

# AM22

## Notice of move from administration to creditors' voluntary liquidation



Companies House

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

### 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, AND PROPERTY COURTS OF  
ENGLAND AND WALES

Court case number C R - 2 0 2 1 - 0 0 0 3 5 6

### 3 Administrator's name

Full forename(s) ROBERT

Surname ARMSTRONG

### 4 Administrator's address

Building name/number C/O KROLL ADVISORY LTD

Street THE SHARD

32 LONDON BRIDGE STREET

Post town

County/Region LONDON

Postcode S E 1 9 S G

Country UNITED KINGDOM

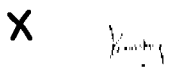
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Notice of move from administration to creditors' voluntary liquidation

<b>5</b>	<b>Administrator's name ①</b>		
Full forename(s)	ANDREW		<b>① Other administrator</b> Use this section to tell us about another administrator.
Surname	KNOWLES		
<b>6</b>	<b>Administrator's address ②</b>		
Building name/number	C/O KROLL ADVISORY LTD		<b>② Other administrator</b> Use this section to tell us about another administrator.
Street	THE CHANCERY		
	58 SPRING GARDENS		
Post town	MANCHESTER		
County/Region	GREATER MANCHESTER		
Postcode	M 2 1 E W		
Country	UNITED KINGDOM		
<b>7</b>	<b>Appointor/applicant's name</b>		
	Give the name of the person who made the appointment or the administration application.		
Full forename(s)	THE COURT		
Surname			
<b>8</b>	<b>Proposed liquidator's name</b>		
Full forename(s)	ROBERT		
Surname	ARMSTRONG		
Insolvency practitioner number	2 1 3 3 2		
<b>9</b>	<b>Proposed liquidator's address</b>		
Building name/number	C/O KROLL ADVISORY LTD		
Street	THE SHARD		
	32 LONDON BRIDGE STREET		
Post town			
County/Region	LONDON		
Postcode	S E 1 9 S G		
Country	UNITED KINGDOM		

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<b>10</b>	<b>Proposed liquidator's name <sup>①</sup></b>	
Full forename(s)	ANDREW	
Surname	KNOWLES	
Insolvency practitioner number	2 4 8 5 0	
		<b>① Other liquidator</b> Use this section to tell us about another liquidator.
<b>11</b>	<b>Proposed liquidator's address <sup>②</sup></b>	
Building name/number	C/O KROLL ADVISORY LTD	
Street	THE CHANCERY	
	58 SPRING GARDENS	
Post town	MANCHESTER	
County/Region	GREATER MANCHESTER	
Postcode	M 2 1 E W	
Country	UNITED KINGDOM	
		<b>② Other liquidator</b> Use this section to tell us about another liquidator.
<b>12</b>	<b>Period of progress report</b>	
From date	d 1 d 6 m 0 m 2 y 2 y 0 y 2 y 2	
To date	d 1 d 0 m 0 m 8 y 2 y 0 y 2 y 2	
<b>13</b>	<b>Final progress report</b>	
<input checked="" type="checkbox"/> I have attached a copy of the final progress report.		
<b>14</b>	<b>Sign and date</b>	
Administrator's signature	Signature 	
Signature date	d 1 d 5 m 0 m 8 y 2 y 0 y 2 y 2	

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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 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 and dated 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)

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# Final Progress Report to Creditors

15 August 2022

## Afan Valley Limited (In Administration)

Joint Administrators' final Progress Report for the period from 16 February 2022 to 15 August 2022 with a summary of the Administration.

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## **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 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 have also explained the exit route from the Administration and the outcome for each class of Creditor.

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**

This Progress Report covers the Final Period.

### **Summary of Proposals**

The purpose of the 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 that would be likely if the Company were to be 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 pursued the third objective, namely realising property in order to make a distribution to one or more Secured or Preferential Creditors.

The Joint Administrators believe that the third objective has been achieved, as the Administration facilitated the sale of the Land which will lead to the distribution to the Secured Creditor of the Company.

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

A summary of Proposals is included at Appendix 2. A copy of the Statement of Proposals is available via the Website.

### **Progress to date**

The primary work completed during the Final Period was in relation to the Company's principal assets, being the Land and IP. Please refer to Section 3 of this report for further details.

### **Outcome for Creditors**

#### **Secured Creditors**

##### 360 Mi Limited

The Company granted 360 Mi a debenture on 19 December 2017, which confers fixed charges over the Land comprising title CYM471819. However, it was confirmed in the Original Administration that the debt was settled in January 2019 and that there is no outstanding indebtedness to 360 Mi.

##### Clive Mishon

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

Following the sale of the Land on 14 April 2022, a distribution was made to Clive Mishon for the sum of £590,996.

The balance of any interest and other charges due to Mr Mishon will rank as unsecured claim in the Liquidation.

##### Lien Holders

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

A distribution to lien holders was not available following the sale of the Land and IP as there were insufficient surplus realisations available. The lien holders' claims will rank as an unsecured claim in the Liquidation.

#### **Preferential Creditors**

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

#### **Unsecured Creditors**

Based on current information the Joint Administrators currently believe the Company will have insufficient property to enable a distribution to be made to Unsecured Creditors. However, as detailed below the Joint Administrators are assessing and reviewing claims against third parties which may result in funds being available for Unsecured Creditors.

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 the Website and paper copies can be provided free of charge by writing to Perry Eleftheriou 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 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**

As noted in the Proposals and previous reports, 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.

Please refer to Section 3.2.1 below for further details surrounding the sale of the Land.

#### **3.2 Asset realisations**

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

##### **3.2.1 Land**

During the Final Period, the Joint Administrators completed the sale of the Land and the IP of the project held by the Company to Wildfox Resorts Afan Valley Ltd ("the Purchaser"). The Land and IP was sold for £1,200,000 in total. The sum of £1,050,000 has been received to date. Late completion interest in the sum of £3,478 was also paid by the Purchaser which was payable due to late completion.

The balance of the overall sale consideration in the sum of £150,000 remained outstanding in respect of the sale of the intellectual property of the project and the agreed contribution to costs. The Joint Administrators have now received the sum of £150,000 and this is shown at Appendix 3. No further sums are outstanding in this regard.

As previously advised, the Purchaser did not wish to take on the investors' interests as a condition of the offer. The offer was accepted by the Joint Administrators on the advice provided by independent agents, Sanderson Weatherall.

### **3.2.2 Intercompany Debtors**

Following a full reconciliation of the intercompany position completed in the Original Administration, the total amount owed to the Company from other companies within the NPD group is £5,800,000.

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

An update in this regard will be provided in future Liquidation reports.

### **3.2.3 Investigations**

The Joint Administrators have a statutory obligation to file a report with BEIS concerning the conduct of the directors of the Company that served in the three-year period prior to the Joint Administrators' appointment. As previously advised, The Joint Administrators have filed their confidential report with the BEIS, the content of this report is confidential.

The Joint Administrators' investigations into the Company affairs remain 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 are reviewing the affairs of the Company to ascertain any action which could be taken against third parties to increase recoveries for Creditors. As such, further reports may be submitted to BEIS following these investigations if necessary.

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

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.

Further advice from Counsel is expected in respect of other claims and these will be assessed for merits and funding in due course. 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.

The impending Joint Liquidators' will continue the investigations into the activities of the Company and the operation of the various investment schemes in the subsequent Liquidation.

## **3.3 Costs**

Payments made in the Cumulative and Final 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 Legal Fees and Disbursements

The Joint Administrators have incurred legal fees and disbursements of £103,259 during the Cumulative Period. Fees have been incurred in respect of the sale of the land and IP, assistance with extending the period of the Administration, fee approval and ongoing investigations and other ad hoc legal advice.

Legal fees and disbursements totalling £84,322 were paid in the Administration.

Further details of the fees are included and attached at Appendix 4.

### 3.3.2 Insurance of Assets

The sum of £2,334 was incurred and paid to Insolvency Risk Services in respect of insurance on the Land prior to the sale to the Purchaser by the Joint Administrators.

### 3.3.3 360MMI Priority Costs

As part of the sale of the Land, the Joint Administrators agreed that the costs incurred by 360MMI would rank as priority costs of the Administration as detailed in previous progress reports.

In this regard, the Joint Administrators have paid £76,819 in respect of the costs incurred by 360MMI.

Such costs have been paid following receipt of the Land sale proceeds.

## 3.4 Fees and expenses

The Joint Administrators have detailed the costs incurred during the Cumulative 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 Final Period but have not been paid are provided below

#### Significant expenses incurred but not paid

<b>Joint Administrators' time costs</b>	£27,842	Total time costs incurred in the Final Period is £27,842 see Appendix 5. No fees have been paid during the Cumulative Period. See section 6 for further details in relation to the Joint Administrators' fees.
<b>Joint Administrators' specialist investigations time costs</b>	£488	Total specialist investigations time costs incurred in the Final Period is £488 (see Appendix 5). No remuneration was paid during the Final Period. See section 6 or further details in relation to the Joint Administrators' fees.

<b>Legal fees - Addleshaw Goddard</b>	<b>£1,561</b>	The Company's legal advisors, Addleshaw Goddard has incurred legal fees of £1,561 in assistance with the sale of the Land and IP and assisting with ad-hoc legal matters that have arisen during the Administration
<b>Agents' Fees – Sanderson Weatherall</b>	<b>£28,000</b>	Sanderson Weatherall have incurred fees in dealing with the valuation and marketing of the Land.

#### 4. Outcome for Creditors

##### 4.1 Secured Creditors

###### 360 Mi Limited

As previously reported, the Company granted 360 Mi a debenture on 19 December 2017, which confers fixed charges over the Land comprising title CYM471819. However, it was confirmed in the Original Administration that the debt was settled in January 2019 and that there is no outstanding indebtedness to 360 Mi.

During the Final Period, the Joint Administrators requested that 360 Mi satisfy the charge at Companies House. An update in this regard will be provided in the subsequent Liquidation period.

###### Mr 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 Land comprising title CYM471819.

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

Following the sale of the Land on 14 April 2022, a distribution was made to Mr Mishon for the sum of £590,996 which included interest at a reduced rate. A breakdown of the distribution is provided below.

Principle Amount	£	380,000
Accrued Interest	£	209,796
Legal Fees	£	1,200
<b>Total</b>	<b>£</b>	<b>590,996</b>

Any further interest costs due to Mr Mishon will rank as an unsecured claim in the future Liquidation estate.

###### Lien Holders

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

A distribution to lien holders was not available following the sale of the Land and IP as there were insufficient surplus realisations available. Any sums due to lien holders will rank as an unsecured claim in the future Liquidation.

#### **4.2 Preferential Creditors**

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

#### **4.3 Unsecured Creditors**

According to the Joint Administrators' Estimated Financial Position included in the Proposals, the Company's Unsecured Creditors total £245,606.

To date, claims of £54,267 have been received in respect of Unsecured Creditors in the Administration.

It is currently uncertain as to whether there will be a distribution to the Unsecured Creditors as this is depended on the outcome of the recovery action in respect of the ongoing investigations. The quantum and timing of any such distribution, if available is subject to the costs of the Administration and subsequent Liquidation.

An update in this regard will be provided in the subsequent Liquidation.

#### **4.4 Prescribed Part**

The Company is not subject to any floating charges and therefore, the Prescribed Part provisions will not apply.

### **5. Other matters**

#### **5.1 Creditors' Committee**

Creditors may recall that as part of the Proposals, Creditors were invited to form a Creditors' Committee.

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

The Joint Administrators received five nominations for committee members and a committee was duly established on 4 October 2021 consisting of five members.

The Creditors' Committee will continue to be in place in the Liquidation.

#### **5.2 Joint Administrators' Receipts and Payments Account**

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

The sum of £398,564 in the estate bank account will be remitted to the Liquidation estate along with the outstanding VAT balance of £22,445 once received.

### 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.

## 6. Fees, Expenses and Pre-Administration Costs

### 6.1 Fees and expenses

#### 6.1.1 Time costs

As previously advised, the Joint Administrators sought approval for their remuneration for the Current Administration from the Creditors' Committee. Approval was not obtained and therefore the Joint Administrators sought approval from the Secured Creditor and investors.

Approval was not provided by the Secured Creditor and investors; therefore, the Joint Administrators have made an application to Court for the approval of the Current Administration remuneration. 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 Final and Cumulative Period are attached at Appendix 5.

Time costs incurred in the Final Period total £27,842, which represents 62 hours at an average hourly rate of £447.

Specialist investigations time costs incurred in the Final Period total £488 representing 0.8 hours at an average hourly rate of £610.

Time costs incurred in the Cumulative Period total £212,589, which represents 490 hours at an average hourly rate of £434.

Specialist investigation time incurred during the same period totals £28,822 representing 63 hours at an average hourly rate of £480.

In accordance with SIP 9, the Joint Administrators have provided further enumeration of their costs at Appendix 6.

#### Original Administration

Time costs incurred in the Original Administration total £184,113. 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. The hearing for these applications has now been listed to be held on 10 October 2022 at 2.30 pm.

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 Liquidators 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 Final or Cumulative Period.

Any future fees will be drawn in the subsequent Liquidation.

### **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 expenses 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 their Proposals report to creditors an estimate of expenses for the Administration, totalling £194,847. This was for information purposes only and could possibly change over the course of the Administration.

Appendix 4 details the final update of the expenses estimate.

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

In the Final Period, Category 1 expenses of £31,055 were incurred the balance outstanding of which will be paid in the subsequent Liquidation.

In the same period no Category 2 expenses have been incurred or paid.

During the Cumulative Period, Category 1 expenses incurred totalled £210,744 the balance outstanding of which will be paid in the subsequent Liquidation.

Category 2 expenses incurred for the same period totalled £425. No Category 2 expenses have been paid.



#### **6.1.4 Additional information**

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

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

#### **6.2 Pre-Administration costs**

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

The Joint Administrators have not incurred any Pre-Administration costs.

### **7. Conclusion of the Administration**

The Joint Administrators have now concluded the Administration. This is the Joint Administrators' final report on the Administration and no further reports will be issued.

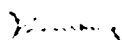
The Joint Administrators have filed a copy of this final Progress Report with the Registrar of Companies, together with the requisite notices to place the Company into Creditors' Voluntary Liquidation.

The Joint Administrators will cease to act when these documents are registered by the Registrar of Companies and on the same date will be discharged of liability in respect of any actions as Joint Administrators.

The Company's remaining assets will be transferred to the Liquidation estate. There are a number of further costs anticipated to close (an estimate is provided in Appendix 4). Funds will subsequently be used to make distributions to the Unsecured Creditors where available.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against the Joint Administrators.

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



**Robert Armstrong**  
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Robert Armstrong and Andrew Knowles, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association.

## Appendix 1 – Statutory information

### Company information

<b>Company and trading name</b>	Afan Valley Limited
<b>Date of incorporation</b>	14 April 2016
<b>Registered Number</b>	10124182
<b>Company Director(s)</b>	Gavin Woodhouse
<b>Company Secretary</b>	None Appointed
<b>Shareholders</b>	NPD
<b>Trading address</b>	Unit D2 Elland Riorges Link Lowfields Business Park Elland HX5 9DG

<b>Registered office</b>	<b>Current:</b> c/o Kroll Advisory Ltd The Chancery 58 Spring Gardens Manchester M2 1EW	<b>Former:</b> Unit D2 Elland Riorges Link Lowfields Business Park Elland HX5 9DG
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### Administration information

<b>Administration Appointment</b>	The Administration appointment granted in High Court of Justice, 4486 of 2020
<b>Appointor</b>	Court
<b>Date of Appointment</b>	16 August 2020
<b>Joint Administrators</b>	Robert Armstrong and Andrew Knowles
<b>Original purpose</b>	Realising property in order to make a distribution to one or more Secured or Preferential Creditors.
<b>Functions</b>	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1
<b>Current Administration expiry date</b>	15 August 2022
<b>Prescribed part</b>	The prescribed part is applicable in this case. It has been taken into account when determining the dividend prospects for Unsecured Creditors (Section 4).
<b>Application of EC Regulations</b>	These proceedings have been defined as the Main Proceedings under 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.

### **Notes**

Creditors will note that the approved proposals detail the names of the Former Joint Administrators. It is intended that the current Joint Administrators would act as Joint Liquidators of the Company should the Company be placed into Creditors' Voluntary Liquidation.

### **Appendix 3 – Receipts and Payments Account**

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

Statement of Affairs £	From 16/02/2022 To 15/08/2022 £	From 16/08/2020 To 15/08/2022 £
SECURED ASSETS		
Freehold Land	1,050,000.00	1,050,000.00
Late Completion Interest	3,477.97	3,477.97
Contribution to Administrators' Costs	50,000.00	50,000.00
	<u>1,103,477.97</u>	<u>1,103,477.97</u>
COSTS OF REALISATION		
Agents/Valuers Fees	28,000.00	28,000.00
Legal Fees	83,395.95	83,395.95
Legal Disbursements	925.55	925.55
Insurance	2,333.59	2,333.59
360MMI Priority Costs	76,818.90	76,818.90
	<u>(191,473.99)</u>	<u>(191,473.99)</u>
SECURED CREDITORS		
Distribution to Clive Mishon	590,995.92	590,995.92
	<u>(590,995.92)</u>	<u>(590,995.92)</u>
ASSET REALISATIONS		
Bank Interest Gross	1.56	1.56
Intellectual Property of Project	100,000.00	100,000.00
	<u>100,001.56</u>	<u>100,001.56</u>
COST OF REALISATIONS		
Legal Fees	17,500.00	17,500.00
	<u>(17,500.00)</u>	<u>(17,500.00)</u>
	<u><b>403,509.62</b></u>	<u><b>403,509.62</b></u>
REPRESENTED BY		
Floating charge treasury account		377,564.32
General VAT control account		16,845.30
VAT Receivable		9,100.00
		<u><b>403,509.62</b></u>

## Appendix 4 – Analysis of Expenses Incurred

### Joint Administrators' Expenses: comparison with estimate

Expenses	Original expenses estimate £	Actual expenses incurred in the Final Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Agents' fees – Sanderson Weatherall	20,685	28,000	28,000	Expense amount based on the % of realisations achieved.
Bank Charges	500	-	-	
Bonding	20	-	245	Bonding of £225 has been incurred in the Administration. A further bonding fee of £20 was incurred in the Original Administration.
Insurance	2,840	1,494	2,334	
Legal costs – Addleshaw Goddard	-	1,561	100,249	Addleshaw Goddard have incurred costs in dealing with the sale of the Land, the Court application to extend the Administration and the retrospective appointment and assistance with ad-hoc legal matters that have arisen during the Administration.
Legal costs – Hewlett Swanson	81,255	-	3,010	
Category 2 Expenses	712	-	425	
Professional fees – 360 Mentor Marcoms & Investments Limited	88,731	-	76,819	
Statutory Advertising	105	-	87	
<b>TOTAL</b>	<b>194,848</b>	<b>31,055</b>	<b>211,169</b>	

### Notes

The above costs exclude VAT.

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

Category 1 Expenses			Final Period		Cumulative Period	
Company	Activity	Fee Basis	Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
Hewlett Swanson	Legal fees	Time costs	-	-	3,010	-
Addleshaw Goddard	Legal fees	Time costs	1,561	-	100,249	84,322
AON	Statutory bond premium	Fixed fee	-	-	245	-
Insolvency Risk Services	Asset insurance	Fixed fee	1,494	1,494	2,334	2,334
Clive Mishon	Professional fees	Contingent Basis – Time costs	-	-	76,819	76,819
Courts Advertising	Statutory advertising	Fixed fee	-	-	87	-
Sanderson Weatherall	Agents' fees	Time costs	28,000	28,000	28,000	28,000
<b>Total</b>			<b>31,055</b>	<b>29,494</b>	<b>210,744</b>	<b>191,475</b>

Category 2 Expenses			Final Period		Cumulative period	
Company	Activity	Fee Basis	Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
Kroll	Travel costs	As incurred	-	-	418	-
Kroll	Subsistence costs	As incurred	-	-	7	-
<b>Total</b>			<b>-</b>	<b>-</b>	<b>425</b>	<b>-</b>

## 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



## 130720 AFAN VALLEY LIMITED

## ANALYSIS OF TIME COSTS FOR THE PERIOD 16/02/2022 to 15/08/2022

ADM-Admin. - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
<b>Administration and Planning</b>								
Case review & Case Diary management	0.00	0.00	0.00	1.20	0.00	1.20	326.00	271.67
Cashiering & accounting	0.00	0.30	1.40	2.00	0.00	3.70	1,397.00	377.57
Insurance	0.00	0.00	0.00	0.40	0.00	0.40	132.00	330.00
Statutory matters (Meetings & Reports & Notices)	0.00	7.85	1.30	8.20	0.00	17.35	6,437.00	371.01
Strategy planning & control (incl engagement financial control)	0.00	0.00	0.00	5.35	0.00	5.35	1,173.50	219.35
Tax Compliance / Planning	0.00	0.10	0.00	0.75	0.00	0.85	242.50	285.29
<b>Creditors</b>								
Creditors committee	0.00	0.00	0.00	0.10	0.00	0.10	38.00	380.00
Dealings with creditors and employees	0.00	5.10	0.00	3.80	0.00	8.90	4,187.50	470.51
Non Pref Creditors / Employee claims handling	0.00	0.00	0.00	0.20	0.00	0.20	40.00	200.00
Secured Creditors	0.00	2.60	0.00	0.00	0.00	2.60	1,547.00	595.00
<b>Realisation of Assets</b>								
Freehold and Leasehold Property	0.00	19.70	0.00	2.00	0.00	21.70	12,321.50	567.81
<b>Total Hours:</b>	<b>0.00</b>	<b>35.65</b>	<b>2.70</b>	<b>24.00</b>	<b>0.00</b>	<b>62.35</b>		<b>446.54</b>
<b>Total Fees Claimed: £</b>	<b>0.00</b>	<b>20,602.00</b>	<b>1,052.00</b>	<b>6,188.00</b>	<b>0.00</b>		<b>27,842.00</b>	

130720 AFAN VALLEY LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 16/02/2022 to 15/08/2022

Investigations

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
	0.00	0.80	0.00	0.00	0.00	0.80	488.00	610.00
Total Hours:	0.00	0.80	0.00	0.00	0.00	0.80		610.00
Total Fees Claimed: £	0.00	488.00	0.00	0.00	0.00		488.00	

## 130720 AFAN VALLEY LIMITED

## ANALYSIS OF TIME COSTS FOR THE PERIOD 16/08/2020 to 15/08/2022

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	2.00	0.50	0.00	4.15	0.00	6.65	2,392.50	359.77
Cashiering & accounting	0.00	0.40	3.00	5.15	0.00	8.55	2,792.50	326.61
IPS set up & maintenance	0.00	0.00	0.00	1.90	0.00	1.90	291.00	153.16
Insurance	0.00	0.00	0.00	0.65	0.00	0.65	194.50	299.23
Statutory matters (Meetings & Reports & Notices)	1.70	30.10	4.00	46.10	1.00	82.90	26,832.00	323.67
Strategy planning & control (incl engagement financial control)	16.50	3.95	0.00	67.95	0.00	88.40	27,272.00	308.51
Tax Compliance / Planning	0.00	0.70	0.00	5.60	0.00	6.30	1,624.00	257.78
<b>Creditors</b>								
Creditors committee	0.00	0.25	4.30	12.10	0.00	16.65	5,334.50	320.39
Dealings with creditors and employees	0.00	23.30	13.40	38.05	0.00	74.75	30,457.50	407.46
Non Pref Creditors / Employee claims handling	0.00	0.00	0.00	1.40	0.00	1.40	340.00	242.86
Secured Creditors	0.00	7.00	3.50	0.75	0.00	11.25	6,073.50	539.87
<b>Investigations</b>								
Forensic Sales Ledger Investigation	0.00	0.00	0.70	0.00	0.00	0.70	357.00	510.00
<b>Realisation of Assets</b>								
Freehold and Leasehold Property	9.20	116.40	11.40	8.65	0.00	145.65	84,865.50	582.67
Sale of business	0.00	0.00	44.00	0.00	0.00	44.00	23,762.50	540.06
<b>Total Hours:</b>	<b>29.40</b>	<b>182.60</b>	<b>84.30</b>	<b>192.45</b>	<b>1.00</b>	<b>489.75</b>		<b>434.08</b>
<b>Total Fees Claimed: £</b>	<b>20,100.00</b>	<b>103,945.50</b>	<b>44,757.00</b>	<b>43,396.50</b>	<b>390.00</b>		<b>212,589.00</b>	

130720 AFAN VALLEY LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 16/08/2020 to 15/08/2022

Investigations

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
	0.00	19.60	2.00	0.00	21.20	42.80	17,980.50	420.11
Total Hours:	0.00	19.60	2.00	0.00	21.20	42.80		420.11
Total Fees Claimed: £	0.00	11,834.50	740.00	0.00	5,406.00		17,980.50	

130720 AFAN VALLEY LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 16/08/2020 to 15/08/2022

Investigations

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
	0.00	16.10	0.00	0.00	4.00	20.10	10,841.00	539.35
<b>Total Hours:</b>	<b>0.00</b>	<b>16.10</b>	<b>0.00</b>	<b>0.00</b>	<b>4.00</b>	<b>20.10</b>		<b>539.35</b>
<b>Total Fees Claimed: £</b>	<b>0.00</b>	<b>9,821.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,020.00</b>		<b>10,841.00</b>	

## Appendix 6 – Narrative of work carried out for the Final Period

The key areas of work have been:

### SIP 9 narrative for the Final Period

Administration and planning	<ul style="list-style-type: none"><li>• Monitoring and reviewing the Administration strategy;</li><li>• Briefing staff on the Administration strategy and matters in relation to workstreams;</li><li>• Regular case management and reviewing of process including regular team update meetings and calls;</li><li>• Meeting with management to review and update strategy and monitor progress;</li><li>• Reviewing and authorising junior staff correspondence and other work;</li><li>• Dealing with queries arising during the appointment;</li><li>• Reviewing matters affecting the outcome of the Administration;</li><li>• Allocating and managing staff/ case resourcing and budgeting exercises and reviews;</li><li>• Liaising with legal advisors regarding various instructions, including agreeing content of engagement letters; and</li><li>• Complying with internal filing and information recording practices, including documenting strategy decisions.</li></ul>
Creditors	<ul style="list-style-type: none"><li>• Updating the list of Unsecured Creditors;</li><li>• Responding to enquiries from Creditors regarding the Administration;</li><li>• Drafting progress statutory progress reports.</li><li>• Liaising with the Creditors Committee; and</li><li>• Reviewing completed forms submitted by Creditors, recording claim amounts and maintaining claim records.</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>• 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' Website;</li><li>• Drafting and publishing progress reports;</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></ul>

- Monitoring the expenses estimate.
- Cashiering
- Preparing statutory Receipts and Payments Accounts; and
  - Renewing bonding and complying with statutory requirements.
- Asset realisations
- Collating information from the Company's records regarding assets;
  - Liaising with agents, solicitors and the Secured Creditors regarding the sale of the Land; and
  - Completing the sale of the Land and IP.
- Tax
- Analysing and considering the tax effects of asset sales;
  - Working on tax returns relating to the periods affected by the Administrator;
  - Analysing VAT related transactions; reviewing the Company's duty position to ensure compliance with duty requirements; and
  - Dealing with post appointment tax compliance.

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

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

*Section or paragraph numbers refer to Insolvency Act 1986*

If you require a copy of any relevant rule or section, please contact Perry Eleftheriou at [Perry.Eleftheriou@kroll.com](mailto:Perry.Eleftheriou@kroll.com).

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

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

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

Should you require a copy, please contact this office.

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

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

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

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

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

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

The full text of the relevant rules can be provided on request by writing to Perry Eleftheriou of this office.



## 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)
Addleshaws	Addleshaw Goddard LLP, solicitors instructed to assist with the sale of the Land, the Court application to extend the Administration and other ad-hoc legal matters that have arisen in the Administration.
the Appointment Date	16 August 2020 being the date of appointment of the Joint Administrators
BEIS	Department for Business, Energy & Industrial Strategy
Block Transfer Order	Block Transfer Order (High Court of Justice, Business & Property Courts in Manchester CR-2021-MAN-000356) obtained on 16 June 2021 which provided for the formal substitution of Philip Duffy and Sarah Bell from office and the 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	Afan Valley Limited (In Administration) (Company Number: 10124182)
the Cumulative Period	The period from the date of appointment to the date of the report
the Director	Gavin Woodhouse – sole director of the Company
EC Regulation	EC Regulation on Insolvency Proceedings 2000
the Final Period	16 February 2022 to 15 August 2022
Former Joint Administrators	Philip Duffy and Sarah Bell of Kroll
HMRC	HM Revenue and Customs

IP	Intellectual Property
the Joint Administrators	Robert Armstrong and Andrew Knowles of Kroll
Kroll	Kroll Advisory Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW
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.
NPD	Northern Powerhouse Developments Limited (In Administration) (Company Number: 09940469)
NPD Group	The group of companies associated with NPD
the Original Administration	16 August 2019 to 15 August 2020, being the period of appointment of the Former Joint Administrators
the Purchaser	Wildfox Resorts Afan Valley Ltd, the purchaser of the Afan Valley Land and IP
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 Proposals	The Joint Administrators' Report to Creditors and Statement of Proposals dated 17 February 2021
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
Sanderson Weatherall	Sanderson Weatherall LLP, independent agents who were instructed to value and assist with the sale of the Land
the Secured Creditors	360 Mi and Mr Mishon
the Solicitors / Hewlett Swanson	Hewlett Swanson Limited, solicitors instructed to assist with the appointment of Administrators, the investigations into the Company and ad-hoc legal matters that have arisen during the Administration

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SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
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Website	Available at: <a href="http://www.kroll.com/ukrestructuring">www.kroll.com/ukrestructuring</a>
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## **Appendix 9 – Notice about this report**

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

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

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

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

Robert 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.