

# AM10

## Notice of administrator's progress report



Companies House

TUESDAY



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17/03/2020

#77

COMPANIES HOUSE

### 1 Company details

Company number 0 9 9 4 0 4 6 9

Company name in full Northern Powerhouse Developments Limited

→ Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Philip Francis

Surname Duffy

### 3 Administrator's address

Building name/number The Chancery

Street

Post town 58 Spring Gardens

County/Region Manchester

Postcode M 2 1 E W

Country

### 4 Administrator's name ①

Full forename(s) Sarah Helen

Surname Bell

① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number The Chancery

Street

Post town 58 Spring Gardens

County/Region Manchester

Postcode M 2 1 E W

Country

② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	d	1	d	6	m	0	m	8	y	2	y	0	y	1	y	9
To date	d	1	d	5	m	0	m	2	y	2	y	0	y	2	y	0

### 7 Progress report

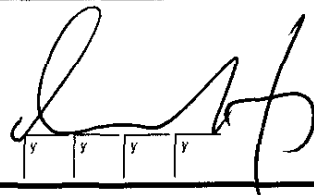
☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

d	d	m	m	y	y	y	y
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# Progress Report to Creditors

## Northern Powerhouse Developments Limited (In Administration)

13 March 2020

*Joint Administrators' Progress Report for the period from 16 August 2019 to  
15 February 2020*

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

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## **1. Introduction**

The Joint Administrators were appointed on the Appointment Date by an order of the Court.

This Progress Report provides an update on the Administration of the Company. It should be read in conjunction with the Proposals.

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

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

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

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

## **2. Creditor summary**

This Progress Report covers the period from the Appointment Date to 15 February 2020.

### **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.

The first objective will not be achieved as there are insufficient funds and assets available to enable the Company to be rescued as a going concern.

The Joint Administrators are pursuing the second objective as all the monies across the schemes were pooled and investors have interests across all scheme assets. Consequently, subject to court directions, it is anticipated that a better result for the Company's creditors as a whole will be achieved than if the Company was wound up.

The Joint Administrators believe that, if they are unable to achieve the second purpose, the third objective will be achieved as it is anticipated that a distribution will be paid to one or more of the validly Secured Creditors of the Company.

### **Progress to date**

The progress of the Administration to date is set out in Section 3 of this report. This section includes any updates on the Administration during the Reporting Period.

### **Outcome for Creditors**

It is uncertain whether there will be sufficient realisations to repay Mysing and Fiduciam under their security.

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

Please note, this Progress Report provides Creditors with an account of the progress of the Administration of the Company in the period. The Proposals issued to the Company's Creditors are available to view on the Website. Paper copies can be provided free of charge by writing to Heather Sykes at 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**

Following the Appointment Date, the Joint Administrators initially dismissed the sales team that were employed by the Company as the Joint Administrators did not consider it to be acceptable to continue marketing the investment schemes. In addition, once the Company's books and records had been obtained and updated by the Joint Administrators, the remaining employees were dismissed and the Company vacated the Eland premises in November 2019.

#### **3.2 Asset realisations**

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

Summaries of the most significant realisations during the Administration are provided below.

##### **3.2.1 Interim Manager surplus**

A surplus of funds from the Interim Managers' account totalling £42,320 has been transferred into the Administration bank account and is shown at Appendix 3.

It should be noted that the Company's cash at bank balance of £5,302 is included in this total.

No further realisations are anticipated in this respect.

##### **3.2.2 Director's loan account**

According to the Company's books and records as at March 2019, there is an overdrawn director's loan account of £419,621.

The Company's records have since been updated and the current outstanding balance is approximately £615,000.

The Joint Administrators have obtained a freezing order against the personal assets of the Director, which will assist the recovery proceedings commenced by the Joint Administrators. The Joint Administrators have commenced proceedings against the Director for the recovery of the Director's loan.

The Director has served his defence in relation to the claim along with a request for additional information, which is currently under review and the Joint Administrators will respond to the Director's solicitors. The Joint Administrators are also awaiting confirmation from the Court to the listing of the case management conference to determine the timetable to trial.

In addition, a restriction on the Director's personal property has also been requested and the relevant documentation has been filed at the HM Land Registry, and we have been advised that the application is still pending.

A further update will be provided in the next progress report.

### 3.2.3 Leasehold premises

The Company operated from leasehold premises at Unit D2, Eiland Ridges Link, Lowfields Business Park, Eiland, HX5 9DG.

The Company continued to occupy the premises during the Administration period to safeguard and reconcile the Company's books and records to assist with the ongoing trading of Giant Hospitality Limited. The Company subsequently vacated the premises on 15 November 2019.

You will note from the Receipts and Payments Account attached that the rent paid for the Eiland premises has been recharged to Giant Hospitality Limited accordingly along with other costs incurred during occupation in the Administration.

No further action is required in this respect.

### 3.2.4 Inter-company debt/ Connected Party Debt

According to the Company's books and records, there are several outstanding debts due to the Company from associated companies. A breakdown of these debts was provided in the Proposals. These balances largely relate to business expenses incurred by the subsidiary undertakings and/or investor funds and monies from subsidiary undertakings used to purchase properties acquired by entities in Administration with CG & Co.

A number of the associated companies are in formal insolvency processes and it is uncertain whether these inter-company debts are recoverable. The Joint Administrators will lodge claims in each of the relevant estates. The Joint Administrators will pursue the remaining debts in respect of the amounts owed to the Company.

Please note that the Joint Administrators have since reconciled the balances to ensure their accuracy. The revised breakdown is below.

	Value (£'000)
Adventure Resorts (Europe) Limited	11
Active Resorts UK Limited	6
Afar Valley Management Limited	43
Atlantic Bay Hotel Wyglacombe Management Limited	14
Belmont Hotel Limited	1,264
Belmont Hotel Management Limited	941
Bourton Spa Limited	2,200
Bracken Country House Management Limited	24
Brierstone Carr Top Ltd	36
Caer Rhun Hotel Management Limited	1,603
Campus House Limited	95
Crowddeck Limited	7
Eden Country Spa Management Limited	12
Fabric Aparthotel Management Limited	2

Fishguard Bay Hotel Limited	368
Fourprofit Limited	569
Giant Hospitality Limited	571
Gisland Hall Limited	702
Granite Limited	71
Ideal Management Bradford Limited	252
Ideal Rooms Bradford Limited	406
Lakeside Manor Property Limited	280
LBHS Management Limited	669
Landudno Bay Hotel & Spa Limited	596
LAB Clifton Moor Limited	633
LAB Hawthorn Gate Limited	443
Northern Powerhouse Developments Hotels Limited	1
Northern Powerhouse Developments Marketing Limited	108
Queens Hotel Landudno Limited	12
Queens Hotel Landudno Management Limited	531
The Coach House Hotel Management Limited	35
The Harland Hotel Management Limited	36
The Imperial Crown Limited	999
Woodhouse Farm Limited	2,328
<b>Total</b>	<b>15,815</b>

### 3.2.5 Other Debtors

Other debtors totalling £1.11m have been noted on the Company's balance sheet following a full reconciliation of the Company's accounts.

The Company paid the sum of approximately £895,000 to four separate hotel proprietors for the acquisition of these hotels. The Company exchanged contracts for the purchase of these hotels and paid the vendors the total sum of £895,000.

The Company did not complete these transactions as the Company had insufficient funds. The Company, however, raised funds from investors by pre-selling investments in these hotels. The matter has been reported to the authorities. The Joint Administrators are pursuing the return of these deposits from the vendors and a further update will be provided in the next report.

The balance of the debtors, which is approximately £220,000, represents sums due from an investor and other debtors which the Joint Administrators are currently pursuing.

A further update will be provided in future reports.

### 3.2.6 Plant and machinery

The Company owned an alarm system with a book value of £2,256 which was utilised at the Company's registered office. This has negligible value and on the advice of the Agents the alarm system was assigned to the Landlord as it was uneconomic to realise.



### **3.2.7 Office equipment, Fixtures and Fittings**

According to the Company's management accounts as at March 2019, the Company held office equipment with a book value of £58,825.

Fixtures and Fittings of £62,794 were also noted on the Company's balance sheet and the Agents have completed a sale of these assets accordingly and sales proceeds of £4,800 are currently being held in the Agent's client account.

The Joint Administrators will arrange for these funds to be transferred to the estate in due course.

### **3.2.8 Motor vehicle**

The Company owned a van which was previously being utilised by a former employee.

The Agents have completed a sale of the van and proceeds of £500 are being held in their client account accordingly.

The Joint Administrators will arrange for these funds to be transferred to the estate in due course.

### **3.2.9 Shares/ Investments**

The management accounts lists investments and shareholdings in various subsidiary undertakings; however, as all of these are in formal insolvency proceedings it is not anticipated that any value will be derived in regard to these investments / shares.

### **3.2.10 Bank interest gross**

During the Reporting Period, bank interest totalling £234 has been received.

### **3.2.11 DVLA Refund**

A refund of £130 has been received from DVLA during the Reporting Period in respect of the road tax paid which was due to be returned to the Company following a sale of the Van.

No further realisations are anticipated.

### **3.2.12 AXA insurance policy**

The Company held a Directors and Officers policy with AXA insurance. The Interim Managers notified AXA insurance of a potential claim.

AXA have advised that the policy was cancelled as the Company had failed to pay the premium prior to the Appointment Date. The Joint Administrators are currently liaising with their solicitors to determine the extent of any claims that the Company may have against this policy. A further update will be provided in the next report.

### **3.2.13 Investigations**

The Joint Administrators reviewed the affairs of the Company to find out if there were any actions which could be taken against third parties to increase recoveries for Creditors.

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

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

### **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 Administration are provided below.

#### **3.3.1 Interim Manager: Legal Fees**

During the Reporting Period, the Interim Managers' legal fees of £24,300 were paid as an expense of the Administration as authorised by the Court. There are further Interim Managers' legal fees which were approved by the Court in the sum of £130,655 plus VAT and Counsel's fees of £69,035 plus VAT and disbursements of £890. No further Interim Managers' fees will be accrued.

#### **3.3.2 Rents**

Rent of £11,429 was paid in the Reporting Period for the occupation of the Eland premises. As the Company was no longer occupying the premises for the period up to the vacation date, the rent was recharged to Grant Hospitality Limited as detailed previously in this report. No further rent is to be paid from the Administration.

#### **3.3.3 Interim Manager: Counsel's Fees**

During the Reporting Period, the Interim Managers' counsel's fees of £5,700 were paid as an expense of the Administration as authorised by the Court. There are further Counsel's fees as detailed above.

#### **3.3.4 Repairs & Maintenance**

Costs of £1,260 have been incurred as a trading expense of the Administration in relation to cleaning costs and waste management for the period of the Company's occupation.

### **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 overleaf.

## Significant expenses incurred but not paid

Joint Administrators' time costs	£342,102	Total time costs incurred in the period is £342,102. See Appendix 5. See Appendix 6 for further details in relation to the Joint Administrators fees.
Legal fees Hewlett Swanson	£184,202	Hewlett Swanson have incurred legal fees in dealing with the Company and assisting with the Court proceedings in respect of the directors' loan account and assisting the Joint Administrators generally in relation to the investment schemes. Please note that these are legal fees incurred during the Administration period to date and are not limited to the Reporting Period.
Legal fees Addleshaw Goddard	£115,000 plus disbursements of £2,794	Addleshaw Goddard have incurred legal fees in dealing with the Company and assisting with ad hoc matters arising in the Administration. Please note that these costs also include fees incurred in dealing with the Company's subsidiaries which are in Administration.
Agent's fees	10% of realisations	The Agent's fees have been incurred in marketing and selling the Company's assets as instructed by the Joint Administrators.

## 4. Outcome for Creditors

### 4.1 Secured Creditors

#### Mysing

In consideration for the monies advanced under a loan facility, the Company granted Mysing fixed and floating charges over all of the assets of the Company on 19 December 2017.

As at the Appointment Date, the Company's indebtedness to Mysing was approximately £1.8m plus subject to future interest and charges as applicable.

At this stage it is anticipated that there will be insufficient realisations to repay Mysing in full. As and when funds are available to distribute to Mysing, the Joint Administrators' Solicitors are currently reviewing the security to confirm that distributions can be made under their security. However, at this stage there is no evidence that the security is invalid.

#### Fiduciam

In consideration for the monies advanced under a loan facility the Company granted Fiduciam a fixed charge over the Company's shares held in Gilstaro Hall Limited, Bourton Spa Limited & Imperial Crown Limited, on 5 December 2018.

As at the Appointment Date, the Company's indebtedness to Fiduciam was approximately £3.6m plus accruing interest and charges, however, this is subject to further verification.

At this stage it is anticipated that there will be insufficient realisations to enable a distribution to Fiduciam under its security, and this security is also in the process of being reviewed.

## 4.2 Preferential Creditors

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

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

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

## 4.3 Unsecured Creditors

According to the Company's books and records as at 30 March 2019, unsecured trade creditors total £105,267.

The Company's books and records also indicate additional balances of £25,876,000 are due to other associated companies. The unsecured creditors can be summarised as follows:

Creditor	Claim (£)
Trade & Expense Creditors	105,267
Inter-Company Creditors	25,876,000
<b>Total</b>	<b>25,981,267</b>

Based upon the current information available, it is uncertain whether there will be sufficient realisations to enable a distribution to the unsecured creditors of the Company, other than from the Prescribed Part, if any.

## 4.4 Prescribed Part

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

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

## 5. Other matters

### 5.1 Decision procedure

No decision is being sought from Creditors as part of this progress report. Creditors will be notified should they be required to vote on any future decision procedure where applicable.

### 5.2 Creditors' Committee

A Creditors' Committee has been established in the Administration comprising of 5 members. The first Creditors' Committee meeting will be held on 17 March 2020.

### **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 disbursements of the Joint Administrators, including Creditors' rights to challenge such costs, is provided at Appendix 7.

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

### **6.1 Fees and expenses**

The basis of the Joint Administrators' remuneration has yet to be approved; however, it is anticipated that a formal request for approval will be sent to the Secured Creditors in due course. The Joint Administrators will propose that their remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration.

#### **6.1.1 Time costs**

Time has been charged in six minute units. Details of the time charged for the reporting period are attached at Appendix 5.

Time costs incurred in the reporting period total £342,102 which represents 1,331 hours at an average hourly rate of £257.

These costs are within the estimate provided in the Joint Administrators' Statement of Proposals.

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

#### **6.1.2 Fees**

No fees have been drawn in the Reporting Period and are therefore not reflected in the Receipts and Payments Account attached at Appendix 3.

#### **6.1.3 Expenses**

Details of the expenses charged for the Reporting Period are attached at Appendix 4. No expenses have been drawn in the Reporting Period.

#### **6.1.4 Disbursements**

In the reporting period, the Joint Administrators have incurred disbursements of £5,983 for services provided by Duff & Phelps Ltd (defined as Category 2 Disbursements in the Statement of Insolvency Practice 9).

None of these disbursements have been paid to date.

#### **6.1.5 Additional information**

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

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

## **6.2 Pre-Administration costs**

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

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

A Court Order was obtained on 2 March 2020 which approved and fixed the Interim Managers' fees of the Company in the sum of £263,788 plus VAT. These costs are to be paid as an expense of the Administration once there are sufficient realisations.

Legal fees of £204,665 plus disbursements of £218,122 were also incurred during the Interim Manager period. Please note that Duff & Phelps has paid the sum of £20,000 directly from their office account in relation to the disbursements across the Interim Manager appointments. The Joint Administrators will therefore seek to recoup these funds once there are sufficient realisations.

## **7. Future strategy**

### **7.1 Future conduct of the Administration**

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

- Pursuing the Director's loan account;
- Continue with the ongoing collection of the debtors;
- Pursuing any claims that the Company may have against former management and professional advisors;
- Paying outstanding costs of the Administration;
- Paying a dividend to Secured and Preferential Creditors, where applicable; and
- Dealing with other statutory matters and duties including accounting for VAT and completing corporation tax returns.

### **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.

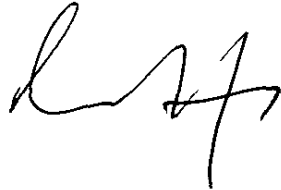
Should matters not be resolved before 15 August 2020, the Joint Administrators will seek approval to extend the Administration in order to finalise outstanding matters.

### 7.3 Future reporting

The Joint Administrators will provide a further progress report within one month of 15 August 2020 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 Heather Sykes.

Philip Duffy  
Joint Administrator



End

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

## Appendix 1 – Statutory information

### COMPANY INFORMATION

Company and trading name	Northern Powerhouse Developments Limited	
Date of incorporation	7 January 2016	
Registered Number	09940469	
Company Director	Gavin Woodhouse	
Shareholder	Northern Powerhouse Developments Hotels Limited – 100% shareholder	
Trading address	Unit D2, Elland Ridges Link Lowfields Business Park Elland England HX5 9DG	
Registered office	Current: c/o Duff & Phelps Ltd The Chancery 58 Spring Gardens Manchester M2 1EW	Former: Unit D2, Elland Ridges Link Lowfields Business Park Elland England HX5 9DG

### ADMINISTRATION INFORMATION

Administration Appointment	The Administration appointment granted in the High Court of Justice, Business and Property Courts of England and Wales 4269 of 2019	
Appointor	Court	
Date of Appointment	16 August 2019	
Joint Administrators	Philip Duffy and Sarah Bell	
Original purpose	Other letting and operating of own or leased real estate	
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1	
Current Administration expiry date	15 August 2020	
Prescribed Part	The Prescribed Part is applicable in this case. It has been taken into account when determining the dividend prospects for Unsecured Creditors	
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations	



## Appendix 2 – Approved Proposals

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

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

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

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

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## Appendix 3 – Receipts and Payments Account

**Northern Powerhouse Developments Limited**  
**(In Administration)**  
**Joint Administrators' Trading Account**

Statement of Affairs £	From 16/08/2019 To 15/02/2020 £	From 16/08/2019 To 15/02/2020 £
POST APPOINTMENT SALES		
Recharge to Giant for Trading Costs	13,714.67	13,714.67
	<u>13,714.67</u>	<u>13,714.67</u>
TRADING EXPENDITURE		
Heat & Light	423.24	423.24
IT Costs	1,035.20	1,035.20
Payroll Costs	237.68	237.68
Rents	11,428.89	11,428.89
Repairs & Maintenance	1,259.77	1,259.77
	<u>(14,384.78)</u>	<u>(14,384.78)</u>
<b>TRADING SURPLUS/(DEFICIT)</b>	<b><u>(670.11)</u></b>	<b><u>(670.11)</u></b>

**Northern Powerhouse Developments Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 16/08/2019 To 15/02/2020 £	From 16/08/2019 To 15/02/2020 £
ASSET REALISATIONS		
Bank Interest Gross	233.82	233.82
DVLA Refund	130.00	130.00
Interim Manager Surplus	42,320.19	42,320.19
Investor Evening Recharges to SPV's	2,222.20	2,222.20
Trading Surplus/(Deficit)	(670.11)	(670.11)
	44,236.10	44,236.10
COST OF REALISATIONS		
Interim Manager: Counsel's Fees	5,700.00	5,700.00
Interim Manager: Legal Fees	24,300.00	24,300.00
Investor Evening Costs	3,665.00	3,665.00
Storage Costs	806.53	806.53
	(34,471.53)	(34,471.53)
	<b>9,764.57</b>	<b>9,764.57</b>
REPRESENTED BY		
Floating/main current account		1,325.08
VAT payable		(488.84)
VAT Receivable		8,928.33
		<b>9,764.57</b>

Note:

#### Appendix 4 – Schedule of expenses

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

<b>Schedule of Expenses</b>	<b>Incurred in the prior period but not accrued for (£)</b>	<b>Incurred and paid in the period (£)</b>	<b>Incurred in the period and not yet paid (£)</b>
<b>Expenses</b>			
Storage costs	-	807	-
<b>Total</b>	-	807	-

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

The above costs exclude VAT

108634 NORTHERN POWERHOUSE DEVELOPMENTS LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 16/08/2019 to 15/02/2020

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	7.00	15.00	0.00	1.70	3.00	26.70	10,615.50	397.58
Cashiering & accounting	0.00	4.70	2.80	26.15	12.30	45.95	9,940.50	216.33
Dealings with Directors and Management	0.00	5.00	0.50	2.70	0.00	8.20	2,252.00	274.63
IPS set up & maintenance	0.00	0.00	0.00	1.90	0.70	2.60	299.00	115.00
Insurance	0.00	0.00	0.00	0.20	0.00	0.20	42.00	210.00
Statutory matters (Meetings & Reports & Notices)	4.30	9.50	8.60	79.95	23.75	126.10	26,225.50	207.97
Strategy planning & control	28.00	44.75	198.20	285.45	68.65	625.05	169,605.00	271.35
Tax Compliance / Planning	0.00	0.00	0.00	3.60	0.00	3.60	689.50	191.53
<b>Creditors</b>								
Communications with Creditors / Employees	5.30	31.55	58.70	227.75	64.95	388.25	94,010.75	242.14
Creditors committee	0.00	0.30	0.30	1.25	0.00	1.85	526.00	284.32
Non Pref Creditors / Employee claims handling	0.00	0.00	0.00	3.35	0.80	4.15	742.50	178.92
Secured Creditors	3.50	0.00	0.00	0.00	0.00	3.50	1,855.00	530.00
<b>Investigations</b>								
CDDA & reports & Communication	0.00	0.00	0.00	2.85	0.00	2.85	609.25	213.77
Financial review and investigations (S238/239 etc)	0.00	0.00	6.00	25.45	0.00	31.45	5,445.25	173.14
Forensic Sales Ledger Investigation	0.00	0.00	3.30	0.00	0.00	3.30	1,257.00	380.91
<b>Realisation of Assets</b>								
Book debts	0.00	0.00	11.30	1.00	0.00	12.30	4,447.50	361.59
Freehold and Leasehold Property	0.00	2.00	3.55	16.05	0.30	21.90	4,924.25	224.85
Other Intangible Assets	0.00	0.50	0.00	0.00	0.00	0.50	167.50	335.00
Other Tangible Assets	8.20	0.00	8.70	0.00	0.00	16.90	7,130.00	421.89
Plant & Machinery & Fixtures & Motor Vehicles	0.00	0.00	0.10	1.50	0.00	1.60	347.00	216.88
<b>Trading</b>								
Trading - Accounting	0.00	0.75	0.10	1.40	0.00	2.25	451.25	200.56
Trading - Employees	0.00	0.00	0.00	0.30	0.00	0.30	58.50	195.00
Trading - Operations	0.00	0.00	1.30	0.25	0.00	1.55	461.00	297.42
<b>Total Hours:</b>	<b>56.30</b>	<b>114.05</b>	<b>303.45</b>	<b>682.80</b>	<b>174.45</b>	<b>1,331.05</b>		<b>257.02</b>
<b>Total Fees Claimed: £</b>	<b>29,839.00</b>	<b>38,809.25</b>	<b>102,768.75</b>	<b>123,104.00</b>	<b>47,580.75</b>		<b>342,101.75</b>	

Category 2 Disbursements:

## Appendix 5 – Analysis of time charged and expenses incurred

We have incurred the following disbursements during the Reporting Period.

<b>SIP 9 - Disbursements</b>					
<b>Disbursements</b>	<b>Category 1</b>		<b>Category 2</b>		<b>Totals (£)</b>
	<b>Paid (£)</b>	<b>Unpaid (£)</b>	<b>Paid (£)</b>	<b>Unpaid (£)</b>	
Meals	-	-	-	736	<b>736</b>
Travel	-	-	-	5,247	<b>5,247</b>
<b>Total</b>	-	-	-	<b>5,983</b>	<b>5,983</b>

Please note that this table includes expenses incurred by Duff & Phelps Ltd and is therefore unlikely to reconcile with the disbursements shown in the Schedule of Expenses

## 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; 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>• Providing written and oral updates to the Secured Creditors regarding the progress of the Administration and cases strategy</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>• 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>• 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; and</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></ul>



- Liaising with Agents regarding the sale of assets
- Reviewing outstanding debtors and management of debt collection strategy
- Seeking legal advice in relation to book debt collections
- Communicating with landlords regarding rent
- Property occupation and other property issues
- Reviewing costs incurred to ensure recorded accurately, and
- Arranging payments to agents and solicitors in a timely manner.

#### Trading

- Attending to supplier and customer queries and correspondence;
- Raising payments to suppliers in respect of Administration costs and
- Contacting all suppliers to obtain final invoices for the trading period

#### Tax

- Analysing and considering the tax effects of asset sales
- 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 Heather Sykes at Heather.Sykes@duffandpHELPS.com

### **Information for Creditors on remuneration and disbursements of Administrators**

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

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

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

### **Creditors' requests for further information**

If you would like to request more information about the Joint Administrators' remuneration and disbursements disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from Unsecured Creditors must be made with the concurrence of at least 5% in value of Unsecured Creditors (including the Unsecured Creditor making the request) or with the permission of the Court.

### **Creditors' right to challenge our remuneration and expenses**

If you wish to challenge the basis of the Joint Administrators' remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by Unsecured Creditors (including the Unsecured Creditors making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Heather Sykes at this office.

## Appendix 8 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents	Sanderson Weatherall LLP, independent agents who were instructed to value and sell the assets of the Company
the Appointment Date	16 August 2019, being the date of appointment of the Joint Administrators
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Company	Northern Powerhouse Developments Limited (In Administration) (Company Number: 09940469)
DBEIS	Department for Business, Energy & Industrial Strategy
the Director	Gavin Woodhouse, the sole director of the Company
Duff & Phelps	Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW
EC Regulation	EC Regulation on Insolvency Proceedings 2000
Fiduciam	Fiduciam Nominees Limited, the holder of a fixed charge over the Company's shares held in Gilsland Hall Limited, Bourton Spa Limited & Imperial Crown Limited
the Interim Managers	Philip Duffy and Sarah Bell of Duff & Phelps
the Joint Administrators	Philip Duffy and Sarah Bell of Duff & Phelps
Mysing	Mysing Capital Limited, the holder of a fixed and floating charge over the Company's assets
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 Reporting Period	The period 16 August 2019 to 15 February 2020
RPS	Redundancy Payments Service
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
the Secured Creditors	Mysing & Fiduciam
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SOA	Statement of Affairs, documentation to be supplied by the Director outlining the Company's financial position as at the Appointment Date

## **Appendix 9 – Notice about this report**

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

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

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

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

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

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

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

# 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 **Philip Francis Duffy**

Company name **Duff & Phelps Ltd.**

Address **The Chancery  
58 Spring Gardens**

Post town **Manchester M2 1EW**

County/Region

Postcode

Country

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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)