

AM20

Notice of automatic end of administration



Companies House

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1 Company details

Company number 1 0 1 2 4 1 8 2

Company name in full Afan Valley Limited

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

2 Court details

Court name High Court of Justice Business and Property Courts
of England and Wales

Court case number C R - 2 0 1 9 - 0 0 4 2 6 9

3 Former administrator's name

Full forename(s) Philip Francis

Surname Duffy

4 Former administrator's address

Building name/number The Chancery

Street

Post town 58 Spring Gardens


County/Region Manchester

Postcode M 2 1 E W

Country

AM20

Notice of automatic end of administration

5	Former administrator's name ①	
Full forename(s)	Sarah Helen	① Other administrator Use this section to tell us about another administrator.
Surname	Bell	
6	Former administrator's address ②	
Building name/number	The Chancery	② Other administrator Use this section to tell us about another administrator.
Street		
Post town	58 Spring Gardens	
County/Region	Manchester	
Postcode	M 2 1 E W	
Country		
7	Statement of appointment	
	I was/we were appointed as administrator(s) on:	
Date	<div> <div>d</div> <div>1</div> <div>d</div> <div>6</div> <div>m</div> <div>0</div> <div>m</div> <div>8</div> <div>y</div> <div>2</div> <div>y</div> <div>0</div> <div>y</div> <div>1</div> <div>y</div> <div>9</div> </div>	
8	Appointor/applicant's name	
	Give the name of the person who made the appointment or the administration application	
Full forename(s)		
Surname	Court	
9	Statement of ceasing to act	
	We give notice that my/our appointment as administrator ceased to have effect on:	
Date	<div> <div>d</div> <div>1</div> <div>d</div> <div>5</div> <div>m</div> <div>0</div> <div>m</div> <div>8</div> <div>y</div> <div>2</div> <div>y</div> <div>0</div> <div>y</div> <div>2</div> <div>y</div> <div>0</div> </div>	
10	Final progress report	
	<input checked="" type="checkbox"/> A copy of the final progress report is attached.	
11	Sign and date	
Former administrator's signature	<div> <div>Signature</div> <div>X</div> <div></div> <div>X</div> </div>	
Signature date	<div> <div>d</div> <div>2</div> <div>d</div> <div>1</div> <div>m</div> <div>0</div> <div>m</div> <div>1</div> <div>y</div> <div>2</div> <div>y</div> <div>0</div> <div>y</div> <div>2</div> <div>y</div> <div>1</div> </div>	

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Perry Eleftheriou**

Company name **Duff & Phelps Ltd.**

Address **The Chancery**

58 Spring Gardens

Post town **Manchester M2 1EW**

County/Region

Postcode

Country

DX

Telephone

+44 (0) 161 827 9000



Checklist

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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 and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

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



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Final Progress Report to Creditors

Afan Valley Limited
(In Administration)

21 January 2021

Joint Administrators' final Progress Report for the period from 16 February 2020 to 15 August 2020 with a summary of the Administration.

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

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1. Introduction

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

This report is the Joint Administrators' Final Progress Report and provides Creditors with a final account of the Administration of the Company together with a summary of the Administration as a whole.

The Joint Administrators' sought approval from the Secured Creditors of the Company for the extension of the Administration for a 12 month period.

Approval for the extension of the 12 month period was received from the Secured Creditors on 16 June 2020 and therefore the Administration was extended to 15 August 2021.

However, it subsequently transpired that the Joint Administrators were required to gain consent from the investors who have agreements for lease but do not hold completed leases, these investors in this category may have liens and could be secured creditors of the Company and their consent had not been obtained. Therefore the Administration had automatically come to an end on 15 August 2020.

The Joint Administrators made an application to Court and a subsequent Administration order was obtained on 18 December 2020 with retrospective effect from 16 August 2020.

The final progress report has therefore been prepared in accordance with requirements of Rule 3.55, for the period from 16 February 2020 to 15 August 2020 together with a summary of the Administration as a whole.

The Joint Administrators have also explained the exit route from the Administration and the outcome for each class of Creditors.

You will find other important information in this Final 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 final Progress Report to Creditors is attached at Appendix 9.

2. Creditor summary

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 has not been achieved as there have been insufficient funds and assets available to enable the Company to be rescued as a going concern.

The second objective to achieve a better result for the Company's creditors as a whole has not been achieved.

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 in the subsequent Administration which commenced on 8 August 2020 as the Joint Administrators are in negotiations with all key stakeholders and interested parties to take forward the Afan Valley project.

The Joint Administrators were pursuing the third objective as it was anticipated that a distribution would be paid to the Secured Creditors following a sale of the Land. A sale of the Land was not achieved in the Administration.

There were no major amendments to or deviations from these Proposals although none of the objectives of the Administration have been achieved.

As detailed in section 1, a subsequent Administration Appointment commenced on 8 August 2020 by order of the Court, and it is anticipated that a sale of the Land will be completed as part of this Administration. Therefore, it is anticipated that the second and the third objective will be achieved in the subsequent Administration.

Progress to date

The principal asset of the Company is the Land.

The Company proposed the development of an outdoor adventure park at a 450-acre site in the Neath Port Talbot area of Wales, the Land formed part of this proposed site. The scheme proposed four 'activity zones' offering, amongst other things: downhill skiing, water sports, high-wire forest adventures, off-road biking, survival training, trampolining and surfing.

It is an off-plan property development scheme, whereby investments were being solicited for the purchase of plots of land on which lodges were to be constructed, as well as for 100 rooms in the proposed Treetops Hotel and Spa and the 400 residential lodges themselves.

As detailed in Section 1 of this report, the Administration automatically ended on 15 August 2020, and the Joint Administrators made an application to Court and a subsequent Administration order was obtained on 18 December 2020 with retrospective effect from 16 August 2020.

A sale of the Land will now be pursued in the subsequent Administration.

Outcome for Creditors

There have been insufficient realisations to enable a distribution to Mr Mishon in the Administration.

At this stage it is anticipated that there will be a distribution available to Mr Mishon from the subsequent Administration which commenced on 16 August 2020 by order of the Court, following a sale of the Land.

In consideration for monies advanced under a loan facility the Company granted 360 Mi a debenture on 19 December 2017, which confers fixed charges over the Land comprising title CYM471819

At the date of this report, the charge remains outstanding. However, it has been confirmed that there is no outstanding indebtedness to 360 Mi as the debt was settled in January 2019.

Following the retrospective Administration order on 16 August 2020, the Joint Administrators will request that 360 Mi satisfy the charge at Companies House as part of the subsequent Administration.

Where an investor has paid all or substantially all of the purchase price of a lease but not received a completed lease then they may hold an equitable lien and this is classed as a form of security under the Act.

This matter will be investigated in the subsequent Administration and should this security be valid, any available distributions after costs will be made to these investors following any distribution to Mr Mishon in the subsequent Administration which commenced on 16 August 2020.

The Company does not employ any staff and therefore there are no preferential creditors.

There have been insufficient realisations to enable a distribution to the Unsecured Creditors. This will be reviewed in the subsequent Administration following a sale of the Hotel.

Please note, this report provides Creditors with a final account of the Administration of the Company together with a summary of the Administration as a whole. The Joint Administrators' previous progress reports and the Statement of Proposals issued to the Company's Creditors are available to view at <https://micro.duffandphelps.com/ukrestructuring> and paper copies can be provided free of charge by writing to Perry.Eleftheriou@duffandphelps.com. Unless otherwise stated, all amounts in this Progress Report and appendices are stated net of VAT.

3. Progress of the Administration

This section provides a final update on the strategy for the Administration and progress made, including a summary of the information provided in previous progress reports.

3.1 Strategy and progress to date

The Company's main asset is the Land. The Company proposed the development of an outdoor adventure park at a 450-acre site in the Neath Port Talbot area of Wales, the Land formed part of this proposed site. The scheme proposed four 'activity zones' offering, amongst other things: downhill skiing, water sports, high-wire forest adventures, off-road biking, survival training, trampolining and surfing.

It is an off-plan property development scheme, whereby investments were being solicited for the purchase of plots of land on which lodges were to be constructed, as well as for 100 rooms in the proposed Treetops Hotel and Spa and the 400 residential lodges themselves.

During the Reporting Period, the Joint Administrators have issued an Information Memorandum to a number of suitable parties who could fund, acquire and develop the scheme.

The Joint Administrators along with the management team were liaising with these interested parties, throughout the Reporting Period, however, no agreement was reached.

A sale of the Land will now be pursued in the subsequent Administration and the Joint Administrators appointed by the Court on 16 August 2020.

3.2 Asset realisations

A Receipts and Payments account covering the cumulative and final account is attached at Appendix 3.

There have been no realisations in the Administration since the Appointment Date.

3.2.1 Land at Afan Valley Resort

The Afan Valley Site comprises three parcels of land registered at HM Land Registry under title numbers WA519567, CYM471819 and CYM60212.

The Land Registry titles for the Land disclose that the land comprising title WA519567 was acquired by Ontaris Resources Inc., a BVI registered company, on 17 April 2008 for a price of £250,000 and remains in that company's ownership. A Unilateral Notice in favour of the Company, under its former name of Caerau Parc Limited, was registered against the title on 8 March 2017 in respect of a contract for the sale of that land to the Company dated 1 August 2016. The Joint Administrators investigations into this contract and the circumstances surrounding this remaining ongoing throughout the Administration period and will continue in the subsequent Administration.

The Land comprising title CYM471819 was acquired by the Company on 22 December 2017 for a price of £25,000. The Land is subject to a restriction on disposition pursuant to a charge dated 19 December 2017 in favour of 360 Mi.

The land comprising title CYM60212 was transferred to Mr Mishon on 15 April 2014 and remains in his ownership. No details are given regarding the price paid on that transfer and the title instead confirms that a price of £180,000 was paid for this land on 12 February 2002.

The Joint Administrators have been in discussions with major stakeholders including the former planning consultant and operation management team, the Local Council, the Welsh Government and the Secured Creditors. Two interested parties have been identified who are interested in taking the project forward and discussions will be continue to be held in the subsequent Administration.

The Joint Administrators attempted to finalise the legal agreement relating to the section 106 agreement following the grant of the outline planning permission. However, the timescales on finalising this remain uncertain due to the complexities of the s.106 agreement and its obligations which are currently being negotiated between the Joint Administrators, the Secured Creditor and the Council's lawyers.

The matter was not resolved in the Administration and will therefore be pursued in the subsequent Administration.

The landowner of the adjacent pieces of land has funded the costs incurred by the estate of the planning application and the s.106 agreement compliance work, these costs are entirely at his own risk.

The costs are detailed below and exclude VAT. The total costs incurred in the Administration by Mr Mishon are detailed at Appendix 4.

Costs incurred and paid by Mr Mishon in the Reporting Period	
Legal and professional fees Walton & Co	£4,036
Consultancy fees Bright Aspect Ltd	£3,000
Consultancy fees Soltys Brew Star Ecology	£2,546
Consultancy fees Lime Transport Limited	£3,000
Consultancy fees AECOM Ltd	£3,708

There have been insufficient funds available to repay these costs from the current Administration estate.

As detailed in section 3.1, it is anticipated that these matters will be progressed in the subsequent Administration and repayment to the landowner will be dependent on whether any value is derived in the estate in respect of the project in the subsequent Administration.

3.2.2 Intercompany debts

As part of the Joint Administrators detailed investigations, a full reconciliation of the intercompany position has been completed. The Joint Administrators are of the understanding that the outstanding balances are as detailed overleaf.

Some of the associated companies listed are in formal insolvency processes and there has been no realisation in respect of the intercompany debts in the Administration.

Following the retrospective Administration appointment dated 16 August 2020, the subsequent Joint Administrators will lodge claims in each of the relevant estates and pursue each debt accordingly. The claims have been submitted in the estates which the Joint Administrators are not appointed over.

	Value (£'000)
Belmont Hotel Limited	39
Caer Rhun Hall Hotel Limited	20
Campus House Limited	71
Carmarthen Bay Hotel Limited	3
Llandudno Bay Hotel & Spa Limited	124
MBi Smithy Bridge Limited	61
Northern Powerhouse Developments Limited	3,851
Wyncliffe House Hotel Limited	1
Atlantic Bay Hotel (Woolacombe) Limited	91
MBi Clifton Moor Limited	94
Woodhouse Family Limited	62
MBi Hawthorn Care Limited	605
Afan Valley Management Limited	659
Bracken Country House Limited	3
Foxglove Hotel Limited	26
Gilsland Hall Limited	90
Total	5,800

3.2.4 Other assets

The Joint Administrators are not aware of any other assets available in the Administration and there have been no realisations in the Administration.

3.2.3 Investigations

The Joint Administrators have filed their confidential report with DBEIS regarding the conduct of the Directors of the Company.

Investigations into NPD and all of the associated companies remain ongoing and will be followed up by the subsequent Administrators.

3.3 Costs and expenses

A Receipts and Payments account is attached at Appendix 3. There have been no payments made in the Administration since the Appointment Date due to insufficient funds.

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

Significant expenses incurred but not paid

Joint Administrators' time costs	£34,645	Total time costs incurred in the period is £34,645. See Appendix 5. See Appendix 6 for further details in relation to the Joint Administrators' fees.
Legal fees Hewlett Swanson	£2,210	Hewlett Swanson have incurred legal fees in dealing with the Properties and assisting with the collection of the director's loan account.
Legal and professional fees Walton & Co	£4,000	Walton & Co have incurred fees in dealing with planning application and s.106 agreement.
Consultancy fees AECOM Ltd	£2,400	AECOM have incurred fees in dealing with the planning application and s.106 agreement.
Legal and professional fees NPT Legal	£5,000	NPT Legal have incurred fees in dealing with the planning application and s.106 agreement.
Consultancy fees nineteen47 Limited	£4,000	nineteen47 have incurred fees in dealing with the planning application and s.106 agreement.

These costs and any future costs incurred will be paid out of the subsequent Administration following any sale of the Land.

4. Outcome for Creditors

4.1 Secured Creditors

360 Mi Limited

In consideration for monies advanced under a loan facility the Company granted 360 Mi a debenture on 19 December 2017, which confers fixed charges over the Land comprising title CYM471819

At the date of this report, the charge remains outstanding. However, it has been confirmed that there is no outstanding indebtedness to 360 Mi as the debt was settled in January 2019.

Following the retrospective Administration order on 16 August 2020, the Joint Administrators will request that 360 Mi satisfy the charge at Companies House as part of the subsequent Administration.

Clive Mishon

In consideration for the monies advanced under a loan facility the Company granted Mr Mishon a debenture on 14 January 2019, which confers fixed charges over the the Land comprising title CYM471819

The indebtedness to Mr Mishon at the Appointment Date was approximately £380,000 plus any accruing interest.

There have been insufficient realisations pay a distribution to Mr Mishon in the Administration.

At this stage it is anticipated that there will be a distribution available to Mr Mishon from the subsequent Administration following a sale of the Land. It is uncertain whether there will be funds available in the subsequent Administration to repay Mr Mishon in full under the security.

Where an investor has paid all or substantially all of the purchase price of a lease but not received a completed lease then they may hold an equitable lien and this is classed as a form of security under the Act.

This matter will be investigated in the subsequent Administration and should this security be valid, any available distributions after costs will be made to these investors following any distribution to Mr Mishon in the subsequent Administration which commenced on 16 August 2020.

4.2 Preferential creditors

The Company did not employ any staff and therefore there are no Preferential Creditors of the Company.

4.3 Unsecured Creditors

According to the Company's books and records, Unsecured trade creditors total £245,606. Claims totalling £40,220 have been received to date.

The Company's books and records also indicate additional balances of £498,081 are due to other associated companies. The Unsecured Creditors can be summarised as follows:

Creditor	Claim (£)
Trade & Expense Creditors	245,606
Inter-Company Creditors	498,081
Investor Buyback Provision	13,617,215
Total	14,360,902

There have been insufficient realisations in the Administration to enable a dividend to the Unsecured Creditors.

At this stage it is uncertain whether there will be a distribution available to Unsecured Creditors from the subsequent Administration.

5. Other matters

5.1 Creditors' Committee

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

In line with the Non-Disclosure Agreement that each member of the Creditors' Committee was required to sign, the content discussed at this meeting remains strictly private and confidential and as such cannot be disclosed in this Report.

The Creditors' Committee will not carry over to the subsequent Administration appointment under the Rules, and therefore, the subsequent Joint Administrators will liaise with the creditors in respect of forming a committee in the subsequent Administration.

5.2 Joint Administrators' Receipts and Payments account

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

5.3 Creditors' rights

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

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

6.1 Fees and expenses

6.1.1 Time costs

It was proposed that the Joint Administrators fee basis was based on time costs and remuneration will be drawn on the basis of time properly given by the Joint Administrators and their staff in accordance with the fee estimate provided in the Joint Administrators' Proposals and Duff & Phelps Ltd's usual charge-out rates for work of this nature.

It was previously reported that approval of the Joint Administrators Fee Estimate being £279,618 would be sought from the Creditors' Committee.

The Joint Administrators sought approval of 75% of the updated fee estimate with the balance of the 25% to be determined at the end of the Administration should sufficient funds be available.

The relevant fee approvals were not provided in the Administration period.

As part of the subsequent Administration appointment, the Solicitors are in the process of making an application to the Court for approval of the basis of the remuneration for this administration and for the subsequent administration.

Once funds have been received from any sale agreed in respect of the Land in the subsequent Administration, fees will be drawn in line with the relevant approvals and the funds available.

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

Time costs incurred in the Reporting Period total £34,645 which represents 99 hours at an average hourly rate of £349.

Time costs incurred during the life of the Administration total £79,867 which represents 261 hours at an average hourly rate of £306.

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 Administration.

6.1.3 Expenses

Details of the expenses incurred during the Administration are attached at Appendix 4. No expenses have been paid in the Administration.

6.1.3 Disbursements

Details of the disbursements incurred during the Administration are attached at Appendix 5. No disbursements have been paid in the Administration.

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 £60,888 plus VAT. There have been insufficient realisations to pay these costs out of the Administration.

If funds become available in the subsequent Administration, these funds will be paid from the subsequent administration should funds be available.

7. Conclusion of the Administration

On 15 August 2020, the Administration came to an automatic end.

The Joint Administrators have filed a copy of this final Progress Report with the Court and Registrar of Companies together with the requisite notice.

The Joint Administrators ceased to act on 15 August 2020 and were discharged from liability in respect of any actions as Joint Administrators.

The Joint Administrators made an application to Court and a subsequent Administration order was obtained on 18 December 2020 with retrospective effect from 16 August 2020.

The final progress report has therefore been prepared in accordance with requirements of Rule 3.55, for the period from 16 February 2020 to 15 August 2020 together with a summary of the Administration as a whole.

As no sale of the Land was completed during the Administration, none of the hierarchical purposes of the Administration have been achieved. It is anticipated that the purpose will be achieved in the subsequent Administration with retrospective effect from 16 August 2020.

If you require further information or assistance, please do not hesitate to contact Heather Barnes.



Philip Duffy
Joint Administrator

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

Appendix 1 – Statutory information

COMPANY INFORMATION

Company and trading name	Afan Valley Limited	
Date of incorporation	14 April 2016	
Registered Number	10124182	
Company Director	Gavin Woodhouse	
Shareholders	Northern Powerhouse Developments Adventure Resorts Limited – 100% shareholder	
Trading address	Unit D2, Elland Riorges Link Lowfields Business Park Elland HX5 9DG	
Registered office	Current: c/o Duff And Phelps Ltd The Chancery 58 Spring Gardens Manchester M2 1EW	Former: Unit D2, Elland Riorges Link Lowfields Business Park Elland HX5 9DG

ADMINISTRATION INFORMATION

Administration Appointment	The Administration appointment granted in High Court of Justice Business and Property Courts of England and Wales, 4269 of 2019	
Appointor	The Court	
Date of Appointment	16 August 2019	
Joint Administrators	Philip Duffy and Sarah Bell	
Original purpose	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up without first being in Administration	
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1	
Current Administration expiry date	15 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 (Section 4).	
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 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 Philip Duffy and Sarah Bell of Duff & Phelps would act as Joint Liquidators should the Company be placed into creditors' voluntary liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 3.60(6)(b) of the Rules creditors may nominate a different person as the proposed liquidator, provided the nomination is received at this office prior to the approval of these Proposals. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators and in accordance with Section 231 of the Act any act required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them.

Appendix 3 – Receipts and Payments account

**Afan Valley Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 16/02/2020 To 15/08/2020 £	From 16/08/2019 To 15/08/2020 £
REPRESENTED BY	NIL	NIL
		NIL

Note:

Appendix 4 – Schedule of expenses

A summary of expenses incurred during the Administration is set out below:

Schedule of Expenses	Incurred in the prior period but not accrued for (£)	Incurred and paid in the period (£)	Incurred in the period and not yet paid (£)
Expenses			
Legal and professional fees	500	4,036	11,210
Consultancy fees	47,367	12,254	6,400
Total	47,867	16,290	17,610

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 and do not appear at Appendix 3 as these costs have been incurred and paid by Mr Mishon.

Appendix 5 – Analysis of time charged and expenses incurred

The following disbursements have been incurred during the Administration Period

SIP 9 - Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Bond premium		20			20
Mileage				14	424
Statutory Advertising		90			90
Total	0	110	0	24	531

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.

108631 AFAN VALLEY LIMITED

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

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	2.00	1.00	0.00	0.65	0.00	3.65	1,816.50	497.67
Cashiering & accounting	0.00	0.00	0.00	0.95	0.00	0.95	142.50	150.00
Statutory matters (Meetings & Reports & Notices)	0.00	2.00	3.10	17.70	0.00	22.80	6,159.00	270.13
Strategy planning & control	6.50	0.25	0.00	9.00	0.00	15.75	6,476.50	411.21
Creditors								
Communications with Creditors / Employees	1.50	0.00	1.70	7.70	0.00	10.90	3,492.00	320.37
Creditors committee	0.70	0.50	8.30	16.20	0.00	25.70	7,431.00	289.14
Non Pref Creditors / Employee claims handling	0.00	0.00	0.00	0.10	0.00	0.10	15.00	150.00
Secured Creditors	0.00	1.00	3.90	0.50	0.00	5.40	2,231.00	413.15
Investigations								
Forensic Sales Ledger Investigation	0.00	0.00	0.60	0.00	0.00	0.60	264.00	440.00
Realisation of Assets								
Freehold and Leasehold Property	1.00	0.00	1.00	0.00	0.00	2.00	1,090.00	545.00
Other Tangible Assets	2.00	0.00	0.00	0.00	0.00	2.00	1,300.00	650.00
Sale of business	1.00	0.00	8.00	0.30	0.00	9.30	4,227.00	454.52
Total Hours:	14.70	4.75	26.60	53.10	0.00	99.15		349.42
Total Fees Claimed: £	9,555.00	1,852.50	11,704.00	11,533.00	0.00		34,644.50	

Category 2 Disbursements:

108631 AFAN VALLEY LIMITED

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

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	2.50	1.75	0.00	3.25	0.00	7.50	2,631.75	350.90
Cashiering & accounting	0.00	0.00	0.00	4.25	0.00	4.25	747.00	175.76
IPS set up & maintenance	0.00	0.00	0.00	0.50	0.00	0.50	57.50	115.00
Insurance	0.00	0.00	0.00	0.80	0.00	0.80	159.00	198.75
Statutory matters (Meetings & Reports & Notices)	1.30	4.50	8.25	61.70	0.00	75.75	17,723.25	233.97
Strategy planning & control	11.20	0.50	17.70	33.00	0.00	62.40	20,833.50	333.87
Creditors								
Communications with Creditors / Employees	2.50	0.00	2.00	29.80	0.00	34.30	8,189.00	238.75
Creditors committee	0.70	0.50	8.30	16.55	0.00	26.05	7,494.00	287.68
Non Pref Creditors / Employee claims handling	0.00	0.00	0.00	0.95	0.00	0.95	161.50	170.00
Secured Creditors	0.00	1.00	3.90	0.50	0.00	5.40	2,231.00	413.15
Investigations								
CDDA & reports & Communication	0.00	0.00	0.00	0.55	0.00	0.55	108.00	196.36
Financial review and investigations (S238/239 etc)	0.00	0.00	0.00	0.70	0.00	0.70	80.50	115.00
Forensic Sales Ledger Investigation	0.00	0.00	0.60	1.00	0.00	1.60	444.00	277.50
Realisation of Assets								
Freehold and Leasehold Property	1.00	0.00	1.00	6.50	0.00	8.50	2,535.00	298.24
Other Tangible Assets	15.00	0.00	0.00	0.00	0.00	15.00	9,390.00	626.00
Sale of business	1.00	0.25	14.80	0.30	0.00	16.35	7,081.75	433.13
Total Hours:	35.20	8.50	56.55	160.35	0.00	260.60		306.47
Total Fees Claimed: £	21,644.00	3,108.75	21,751.25	32,057.75	1,305.00		79,866.75	

Category 2 Disbursements:

Appendix 6 – Narrative of work carried out for the Administration period

The key areas of work have been:

Administration and planning	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Updating the list of Unsecured Creditors;• Responding to enquiries from Creditors regarding the Administration and submission of their claims;• Reviewing completed forms submitted by Creditors, recording claim amounts and maintaining claim records; and• Drafting the Proposals.
Investigations	<ul style="list-style-type: none">• 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;• Reviewing pre-appointment transactions; and• Documenting investigations.
Statutory and compliance	<ul style="list-style-type: none">• Ensuring compliance with all statutory obligations within the relevant timescales;• Uploading information to the Creditors' Website;• Drafting and publishing the Proposals;• 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">• Collating information from the Company's records regarding assets;• Liaising with agents regarding the sale of assets; and• Reviewing outstanding debtors and management of debt collection strategy.

Appendix 7 – Statement of Creditors' rights

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

Section or paragraph numbers refer to Insolvency Act 1986

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

Information for Creditors on remuneration and disbursements of Administrators

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

<https://www.duffandphelps.co.uk/services/restructuring/corporate-restructuring-and-debt-advisory/Creditor-guides-and-employee-fact-sheets>

(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 remuneration 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 Barnes at The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

Appendix 8 – Definitions

Word or Phrase	Definition
360 Mi	360 MI Limited, the holder of a legal charge over certain assets belonging to the Company.
the Act	The Insolvency Act 1986 (as amended)
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	Afan Valley Limited (In Administration) (Company Number: 10124182)
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
the Interim Managers	Philip Duffy and Sarah Bell of Duff & Phelps
the Joint Administrators	Philip Duffy and Sarah Bell of Duff & Phelps
the Land	Freehold land at Caerau Park Wood, Maesteg title no WA519567. Freehold land lying to the west of Glyncymmer Grange Brytwn Cymmer Port Talbot title no CYM471819.
Mr Mishon	Clive Mishon, the holder of a legal charge over certain assets belonging to the Company.
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 non-preferential creditors
the Proposals	The Joint Administrators Statement of Proposals issued to creditors on 11 October 2019
the Reporting Period	The period 16 February 2020 to 15 August 2020
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
the Secured Creditors	360 Mi and Mr Mishon
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements

Appendix 9 – Notice about this report

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

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

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

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

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

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

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