225.00	250.00
Secured Creditors	0.00	0.00	0.00	0.35	0.00	0.35	87.50	250.00
<b>Realisation of Assets</b>								
Freehold and Leasehold Property	0.00	61.85	0.00	1.45	0.00	63.30	36,064.50	569.74
Sale of business	0.00	0.00	0.00	2.00	0.00	2.00	500.00	250.00
<b>Total Hours:</b>	<b>2.50</b>	<b>85.45</b>	<b>0.50</b>	<b>52.40</b>	<b>0.00</b>	<b>140.85</b>		<b>433.87</b>
<b>Total Fees Claimed: £</b>	<b>1,725.00</b>	<b>48,285.50</b>	<b>190.00</b>	<b>10,910.00</b>	<b>0.00</b>		<b>61,110.50</b>	

130725 CAER RHUN HALL HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 11/02/2021 to 07/08/2021

CVL Investigations

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
	0.00	8.90	0.00	0.00	3.80	12.70	6,398.00	503.78
<b>Total Hours:</b>	<b>0.00</b>	<b>8.90</b>	<b>0.00</b>	<b>0.00</b>	<b>3.80</b>	<b>12.70</b>		<b>503.78</b>
<b>Total Fees Claimed: £</b>	<b>0.00</b>	<b>5,429.00</b>	<b>0.00</b>	<b>0.00</b>	<b>969.00</b>		<b>6,398.00</b>	



## 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	<ul style="list-style-type: none"> <li>• Monitoring and reviewing the Administration strategy;</li> <li>• Briefing staff on the Administration strategy and matters in relation to workstreams;</li> <li>• Regular case management and reviewing of process including regular team update meetings and calls;</li> <li>• Meeting with management to review and update strategy and monitor progress;</li> <li>• Reviewing and authorising junior staff correspondence and other work;</li> <li>• Dealing with queries arising during the appointment;</li> <li>• Reviewing matters affecting the outcome of the Administration;</li> <li>• Allocating and managing staff/ case resourcing and budgeting exercises and reviews;</li> <li>• Liaising with legal advisors regarding various instructions, including agreeing content of engagement letters; and</li> <li>• Complying with internal filing and information recording practices, including documenting strategy decisions.</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>• Updating the list of Unsecured Creditors;</li> <li>• Responding to enquiries from Creditors regarding the Administration and submission of their claims;</li> <li>• Reviewing completed forms submitted by Creditors, recording claim amounts and maintaining claim records; and</li> <li>• Drafting progress statutory progress reports.</li> <li>• Providing written and oral updates to the Secured Lenders regarding the progress of the Administration and cases strategy;</li> <li>• Filing notice of the extension of the Administration; and</li> </ul>
Investigations	<ul style="list-style-type: none"> <li>• Managing and reviewing the Company books and records;</li> <li>• 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;</li> <li>• Obtaining records from third parties;</li> <li>• Conducting interviews with counterparties and officeholders;</li> <li>• Enquiring with counterparties who has raised disputes against the Company;</li> <li>• Reviewing pre-appointment transactions; and</li> <li>• Documenting investigations.</li> </ul>
Statutory and compliance	<ul style="list-style-type: none"> <li>• Ensuring compliance with all statutory obligations within the relevant timescales;</li> <li>• Uploading information to the Creditors' Portal/Website;</li> <li>• Drafting and publishing progress reports;</li> <li>• Running decision procedures;</li> <li>• Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9;</li> <li>• Monitoring the fees estimate; and</li> <li>• Monitoring the expenses estimate.</li> </ul>

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

## 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 Matthew Welden at [Matthew.Welden@kroll.com](mailto:Matthew.Welden@kroll.com).

### Information for Creditors on remuneration and expenses of Administrators

Information regarding the fees and expenses of Administrators, including details of the expenses policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "Administration: A Creditor's Guide to Insolvency Practitioner Fees". This can be viewed and downloaded from the website at:

<https://www.kroll.com/en-gb/services/restructuring-advisory/creditor-guides-and-employee-fact-sheets>

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 expenses 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 are 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 Matthew Welden at Kroll, The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

## Appendix 8 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Appointment Date	8 August 2020 being the date of appointment of the Joint Administrators
Category 2 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to associates or where there is an element of shared costs. Such expenses require approval by creditors before payment
the Company	Caer Rhun Hall Hotel Limited (In Administration) (Company Number: 09741446)
DBEIS	Department for Business, Energy & Industrial Strategy
the Directors	Iain Shelton was appointed by the interim managers of NPD in their capacity as shareholders the Company
EC Regulation	EC Regulation on Insolvency Proceedings 2000
the Former Joint Administrators	Philip Duffy and Sarah Bell of Kroll
the Hotel	Caer Rhun Hall Hotel
the Joint Administrators	Robert Armstrong and Andrew Knowles of Kroll
NPD	Northern Powerhouse Developments Limited (Company number: 09940469) – In Administration
Kroll	Kroll Advisory Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW
NWAF/ the Secured Creditor	North West Asset Finance, holder of a fixed and floating charge over the Company.
the Original Administration	8 August 2019 to 7 August 2020, being the period of the initial Administration
Preferential Creditor/s	A creditor with a claim that ranks in priority to other unsecured creditors, to floating charge holders and the prescribed part. Preferential debts are either 'ordinary', such as certain employee claims, or 'secondary', such as HMRC's claims for VAT and PAYE income tax, which will rank for payment after the ordinary preferential claims are paid in full.
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

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the Proposals	The Joint Administrators' Report to Creditors and Statement of Proposals dated 17 February 2021
the Reporting Period	The period from 8 February 2021 to 7 August 2021
The Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and expenses
the Solicitors	Addleshaw Goddard LLP and Hewlett Swanson, instructed to provide legal advice with respect to the sale of the Hotel and other ad hoc matters

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#### Appendix 9 – Notice about this report

This report has been prepared by Robert Armstrong and Andrew Knowles, the Joint Administrators of the Company, solely to comply with their statutory duty to report to Creditors under the Insolvency (England and Wales) Rules 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 (England and Wales) Rules 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.

Robert John Armstrong and Andrew William Knowles 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, Kroll Advisory 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.