

AM10

Notice of administrator's progress report



Companies House

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

1 Company details

Company number 0 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 John
Surname Armstrong

3 Administrator's address

Building name/number The Shard
Street 32 London Bridge Street
Post town London
County/Region Greater London
Postcode S E 1 9 S G
Country United Kingdom

4 Administrator's name ①

Full forename(s) Andrew William
Surname Knowles

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 Greater Manchester
Postcode M 2 1 E W
Country United Kingdom

② **Other administrator**
Use this section to tell us about
another administrator.

Notice of administrator's progress report

Period of progress report

Progress report

Sign and date

Signature date

^d 2	^d 8	^m 0	^m 2	^y 2	^y 0	^y 2	^y 2
----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

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 **Matthew Welden**

Company name **Kroll Advisory Ltd.**

Address **The Chancery
58 Spring Gardens**

Post town **Manchester**

County/Region **Greater Manchester**

Postcode **M 2 1 E W**

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

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

28 February 2022

Caer Rhun Hall Hotel Limited (In Administration)

Joint Administrators' Progress Report for the period from 8 August 2021 to
7 February 2022.

Kroll Advisory Ltd
The Chancery
58 Spring 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.

Contents

1. Introduction	1
2. Creditor summary	1
3. Progress of the Administration	2
4. Outcome for Creditors	4
5. Other matters	5
6. Fees, Expenses and Pre-Administration costs	5
7. Future strategy	8

Appendices

Appendix 1 – Statutory information	10
Appendix 2 – Approved Proposals	11
Appendix 3 – Receipts and Payments Account	12
Appendix 4 – Analysis of Expenses Incurred	13
Appendix 5 – Analysis of time charged	15
Appendix 6 – Narrative of work carried out for the Reporting Period	16
Appendix 7 – Statement of Creditors' rights	18
Appendix 8 – Definitions	19
Appendix 9 – Notice about this report	21

1. Introduction

As you are aware Philip Duffy and Sarah Bell were appointed Joint Administrators of the Company on the Appointment Date by the Director of the Company.

Following the Block Transfer Order passed in the High Court of Justice, Manchester District Registry, Chancery Division, No. 000356 of 2021, Robert Armstrong and Andrew Knowles replaced the Former Joint Administrators on 16 June 2021.

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 Reports, 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

Following the sale of the Hotel a distribution of £650,000 has been made to NWAFF, under its fixed charge 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. A distribution to lien holders is not available following the sale of the Hotel as there was insufficient surplus realisations available.

There are no known Preferential Creditors of the Company as the Company did not employ any staff.

A distribution to the Unsecured Creditors from the proceeds of sale of the Hotel is not available due to the level of realisations. It is uncertain whether Unsecured Creditors will receive a distribution from any recoveries in respect of the claims detailed below. This includes any distributions under any Prescribed Part available.

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 <https://micro.kroll.com/ukrestructuring> 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

Realisations during the Reporting Period are set out in the attached Receipts and Payments Account at Appendix 3.

3.2.1 Freehold/Leasehold property

The principal asset of the Company is the Hotel.

A sale of the Hotel subject to the leases was completed on 11 October 2021 for a total consideration of £760,000 which was paid on the Completion Date as shown in the Receipts and Payments Account at Appendix 3. The chattel assets held in the Hotel were also sold for a consideration of £40,000 which was paid to the operating company Caer Rhun Hotel Management Limited.

The Joint Administrators made an application under Paragraph 71 Schedule B1 of the Act to sell the freehold titles of the Hotel subject to the leases notwithstanding the interests of the Lien Holders. The Court approved the sale on 23 September 2021 and ordered that the net proceeds of any disposal of the Hotel by the Joint Administrators shall be applied in payment of the sums secured by the security in the following order of priority:

(a) to discharge the sum due to the NWAFF secured on the freehold title of the Hotel by the legal charge registered on 28 May 2019;

(b) to the Lien Holders.

Consequently, after a distribution of £650,000 to NWAFF from the proceeds of sale a surplus to Lien Holders was not available.

3.2.2 Intercompany Debtors

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 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.

The Joint Administrators have completed the analyses of the companies' bank accounts, to the extent that the required bank statement data could be obtained.

The Joint Administrators' investigations into the activities of the companies and the operation of the various investment schemes are ongoing in that further work continues to be required in the preparation of claims against third parties. In particular, analyses of email data and other communications are continuing.

The Joint Administrators have sought Counsel's advice on the merits of the claims from the ongoing investigations and the information gathered to date. The Joint Administrators have now received Counsel's opinion on certain claims against third parties. The Joint Administrators are assessing this advice with their lawyers and are liaising with litigation funders/insurers to assess these funding options.

As previously advised, the details of the claims remain highly confidential and the Joint Administrators cannot give exact details of such claims as this may hamper any legal actions. A further update will be provided in the next report.

3.3 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:

3.3.1 Legal Fees

Legal fees of £5,000 plus VAT have been paid to Addleshaw in respect of Counsel's fees incurred in dealing with the Paragraph 71 application.

In addition, a further £5,400 plus VAT has been paid to Schofield Sweeney LLP in respect of fees incurred in dealing with the sale of the Hotel.

3.3.2 Irrecoverable VAT

As the Company is not registered for VAT, the Joint Administrators are unable to reclaim VAT paid on costs. Therefore, the Joint Administrators have incurred £2,091 of irrecoverable VAT during the Reporting Period.

3.3.3 Legal Disbursements

Disbursements of £57 have been incurred and paid to Schofield Sweeney LLP.

3.4 Fees and expenses

The Joint Administrators have detailed the costs incurred during the Reporting 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 overleaf.

Significant expenses incurred but not paid

Joint Administrators' time costs	£161,278	Total time costs incurred in the Reporting Period is £42,140 (see Appendix 5). No remuneration was drawn during the Reporting Period.
Legal fees Addleshaw Goddard LLP	£216,345	The Company's legal advisors have incurred fees of £216,345 of which £59,489 was incurred during the Reporting Period. This relates to time incurred in respect of the sale of the Hotel, advice in relation to the investors, applications to Court seeking fee approval and extension of the administration.
Total	£377,623	

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 indebtedness to NWAF was c £1.0 million as at the date of the commencement of the Original Administration and subject to accruing interest and charges. However, the Joint Administrators are aware that four other companies within the NPD Group have also granted charges to NWAF (Atlantic Bay Hotel (Woolacombe) Limited and Carmarthen Bay Hotel Limited — both in Administration, Caer Rhun Hotel Management Limited, and Fourcroft Hotel (Tenby) Limited — both in Liquidation).

Following the sale of the Hotel owned by the Company a distribution of £650,000 has been remitted to NWAF under its fixed charge security.

Included in the freehold title of The Fourcroft Hotel (Tenby) Limited is a cottage located at the rear of the hotel. A sale of the cottage has been completed by the Receiver appointed by NWAF, the cottage was sold for the sum of £240,000 and we await further detail from NWAF in respect of the costs of this transaction and the reduction of NWAF's debt following this sale.

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 NWAF. 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.

4.4 Prescribed Part

The Company granted a floating charge to NWAf on 16 November 2017 and the Prescribed Part provisions will apply. However, due to the realisations made and costs of the Administration there will be insufficient funds to enable a distribution from the Prescribed Part.

5. Other matters

5.1 Decision procedure

No decision is being sought as part of this Progress Report.

5.2 Creditors' Committee

As noted in the Previous Progress Report, the Joint Administrators were in the process of establishing the Creditors' Committee. As the proposed committee members were not in a position to sign the required Non-Disclosure Agreement, no committee was established in the current Administration.

5.3 Joint Administrators' Receipts and Payments Account

A detailed Receipts and Payments Account for the Reporting Period is shown in Appendix 3 together with a cumulative account for the whole of the Administration.

5.4 Creditors' rights

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

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 have made an application to Court for the approval of Current Administration remuneration, a hearing date is expected in due course. The order of Chief Insolvency and Companies Court Judge Briggs made in June 2021 (detailed below) directed that this application be heard at the same time as the application made in the Original Administration. If you would like details of that hearing please contact the Joint Administrators to request this.

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 £37,790, which represents 106 hours at an average hourly rate of £358 and specialist investigation time totalling £4,350 representing 7 hours at an average hourly rate of £621.

Time costs incurred in the Cumulative Period total £117,886, which represents 284 hours at an average hourly rate of £415 and specialist investigation time totalling £10,748 representing 20 hours at an average hourly rate of £546. 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 once more information regarding the outcome of the Administration is known. These applications will 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 set out above, the application made in the Current Administration will also be heard at the same time as these matters are dealt with.

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.

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 which was subsequently paid by Shortlands' clients during the period to which this report relates. 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.

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.

The Joint Administrators provided in the Proposals 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 details the current update of the expenses estimate.

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

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:

- Continuing with the Joint Administrators' investigations into former management and third parties;
- 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.

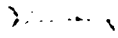
The Joint Administrators sought approval from the Court for the extension of the Administration for a period of 12 months.

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 August 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, Rober 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	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 Manchester 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 August 2020	
Joint Administrators	Robert Armstrong and Andrew Knowles of Kroll	
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).	
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 Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 08/08/2021 To 07/02/2022 £	From 08/08/2020 To 07/02/2022 £
SECURED ASSETS		
Freehold Land & Property	760,000.00	760,000.00
Gross bank interest - fixed account	2.47	2.47
	<u>760,002.47</u>	<u>760,002.47</u>
COSTS OF REALISATION		
Legal Fees	10,400.00	10,400.00
Legal Disbursements	57.00	57.00
VAT - Unrecoverable	2,091.40	2,091.40
Fixed bank charges	15.00	15.00
	<u>(12,563.40)</u>	<u>(12,563.40)</u>
SECURED CREDITORS		
NWAF Ltd	650,000.00	650,000.00
	<u>(650,000.00)</u>	<u>(650,000.00)</u>
	97,439.07	97,439.07
REPRESENTED BY		
Fixed bank account		97,439.07
		97,439.07

Note:

Appendix 4 – Analysis of Expenses Incurred

Joint Administrators' Expenses: comparison with estimate

Expenses	Original expenses estimate £	Actual expenses incurred in the Reporting Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Legal costs - Addleshaw	48,745	59,489	216,345	Addleshaw has been appointed due to the specialist knowledge in insolvency law
Legal costs – Schofield Sweeney LLP	Nil	5,400	5,400	Appointed as the legal conveyancer
Legal costs - Hewlett	25,000	Nil	Nil	
Agents' and valuers' costs – Sanderson Weatherall	41,430	19,250	19,250	
Statutory Advertising	255	Nil	Nil	
Kroll disbursements	1,780	71	71	
Bond Premium	225	Nil	225	
Bank Charges	2,000	15	15	
TOTAL	119,435	84,225	241,306	

Notes

The above costs exclude VAT

Previous Progress Reports have informed creditors of an increase in the original estimate.

Joint Administrators' Expenses: Category 1 and Category 2

Category 1 Expenses			Current period		Cumulative period	
Company	Activity	Fee Basis	Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
Addleshaw	Legal fees	Time costs	59,489	5,000	216,345	5,000
Hewlett	Legal fees	Time costs	Nil	Nil	Nil	Nil
Schofield Sweeney LLP	Legal fees	Time costs	5,400	5,400	5,400	5,400
Sanderson Weatherall	Agents fees	% of realisations and valuation fee	19,250	Nil	19,250	Nil
Insolvency Risk Services	Insurance	As incurred	6,795	Nil	74,795	Nil
AON	Bond Premium	Fixed Fee	-	-	225	-
Total			90,934	10,400	316,015	10,400

Category 2 Expenses			Current period		Cumulative period	
Company	Activity	Fee Basis	Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
Total Data Management	Storage Costs	Fixed fee	8	-	8	-
Kroll	Travel Costs	Mileage	71	-	71	-
Total			79	-	79	-

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

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

107605 ATLANTIC BAY HOTEL (WOOLACOMBE) LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 08/08/2020 to 7/02/2022

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	0.50	0.00	0.10	0.00	2.10	1,195.00	569.05
Cashiering & accounting	0.00	0.00	0.40	1.75	0.00	2.15	444.50	206.74
IPS set up & maintenance	0.00	0.00	0.00	2.55	0.00	2.55	382.50	150.00
Insurance	0.00	0.00	0.00	2.55	0.00	2.55	637.50	250.00
Statutory matters (Meetings & Reports & Notices)	0.00	6.25	0.00	15.80	0.00	22.05	5,387.50	244.33
Strategy planning & control (incl engagement financial control)	0.00	0.00	0.00	8.65	0.00	8.65	2,122.50	245.38
Tax Compliance / Planning	0.00	0.10	0.00	1.15	0.00	1.25	266.50	213.20
Creditors								
Creditors committee	0.00	0.00	0.00	1.15	0.00	1.15	287.50	250.00
Dealings with creditors and employees	0.00	0.00	0.00	16.25	0.00	16.25	4,056.50	249.63
Non Pref Creditors / Employee claims handling	0.00	0.00	0.00	0.30	0.00	0.30	75.00	250.00
Secured Creditors	0.00	0.00	0.00	0.40	0.00	0.40	100.00	250.00
Realisation of Assets								
Freehold and Leasehold Property	0.00	0.00	0.00	1.50	0.00	1.50	375.00	250.00
Sale of business	0.00	0.00	0.00	1.80	0.00	1.80	450.00	250.00
Total Hours:	1.50	6.85	0.40	53.95	0.00	62.70		251.67
Total Fees Claimed: £	975.00	2,671.50	152.00	11,981.50	0.00		15,780.00	

107605 ATLANTIC BAY HOTEL (WOOLACOMBE) LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 08/08/2020 to 7/02/2022

Investigations

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
	0.00	18.35	1.90	0.00	20.30	40.55	16,863.75	415.88
Total Hours:	0.00	18.35	1.90	0.00	20.30	40.55		415.88
Total Fees Claimed: £	0.00	10,984.25	703.00	0.00	5,176.50		16,863.75	

130725 CAER RHUN HALL HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 08/08/2020 to 07/02/2022

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	0.50	0.50	0.00	4.15	0.00	5.15	1,208.50	234.66
Cashiering & accounting	0.00	2.35	1.20	6.60	0.00	10.15	2,773.00	273.20
IPS set up & maintenance	0.00	0.00	0.00	0.50	0.00	0.50	75.00	150.00
Insurance	0.00	2.70	0.00	0.15	0.00	2.85	1,081.50	379.47
Statutory matters (Meetings & Reports & Notices)	1.00	19.60	0.40	24.90	0.00	45.90	15,038.00	327.63
Strategy planning & control (incl engagement financial control)	1.00	52.70	0.00	41.95	0.00	95.65	36,870.50	385.47
Tax Compliance / Planning	0.00	0.00	0.00	3.05	0.00	3.05	461.50	151.31
Creditors								
Creditors committee	0.00	0.00	0.00	3.65	0.00	3.65	978.50	268.08
Dealings with creditors and employees	0.00	6.60	0.00	11.95	0.00	18.55	5,236.50	282.29
Secured Creditors	0.00	0.00	0.00	0.45	0.00	0.45	112.50	250.00
Realisation of Assets								
Freehold and Leasehold Property	0.00	94.35	0.00	1.45	0.00	95.80	53,454.50	557.98
Other Tangible Assets	0.00	0.00	0.00	0.60	0.00	0.60	96.00	160.00
Sale of business	0.00	0.00	0.00	2.00	0.00	2.00	500.00	250.00
Total Hours:	2.50	178.80	1.60	101.40	0.00	284.30		414.65
Total Fees Claimed: £	1,725.00	95,155.50	633.50	20,372.00	0.00		117,886.00	

130725 CAER RHUN HALL HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 08/08/2020 to 07/02/2022

Investigations

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
	2.00	13.90	0.00	3.80	0.00	19.70	10,748.00	546.00
Total Hours:	2.00	0.00	0.00	0.00	0.00	19.70		546.00
Total Fees Claimed: £	1,300.00	13.90	0.00	3.80	0.00		10,748.00	

Category 2 Disbursements:

130725 CAER RHUN HALL HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 08/08/2021 to 07/02/2022

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	0.25	0.00	2.85	0.00	3.10	579.00	186.77
Cashiering & accounting	0.00	1.75	0.70	3.30	0.00	5.75	1,652.00	287.30
Insurance	0.00	0.20	0.00	0.15	0.00	0.35	106.50	304.29
Statutory matters (Meetings & Reports & Notices)	0.00	12.85	0.40	9.55	0.00	22.80	8,276.50	363.00
Strategy planning & control (incl engagement financial control)	0.00	3.00	0.00	19.50	0.00	22.50	4,991.00	221.82
Tax Compliance / Planning	0.00	0.00	0.00	3.05	0.00	3.05	461.50	151.31
Creditors								
Creditors committee	0.00	0.00	0.00	2.75	0.00	2.75	753.50	274.00
Dealings with creditors and employees	0.00	5.60	0.00	6.40	0.00	12.00	3,459.00	288.25
Secured Creditors	0.00	0.00	0.00	0.10	0.00	0.10	25.00	250.00
Realisation of Assets								
Freehold and Leasehold Property	0.00	32.50	0.00	0.00	0.00	32.50	17,390.00	535.08
Other Tangible Assets	0.00	0.00	0.00	0.60	0.00	0.60	96.00	160.00
Total Hours:	0.00	56.15	1.10	48.25	0.00	105.50		358.20
Total Fees Claimed: £	0.00	28,066.00	443.50	9,280.50	0.00		37,790.00	

130725 CAER RHUN HALL HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 08/08/2021 to 07/02/2022

Investigations

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
	2.00	5.00	0.00	0.00	0.00	7.00	4,350.00	621.00
Total Hours:	2.00	0.00	0.00	0.00	0.00	7.00		621.00
Total Fees Claimed: £	1,300.00	5.00	0.00	0.00	0.00		4,350.00	

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
- Providing written and oral updates to the Secured Lenders regarding the progress of the Administration and cases strategy.

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; and• Renewing bonding and complying with statutory requirements. |
| Asset realisations | <ul style="list-style-type: none">• Liaising with agents regarding the sale of assets;• Reviewing outstanding debtors and management of debt collection strategy;• Liaising with lawyers in relation to the sale of property;• Liaising with third parties regarding costs incurred;• Reviewing and agreeing invoices;• Reviewing costs incurred to ensure recorded accurately; and• Arranging payments to solicitors in a timely manner. |
| 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 Matthew Welden at 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.duffandphelps.co.uk/services/disputes-and-investigations/restructuring/corporate-restructuring/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 this office.

Appendix 8 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents	Sanderson Weatherall, independent agents who were instructed to value and sell the assets of the Company
the Appointment Date	8 August 2020, being the date of appointment of the Joint Administrators
Category 1 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to persons providing the service to which the expense relates and who are not an associate of the Administrator. These expenses can be paid without prior approval
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)
the Cumulative Period	The period from the date of appointment to the date of the report, i.e. the whole period of the Administration
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 Administrators	Joint Philip Duffy and Sarah Bell of Kroll
the Hotel/Property	Caer Rhun Hall Hotel
Interim Managers	Philip Duffy and Sarah Bell of Kroll
the Joint Administrators	Robert Armstrong and Andrew Knowles of Kroll
Kroll	Kroll Advisory Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW
NPD	Northern Powerhouse Developments Limited (Company number: 09940469) – In Administration
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

Word or Phrase	Definition
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
the Previous Progress Reports	The First Progress Report dated 4 March 2021; The Second Progress Report dated 17 August 2021
the Proposals	The Joint Administrators' Report to Creditors and Statement of Proposals dated 17 February 2021
the Reporting Period	The Period 8 August 2021 to 7 February 2022
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 / Hewlett	Addleshaw Goddard LLP and Hewlett Swanson, instructed to provide legal advice with respect to the sale of the Hotel and other ad hoc matters

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 Armstrong and Andrew 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.