

# AM03

## Notice of administrator's proposals



Companies House

WEDNESDAY



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02/10/2019

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COMPANIES HOUSE

### 1 Company details

Company number 0 9 7 4 1 4 4 6

Company name in full Caer Rhun Hall Hotel Limited

→ Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Philip Francis

Surname Duffy

### 3 Administrator's address

Building name/number The Chancery

Street

Post town 58 Spring Gardens

County/Region Manchester

Postcode M 2 1 E W

Country

### 4 Administrator's name

Full forename(s) Sarah Helen

Surname Bell

① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address

Building name/number The Chancery

Street

Post town 58 Spring Gardens

County/Region Manchester

Postcode M 2 1 E W

Country

② Other administrator

Use this section to tell us about  
another administrator.

AM03

## Notice of Administrator's Proposals

### 6 Statement of proposals

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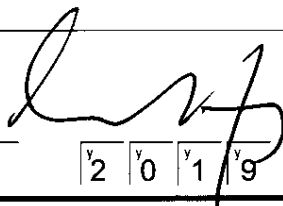
I attach a copy of the statement of proposals

### 7 Sign and date

Administrator's  
Signature

Signature

×



×

Signature date

<sup>d</sup>2

<sup>d</sup>7

<sup>m</sup>0

<sup>m</sup>9

<sup>y</sup>2

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<sup>y</sup>1

<sup>y</sup>9

## AM03 Notice of Administrator's Proposals



### 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 **Max Spolverato**

Company name **Duff & Phelps Ltd.**

Address  
**The Chancery  
58 Spring Gardens**

Post town **Manchester**

County/Region

Postcode **M 2 1 E W**

Country

DX

Telephone **+44 (0) 161 827 9000**



### Checklist

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed 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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# Joint Administrators' Report to Creditors and Statement of Proposals

27 September 2019

**Caer Rhun Hall Hotel Limited  
Caer Rhun Hotel Management  
Limited  
(Both In Administration)**

Joint Administrators' Report to Creditors and Statement of Proposals  
For the period from 8 August 2019 to 27 September 2019  
Pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986

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

<b>Definitions</b> <b>Word or Phrase</b>	<b>Definition</b>
the Act	The Insolvency Act 1986 (as amended)
the Agents	Sanderson Weatherall, independent agents who were instructed to value and sell the assets of the Companies
Appointment Date	8 August 2019, the date the Joint Administrators were appointed
Assured	Assured Hotels Limited, independent agents who are instructed to oversee the operational management of the Hotel
the Bank/NatWest	NatWest Bank plc, with whom the Companies banked
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Companies	Caer Rhun Hall Hotel Limited (In Administration) (Company Number: 09741446) and Caer Rhun Hotel Management Limited (In Administration) (Company Number: 09760520)
CR/OpCo	Caer Rhun Hotel Management Limited, the company operating the hotel
CRHH/Prop Co	Caer Rhun Hall Hotel Limited, the Company in which the freehold of the property is held
DBEIS	Department for Business, Energy & Industrial Strategy
the Director	Iain Shelton is currently the sole director of the Companies. Gavin Woodhouse was removed as Director of the Companies and Iain Shelton was appointed by the Interim Managers of NPD in their capacity as shareholders of the Companies
Duff & Phelps	Duff & Phelps Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW
EC Regulation	EC Regulation on Insolvency Proceedings 2000
Giant	Giant Hospitality Limited (Company number: 0989283) – (In Administration)
HMRC	HM Revenue and Customs
the Hotel	Caer Rhun Hall Hotel
the Joint Administrators	Philip Duffy and Sarah Bell of Duff & Phelps
NPD	Northern Powerhouse Developments Limited (Company Number: 09940469) – (In Administration)
NWAF/the Secured Creditor	North West Asset Finance. Holder of a fixed and floating charge over CRHH

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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 Property	Caer Rhun Hall, Conwy, North Wales, LL32 8HX
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SOA	Statement of Affairs, documentation to be supplied by the Director outlining the Company's financial position as at the Appointment Date
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

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## **1. Introduction**

- 1.1 The Joint Administrators were appointed on the Appointment Date by the Director of the Companies.
- 1.2 The functions of the Joint Administrators may be exercised by either of the Joint Administrators.
- 1.3 This report is the statutory statement of Proposals of the Joint Administrators. It sets out the circumstances leading up to their appointment and their strategy for achieving the purpose of the administration of the Companies.
- 1.4 These Proposals are delivered to creditors within two business days of the date of this report.

## **2. Background**

- 2.1 Statutory information on the Companies and a summary of the financial history is included at Appendix 1.
- 2.2 CRHH was incorporated on 25 August 2015 with Gavin Woodhouse and Robin Forster appointed as directors. Robin Forster resigned on 2 January 2016. NPD is the sole shareholder of the Company.
- 2.3 CR was incorporated on 3 September 2015 with Gavin Woodhouse, Simon Moppett, Andrew Evans and Juliette Donovan appointed as directors. Simon Moppett resigned in July 2016, Andrew Evans resigned in March 2018 and Juliette Donovan resigned in June 2017.
- 2.4 CRHH was incorporated to hold the freehold of the Property, being the Hotel, whilst CR acted as the vehicle in which the Hotel was operated from.
- 2.5 The Companies operate as a 23 bedroom hotel and wedding venue in Conwy, North Wales.
- 2.6 The Director is currently the sole director of the Companies. Gavin Woodhouse was removed as Director of the Companies and Iain Shelton was appointed by the Interim Managers of NPD/Giant in their capacity as shareholders of the Companies.
- 2.7 The operations of the Hotel were managed by Giant which operates the Whisper Hotel brand. Interim Managers were appointed over Giant by the Court on 12 July 2019 and Giant subsequently entered into Administration on 16 August 2019.
- 2.8 The Companies banked with NatWest with a credit only facility.
- 2.9 CRHH granted a fixed and floating charge to NWAFF which was created on 8 November 2017 and registered on 16 November 2017. A further fixed and floating charge was granted on 8 November 2017 and registered on 24 November 2017.
- 2.10 CR granted a fixed and floating charge to NWAFF which was created on 8 November 2017 and registered on 17 November 2017. It is understood that this charge supports a guarantee in respect of the charges registered in CRHH.
- 2.11 The Joint Administrators are currently in the process of quantifying the indebtedness to NWAFF across both of the Companies.



- 2.12 Based on information held at the Appointment Date, it is understood that the indebtedness to NWAFF is c£1.1m subject to accruing interest and charges. The Joint Administrators are aware that three other companies within the NPD group have also granted charges to NWAFF. There are Atlantic Bay (Woolacombe) Limited, Fourcroft Hotel (Tenby) Limited and Carmarthen Bay Hotel Limited. The Joint Administrators are currently in the process of reviewing the sums due to NWAFF.

### **3. Events Leading up to the Administration**

- 3.1 NPD purported to operate investment schemes where investors were offered the opportunity to purchase rooms in a number of hotels acquired by subsidiaries of NPD and/or Giant in return for lucrative returns. The schemes operated by NPD and/or Giant are currently under investigation.
- 3.2 On 7 July 2019, the Joint Administrators were appointed as Interim Managers of NPD by the Court. This action was taken after investors raised concerns in respect of certain investments. Currently the activities of NPD are under investigation. NPD entered Administration on 16 August 2019.
- 3.3 The Joint Administrators were appointed as Interim Managers over Giant on 15 July 2019. In their capacity as shareholders of the Companies due to the Interim Manager appointments, the decision was taken to remove Gavin Woodhouse as director of the Companies and appoint Iain Shelton in order to protect the business and assets of the Companies.
- 3.4 Joint Administrators were appointed over Giant on 16 August 2019.
- 3.5 Following the appointment over NPD and Giant, the Interim Managers appointed Assured to carry out a review of the trading hotels. Following the review, Assured advised that CRHH had significant HMRC arrears, in excess of £100k.
- 3.6 In addition, there were significant trade creditor arrears in CR and further HMRC arrears totalling c£50k. Operational problems at the Hotel were also reported. In order to preserve any value in the business and assets of the Companies the Director appointed the Joint Administrators over the Companies on the Appointment Date.
- 3.7 The Joint Administrators considered the position prior to accepting the appointment and having regard to the Insolvency Practitioners Association's ethical guidelines, considered that there were no circumstances preventing them from accepting the appointment.
- 3.8 Investors into all NPD schemes have been requested to provide further information in respect of their investments, which will enable the Joint Administrators of NPD to ascertain the level of investments in each of the subsidiaries, including the Companies. This will also allow investors to provide any further relevant information to the Joint Administrators.

### **4. Purpose of the Administration**

- 4.1 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.

- 4.2 Whilst the Joint Administrators are looking to achieve a going concern sale of the business and assets of the Companies, due to the uncertain level of creditors (whilst the investment position is clarified) and expected realisations, it is not anticipated that the first objective will be achieved.
- 4.3 The Joint Administrators are pursuing the second objective as it is likely that a better result for the Companies creditors as a whole will be achieved than if the Companies were wound up without first being in Administration for the following reasons:
- Continued trade during the Administration will protect the goodwill of the business and enhance the price that will be obtained in a sale as a going concern;
  - Continued trade will enable pre-booked events and bookings to be held thereby reducing the value of claims in respect of any deposits and staged payments; and
  - Continued trade and a going concern sale of the Hotel will reduce employee claims which will be minimised by employees transferring under TUPE to the purchaser once a sale is completed.
- 4.4 Although the freehold of the property is held in CRHH, CR holds the other assets including furniture, equipment and stock and also debtors and pre-payments. Therefore, it is anticipated that a sale of the business as a going concern will include the assets of both Companies.
- 4.5 Based on current information, it is currently anticipated that the Secured Creditor will be paid in full through a sale of the Hotel, however, this is dependent on the realisations achieved in any sale and also confirmation of quantum and validity of the debt due to NWAFL.
- 4.6 It is currently uncertain whether there will be funds available to enable a dividend to non-preferential creditors of the Companies. This will be dependent on confirmation of the creditor position and the realisations achieved through a sale of the Companies assets.
- 4.7 The Joint Administrators' Proposals for achieving the purpose of the Administration are set out in the remainder of this report

## **5. Statement of Affairs**

- 5.1 Due to the appointment of the Director being immediately prior to the Joint Administrators' appointment on both Companies, the SOA has been requested from Gavin Woodhouse. To date, this information has not been provided.
- 5.2 In the absence of a SOA, the Joint Administrators' attach a schedule of creditors names and addresses and an estimate of assets and liabilities which has been extracted from the Companies' books and records at Appendix 3.
- 5.3 Employee claims and consumer creditors who have pre-paid deposits for goods or services are also summarised at Appendix 3.
- 5.4 Some creditor amounts shown may differ from the actual amount owed. This does not affect their claim.

## **6. Progress of the Administration to Date**

- 6.1 The manner in which the affairs and business of the Companies have been managed, since the appointment of Joint Administrators and will continue to be managed and financed are set out below.

### **Administration Trading Period**

- 6.2 Following the Appointment Date, the decision was immediately taken by the Joint Administrators to continue to trade the business whilst all options were reviewed. It is believed that if a sale as a going concern can be achieved, realisations would be maximised and creditor claims against the Companies would be minimised.
- 6.3 A going concern sale would also protect the employment of CR's workforce. In addition, it is believed that a going concern sale would increase the realisations of the assets of CR. It is also believed that the continuation of trade would assist with the collection of the pre-appointment book debts.
- 6.4 The Joint Administrators engaged Assured who are independent hotel operators, to act as managing agents assisting the Joint Administrators whilst the Hotel continues to trade.
- 6.5 Following the Appointment Date, Assured attended the Hotel to take charge of and secure certain assets of the Companies and to take over the management of the day to day operations of the Hotel.
- 6.6 The Joint Administrators required Assured to complete a full review of operations, which included staffing levels and other costs and implement any necessary changes. In addition, a full review of the sales and marketing strategy is also being undertaken with a view to increasing the revenue from room, food and beverage sales and weddings and other events.
- 6.7 It was noted that the Hotel had a large number of bookings over the weeks following the Joint Administrators appointments over the Companies and honouring these bookings was likely to increase realisations and reduce liabilities in respect of deposits and staged payments already made.
- 6.8 To date, the sum of £60,279 has been achieved in respect of post appointment sales which includes room sales, food and beverage sales and deposits in respect of weddings and other events.
- 6.9 Costs of £129,844 have been incurred in respect of trading expenditure which includes wages, all trading costs and some ransom payments that were required to ensure the business could continue to trade with minimal disruption.
- 6.10 At present cash payments are being paid into CR's pre appointment bank account and paid across to the Administration estate account in weekly transfers. Credit and debit card payments are also paid across in weekly transfer by the merchant services provider.

### **Sale of business and assets**

- 6.11 Following appointment, the Joint Administrators instructed the Agents to provide a valuation and marketing advice in respect of the Hotel. The marketing of the Hotel is being progressed with a view to completing a sale as soon as reasonably practicable.
- 6.12 It is anticipated that a sale will be achieved in the next six to twelve months. Once a sale of the Hotel has completed full details will be provided.
- 6.13 As detailed in section 4 of this report, the Joint Administrators are pursuing a sale of the business as a going concern. Therefore, it is anticipated that the assets held in CR will also form part of any future sale.
- 6.14 Due to the commercial sensitivity of the sales process we are unable to provide details of the expected realisations in respect of the Hotel. Details of the value obtained will be provided to creditors in reports subsequent to the sale.

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## **CRHH**

### **Freehold Property**

- 6.15 The only asset of the CRHH is the Hotel located at Conwy, LL32 8HX.
- 6.16 An independent valuation of the Hotel has been provided by the Agents. An estimated to realise value has not been disclosed in order to avoid prejudicing any future marketing and sale negotiations.
- 6.17 Information reviewed by the Joint Administrators to date show that approximately eighty investors purportedly acquired rooms in the Hotel, under agreements created by NPD. The Joint Administrators are currently investigating these agreements.
- 6.18 The Joint Administrators are intending to seek Court direction to allow the Court to determine the extent of investors' interests across the NPD/ Giant group companies. A further update will be provided in the next report to creditors.

### **Inter Company Debt**

- 6.19 According to CRHH's books and records at the Appointment Date, there are several outstanding debts due to CRHH from associated companies in the NPD group:

	£
Belmont Hotel Management Limited	4,000
Caer Rhun Hotel Management Limited	1,212,500
Llandudno Bay Hotel & Spa Limited	25,045
Northern Powerhouse Developments Limited	708,962
The Harland Hotel Limited	12,504
Queens Hotel (Llandudno) Limited	701,453
Woodhouse Family Limited	198,000
<b>Total</b>	<b>2,862,464</b>

- 6.20 Several of the associated companies are in formal insolvency processes and it is uncertain whether any of the inter-company debts are recoverable.

## **6.21 CR**

### **Fixtures, Fittings, Plant & Machinery, Office & Small Equipment**

- 6.22 The furniture, fixtures, plant and machinery and office & small equipment within the Hotel is an asset of CR. As detailed above, it is anticipated that this would form part of a sale of the Hotel as a going concern. The Agents have been instructed to provide valuation advice and these assets are being marketed as part of the Hotel.

- 6.23 An estimated to realise value has not been disclosed in order not to prejudice any future marketing and sale negotiations. Further information will be provided in the next report to creditors.

#### **Book debts**

- 6.24 According to the CR's books and records, the outstanding debts due to CR totalled £36,000 as at the Appointment Date.
- 6.25 The Joint Administrators and Assured have started to take recovery action to collect the outstanding debts.

#### **Pre-payments and Other Debtors**

- 6.26 According to CR's books and records, CR were holding pre-payments and a schedule of payments in respect of existing bookings totalling £23,000 as at the Joint Administrators appointment. These bookings are currently being honoured by the Joint Administrators.
- 6.27 The Joint Administrators and Assured are reviewing the records in respect of existing bookings or and/or outstanding debts. It is anticipated that deposits and pre-payments will form part of a going concern sale of the Hotel.

#### **Cash at Bank**

- 6.28 As at the date of the Joint Administrators' appointment, CR had cash at bank of £74,170, which was held at NatWest. These funds have been transferred to the Administration bank account.

#### **Inter Company Debt**

- 6.29 According to CR's books and records at the Appointment Date, there are several outstanding debts due to CR from associated companies in the NPD group:
- 6.30 According to CRHH's books and records at the Appointment Date, there are several outstanding debts due to CRHH from associated companies in the NPD group:

	£
Fishguard Bay Hotel Limited	4,000
Giltsland Hall Hotel Limited	130
<b>Total</b>	<b>4,130</b>

- 6.31 Several of the associated companies are in formal insolvency processes and it is uncertain whether any of the inter-company debts are recoverable.

#### **7. Investigations**

- 7.1 Investigations into the Companies' affairs are currently ongoing.
- 7.2 The Joint Administrators have a statutory obligation to file a report with DBEIS regarding the conduct of the directors that held office in the three years prior to the Administration. These reports must be filed within three months from the appointment of the Joint Administrators and the content of these reports are confidential.

7.3 The Joint Administrators also have a duty to investigate antecedent transactions which include:

- Transactions to defraud creditors, s.423 of the Act;
- Preference payments, s.239 of the Act; and
- Transactions at an undervalue, s.238 of the Act.

7.4 A further update on the investigations into the Companies' affairs will be provided in subsequent progress reports.

7.5 Investigations into the Companies will also form part of the detailed investigations being carried out by the Joint Administrators of NPD and Giant.

## 8. Liabilities and Dividends

### Secured Creditors

#### CRHH

#### NWAF

8.1 In consideration for the monies advanced under the loan facility agreement CRHH granted a debenture on 8 November 2017, which confers fixed and floating charges over all of the assets of CRHH.

8.2 In consideration of additional monies advanced under the loan facility agreement CRHH granted a second debenture on 8 November 2017, which confers fixed and floating charges over all of the assets of CRHH.

8.3 However, as detailed in section 2 of this report, based on information held at the Appointment Date, it is understood that the indebtedness to NWAF is £1.1m subject to accruing interest and charges. However, the Joint Administrators are aware that three other companies within the NPD group have also granted charges to NWAF (Fourcroft Hotel (Tenby) Limited, Carmarthen Bay Hotel Limited and Atlantic Bay Hotel (Woolacombe) Limited – all in Administration). The Joint Administrators have sought confirmation on how these funds were split between the five NPD companies and it is understood that the balance due is across the five companies.

8.4 At this stage it is anticipated that there will be sufficient realisations to repay NWAF following a sale of the business and assets as a going concern, dependent on confirmation of the total balance due from CRHH and the validity of the security.

#### CR

8.5 In consideration for the monies advanced under the loan facility detailed above, CR granted a debenture on 8 November 2017, which confers fixed and floating charges over all of the assets of the CR in respect of a guarantee over the loan facility provided to CRHH.

#### Preferential Creditors

#### CRHH

8.6 CRHH does not employ any staff and therefore there are no preferential creditors.

## CR

- 8.7 Upon the sale of the Hotel and the business and assets of CR, it is anticipated that CR's employees will be transferred to a purchaser via TUPE.
- 8.8 Until such time a sale of the Hotel and the business and assets of the CR has completed it remains uncertain whether there will be any preferential claims or whether there will be sufficient asset realisations to pay a distribution to preferential creditors.

### Prescribed Part

- 8.9 The Prescribed Part is calculated as a percentage of net property, as follows:-

Net property less than £10,000:	50% unless the Joint Administrator considers that the costs of making a distribution to the non-preferential unsecured creditors would be disproportionate to the benefits
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Net property greater than £10,000:	50% up to £10,000 plus 20% thereafter to a maximum of £600,000.
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- 8.10 As previously detailed CRHH granted floating charges to NWAFF on 8 November 2017 and therefore the Prescribed Part provisions will apply. However, it is anticipated that NWSF will be paid in full under their fixed charge of the freehold property and therefore the Prescribed Part provisions will not apply.
- 8.11 As previously detailed CR also granted a floating charge to NWAFF on 8 November 2017 and therefore the Prescribed Part provisions will apply. However, it is anticipated that NWSF will be paid in full under their fixed charge of the freehold property and therefore the Prescribed Part provisions will not apply.

### Non-Preferential Creditors

#### CRHH

- 8.12 According CRHH's management accounts as at 31 March 2019, non-preferential creditors total £8,542,000. The non-preferential creditors can be summarised overleaf:

Creditor	Claim £
Trade & Expense Creditors	179,000
Investor Buyback Provisions	7,569,000
HM Revenue & Customs	739,000
Other Loans	55,000
<b>Total</b>	<b>8,542,000</b>

- 8.13 The Joint Administrators are continuing to review the books and records to ascertain the creditor position.

8.14 Based upon the current information available, it is uncertain whether there will be insufficient realisations to enable a distribution to the non-preferential creditors of the CRHH, other than from the Prescribed Part, if any. This is dependent on the realisations from the sale of the freehold property.

8.15 If not already done so, creditors of the CRHH should complete the proof of debt form at Appendix 9 and return same to the Joint Administrators.

## CR

8.16 According to CR's management accounts at the Appointment Date, non-preferential creditors total £3,988,000. The non-preferential creditors can be summarised as follows:

Creditor	Claim £
Trade & Expense Creditors	757,000
Inter-Company Loan	3,196,000
HM Revenue & Customs	28,000
Payroll Creditors	7,000
<b>Total</b>	<b>3,988,000</b>

8.17 The Joint Administrators are continuing to review the books and records to ascertain the creditor position.

8.18 Based upon the current information available, it is uncertain whether there will be insufficient realisations to enable a distribution to the non-preferential creditors of the Company, other than from the Prescribed Part, if any. This is dependent on the realisations from the sale of the freehold property.

8.19 If not already done so creditors of the Company should complete the proof of debt form at Appendix 9 and return same to the Joint Administrators.

## 9. Statement of Pre Administration Costs

9.1 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 its doing so.

## CR

Name of Recipient	Brief Description of Services Provided	Amount £
Duff & Phelps	Liaising with the Director and Secured Creditor, exploring the insolvency options and strategies and negotiations with interested parties and preparing the NOI and NOA	4,980
DLA Piper UK LLP	Assistance in placing the Company into Administration, preparation and negotiating the sale and purchase agreement and other ad hoc legal matters	650



**Total Unpaid Pre-Administration Costs**

5,630

*\*All amounts are stated exclusive of VAT where applicable*

**CRHH**

- 9.2 In addition the Joint Administrators incurred Pre-Appointment expenses as detailed below. In total, costs incurred prior to the appointment of the Joint Administrators are summarised below:

Name of Recipient	Brief Description of Services Provided	Amount £
Duff & Phelps	Liassing with the Directors and Secured Creditor exploring the insolvency options and strategies and negotiations with interested parties and preparing the NOI and NOA	4,980
DLA Piper UK LLP	Assistance in placing the Company into Administration, preparation and negotiating the sale and purchase agreement and other ad hoc legal matters	650
<b>Total Unpaid Pre-Administration Costs</b>		<b>5,630</b>

*\*All amounts are stated exclusive of VAT where applicable*

The Joint Administrators confirm that payment of the unpaid Pre-Administration costs and as expense of the Administration are subject to approval under r3.52 of the Rules and not part of the proposals subject to approval under Paragraph 53 of Schedule B1 to the Act

**10. Costs and Expenses**

**Estimated Fees and Expenses**

**CRHH**

- 10.1 It is proposed that the Joint Administrators' fee basis is based on time costs.
- 10.2 Fee approval will be sought from the Secured Creditor.
- 10.3 The amount proposed to be drawn in fees by the Joint Administrators is shown in Appendix 5 - Fee Estimates. The total amount indicated of £69,510 effectively acts as a cap on the level of fees to be drawn by the Joint Administrators.
- 10.4 The time costs already charged since the appointment are analysed at Appendix 4. Time is charged in six minute units.
- 10.5 Time costs totalling £7,442 have been incurred in the Reporting Period, representing 26 hours at an average charge out rate of £235.
- 10.6 In accordance with SIP 9, the Joint Administrators have provided creditors with additional information regarding major areas of time below:

- 
- 10.7 Time costs totalling £2,625 were incurred in dealing with Freehold and Leasehold Property. Such time was spent on preparing a marketing strategy for the Hotel including producing information to distribute to the interested party database, correspondence with the Agents and any potential interested parties and producing and circulating marketing material.
- 10.8 Time costs totalling £2,675 were incurred in Statutory Matters (Meetings, Reports and Notices). Such time was incurred in producing the statutory notices and documents, including these proposals, following the appointment and circulating these to the relevant creditors and stakeholders of the Company and filing documents at Companies House.
- 10.9 Time costs totalling £709 have been incurred in case review and case diary management. This time has been incurred in dealing with statutory case review matters including the set up of statutory files and ensuring all initial matters are complete and marked off the statutory diary.
- 10.10 The remaining time costs have been incurred in respect of IPS set up and maintenance setting up the required internal systems and Strategy, Planning & Control including time spent discussing the strategy and requirements of the Administration.
- 10.11 The Joint Administrators estimate the expenses of the Administration to total approximately £120,480 (as shown in Appendix 7 Estimated Expense Schedule). This Schedule illustrates the estimated expenses for the whole of the Administration and is for information purposes only. *No approval is required by creditors. This estimate may change over the course of the Administration but creditors will be informed of any variations with associated reasons in the six monthly Progress Reports.*
- 10.12 Also attached at Appendix 6 is the Fee Narrative, a summary of key issues, to assist creditors in understanding the strategy of the Joint Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors. Further details of assets and liabilities and the estimated return to creditors, if any, are in the body of this report.
- 10.13 Details of how to obtain further information relating to the fees and disbursements of the Joint Administrators is in Appendix 8.

## **CR**

- 10.14 It is proposed that the Joint Administrators' fee basis is based on time costs.
- 10.15 Fee approval will be sought from the Secured Creditor.
- 10.16 The amount proposed to be drawn in fees by the Joint Administrators is shown in Appendix 5- Fee Estimate. The total amount indicated of £85,375 effectively acts as a cap on the level of fees to be drawn by the Joint Administrators.
- 10.17 The time costs already charged since the appointment are analysed at Appendix 4. Time is charged in six minute units.
- 10.18 Time costs totalling £21,858.75 have been incurred in the Reporting Period, representing 69 hours at an average charge out rate of £259.
- 10.19 In accordance with SIP 9, the Joint Administrators have provided creditors with additional information regarding major areas of time below:
- 10.20 Time costs totalling £6,197 have been incurred in Cashiering & Accounting. Such time has been incurred in respect of processing all sales and payments.
-

- 10.21 Time costs totalling £3,825 have been incurred under the heading Trading – Accounting. Such time was incurred in dealing with managing the trading of the Hotel including managing the cash book and reviewing all Hotel records in respect of sales and payments.
- 10.22 Time costs totalling £4,448 were incurred in Statutory Matters (Meetings, Reports and Notices). Such time was incurred in producing the statutory notices and documents, including these proposals, following the appointment and circulating these to the relevant creditors and stakeholders of the Company and filing documents at Companies House.
- 10.23 Time costs totalling £2,181 have been incurred in trading – operations. These time costs have been incurred in the general trading of the Hotel including liaising with Assured and Hotel staff with operational queries and queries from suppliers.
- 10.24 The remaining time costs have been incurred in respect case review and diary management, creditors and realisation of assets.
- 10.25 The Joint Administrators estimate the expenses of the Administration to total approximately £51,480 (as shown in Appendix 7 Estimated Expense Schedule). This Schedule illustrates the estimated expenses for the whole of the Administration and is for information purposes only. No approval is required by creditors. This estimate may change over the course of the Administration but creditors will be informed of any variations with associated reasons in the six monthly Progress Reports.
- 10.26 Also attached at Appendix 6 are the Fee Narratives, summaries of key issues, to assist creditors in understanding the strategy of the Joint Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors. Further details of assets and liabilities and the estimated return to creditors, if any, are in the body of this report.
- 10.27 Details of how to obtain further information relating to the fees and disbursements of the Joint Administrators is in Appendix 8.

## **11. Joint Administrators' Receipts and Payments Account**

- 11.1 Receipts and Payments accounts for both Companies are provided at Appendix 2.
- 11.2 A separate Receipts and Payments account has been prepared for the Administration trading period. This is also attached at Appendix 2.

## **12. EC Regulation**

- 12.1 It is the Joint Administrators' opinion that the EC Regulation applies and these proceedings are main proceedings as defined in Article 3 of the EC Regulation.

## **13. Deemed Approval**

- 13.1 The Joint Administrators decision on the approval of these proposals will not be sought as the Joint Administrators believe that the Companies will have insufficient property to enable a distribution to be made to non-preferential creditors, other than via the Prescribed Part (if any).
- 13.2 The Joint Administrators proposals will be deemed approved by the creditors unless creditors whose debts amount to at least 10% of the total debts of the Company request the Joint Administrators to seek a specific decision from the Company's creditors.
- 13.3 Further information is provided in Appendix 8, Statement of Creditors' Rights.

## **14. End of the Administration**

14.1 The options available to the Joint Administrators for the exit from the Administration are as follows:

- Compulsory Liquidation;
- Creditors' Voluntary Liquidation;
- Company Voluntary Arrangement;
- Return of control to the Director(s); and
- Dissolution of Company.

14.2 *The exit route from the Administration is currently uncertain, as this will be dependent on the realisations from any sale of the business and assets of the Companies.*

14.3 Administrators are only able to distribute to non-preferential creditors under the Prescribed Part. The Joint Administrators anticipate that the Prescribed Part provisions may not apply should the Secured Creditor be paid in full. Should the Secured Creditor be paid in full and there be funds available to distribute to non-preferential creditors in either of the Companies, the company will have to be placed into Creditor's Voluntary Liquidation for a distribution to be paid to the non-preferential creditors.

14.4 Should there not be funds available to distribute to the non-preferential creditors, the Joint Administrators recommended that the Companies be dissolved for the reasons set out below:

14.5 The Joint Administrators have formed the view that once all the outstanding Administration matters have been finalised, and all liabilities incurred during the Administration have been discharged, there will be insufficient funds available to allow a distribution to unsecured creditors, other than from the Prescribed Part (if any)

14.6 Once all outstanding matters have been satisfactorily completed by the Joint Administrators, they will give notice to the Registrar of Companies to the effect that the Company has no remaining property to realise which might permit a (further) distribution to its unsecured creditors, at which stage the Administration will cease. The Company will be dissolved three months following the registration of the notice at the Registrar of Companies.

14.7 You will note from the Proposals section below that the Joint Administrators have left the choice of exit route from Administration open so that an alternative strategy can be adopted, should this prove more appropriate at the time.

## **15. Joint Administrators' Proposals**

### **CRHH and CR**

15.1 The Joint Administrators' Proposals shall be deemed approved by the creditors on the expiry of the period in which a decision can be requisitioned by creditors as detailed in the Appendix 8. In paragraphs 15.1.1 to 15.1.4 below:

15.1.1 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.

15.1.2 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.

15.1.3 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.

15.1.4 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 Francis Duffy and Sarah Helen 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.

#### **CRHH**

15.2 The Joint Administrators will be seeking specific agreement to the following Proposals from the Secured Creditor:

15.2.1 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing.

15.2.2 Where a Creditors' Committee is not established, that the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration.

15.2.3 Where a Creditors' Committee is not established, that the Joint Administrators' Fee Estimate in the total sum of £69,510 is approved.

15.2.4 Where a Creditors' Committee is not established, that the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements").

And also the following resolution (which is not part of the Proposals:

15.2.5 Where a Creditors' Committee is not established, that the unpaid pre Administration costs totalling £5,630 plus VAT as detailed in the Joint Administrators' statement of pre Administration costs is approved for payment as an expense of the Administration.

#### **CR**

15.3 The Joint Administrators will be seeking specific agreement to the following Proposals from the secured creditor:

15.3.1 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing.

- 15.3.2 Where a Creditors' Committee is not established, that the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration.
- 15.3.3 Where a Creditors' Committee is not established, that the Joint Administrators' Fee Estimate in the total sum of £85,375 is approved.
- 15.3.4 Where a Creditors' Committee is not established, that the Joint Administrators be authorised to draw their company's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements").
- And also the following resolution (which is not part of the Proposals:
- 15.3.5 Where a Creditors' Committee is not established, that the unpaid pre Administration costs totalling £5,630 plus VAT as detailed in the Joint Administrators' statement of pre Administration costs is approved for payment as an expense of the Administration.

## 16. Other Matters

- 16.1 If any creditor has any information concerning the Companies affairs that they would like to bring to the Joint Administrators' attention, then they would be pleased to hear from them.
- 16.2 If you require further information or assistance, please do not hesitate to contact Heather Barnes.



**Philip Duffy**  
Joint Administrator

Enc.

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

## **Appendix 1**

### **Statutory Information**

**CRHH**

**Statutory Information**

<b>Date of Incorporation</b>	20 August 2015
<b>Registered Number</b>	09741446
<b>Company Directors</b>	Iain Shelton Gavin Woodhouse (removed as director on 9 July 2019)
<b>Company Secretary</b>	None appointed
<b>Shareholders</b>	NPD
<b>Trading Address</b>	Caer Rhun Hall Conwy LL32 8HX
<b>Registered Office</b>	<b>Current:</b> Duff & Phelps The Chancery 58 Spring Gardens Manchester M2 1EW  <b>Former:</b> Unit D2 Elland Ridges Link Lowfields Business Park Elland HX5 9DG



CR

**Statutory Information**

<b>Date of Incorporation</b>	3 September 2015
<b>Registered Number</b>	09760520
<b>Company Directors</b>	Iain Shelton Gavin Woodhouse (removed as director on 9 July 2019)
<b>Company Secretary</b>	None appointed
<b>Shareholders</b>	NPD
<b>Trading Address</b>	Caer Rhun Hall Hotel Conwy LL32 8HX
<b>Registered Office</b>	<b>Current:</b> Duff & Phelps The Chancery 58 Spring Gardens Manchester M2 1EW  <b>Former:</b> Unit D2 Elland Riorges Link Lowfields Business Park Elland HX5 9DG

## CRHH - Financial Information

### Balance Sheet

	As at financial statements for the year ended 31 March 2018	As at financial statements for the year ended 31 March 2017
<b>Fixed Assets</b>		
Tangible Assets	136,914	140,096
Investment Property	7,830,090	1,576,378
	<b>7,967,004</b>	<b>1,716,474</b>
<b>Current Assets</b>		
Debtors	3,846,939	3,551,017
<b>Creditors</b>		
Amounts falling due within one year	81,661	103,364
<b>Net Current Assets /(Liabilities)</b>	<b>3,765,278</b>	<b>3,447,653</b>
<b>Total Assets Less Current Liabilities</b>	<b>11,732,282</b>	<b>5,164,127</b>
<b>Creditors</b>		
Amounts falling due after more than one year	(7,720,367)	(6,798,501)
Provisions for Liabilities	(739,292)	-
<b>Net Assets/ (Liabilities)</b>	<b>3,272,623</b>	<b>(1,634,374)</b>
<b>Capital and Reserves</b>		
Called up share capital	100	100
Retained earnings	3,272,523	(1,634,474)
<b>Shareholders Funds</b>	<b>3,272,623</b>	<b>(1,634,374)</b>

## CR - Financial Information

### Balance Sheet

	As at financial statements for the year ended 31 March 2018	As at financial statements for the year ended 31 March 2017
<b>Fixed Assets</b>		
Tangible Assets	894,799	45,589
	<b>894,799</b>	<b>45,589</b>
<b>Current Assets</b>		
Stocks	-	3,258
Debtors	79,599	46,836
Cash at bank and in Hand	1,599	5,924
	<b>81,198</b>	<b>56,018</b>
<b>Creditors</b>		
Amounts falling due within one year	2,383,284	623,557
<b>Net Current Assets /(Liabilities)</b>	<b>(2,302,086)</b>	<b>(567,539)</b>
<b>Total Assets Less Current Liabilities</b>	<b>(1,407,287)</b>	<b>(521,950)</b>
<b>Creditors</b>		
Provisions for Liabilities	-	(460)
<b>Net Assets/ (Liabilities)</b>	<b>(1,407,287)</b>	<b>(521,490)</b>
<b>Capital and Reserves</b>		
Called up share capital	1	1
Retained earnings	(1,407,288)	(521,491)
<b>Shareholders Funds</b>	<b>(1,407,287)</b>	<b>(521,490)</b>

## **Appendix 2**

### **Receipts and Payments Account**

**Caer Rhun Hall Hotel Limited  
(In Administration)  
Joint Administrators' Summary of Receipts & Payments  
To 27/09/2019**

<b>S of A £</b>	<b>£</b>	<b>£</b>
		<b>NIL</b>
REPRESENTED BY		<b>NIL</b>

Note:

**Caer Rhun Hotel Management Limited**  
**(In Administration)**  
**Joint Administrators' Trading Account**  
**To 27/09/2019**

<b>S of A £</b>	<b>£</b>	<b>£</b>
POST APPOINTMENT SALES		
Sales	23,294.75	
Credit card sales	36,984.59	
		60,279.34
PURCHASES		
Purchases	4,604.00	
		(4,604.00)
OTHER DIRECT COSTS		
Wages	35,791.14	
Consumable Stores	2,012.82	
		(37,803.96)
TRADING EXPENDITURE		
Drinks	4,935.69	
Heat & Light	2,108.76	
Telephone	236.04	
Carriage	200.00	
Professional Fees	1,421.79	
Ransom payments	12,471.16	
Hire of Equipment	4,973.20	
Repairs & Maintenance	1,017.96	
Sales Commission	7,307.42	
IT Costs	170.23	
Employee Expenses	90.21	
Food	11,056.88	
Entertainment	336.00	
Agency Staff	35,299.45	
Laundry	4,566.39	
Merchant Services	44.95	
TV	1,100.00	
Recycling	99.91	
		(87,436.04)
<b>TRADING SURPLUS/(DEFICIT)</b>		<b>(69,564.66)</b>

**Caer Rhun Hotel Management Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**  
**To 27/09/2019**

<b>S of A £</b>	<b>£</b>	<b>£</b>
ASSET REALISATIONS		
Cash at Bank	74,170.49	
Bank Interest Gross	6.66	
Trading Surplus/(Deficit)	(69,564.66)	
		4,612.49
COST OF REALISATIONS		
Professional Fees	1,897.02	
Statutory Advertising	174.96	
		(2,071.98)
Represented By		
Loan From LBHS	7,000.00	
		7,000.00
		<b>9,540.51</b>
REPRESENTED BY		
VAT Receivable		12,888.42
Floating/main current account		8,707.97
VAT payable		(12,055.88)
		<b>9,540.51</b>

## **Appendix 3**

### **Schedules of Creditors and Statements of Estimated Financial Position**



**Caer Rhun Hall Hotel Limited (In Administration)**  
**Estimated Financial Position at 16 August 2019**

	<i>Notes</i>	<u>Book Value</u> £	<u>Estimated to Realise</u> £
<b>Assets Subject to Floating Charge</b>			
Freehold Property	1	8,361,000	Uncertain
<b>Creditors</b>	2		
Trade and Expense Creditors			(179,000)
HM Revenue & Customs			(739,000)
Investor Buy Back Provision			(7,569,000)
Loans Greater than One Year			(55,000)
<b>Estimated liability to non-preferential creditors</b>			<b>(8,542,000)</b>
Share capital			(1)
<b>Estimated liability to shareholders</b>			<b>(8,542,001)</b>

**Caer Rhun Hall Hotel Limited (in Administration)**  
**Notes to the Estimated Financial Position**

1. The book value of the freehold property has been taken from the management accounts provided by CRHH for the period January 2019 to March 2019. The ETR is currently uncertain and no further information will be released at this time so as not to prejudice any sale of the Hotel.

2. Creditor balances are based on CRHH's records at the Appointment Date. The estimated liability does not take into account the professional fees, expenses and disbursements incurred to date and to be incurred during the course of the Administration.

**Duff & Phelps Ltd.**  
**Caer Rhun Hall Hotel Limited**  
**B - Company Creditors**

Key	Name	Address	£
CA00	Company's accountants		0.00
CA01	Company's other advisers		0.00
CB00	Brierstone Limited	351 Whalley Road, Clayton Le Moors, Accrington, BB5 5QZ	155,139.62
CD00	Debenture Holder		0.00
CE00	Electricity company		0.00
CE01	Earth Environmental Limited		1,920.00
CF00	Factoring company	Houldsworth Mill Business and Arts Centre, Houldsworth Street, Stockport, SK5 6DA	0.00
CG00	Gas company		0.00
CG01	Gritton Ecology		855.70
CH02	HM Revenue & Customs	Dr Rod Gritten, Traian, Llanfrothen, Penrhyndeudraeth, Gwynedd, LL48 6SW Enforcement & Insolvency Service (EIS), Durrington Bridge House, Worthing, West Sussex, BN12 4SE	100,000.00
CI04	Company's insurer		0.00
CL00	Landlord		0.00
CM00	Metis Law LLP	84 Albion Street, Leeds, LS1 6AD	300.00
CP00	Company's pension company		0.00
CP01	Phone company - landline		0.00
CP02	Phone company - mobiles		0.00
CP03	Petitioning creditor		0.00
CR01	Redundancy Payments Service	P O Box 16685, BIRMINGHAM, B2 2LX	0.00
CS00	Company's Solicitors		0.00
CS01	Scottish and Southern Energy	Payment centre, Reading, Berkshire, RG1 8BU	28.18
CT00	Tatton Consulting Limited	78 Borough Road, Hale, Manchester, WA15 9EJ	19,881.20
CW00	Work introducer		0.00
CW01	Water board		0.00
CW02	Williamson and Croft LLP	Barnett House, 53 Fountain Street, Manchester, M2 2AN	600.00
<b>24 Entries Totalling</b>			<b>278,724.70</b>

**Caer Rhun Hotel Management Limited (in Administration)**  
**Estimated Financial Position at 16 August 2019**

	<i>Notes</i>	<u>Book Value</u>	<u>Estimated to Realise</u>
		£	£
<b>Assets Subject to Floating Charge</b>			
Cash at Bank	1	74,170	74,170
Plant, Machinery & Equipment	2	1,379,000	Uncertain
Debtors	3	36,000	Uncertain
Pre-Payments and Other Debtors		23,000	Uncertain
Inter Company Debtors		5,000	
<b>Surplus/(Deficiency) c/d</b>			<u><b>74,170</b></u>
Employees Arrears of Pay and Holiday Pay	4		-
<b>Creditors</b>	5		
Trade and Expense Creditors			(757,000)
HM Revenue & Customs			(28,000)
Payroll Creditors			(7,000)
Inter Company Account			(3,196,000)
<b>Estimated liability to non-preferential creditors</b>			<b>(3,988,000)</b>
Share capital			(1)
<b>Estimated liability to shareholders</b>			<b>(3,988,001)</b>

**Caer Rhun Hotel Management Limited (in Administration)**  
**Notes to the Estimated Financial Position**

1. The cash held in CR's pre appointment bank account has been transferred into the Administration estate
2. The book value for the Plant, Machinery & Equipment is taken from CR's management account. The ETR is currently uncertain and no further information will be released at at this time so as not to prejudice any sale of the Hotel.
3. The ETR value for the debtors is based on the value of a ledger taken from the management accounts of CR.
4. Based on current information it is not anticipated that there will be any liability to employees in respect of Arrears of Pay or Holiday Pay
5. Creditor balances are based on CR's records at the Appointment Date. The estimated liability does not take into account future professional fees, expenses and disbursements or any incurred to date during the course of the Administration.

**Duff & Phelps Ltd.**  
**Caer Rhun Hotel Management Limited**  
**B - Company Creditors**

Key	Name	Address	£
C0001	AC Electrical (North Wales) Limited	Office 21 Tydesley House, 48 Clarence Rd, Llandudno, LL30 1TW	773.52
C0002	Access Bookings Limited	20 St John St, Lichfield, WS13 6PB	485.58
C0003	Anglesey Apple Co	Cefn Llanfair, Llanfairpwllgwyngyll, L161 6AX	400.00
C0004	Assured Hotels Limited	Devonshire House, One Mayfair Place, Mayfair, W1J 8AJ	3,704.05
C0005	Becws Alun	Morfa Conwy Business Park, Conwy, LL32 8HH	287.05
C0006	BT Business	Harvey House, St Edwards Court, London Rd, Romford, RM7 9QD	3,379.60
C0007	Carlsberg UK Limited	Jacobson House, 140 Bridge St, Northampton, NN1 1QG	1,167.97
C0008	Commercial Catering Engineers Limited	Unit 3 Parc Ffordd Las, Rhyl, Denbighshire, LL18 2HH	338.04
C0009	Conwy County Borough Council	Bodlondeb Council Offices, Bangor Rd, Conwy, LL32 8DU	12,466.40
C000A	Conwy Valley Guns		300.00
C000B	D.L. Hughes Limited	Sianroberts, 10 Mostyn Street, Llandudno, Gwynedd, LL30 2PS	276.00
C000C	Flogas Britain Limited	Unit W Industrial Estate, 4RP, Faldio Rd, Bedford	2,160.73
C000D	Fry Fresh Edible Oils Limited	Unit 1, Vauxhall Industrial Estate, Ruabon, Wrexham, LL14 6HA	253.85
C000E	Gold Key Media	3rd Floor, Josaron House, 5-7 John Princes Street, Oxford St, W1G 0JN	132.80
C000F	Harlech Foodservice Limited	Parc Amaeth, Llanystumdwy, Criccieth, LL52 0LJ	8,491.97
C000G	H N Nuttall Limited	Newton Moor Industrial Estate, Lodge St, Hyde, SK14 4LF	1,937.34
C000H	Hotelshop UK Limited	Brine Well House, Tower Hill, Droitwich Spa, Droitwich, WR9 8BY	257.88
C000I	HotelRez	20 Midtown, 20 Procter St, London, WC1V 6NX	61.79
C000J	Hoyles Fire & Safety	Wistons Ln, Eiland, Eiland	132.00
C000K	Initial Washroom Hygiene	11 Heronden Rd, Maidstone, ME15 9YR	234.00
C000L	M&J Seafood	Royal Docks, London, E16 2TW	441.77
CA00	Simon Evans Gardening Services		1,680.00
CA01	Secure Trading		24.00
CACA02	Archant Community Media Limited	1 Royal Exchange, London, EC3V 3DG	300.00
CACA03	A. Hughes & Company	Prospect House, Rouen Road, Norwich, NR1 1RE	247.37
CB0001	Brierstone Ltd	Unit 9, Hampton Heath Industrial Estate, SY14 8LU	35,368.80
		Brindley House Suite 2, Unit H6 Lowfields Business Park, Eiland, West Yorkshire, England, HX5 9HF	
CB02	Birketts LLP	Providence House, 141-478 Princess Street, Ipswich, Suffolk, IP1 1QJ	0.00
CC0001	Castell Howell Foods Ltd	Cross Hands Food Park, Cross Hands, Llanelli, SA14 6SX	641.15
CD00	Razorblue Limited	Razorblue House, 12 Bailey Court, Colburn Business Park, DL9 4QL	4,347.00

**Duff & Phelps Ltd.**  
**Caer Rhun Hotel Management Limited**  
**B - Company Creditors**

Key	Name	Address	£
CE00	RA Slater		160.00
CECE01	S.P. Lamps Limited	Unit 2 Council St West, Llandudno, Conwy, LL30 1ED	343.95
CF00	PPL PRS Limited	Mercury Place, St. George Street, Leicester, LE1 1QG	1,324.85
CG00	Popcycle Ice Cream		250.00
CGCG01	Gritten Ecology	Dr Rod Gritten, Traian, Llanfrothen, Penrhyndeudraeth, Gwynedd, LL48 6SW	0.00
CH02	HM Revenue & Customs	Enforcement & Insolvency Service (EIS), Durrington Bridge House, Worthing, West Sussex, BN12 4SE	100,000.00
CI04	Shorrock Trichem Limited	Chanters Industrial Estate, Tydesley Old Rd, Atherton, Manchester, M46 9SD	493.70
CK00	KD Media Publishing Limited	Pantile House, Newlands Drive, Witham, Essex, CM8 2AP	192.00
CL00	Poblado Coffi	Unit 1 Y Barics, Nantlle, Caernarfon, LL54 6BD	630.00
CM0001	Metis Law	84 Albion Street, Leeds, LS1 6AD	0.00
CP00	S & S Marketing	R4 Tenterfields Business Park, Luddenden Foot, Halifax, HX2 6EQ	933.26
CP01	Parisella's of Conwy	The Ice Cream Kiosk St, Lower Gate St, Conwy, LL32 8AL	122.70
CP02	Northern Pottery Limited	Maesdu Rd, Llandudno, LL30 1HP	207.60
CP03	Peter Lucas Power Tools	1 Conway Rd, Llandudno Junction, LL31 9BA	321.19
CR01	Stephensons	Kennerley Works, 161 Buxton Rd, Stockport, SK2 6EQ	5,368.69
CS00	Redcentric	Lifeline House, London, EC2A 4HB	296.15
CSCS01	SSE	Payment Centre, Reading, Berkshire, RG1 8BU	4,597.20
CSCS02	SCS Technologies Ltd	Unit 4 Centre 21, Bridge Lane, Woolston, WA1 4AW	30,461.70
CSCS03	Size Creative Limited		140.00
CSCS04	Skye Marquees Limited	Bryn derw, Mold, CH7 5NW	5,162.30
CSCS05	Sysco Guest Supply Europe Limited	6 Comet House, Reading, RG7 8DA	2,019.60
CSCS06	Super Temps	68 Conway Rd, Colwyn Bay, LL29 7LD	(689.78)
CT0001	Tatton Consulting Limited	78 Borough Road, Hale, Manchester, WA15 9EJ	0.00
CT02	Total Produce	Tolworth Tower, Ewell Road, Surbiton, KT6 7EL	3,064.02
CV00	Venners Limited	3 Essex House, Astra Centre, Edinburgh Way, Harlow, CM20 2BN	333.60
CV01	View Creative Agency	37 Rhos Rd, Rhos on Sea, Colwyn Bay, LL28 4RS	2,364.00
CW00	Mermaid Seafoods Limited	71 Builder St, Llandudno, LL30 1DR	247.33
CW01	MJ Birtwistle & Co Ltd	1 Ferrous Way, Irlam, Manchester, M44 5FS	1,280.03
CWCW02	Williamson & Croft	Barnett House, 53 Fountain Street, Manchester, M2 2AN	600.00

**Duff & Phelps Ltd.**  
**Caer Rhun Hotel Management Limited**  
**B - Company Creditors**

Key	Name	Address	£
CWCW03	Welcome Telecom Limited	Unit 13, Salmon Springs Trading Estate, Cheltenham Rd, Stroud, GL6 6NU	(492.54)
CWCW04	Welsh Water	Fortran Rd, St. Mellons, Cardiff, CF3 0LT	1,862.75
CWCW05	West Cheshire and North Wales Chamber of Co	Queen's Park Road, Chester, CH4 7AD	33.00
CWCW06	Williams Denton	13 Trinity Square, Llandudno, LL30 2RB	132.00
<b>62 Entries Totalling</b>			<b>242,049.96</b>



## **Appendix 4**

### **Analysis of Time Charged**

# 107545 Caer Rhun Management Limited

## ANALYSIS OF TIME COSTS FOR THE PERIOD 08/07/2019 to 07/08/2019

ADP-Admin.-Pre Appt

Administration - Pre Appointment (New)								
Classification of Work Function	Hours					Total Hours	Time Cost	Avg. Hourly
	Partner	Manager	Senior	Assistant	Support			
Admin & Planning								
Dealing with Notice of Intention to Appointment	0.00	1.00	0.00	0.00	0.00	1.00	480.00	480.00
Dealings with Directors and Management	0.00	1.00	0.00	0.00	0.00	1.00	480.00	480.00
Statutory matters (Meetings, Reports and Notices)	0.00	1.00	0.00	0.00	0.00	1.00	480.00	480.00
Strategy planning & control	0.00	3.00	0.00	0.00	0.00	3.00	1,440.00	480.00
Creditors								
Secured Creditors	3.50	0.00	0.00	0.00	0.00	3.50	2,100.00	600.00
<b>Total Hours</b>	<b>3.50</b>	<b>6.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9.50</b>		
<b>Total Estimated Fees</b>	<b>2,100.00</b>	<b>2,880.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>4,980.00</b>	

# 107603 Caer Rhun Hall Hotel Limited

## ANALYSIS OF TIME COSTS FOR THE PERIOD 08/07/2019 to 07/08/2019

ADP-Admin.-Pre Appt

Administration - Pre Appointment (New)								
Classification of Work Function	Hours					Total Hours	Time Cost	Avg. Hourly
	Partner	Manager	Senior	Assistant	Support			
Admin & Planning								
Dealing with Notice of Intention to Appointment	0.00	1.00	0.00	0.00	0.00	1.00	480.00	480.00
Dealings with Directors and Management	0.00	1.00	0.00	0.00	0.00	1.00	480.00	480.00
Statutory matters (Meetings, Reports and Notices)	0.00	1.00	0.00	0.00	0.00	1.00	480.00	480.00
Strategy planning & control	0.00	3.00	0.00	0.00	0.00	3.00	1,440.00	480.00
Creditors								
Secured Creditors	3.50	0.00	0.00	0.00	0.00	3.50	2,100.00	600.00
<b>Total Hours</b>	<b>3.50</b>	<b>6.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9.50</b>		
<b>Total Estimated Fees</b>	<b>2,100.00</b>	<b>2,880.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>4,980.00</b>	

**107603 CAER RHUN HALL HOTEL LIMITED**

**ANALYSIS OF TIME COSTS FOR THE PERIOD 08/08/2019 to 20/09/2019**

ADM-Admin. - Post Appt.

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
<b>Administration and Planning</b>								
Case review & Case Diary management	0.40	0.75	0.00	1.25	0.00	2.40	709.00	295.42
Cashiering & accounting	0.00	0.00	0.00	0.50	0.00	0.50	93.50	187.00
IPS set up & maintenance	0.00	0.00	0.00	2.40	0.00	2.40	300.00	125.00
Statutory matters (Meetings & Reports & Notices)	0.00	1.25	0.00	14.30	0.00	15.55	2,675.25	172.04
Strategy planning & control	0.00	0.25	0.40	1.80	0.00	2.45	613.25	250.31
<b>Investigations</b>								
CDDA & reports & Communication	0.00	0.00	0.00	0.10	0.00	0.10	23.50	235.00
Financial review and investigations (S238/239 etc)	0.00	0.25	1.05	0.00	0.00	1.30	403.00	310.00
<b>Realisation of Assets</b>								
Freehold and Leasehold Property	0.00	7.00	0.00	0.00	0.00	7.00	2,625.00	375.00
<b>Total Hours:</b>	<b>0.40</b>	<b>9.50</b>	<b>1.45</b>	<b>20.35</b>	<b>0.00</b>	<b>31.70</b>		<b>234.78</b>
<b>Total Fees Claimed: £</b>	<b>212.00</b>	<b>3,456.25</b>	<b>439.50</b>	<b>3,334.75</b>	<b>0.00</b>		<b>7,442.50</b>	

Category 2 Disbursements:

**107545 CAER RHUN HOTEL MANAGEMENT LIMITED**
**ANALYSIS OF TIME COSTS FOR THE PERIOD 08/08/2019 to 27/09/2019**

ADM-Admin. - Post Appt.

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
<b>Administration and Planning</b>								
Case review & Case Diary management	0.40	0.00	0.00	2.10	0.00	2.50	683.50	273.40
Cashiering & accounting	0.00	8.65	3.30	8.70	0.00	20.65	6,197.75	300.13
IPS set up & maintenance	0.00	0.00	0.00	1.25	0.00	1.25	173.00	138.40
Insurance	0.00	0.00	0.00	0.10	0.00	0.10	23.50	235.00
Statutory matters (Meetings & Reports & Notices)	0.00	3.50	0.00	17.90	0.00	21.40	4,448.00	207.85
Strategy planning & control	0.00	0.25	3.00	3.35	0.00	6.60	1,691.00	256.21
<b>Creditors</b>								
Communications with Creditors / Employees	0.00	0.00	0.00	6.10	0.00	6.10	1,087.25	178.24
Non Pref Creditors / Employee claims handling	0.00	0.00	0.00	1.85	0.00	1.85	333.00	180.00
<b>Investigations</b>								
CDDA & reports & Communication	0.00	0.00	0.00	0.10	0.00	0.10	23.50	235.00
Financial review and investigations (S238/239 etc)	0.00	0.25	1.05	0.00	0.00	1.30	403.00	310.00
<b>Realisation of Assets</b>								
Book debts	0.00	0.00	0.00	1.10	0.00	1.10	231.00	210.00
Sale of business	0.00	0.00	0.00	0.10	0.00	0.10	18.00	180.00
<b>Trading</b>								
Trading - Accounting	0.00	10.75	0.00	0.95	0.00	11.70	3,824.50	326.88
Trading - Employees	0.00	0.00	0.00	2.05	0.00	2.05	481.75	235.00
Trading - Insurance	0.00	0.00	0.00	0.25	0.00	0.25	58.75	235.00
Trading - Operations	0.00	5.00	0.00	2.40	0.00	7.40	2,181.25	294.76
<b>Total Hours:</b>	<b>0.40</b>	<b>28.40</b>	<b>7.35</b>	<b>48.30</b>	<b>0.00</b>	<b>84.45</b>		<b>258.84</b>
<b>Total Fees Claimed: £</b>	<b>212.00</b>	<b>10,258.25</b>	<b>2,302.50</b>	<b>9,086.00</b>	<b>0.00</b>		<b>21,858.75</b>	

Category 2 Disbursements:

## **Appendix 5**

### **Fee Estimates**

## Fee Estimate

### Caer Rhun Hall Hotel Limited

From 8 August 2019 for the period of the Administration

Administration - Post Appointment (New)								
Classification of Work Function	Hours					Total Hours	Time Cost	Avg. Hourly
	Partner	Manager	Senior	Assistant	Support			
<b>Admin &amp; Planning</b>								
Case review and Case Diary management	2.00	3.00	0.00	5.00	0.00	10.00	3,550.00	355.00
Cashiering & accounting	0.00	1.00	0.00	3.00	0.00	4.00	1,110.00	277.50
Dealings with Directors and Management	1.00	2.00	0.00	2.00	0.00	5.00	1,910.00	382.00
Insurance	0.00	2.00	0.00	3.00	0.00	5.00	1,590.00	318.00
IPS set up & maintenance	0.00	1.00	0.00	2.00	0.00	3.00	900.00	300.00
Statement of affairs	0.00	1.00	0.00	2.00	0.00	3.00	900.00	300.00
Statutory matters (Meetings, Reports and Notices)	2.00	5.00	0.00	12.00	0.00	20.00	6,460.00	323.00
Strategy planning & control	3.00	5.00	1.00	8.00	0.00	17.00	5,955.00	350.29
Tax Compliance/Planning	0.00	1.00	0.00	2.00	0.00	3.00	900.00	300.00
<b>Creditors</b>								
Communications with Creditors/Employees	0.00	1.00	0.00	10.00	0.00	11.00	2,580.00	234.55
Correspondence with Investors	1.00	2.00	0.00	5.00	0.00	8.00	2,540.00	317.50
Non Pref Creditor claims adjudication and dist'n	0.00	3.00	1.00	5.00	0.00	9.00	2,775.00	308.33
Non Pref Creditors/Employee claims handling	1.00	5.00	0.00	4.00	0.00	10.00	3,770.00	377.00
<b>Investigations</b>								
CDDA, reports & Communication	3.00	5.00	0.00	10.00	0.00	18.00	6,090.00	338.33
Disputes & Investigations	1.00	2.00	0.00	5.00	0.00	8.00	2,540.00	317.50
Financial review and investigations (S238/239 etc)	1.00	3.00	0.00	5.00	0.00	9.00	3,020.00	335.56
<b>Realisation of assets</b>								
Freehold & Leasehold Property	6.00	30.00	4.00	20.00	0.00	60.00	22,920.00	382.00
<b>Total Hours</b>	<b>21.00</b>	<b>73.00</b>	<b>6.00</b>	<b>103.00</b>	<b>0.00</b>	<b>203.00</b>		<b>342.41</b>
<b>Total Estimated Fees</b>	<b>11,130.00</b>	<b>35,040.00</b>	<b>1,710.00</b>	<b>21,630.00</b>	<b>0.00</b>		<b>69,510.00</b>	

## Fee Estimate

### Caer Rhun Hotel Management Limited

From 8 August 2019 for the period of the Administration

Administration - Post Appointment (New)									
Classification of Work Function	Hours					Total Hours	Time Cost	Avg. Hourly	
	Partner	Manager	Senior	Assistant	Support				
<b>Admin &amp; Planning</b>									
Case review and Case Diary management	3.00	5.00	0.00	8.00	0.00	16.00	5,370.00	335.63	
Cashiering & accounting	0.50	4.00	3.00	5.00	0.00	12.50	3,850.00	308.00	
Dealings with Directors and Management	0.00	1.00	0.00	1.00	0.00	2.00	630.00	315.00	
Insurance	0.00	2.00	0.00	5.00	0.00	7.00	1,890.00	270.00	
IPS set up & maintenance	0.00	0.00	0.00	5.00	0.00	5.00	1,050.00	210.00	
Statement of affairs	0.50	0.00	0.00	2.00	0.00	2.50	685.00	274.00	
Statutory matters (Meetings, Reports and Notices)	2.00	8.00	3.00	25.00	0.00	38.00	10,525.00	276.97	
Strategy planning & control	1.00	5.00	2.00	8.00	0.00	16.00	4,880.00	305.00	
Tax Compliance/Planning	0.00	0.50	0.00	1.50	0.00	2.00	525.00	262.50	
<b>Creditors</b>									
Communications with Creditors/Employees	0.00	3.00	1.00	10.00	0.00	14.00	3,645.00	260.36	
Correspondence with Investors	1.00	2.00	0.00	4.00	0.00	7.00	2,210.00	315.71	
Non Pref Creditor claims adjudication and dist'n	1.00	1.00	0.00	5.00	0.00	7.00	2,000.00	285.71	
Non Pref Creditors/Employee claims handling	0.00	1.00	0.00	7.00	0.00	8.00	1,890.00	236.25	
Secured Creditors	0.00	0.50	0.00	1.00	0.00	1.50	420.00	280.00	
<b>Investigations</b>									
CDDA, reports & Communication	5.00	5.00	0.00	15.00	0.00	25.00	7,900.00	316.00	
Disputes & Investigations	1.00	2.00	0.00	2.00	0.00	5.00	1,790.00	358.00	
Financial review and investigations (S238/239 etc)	1.00	2.00	0.00	4.00	0.00	7.00	2,210.00	315.71	
<b>Realisation of assets</b>									
Book debts	0.00	1.00	0.00	3.00	0.00	4.00	1,050.00	262.50	
Other Intangible Assets	0.00	2.00	0.00	2.00	0.00	4.00	1,260.00	315.00	
Other Tangible Assets	0.00	2.00	0.00	6.00	0.00	8.00	2,100.00	262.50	
Plant, Machinery, Fixtures and Motor Vehicles	0.00	2.00	0.00	4.00	0.00	6.00	1,680.00	280.00	
Sale of Business	2.00	1.00	0.00	2.00	0.00	5.00	1,900.00	380.00	
<b>Trading</b>									
Trading - Accounting	3.00	7.00	0.00	15.00	0.00	25.00	7,680.00	307.20	
Trading - Employees	1.50	10.00	0.00	20.00	0.00	31.50	9,195.00	291.90	
Trading - Insurance	1.00	5.00	0.00	6.00	0.00	12.00	3,890.00	324.17	
Trading - Operations	1.00	7.00	0.00	8.00	0.00	16.00	5,150.00	321.88	
<b>Total Hours</b>	<b>24.50</b>	<b>79.00</b>	<b>9.00</b>	<b>174.50</b>	<b>0.00</b>	<b>287.00</b>		<b>297.47</b>	
<b>Total Estimated Fees</b>	<b>12,985.00</b>	<b>33,180.00</b>	<b>2,565.00</b>	<b>36,645.00</b>	<b>0.00</b>		<b>85,375.00</b>		



## **Appendix 6**

### **Fee Narratives**

## **Caer Rhun Hall Hotel Limited - in Administration ("the Company")**

### **Fee Estimate for the whole period of the Administration**

Philip Duffy and Sarah Bell appointed on 8 August 2019  
Administration commenced on 8 August 2019

#### **Introduction**

The following information is provided to creditors to enable them to consider and approve the Joint Administrators' remuneration. It is a summary of key issues, to assist creditors in understanding the strategy of the Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors.

This document should be read in conjunction with the Joint Administrators' Report to Creditors and Statement of Proposals which provides further details of the assets, liabilities and estimated return to creditors, if any. Particular reference is made to the Appendices 5 and 7 entitled, 'Fee Estimate' and 'Estimated Expenses of the Administration'.

#### **Estimated Fees and Expenses**

The Joint Administrators propose that their fees will be based on time costs.

The amount expected to be incurred in fees over the life of the case by the Administrators is shown in Appendix 5 - Fee Estimates and totals £69,510 being 203 hours which is at an average hourly rate of £342.

The Administrators estimate the expenses of the Administration to total approximately £120,480 (as shown in Appendix 7 Estimated Expenses of the Administration). This Appendix illustrates the estimated expenses for the whole of the Administration and is for information purposes (not for approval by any class of creditor). This estimate may change over the course of the Administration but creditors will be informed of any variations with associated reasons in the Joint Administrators six monthly Progress Reports.

As detailed in the Proposals, creditors are asked to approve the fee basis (time costs) and also the Fee Estimate in the total sum of £69,510.

#### **Estimated Return to Creditors**

##### **Secured Creditor**

As detailed in the Proposals report. In consideration for the monies advanced under the loan facility agreement CRHH granted a debenture on 8 November 2017, which confers fixed and floating charges over all of the assets of CRHH.

In consideration of additional monies advanced under the loan facility agreement CRHH granted a second debenture on 8 November 2017, which confers fixed and floating charges over all of the assets of CRHH.

Based on information held at the Appointment Date, it is understood that the indebtedness to NWAFF is £1.7m subject to accruing interest and charges. However, the Joint Administrators are aware that three other companies within the NPD group have also granted charges to NWAFF. The Joint Administrator's have sought confirmation on how these funds were split between the five NPD companies. It is understood that the balance due is across the five companies.

At this stage it is anticipated that there will be sufficient realisations to repay NWAFF following a sale of the business and assets as a going concern, dependent on confirmation of the total balance due from CRHH.

##### **Preferential Creditors**

CRHH did not employ any staff and therefore has no preferential creditors.

## **Non-preferential Creditors**

Based on current information, it is currently uncertain whether there will be sufficient realisations to enable a distribution to non-preferential creditors of the CRHH. This is dependent on the realisations from the realisations of a sale of the Hotel.

Time costs of £11,665 are anticipated in respect of Communications with Creditors/Employees and Non Pref Creditor/Employee Claims handling, Correspondence with investors and Non Pref Creditor Claim Adjudication.

Such time will be incurred in respect of corresponding with all creditors, reviewing claims and arranging any distribution.

Such time also includes reviewing the position of the investor claims.

## **Strategy**

### **Asset Realisations**

#### **Freehold Land and Property**

As detailed in Proposals, CRHH's only asset is the Hotel.

It is anticipated that the sum of £22,920 will be incurred in respect of Freehold Land and Property. These time costs will be incurred in respect of marketing and negotiating a sale of the Hotel.

## **Investigations**

It is a statutory requirement that the Joint Administrators provide a report to the Secretary of State on the conduct of the Directors in their management of CRHH to determine their fitness to act in such a role.

This will entail a broad level of investigation to ensure that best practice standards are met and the Fee Estimate reflects this standard. If the Secretary of State then instigates Directors Disqualification proceedings, further time may be expended in providing supporting documents, witness statements etc. Such investigation may or may not lead to further asset recovery so creditors should not assume that this activity will provide a monetary benefit to the Administration estate.

Full details of the investigations to be conducted cannot be disclosed at this stage in order to avoid prejudicing any potential recovery or action in this regard. It is expected that time costs of £11,650 will be incurred over the course of the Administration as per the Fee Estimate.

Investigations into the Company will also form part of the detailed investigations being carried out by the Interim Managers of NPD.

## **Statutory Compliance**

An Administrator is highly regulated, being required to conform to insolvency legislation, industry Best Practice policies (Statements of Insolvency Practice) and relevant case law. Consequently, Administrators are obliged to undertake many activities that do not provide a financial benefit to creditors. Such matters will include, but are not restricted to: Anti Money Laundering, Bribery Act and Ethical considerations and checks, statutory advertising, regular reporting to creditors including fee agreement procedures, obtaining and securing company books and records, pension review and liaison with the Pension Protection Fund, Companies House filing, completion and release of insolvency bond, cashiering, accounting and various treasury functions and dealing with the ongoing strategy for the Administration.

It is anticipated that time costs totalling £23,275 will be incurred in dealing with these matters over the course of the Administration as per the Fee Estimate.

## **Caer Rhun Hotel Management Limited Limited - in Administration ("the Company")**

### **Fee Estimate for the whole period of the Administration**

Philip Duffy and Sarah Bell appointed on 8 August 2019  
Administration commenced on **8 August 2019**

#### **Introduction**

The following information is provided to creditors to enable them to consider and approve the Joint Administrators' remuneration. It is a summary of key issues, to assist creditors in understanding the strategy of the Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors.

This document should be read in conjunction with the Joint Administrators' Report to Creditors and Statement of Proposals which provides further details of the assets, liabilities and estimated return to creditors, if any. Particular reference is made to the Appendices 5 and 7 entitled, 'Fee Estimate' and 'Estimated Expenses of the Administration'.

#### **Estimated Fees and Expenses**

The Joint Administrators propose that their fees will be based on time costs.

The amount expected to be incurred in fees over the life of the case by the Administrators is shown in Appendix 5 - Fee Estimate and totals £85,375 being 287 hours which is at an average hourly rate of £297.

The Administrators estimate the expenses of the Administration to total approximately £51,480 (as shown in Appendix 7 Estimated Expenses of the Administration). This Appendix illustrates the estimated expenses for the whole of the Administration and is for information purposes (not for approval by any class of creditor). This estimate may change over the course of the Administration but creditors will be informed of any variations with associated reasons in the Joint Administrators six monthly Progress Reports.

As detailed in the Proposals, creditors are asked to approve the fee basis (time costs) and also the Fee Estimate in the total sum of £85,375.

#### **Estimated Return to Creditors**

##### **Secured Creditor**

In consideration for the monies advanced under the loan facility detailed above, CR agreement a debenture on 8 November 2017, which confers fixed and floating charges over all of the assets of the CR in respect of a guarantee over the loan facility provided to CRHH.

Should NWAF not be repaid in full from a sale of the freehold property in CRHH, it is anticipated that additional funds will be available from a sale of the assets of CR to enable a distribution to the Secured Creditor.

However, as detailed in the Proposals, based on information held at the Appointment Date, it is understood that the indebtedness to NWAF is £1.7m subject to accruing interest and charges. However, the Joint Administrators are aware that three other companies within the NPD group have also granted charges to NWAF. The Joint Administrator's have sought confirmation on how these funds were split between the five NPD companies. It is understood that the balance due is across the five companies.

Minimal time costs of £420 are anticipated to be incurred in respect of the secured creditor. This accounts to time spent in liaising with NWAF.

##### **Preferential Creditors**

Based on current information, it is anticipated that upon the sale of the business and assets of the Companies, CR's employees will be transferred to a purchaser via TUPE.

Until such time a sale of the Hotel has completed it remains uncertain whether there will be any preferential claims or whether there will be sufficient asset realisations to pay a distribution to preferential creditors.

No time costs are currently anticipated to be incurred in respect of preferential claims.

### **Non-preferential Creditors**

Based on current information, it is uncertain whether there will be sufficient realisations to enable a distribution to non-preferential creditors of the CR from the realisations of a sale of the Hotel and the assets of CR. The timing and quantum of any dividend is dependent on the sale.

Time costs of £9,745 are anticipated in respect of Communications with Creditors/Employees and Non Pref Creditor/Employee Claims handling, Correspondence with investors and Non Pref Creditor Claim Adjudication.

Such time will be incurred in respect of corresponding with all creditors, reviewing claims and arranging any distribution.

Such time also includes reviewing the position of the investor claims.

### **Strategy**

#### **Asset Realisations**

##### **Trading and Sale of Business/Hotel**

As detailed in Proposals, the decision has been taken to continue to trade the Hotel whilst marketing it for sale as a going concern. Although the freehold property is held in CRHH, CR manages the trading and operations of the Hotel.

It is anticipated that the sum of £25,915 will be incurred in relation to direct trading costs including dealing with staff, receipts and payments and general operating matters. It should be noted that the main operations will be dealt with by Assured, however the Joint Administrators and their staff will be operating the cash book, monitoring all sales and purchases and maintaining the payroll.

##### **Book debts**

According to the Company's books and records the outstanding debts of the Company totalled £19,000 as at the Appointment Date.

Time costs of £1,050 are anticipated in respect of book debts. Such time will be incurred in reviewing the debtor ledger and liaising with Assured to obtain copies of outstanding invoices.

The Joint Administrators and Assured are in process of writing to debtors where necessary in order to demand repayment of outstanding balances due.

##### **Other Assets**

Further costs of £3,360 are expected to be incurred in respect of Other Intangible Assets and Other Tangible Assets. It is anticipated that a sale of the Hotel as a going concern will be completed however these costs relate to dealing with other assets of the Company and negotiating what assets will be included in any sale including intangible assets such as intellectual property, branding and customer information to be included in a sale as a going concern and tangible assets such as plant & machinery, fixtures, fittings and furniture and stock.

Should such a sale not be achieved these assets will be sold on a break up basis.

## **Investigations**

It is a statutory requirement that the Joint Administrators provide a report to the Secretary of State on the conduct of the Directors in their management of CR to determine their fitness to act in such a role.

This will entail a broad level of investigation to ensure that best practice standards are met and the Fee Estimate reflects this standard. If the Secretary of State then instigates Directors Disqualification proceedings, further time may be expended in providing supporting documents, witness statements etc. Such investigation may or may not lead to further asset recovery so creditors should not assume that this activity will provide a monetary benefit to the Administration estate.

Full details of the investigations to be conducted cannot be disclosed at this stage in order to avoid prejudicing any potential recovery or action in this regard. It is expected that time costs of £11,900 will be incurred over the course of the Administration as per the Fee Estimate.

Investigations into the Company will also form part of the detailed investigations being carried out by the Interim Managers of NPD.

## **Statutory Compliance**

An Administrator is highly regulated, being required to conform to insolvency legislation, industry Best Practice policies (Statements of Insolvency Practice) and relevant case law. Consequently, Administrators are obliged to undertake many activities that do not provide a financial benefit to creditors. Such matters will include, but are not restricted to: Anti Money Laundering, Bribery Act and Ethical considerations and checks, statutory advertising, regular reporting to creditors including fee agreement procedures, obtaining and securing company books and records, pension review and liaison with the Pension Protection Fund, Companies House filing, completion and release of insolvency bond, cashiering, accounting and various treasury functions and dealing with the ongoing strategy for the Administration.

It is anticipated that time costs totalling £29,405 will be incurred in dealing with these matters over the course of the Administration as per the Fee Estimate.

## **Appendix 7**

### **Estimated Expenses of the Administrations**

**Caer Rhun Hall Hotel Limited (In Administration)**  
**Joint Administrators' Estimated Expenses of the Administration**

<b>Company</b>	<b>Activity</b>	<b>Fee Basis</b>	<b>Estimated Fee £</b>
<b>Professional Advisors</b>			
Hewlett Swanson	Solicitors -Assisting with the Joint Administrators appointment, advice on the sale of business and other ad hoc legal matters	Time costs and Disbursements	42,000
Sanderson Weatherall	Agents - Marketing and Valuation advice	time costs	36,000
TBC	Property Holding Costs	time costs	30,000
Insolvency Risk Services	Insurer - Insurance over the Hotel	set rate	10,000
<b>TOTAL</b>			<b>118,000</b>
<b>Costs</b>			
Courts Advertising Limited	Statutory Advertising	Fixed Fee	255
Willis Towers Watson	Bond premium	Fixed Fee	225
Barclays Bank	Bank charges	set rate	2,000
<b>TOTAL</b>			<b>2,480</b>
<b>TOTAL</b>			<b>120,480</b>

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.

The above is exclusive of VAT



**Caer Rhun Hotel Management Limited (In Administration)**  
**Joint Administrators' Estimated Expenses of the Administration**

<b>Company</b>	<b>Activity</b>	<b>Fee Basis</b>	<b>Estimated Fee £</b>
<b>Professional Advisors</b>			
Hewlett Swanson	Solicitors -Assisting with the Joint Administrators appointment, advice on the sale of business and other ad hoc legal matters	Time costs and Disbursements	27,000
Sanderson Weatherall	Agents - Marketing and Valuation advice	time costs	6,000
Assured Hotels	Managing agents- dealing with the operation of the Hotel	time costs	6,000
Insolvency Risk Services	Insurer - Insurance over the Hotel	set rate	10,000
<b>TOTAL</b>			<b>49,000</b>
<b>Costs</b>			
Courts Advertising Limited	Statutory Advertising	Fixed Fee	255
Willis Towers Watson	Bond premium	Fixed Fee	225
Barclays Bank	Bank charges	set rate	2,000
<b>TOTAL</b>			<b>2,480</b>
<b>TOTAL</b>			<b>51,480</b>

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

The above is exclusive of VAT

## **Appendix 8**

### **Statement of Creditors' Rights**

## STATEMENT OF CREDITOR'S RIGHTS

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

*Section numbers refer to Insolvency Act 1986*

*'Office-holder' is the current Administrator or Liquidator as applicable*

### 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 have the right to request information from the office-holder under rule 18.9

A secured creditor, an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question) or any unsecured creditor with the permission of the court may make a written request to the office-holder for further information concerning remuneration or expenses. Such a request must be made within 21 days of receipt of this report and a response will be provided within 14 days of receipt of the request.

Creditors have recourse to court, application to be made within 21 days of the office-holder giving reasons for not providing all the information requested or the expiry of the 14 days within which an office-holder must respond to a request.

### Creditors have the right to challenge the office-holder's remuneration and expenses under rule 18.34

A secured creditor, an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or any unsecured creditor with the permission of the court, may make an application to court on the grounds that the remuneration charged or expenses incurred are excessive and/or that the basis fixed for the office-holder's remuneration is inappropriate. The application to court must be made no later than eight weeks after receipt of the Progress Report where the charging of the remuneration or the incurring of expenses in question occurs.

## **Appendix 9**

### **Proof of Debt Forms**

## PROOF OF DEBT - GENERAL FORM

<b>Caer Rhun Hotel Management Limited- in Administration</b> <b>Company No. 09760520</b>	
Date of Administration: 8 August 2019	
1.	Name of Creditor (If a company please also give company registration number and if non-UK, country of registration)
2.	Address of Creditor for correspondence  <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Contact telephone number of creditor</div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Email address of creditor</div>
	REF
3.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25
4.	Details of any documents by reference to which the debt can be substantiated (please attach)
5.	If amount in 3 above includes outstanding uncapitalised interest please state amount
	£
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)
7.	Particulars of any security held, the value of the security and the date it was given
8.	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates
9.	Signature of creditor or person authorised to act on his behalf
	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Name in BLOCK LETTERS</div> <div style="width: 55%;">DATE</div> </div>
	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Are you the sole member of the creditor?</div> <div style="width: 55%;">YES, NO</div> </div>
	Position with or in relation to creditor  Address of person signing (if different from 2 above)
	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Admitted to vote for £</div> <div style="width: 55%;">Admitted for dividend for £</div> </div>
	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Date</div> <div style="width: 55%;">Date</div> </div>
	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Administrator</div> <div style="width: 55%;">Administrator</div> </div>

## PROOF OF DEBT - GENERAL FORM

<b>Caer Rhun Hall Hotel Limited - in Administration</b> <b>Company No. 09741446</b>	
Date of Administration: 8 August 2019	
1	Name of Creditor <i>(if a company please also give company registration number and if non-UK country of registration)</i>
2	Address of Creditor for correspondence  <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Contact telephone number of creditor</div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Email address of creditor</div>
	REF
3	<i>Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England &amp; Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25</i>
4	<i>Details of any documents by reference to which the debt can be substantiated (please attach)</i>
5	<i>If amount in 3 above includes outstanding uncapitalised interest please state amount</i>
	£
6	<i>Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)</i>
7	<i>Particulars of any security held the value of the security and the date it was given</i>
8	<i>Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates</i>
9.	<i>Signature of creditor or person authorised to act on his behalf</i>
	<div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Name in BLOCK LETTERS</div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">DATE</div>
	<div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Are you the sole member of the creditor?</div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">YES / NO</div>
	<div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Position with or in relation to creditor</div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Address of person signing (if different from 2 above)</div>
<div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Admitted to vote for £</div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Admitted for dividend for £</div>	
<div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Date</div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Date</div>	
<div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Administrator</div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Administrator</div>	