

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

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

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 Court details

Court name HIGH COURT OF JUSTICE, AND PROPERTY COURTS OF
ENGLAND AND WALES
Court case number C R - 2 0 2 0 - 0 0 4 4 8 9

3 Administrator's name

Full forename(s) ROBERT
Surname ARMSTRONG

4 Administrator's address

Building name/number C/O KROLL ADVISORY LTD
Street THE SHARD
32 LONDON BRIDGE STREET
Post town
County/Region LONDON
Postcode S E 1 9 S G
Country UNITED KINGDOM



AM22

Notice of move from administration to creditors' voluntary liquidation

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

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Notice of move from administration to creditors' voluntary liquidation

10	Proposed liquidator's name ^①		① Other liquidator Use this section to tell us about another liquidator.
Full forename(s)	ANDREW		
Surname	KNOWLES		
Insolvency practitioner number	2 4 8 5 0 <input type="text"/> <input type="text"/> <input type="text"/>		
11	Proposed liquidator's address ^②		② Other liquidator Use this section to tell us about another liquidator.
Building name/number	C/O KROLL ADVISORY LTD		
Street	THE CHANCERY		
	58 SPRING GARDENS		
Post town	MANCHESTER		
County/Region	GREATER MANCHESTER		
Postcode	M 2 <input type="text"/> <input type="text"/> 1 E W <input type="text"/> <input type="text"/>		
Country	UNITED KINGDOM		
12	Period of progress report		
From date	d 0 8 m 0 2 y 2 y 0 y 2 y 2		
To date	d 2 9 m 0 7 y 2 y 0 y 2 y 2		
13	Final progress report		
<input checked="" type="checkbox"/> I have attached a copy of the final progress report.			
14	Sign and date		
Administrator's signature	Signature  		
Signature date	d 2 9 m 0 7 y 2 y 0 y 2 y 2		

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Notice of move from administration to creditors' voluntary liquidation



Presenter information

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

Contact name MATTHEW WELDEN

Company name KROLL ADVISORY LTD

Address THE CHANCERY

58 SPRING GARDENS

Post town MANCHESTER

County/Region GREATER MANCHESTER

Postcode M 2 1 E W

Country UNITED KINGDOM

DX

Telephone +44 (0) 161 827 9000



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

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



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

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



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Final Progress Report to Creditors

29 July 2022

Caer Rhun Hall Hotel Limited (In Administration)

*Joint Administrators' Final Progress Report for the period from
8 February 2022 to 29 July 2022 with a summary of the Administration*

Kroll Advisory Ltd
The Chancery
58 Spring Gardens
Manchester
M2 1EW

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1. Introduction

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

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

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

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

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

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

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

2. Creditor summary

This Progress Report covers the Reporting Period together with a summary of the Administration as a whole.

Summary of Proposals

The purpose of the Administration is to achieve one of the following hierarchical objectives:

- Rescuing the company as a going concern, or
- Achieving a better result for the company's creditors as a whole that would be likely if the company were to be wound up (without first being in Administration), or
- Realising property in order to make a distribution to one or more secured or preferential creditors.

As detailed in the Joint Administrators' Statement of Proposals and the previous progress reports, the Joint Administrators pursued the third objective, namely realising property in order to make a distribution to one or more Secured or Preferential Creditors.

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

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

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

Progress to date

The primary work completed during the Reporting Period was in relation to the Company's principal asset, being the Hotel. Please refer to Section 3 of this report for further details.

Outcome for Creditors

Following the sale of the Hotel the sum of £650,000 was distributed to NWAF, under its fixed charge security.

In respect of the investors, in the event that an investor holds an equitable lien in respect of the Hotel, they may also qualify for a secured distribution, should their security hold validity. However, a distribution to lien holders is not available following the sale of the Hotel as there was insufficient surplus realisations available.

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

There may be a distribution to the Unsecured Creditors of the Company. However, this will be dependent on the outcome of the investigations into the NPD group.

Please note, this report provides Creditors with a final account of the Administration of the Company together with a summary of the Administration as a whole. The Joint Administrators' previous progress reports and the Statement of Proposals issued to the Company's Creditors are available to view at the Website and paper copies can be provided free of charge by writing to Matthew Welden of this office. Unless otherwise stated, all amounts in this Progress Report and appendices are stated net of VAT.

3. Progress of the Administration

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

3.1 Strategy and progress to date

As noted in the Proposals, the Company's principal asset was the Hotel.

3.2 Asset realisations

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

3.2.1 Freehold/Leasehold property

The principal asset of the Company was the Hotel.

A sale of the Hotel, subject to the leases, was completed on 11 October 2021 following the approval of the Joint Administrators' application to Court under Paragraph 71 Schedule B1 of the Act, for a total

consideration of £760,000, which was paid on the completion date, as shown in the Receipts and Payments Account at Appendix 3. The chattels assets held in the Hotel were also sold for consideration of £40,000 which was paid to the operating company Caer Rhun Hotel Management Limited (in Liquidation).

3.2.2 Intercompany Debtors

Following a full reconciliation of the intercompany position, the total amount owed to the Company from other companies within the NPD group is £3,042,000.

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

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

3.2.3 Investigations

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

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

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

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

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

Further advice from Counsel is expected in respect of other claims and these will be assessed for merits and funding in due course. As previously advised, the details of the claims remain highly confidential, and the Joint Administrators cannot give exact details of such claims as this may hamper any legal actions.

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

3.3 Costs

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

Summaries of the most significant payments during the Administration are provided below:

3.3.1 Agent's Fees

The Joint Administrators have incurred agent's fees in respect of the valuation, marketing, and sale of the Hotel totalling £19,250. Further details of these fees are included below and attached at Appendix 4.

The Agent's fees have not yet been paid and will be paid in the Liquidation.

3.3.2 Solicitors' Fees

The Joint Administrators have also incurred solicitors' fees in respect of advising on the Court applications in relation to the sale of the Hotel, extension of the administration, fee approval, advice on the investment schemes and ongoing investigations and other ad hoc legal advice. Further details of the fees are included and attached at Appendix 4.

3.3.3 Irrecoverable VAT

As the Company is not registered for VAT, the Joint Administrators are unable to reclaim VAT paid on costs. Therefore, the Joint Administrators have incurred costs in relation to irrecoverable VAT during the Administration period.

3.4 Fees and expenses

The Joint Administrators have detailed the costs incurred during the Cumulative Period, whether paid or unpaid, in the schedule of expenses attached at Appendix 4.

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

Significant expenses incurred but not paid

Joint Administrators' time costs	£10,975	Total time costs incurred in the Reporting Period is £10,975 see Appendix 5. No fees have been paid during the Cumulative Period. See section 6 for further details in relation to the Joint Administrators' fees.
Legal fees Addleshaw Goddard	£1,937	Addleshaw Goddard has incurred legal fees in providing advice on the sale of the Hotel, the status of the leaseholders, applications to Court and other ad hoc legal advice.
Agent's Fees Sanderson Weatherall	£19,250	Sanderson Weatherall has incurred fees in dealing with the valuation and marketing of the Hotel.
Total	£32,162	

4. Outcome for Creditors

4.1 Secured Creditors

NWAF

The Company granted NWAF debentures on 8 November 2017, which contained fixed and floating charges over all of the assets of the Company. These charges were delivered on 16 November 2017 and 24 November 2017.

The indebtedness to NWAF as at the Appointment Date was circa £1.1 million subject to accruing interest and charges. However, the Joint Administrators are aware that four other companies within the NPD group have also granted charges to NWAF, Carmarthen Bay Hotel Limited, Atlantic Bay Hotel (Woolacombe) Limited – both in Administration, and Fourcroft Hotel (Tenby) Limited and Caer Rhun Hotel Management Limited – both in Liquidation.

The sum of £650,000 was distributed to NWAF following the sale of the Hotel.

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

Additionally, the sum of £493,500 was distributed to NWAF following the realisation of assets within the Atlantic Bay Hotel (Woolacombe) Limited (In Administration) estate.

Any further distributions across the NPD group of companies will be subject to the principles of subrogation across the estates within the NPG group which it holds security.

Investors

The Company operated an investment scheme whereby investors were offered to purchase rooms in the Hotel.

In the event that an investor holds an equitable lien in respect of the Hotel, they may also qualify for a secured distribution. Eligibility to receive such distribution is dependent on the validity of their security, together with whether there is a surplus after costs and the distribution to NWAF. Following the distribution to NWAF there are insufficient funds from the realisation of the Hotel to enable a distribution to the lien holders.

4.2 Preferential Creditors

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

4.3 Unsecured Creditors

According to the Joint Administrators' Estimated Financial Position included in the Proposals the Company's Unsecured Creditors, including claims for investors, total £8,452,000.

To date, claims of £1,100 have been received in respect of Unsecured Creditors. However, claims have been received from investors in the Original Administration totalling £3,630,900.

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

4.4 Prescribed Part

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

5. Other matters

5.1 Creditors' Committee

As previously advised, the Joint Administrators were in the process of establishing the Creditors' Committee. However, the proposed committee members were not in a position to sign the required Non-Disclosure Agreement, no committee was established in the Administration Period.

5.2 Joint Administrators' Receipts and Payments account

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

The sum of £88,634 in the estate bank account will be remitted to the Liquidation estate.

5.3 Creditors' rights

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

6. Fees, Expenses and Pre-Administration Costs

6.1 Fees and expenses

6.1.1 Time costs

Current Administration

As previously advised, the Joint Administrators sought approval for their remuneration for the Current Administration from the Secured Creditor and investors.

Approval was not provided by the Secured Creditor and investors, therefore the Joint Administrators have made an application to Court for the approval of the Current Administration remuneration. The order of Chief Insolvency and Companies Court Judge Briggs made in June 2021 (detailed below) directed that this application be heard at the same time as the application made in the Original Administration. If you would like details of that hearing please contact the Joint Administrators to request this.

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

Time costs incurred in the Reporting Period total £10,975, which represents 36 hours at an average hourly rate of £308 and specialist investigation time totalling £305 representing 0.5 hours at an average hourly rate of £610.

Time costs incurred in the Cumulative Period total £162,328, which represents 439 hours at an average hourly rate of £370 and specialist investigation time totalling £27,829 representing 60 hours at an average hourly rate of £485.

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

Original Administration

Time costs incurred in the Original Administration total £198,007. No fees were drawn in the Original Administration and as previously advised the Joint Administrators with the assistance of their Solicitors made an application to Court for the approval of the basis of the Joint Administrators' fees and fee

estimate.

The application made a further request of the Court to make provision for how to fix the quantum of the Joint Administrators' fees. The Joint Administrators were legally obliged to make the application as the relevant creditors did not approve the fee estimate despite the Joint Administrators offering to agree their fees on a reduced basis. At the time of the retrospective appointment of the Administrators the Court also ordered that such fee approval applications were to be made by 29 January 2021.

An initial one hour directions hearing took place on 15 June 2021 and, in line with the Joint Administrators' request, the Court adjourned the applications so that they can be considered on an efficient basis once more information regarding the outcome of the Administration is known. The hearing for these applications have now be listed to be held on 10 October 2022 at 2.30pm.

That hearing will consider whether the investigations work that the Joint Administrators have carried out should be considered separately to the case specific work in each Administration, and whether the Court should hear the fee approval application made in each Administration together or whether each company should be considered separately. As set out above, the application made in the Current Administration will also be heard at the same time as these matters are dealt with.

As Creditors are aware there are extensive investigations being carried out across the whole of the NPD Group, the adjournment will provide sufficient time to not only allow for assets to be realised but also for litigation claims against the NPD Group's advisors to be progressed.

The Court ordered that the costs of the application rank as an expense of the Administration. It also ordered that the Joint Administrators will be discharged from liability as Administrators in the Original Administration at the same time as the Joint Administrators are discharged from liability in this Administration.

The Joint Liquidators will provide further updates as and when this matter has progressed. Under the order made by the Court, Creditors are entitled to request details from the Joint Administrators of future hearings relating to this matter.

Joinder Application

At the hearing on 15 June some 50 plus investors represented by Alastair Dobbie of Shortlands made an application to be joined as parties to the Joint Administrators' fee approval applications. Following adverse judicial comment from Chief Insolvency and Companies Court Judge Briggs, this application was withdrawn and a costs order was made against Shortlands' clients in favour of the Joint Administrators which was subsequently paid by Shortlands' clients during the period to which this report relates. The purpose of the Shortlands application had been for one or a small number of investors to be appointed as representatives of all investors or categories of investors across the NPD group and for their costs, in particular the legal costs of Shortlands, to be paid as an expense of the Administration, in priority to the claims of creditors.

During the course of the hearing counsel instructed by Shortlands revised the application so that a representation order was sought in respect only of the (then) 52 clients he represented. He confirmed, however, that his clients only wished to proceed with the application on the condition that their legal

costs were paid as an expense of the Administration.

The judge found that the Shortlands application was misconceived and without legal basis. He considered that the condition that Shortlands' clients' costs should be paid as an expense of the Administration was objectionable to the system of class remedy in insolvency proceedings as it would allow those investors to jump ahead of other creditors in the order of priority to the extent of an unknown amount of costs.

6.1.2 Fees

No fees have been drawn in the Cumulative or Reporting Period.

Any future fees will be drawn in the subsequent Liquidation.

6.1.3 Expenses

Expenses are any payments from the Administration which are neither an Administrator's remuneration nor a distribution to a creditor or member. Expenses also include disbursements. Disbursements are payments which are first met by the Administrator and then reimbursed to the Administrator from the Administration.

Expenses are divided into those that do not need approval before they are charged to the Administration (Category 1) and those that do (Category 2).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the Administrator.

Category 2 expense are payments to associates or which have an element of shared costs and require approval from Creditors in the same manner as the Administrator's remuneration, whether paid directly from the estate or as a disbursement.

The Joint Administrators provided in the Proposals an estimate of expenses for the Administration, totalling £105,480. This was for information purposes only and could possibly change over the course of the Administration.

Appendix 4 details the final update of the expenses estimate

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

In the Reporting Period, Category 1 expenses of £1,937 were incurred and will be paid in the subsequent Liquidation. In the same period no Category 2 expenses have been incurred or paid.

For the whole period of the Administration, Category 1 expenses incurred totalled £317,312 the balance outstanding of which will be paid in the subsequent Liquidation. In the same period Category 2 expenses of £71 have been incurred and will be paid in the subsequent Liquidation.

6.1.4 Additional information

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

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

6.2 Pre-Administration costs

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

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

7. Conclusion of the Administration

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

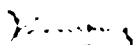
The Joint Administrators have filed a copy of this final Progress Report with the Registrar of Companies, together with the requisite notices to place the Company into Creditors' Voluntary Liquidation.

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

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

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

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



Robert Armstrong
Joint Administrator

Enc.

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

Appendix 1 – Statutory information

Company information

Company and trading name	Caer Rhun Hall Hotel Limited	
Date of incorporation	20 August 2015	
Registered Number	09741446	
Company Director(s)	Iain Shelton was appointed by the Interim Managers of NPD in their capacity as shareholders of the Company	
Company Secretary	N/A	
Shareholders	NPD	
Trading address	N/A	
Registered office	Current: c/o Kroll Advisory Ltd The Chancery 58 Spring Gardens Manchester M2 1EW	Former: Unit D2 Elland Riorges Link Lowfields Business Park Elland
Any Other trading names	N/A	

Administration information

Administration Appointment	The Administration appointment granted in High Court of Justice, 4489 of 2020
Appointor	The Court
Date of Appointment	8 August 2020
Joint Administrators	Robert Armstrong and Andrew Knowles of Kroll
Original purpose	Realising property in order to make a distribution to one or more Secured or Preferential Creditors
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1
Current Administration expiry date	7 August 2022
Prescribed part	The prescribed part is applicable in this case. It has been taken into account when determining the dividend prospects for Unsecured Creditors (Section 4).
Application of EC Regulations	These proceedings have been defined as the Main Proceedings under Article 3 of the EC Regulations

Appendix 2 – Approved Proposals

The following Joint Administrators' Proposals were deemed approved by the creditors on 2 March 2021, being the expiry of the period in which a decision can be requisitioned by creditors:

- That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary, until such time as the Administration ceases to have effect.
- That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration.
- That the Joint Administrators, once all outstanding matters have been satisfactorily completed, take the necessary steps to give notice under Paragraph 84 of Schedule B1 of the Act to the Registrar of Companies to the effect that the Company has no remaining property which might permit a distribution to its creditors, at which stage the Administration will cease.
- That the Joint Administrators, where they consider that there are funds available to be distributed to the unsecured creditors (other than under the Prescribed Part) take the necessary steps to put the Company into either creditors' voluntary liquidation or into compulsory liquidation as they deem appropriate. It is proposed that the Joint Administrators, currently Rob Armstrong and Andrew Knowles of Kroll Advisory would act as Joint Liquidators should the Company be placed into creditors' voluntary liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 3.60(6)(b) of the Rules creditors may nominate a different person as the proposed liquidator, provided the nomination is received at this office prior to the approval of these Proposals. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators and in accordance with Section 231 of the Act any act required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them.

Appendix 3 – Receipts and Payments account

Caer Rhun Hall Hotel Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 08/02/2022 To 29/07/2022 £	From 08/08/2020 To 29/07/2022 £
SECURED ASSETS		
Freehold Land & Property	NIL	760,000.00
Gross bank interest - fixed account	3.49	7.79
	<u>3.49</u>	<u>760,007.79</u>
COSTS OF REALISATION		
Legal Fees	NIL	10,400.00
Legal Disbursements	425.00	482.00
VAT - Unrecoverable	NIL	2,091.40
Fixed bank charges	NIL	15.00
	<u>(425.00)</u>	<u>(12,988.40)</u>
SECURED CREDITORS		
NWAF Ltd	NIL	650,000.00
	<u>NIL</u>	<u>(650,000.00)</u>
COST OF REALISATIONS		
Giant Hospitality Repayment	2,000.00	2,000.00
Irrecoverable VAT	1,135.00	1,135.00
Legal Disbursements	5,250.00	5,250.00
	<u>(8,385.00)</u>	<u>(8,385.00)</u>
	<u>(8,806.51)</u>	<u>88,634.39</u>
REPRESENTED BY		
Fixed bank account		88,634.39
		<u>88,634.39</u>

Appendix 4 – Analysis of Expenses Incurred

Joint Administrators' Expenses: comparison with estimate

Expenses	Original expenses estimate £	Actual expenses incurred in the Reporting Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Hewlett Swanson	25,000	-	-	
Addleshaw Goddard	48,745	1,937	215,258	Addleshaws were appointed to assist with the applications to Court in respect of fee approvals, sale of the property and other ad hoc legal advice.
Sanderson Weatherall	41,430	-	19,250	
Schofield Sweeney LLP	-	-	5,400	Appointed as the legal conveyancer
Property Holding Costs	-	-	12,376	Holding costs incurred until a sale of the Hotel achieved.
Insolvency Risk Services	-	-	74,795	Originally anticipated that the Hotel would be sold earlier.
Courts Advertising Ltd	255	-	-	
Bonding	225	-	-	
Bank Charges	2,000	-	-	
Total Data Management Ltd	-	-	8	As Incurred
Kroll	1,780	-	71	As Incurred
TOTAL	119,435	1,937	327,158	

Notes

The above costs exclude VAT

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

Joint Administrators' Expenses: Category 1 and Category 2

Category 1 Expenses			Current period		Cumulative period	
Company	Activity	Fee Basis	Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
Addleshaw Goddard	Legal fees	Time costs	1,937	-	215,258	5,000
Sanderson Weatherall	Agent fees	% of realisations	-	-	19,250	-
Schofield Sweeney LLP	Legal fees	Time costs	-	-	5,400	5,400
Insolvency Risk Service	Insurance	As incurred	-	-	74,795	-
Property Holding Costs	Holding costs	As incurred	-	-	12,376	-
Courts Advertising	Statutory Advertising	Fixed fee	-	-	-	-
Bonding	Statutory Bond Premium	Fixed fee	-	-	225	-
Total Data Management Ltd	Storage	As incurred	-	-	8	-
Total			1,937	-	327,312	10,400

Category 2 Expenses			Current period		Cumulative period	
Company	Activity	Fee Basis	Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
Kroll	Subsistence	Variable	-	-	71	-
Total			-	-	71	-

Notes

The above costs exclude VAT

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

Kroll Advisory Ltd being the employer of the Joint Administrators and the staff working on the Administration, is considered an associate of the Administrators.

It is considered that these expenses are fair and reasonable and proportionate to the Administration

Appendix 5 – Analysis of time charged

Joint Administrators' Fees

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

130725 CAER RHUN HALL HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 08/02/2022 to 29/07/2022

ADM-Admin. - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review & Case Diary management	0.00	0.25	0.00	0.90	0.00	1.15	268.50	233.48
Cashiering & accounting	0.00	1.20	0.30	2.55	0.00	4.05	1,204.00	297.28
Insurance	0.00	0.25	0.00	0.00	0.00	0.25	97.50	390.00
Statutory matters (Meetings & Reports & Notices)	0.00	4.25	1.00	7.40	0.00	12.65	3,535.50	279.49
Strategy planning & control (incl engagement financial control)	0.00	0.00	0.00	7.95	0.00	7.95	1,416.50	178.18
Tax Compliance / Planning	0.00	0.10	0.00	0.65	0.00	0.75	144.50	192.67
Creditors								
Creditors committee	0.00	0.00	0.00	0.10	0.00	0.10	28.00	280.00
Dealings with creditors and employees	0.00	0.00	0.00	3.70	0.00	3.70	1,336.00	361.08
Secured Creditors	0.00	0.00	0.00	0.15	0.00	0.15	28.50	190.00
Realisation of Assets								
Freehold and Leasehold Property	0.00	4.90	0.00	0.00	0.00	4.90	2,915.50	595.00
Total Hours:	0.00	10.95	1.30	23.40	0.00	35.65		307.84
Total Fees Claimed: £	0.00	5,359.00	463.50	5,152.00	0.00		10,974.50	

130725 CAER RHUN HALL HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 08/02/2022 to 29/07/2022

Investigations

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
	0.00	0.50	0.00	0.00	0.00	0.50	305.00	610.00
Total Hours:	0.00	0.50	0.00	0.00	0.00	0.50		610.00
Total Fees Claimed: £	0.00	305.00	0.00	0.00	0.00		305.00	

130725 CAER RHUN HALL HOTEL LIMITED
ANALYSIS OF TIME COSTS FOR THE PERIOD 15/01/2020 to 29/07/2022

ADM-Admin. - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review & Case Diary management	2.00	1.00	0.00	5.05	0.00	8.05	2,549.50	316.71
Cashiering & accounting	0.00	3.95	1.80	22.15	0.00	27.90	6,782.50	243.10
IPS set up & maintenance	0.00	0.00	0.00	2.55	0.00	2.55	382.50	150.00
Insurance	0.00	5.45	0.00	0.15	0.00	5.60	2,154.00	384.64
Statutory matters (Meetings & Reports & Notices)	1.00	31.10	1.40	55.20	1.00	89.70	26,196.00	292.04
Strategy planning & control (incl engagement financial control)	10.25	53.65	0.00	67.00	0.00	130.90	48,882.50	373.43
Tax Compliance / Planning	0.00	0.20	0.00	4.95	0.00	5.15	832.50	161.65
Creditors								
Creditors committee	0.00	0.00	0.00	6.70	0.00	6.70	1,744.00	260.30
Dealings with creditors and employees	0.00	6.60	0.00	36.45	0.00	43.05	11,772.50	273.46
Secured Creditors	0.00	0.00	0.00	2.85	0.00	2.85	703.50	246.84
Realisation of Assets								
Book debts	0.00	1.00	0.00	0.00	0.00	1.00	390.00	390.00
Freehold and Leasehold Property	0.00	100.25	0.00	5.05	0.00	105.30	57,455.00	545.63
Other Tangible Assets	0.00	0.00	0.00	0.60	0.00	0.60	96.00	160.00
Sale of business	0.00	0.00	0.00	6.55	0.00	6.55	1,637.50	250.00
Trading								
Trading - Accounting	0.00	0.00	0.00	2.80	0.00	2.80	700.00	250.00
Trading - Operations	0.00	0.00	0.00	0.20	0.00	0.20	50.00	250.00
Total Hours:	13.25	203.20	3.20	218.25	1.00	438.90		369.85
Total Fees Claimed: £	8,712.50	105,824.00	1,217.50	46,184.00	390.00		162,328.00	

130725 CAER RHUN HALL HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 15/01/2020 to 29/07/2022

Investigations

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
	2.00	18.65	1.90	0.00	19.00	41.55	18,015.25	433.58
Total Hours:	2.00	18.65	1.90	0.00	19.00	41.55		433.58
Total Fees Claimed: £	1,300.00	11,167.25	703.00	0.00	4,845.00		18,015.25	

130725 CAER RHUN HALL HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 15/01/2020 to 29/07/2022

Investigations

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
	0.00	14.50	0.00	0.00	3.80	18.30	9,814.00	536.28
Total Hours:	0.00	14.50	0.00	0.00	3.80	18.30		536.28
Total Fees Claimed: £	0.00	8,845.00	0.00	0.00	969.00		9,814.00	

Appendix 6 – Narrative of work carried out for the Reporting Period

The key areas of work have been:

SIP 9 narrative for the Reporting Period

Administration and planning	<ul style="list-style-type: none">• Monitoring and reviewing the Administration strategy;• Briefing staff on the Administration strategy and matters in relation to workstreams;• Regular case management and reviewing of process including regular team update meetings and calls;• Meeting with management to review and update strategy and monitor progress;• Reviewing and authorising junior staff correspondence and other work;• Dealing with queries arising during the appointment;• Reviewing matters affecting the outcome of the Administration;• Allocating and managing staff/ case resourcing and budgeting exercises and reviews;• Liaising with legal advisors regarding various instructions, including agreeing content of engagement letters; and• Complying with internal filing and information recording practices, including documenting strategy decisions.
Creditors	<ul style="list-style-type: none">• Updating the list of Unsecured Creditors;• Responding to enquiries from Creditors regarding the Administration and submission of their claims;• Reviewing completed forms submitted by Creditors, recording claim amounts and maintaining claim records;• Drafting progress statutory progress reports;• Providing written and oral updates to the Secured Lenders regarding the progress of the Administration and cases strategy; and• Filing notice of the extension of the Administration.
Statutory and compliance	<ul style="list-style-type: none">• Ensuring compliance with all statutory obligations within the relevant timescales;• Uploading information to the Creditors' Portal/Website;• Drafting and publishing progress reports;• Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9;• Monitoring the fees estimate; and• Monitoring the expenses estimate.
Cashiering	<ul style="list-style-type: none">• Preparing statutory receipts and payments accounts; and• Renewing bonding and complying with statutory requirements.

Asset realisations

- Liaising with agents regarding the sale of assets;
- Reviewing outstanding debtors and management of debt collection strategy;
- Liaising with third parties regarding costs incurred;
- Reviewing and agreeing invoices;
- Reviewing costs incurred to ensure recorded accurately; and
- Arranging payments to agents and solicitors in a timely manner.

Appendix 7 – Statement of Creditors' rights

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

Section or paragraph numbers refer to Insolvency Act 1986

If you require a copy of any relevant rule or section, please contact Matthew Welden at Matthew.Welden@kroll.com.

Information for Creditors on remuneration and expenses of Administrators

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

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

Should you require a copy, please contact this office.

Creditors' requests for further information

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

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

Creditors' right to challenge our remuneration and expenses

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

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

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

Appendix 8 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Appointment Date	8 August 2020, being the date of appointment of the Joint Administrators
Category 1 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to persons providing the service to which the expense relates and who are not an associate of the Administrator. These expenses can be paid without prior approval
Category 2 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to associates or where there is an element of shared costs. Such expenses require approval by creditors before payment
the Company	Caer Rhun Hall Hotel Limited (In Administration) (Company Number: 09741446)
Court	High Court of Justice, Business and Property Courts in Manchester
the Cumulative Period	The period from the date of appointment to the date of the report, i.e. the whole period of the Administration
the Director	Iain Shelton is currently the sole director of the Company. Gavin Woodhouse was removed as Director of the Company and Iain Shelton was appointed by the Interim Managers of NPD in their capacity as shareholder of the Company
EC Regulation	EC Regulation on Insolvency Proceedings 2000
the Former Joint Administrators	Philip Duffy and Sarah Bell of Kroll
the Hotel/Property	Caer Rhun Hall Hotel
Interim Managers	Philip Duffy and Sarah Bell of Kroll
the Joint Administrators	Robert Armstrong and Andrew Knowles of Kroll
Kroll	Kroll Advisory Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW
NPD	Northern Powerhouse Developments Limited (In Administration) (Company Number: 09940469)

NWAF/ the Secured Creditor	North West Asset Finance, holder of a fixed and floating charge over the Company
the Original Administration	8 August 2019 to 7 August 2020, being the period of the initial Administration
Preferential Creditor/s	A creditor with a claim that ranks in priority to other unsecured creditors, to floating charge holders and the prescribed part. Preferential debts are either 'ordinary', such as certain employee claims, or 'secondary', such as HMRC's claims for VAT and PAYE income tax, which will rank for payment after the ordinary preferential claims are paid in full
the Prescribed Part	Pursuant to Section 176A of the Act, where a floating charge is created after 15 September 2003, a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to Unsecured Creditors
the Proposals	The Joint Administrators' Report to Creditors and Statement of Proposals dated 17 February 2021
the Reporting Period	The period from the date of the last progress report to the date of the report, i.e. the current period of the Administration
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and expenses
the Solicitors / Addleshaw Goddard / Hewlett	Addleshaw Goddard LLP and Hewlett Swanson, instructed to provide legal advice with respect to the sale of the Hotel and other ad hoc matters
Website	Available at: https://micro.kroll.com/ukrestructuring#

Appendix 9 – Notice about this report

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

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

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

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

Robert Armstrong and Andrew Knowles are authorised to act as insolvency practitioners by the Insolvency Practitioners Association.

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

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