

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 6 0 5 2 0

Company name in full Caer Rhun Hotel Management Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Court details

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

Court case number C R - 2 0 1 9 - 0 0 5 2 9 6

3 Administrator's name

Full forename(s) Phillip

Surname Duffy

4 Administrator's address

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 E W

Country United Kingdom

AM22

Notice of move from administration to creditors' voluntary liquidation

5 Administrator's name ^①

Full forename(s)

Sarah

Surname

Bell

① Other administrator

Use this section to tell us about another administrator.

6 Administrator's address ^②

Building name/number

The Chancery

Street

58 Spring Gardens

Post town

Manchester

County/Region

Postcode

M 2 1 E W

Country

United Kingdom

② Other administrator

Use this section to tell us about another administrator.

7 Appointor/applicant's name

Give the name of the person who made the appointment or the administration application.

Full forename(s)

Surname

8 Proposed liquidator's name

Full forename(s)

Philip

Surname

Duffy

Insolvency practitioner number

9 2 5 3

9 Proposed liquidator's address

Building name/number

The Chancery

Street

58 Spring Gardens

Post town

Manchester

County/Region

Postcode

M 2 1 E W

Country

United Kingdom

AM22

Notice of move from administration to creditors' voluntary liquidation

10 Proposed liquidator's name^①

Full forename(s)

Sarah

Surname

Bell

Insolvency practitioner
number

9 4 0 6

① Other liquidatorUse this section to tell us about
another liquidator.**11 Proposed liquidator's address^②**

Building name/number

The Chancery

Street

58 Spring Gardens

Post town

Manchester

County/Region

Postcode

M 2 1 E W

Country

United Kingdom

② Other liquidatorUse this section to tell us about
another liquidator.**12 Period of progress report**

From date

^d 0 ^d 8 ^m 0 ^m 8 ^y 2 ^y 0 ^y 2 ^y 0

To date

^d 2 ^d 5 ^m 1 ^m 1 ^y 2 ^y 0 ^y 2 ^y 0**13 Final progress report**☒ I have attached a copy of the final progress report.**14 Sign and date**Administrator's
signature

Signature

X 

X

Signature date

^d 2 ^d 7 ^m 1 ^m 1 ^y 2 ^y 0 ^y 2 ^y 0

**Presenter information**

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

Contact name **Perry Eleftheriou**

Company name **Duff & Phelps Ltd.**

Address **The Chancery**

58 Spring Gardens

Post town **Manchester**

County/Region

Postcode

M	2		1	E	W	
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Country **United Kingdom**

DX

Telephone **0161 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**

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

Caer Rhun Hotel Management Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 08/08/2020 To 25/11/2020 £	From 08/08/2019 To 25/11/2020 £
POST APPOINTMENT SALES		
Sales	4,560.42	85,446.56
Credit card sales	NIL	128,146.21
	4,560.42	213,592.77
PURCHASES		
Purchases	NIL	4,802.00
	NIL	(4,802.00)
OTHER DIRECT COSTS		
Agency costs	NIL	53,427.80
Wages	NIL	127,309.68
Consumable Stores	157.07	2,684.61
	(157.07)	(183,422.09)
TRADING EXPENDITURE		
Drinks	NIL	8,364.99
Holiday Payments to Staff	NIL	6,267.30
Rates	NIL	5,173.41
Heat & Light	8,952.48	27,573.76
Drinking Licence	180.00	360.00
Telephone	228.84	1,888.44
Carriage	NIL	360.00
Prof Fees: Hotel Operating Agent	790.00	4,803.81
Ransom payments	NIL	12,471.16
Lease/HP Payments	969.60	969.60
Customer Refund	40.00	11,695.70
Repairs & Maintenance	1,270.00	8,276.66
Sales Commission: Booking agents	684.77	17,919.53
Advertising	455.40	944.40
Payroll Costs	NIL	110.00
IT Costs	350.00	520.23
Employee Expenses	NIL	90.21
Food	2,100.93	25,316.17
Entertainment	NIL	611.00
Agency Staff	7,037.58	7,037.58
Laundry	1,561.05	8,472.91
Merchant Services	NIL	64.95
TV	NIL	1,100.00
Recycling	NIL	99.91
	(24,620.65)	(150,491.72)
TRADING SURPLUS/(DEFICIT)	(20,217.30)	(125,123.04)

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

Statement of Affairs £	From 08/08/2020 To 25/11/2020 £	From 08/08/2019 To 25/11/2020 £
ASSET REALISATIONS		
Bank Interest Gross	0.28	23.46
Cash at Bank	NIL	24,031.68
Cash in Transit	NIL	31,236.73
Debtors	199.00	20,078.00
Loan from Giant Hospitality	NIL	6,960.00
Loan from LBHS	20,000.00	20,000.00
Stock	NIL	3,539.76
Trading Surplus/(Deficit)	(20,217.30)	(125,123.04)
	20,000.00	20,000.00
	19,981.98	746.59
COST OF REALISATIONS		
Irrecoverable VAT	16.08	16.08
NPD Investor Meeting Recharge	NIL	222.22
Statutory Advertising	NIL	174.96
	(16.08)	(413.26)
	19,965.90	333.33
REPRESENTED BY		
Floating/main current account		19,137.19
General VAT control account		(21,746.45)
VAT Receivable		2,942.59
		333.33

Final Progress Report to Creditors

25 November 2020

Caer Rhun Hotel Management
Limited
(In Administration)

Joint Administrators' Final Progress Report for the period from 8 August 2020 to 25 November 2020 with a summary of the Administration.

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1. Introduction

The Joint Administrators were appointed on 8 August 2019 by the Director of the Company.

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 Creditors.

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

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

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

2. Creditor summary

This Progress Report covers the period from 8 August 2020 to 25 November 2020.

Summary of Proposals

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

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

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

The Joint Administrators have achieved the second objective as a better result for the Company's creditors as a whole than would be likely if the company were wound up at the date of Administration was achieved.

The Joint Administrators continued the trading operations of the Company and this facilitated offers being received for the acquisition of the trading business. Unfortunately, due to the financial position of the Hotel the Joint Administrators had no alternative other than to wind down the trading operations and cease to trade. Certain creditors received the opportunity to provide goods and services to the Joint Administrators during the trading period. The continuation of the trading operations in the Administration has resulted in preferential creditor claims not crystallising to the extent that they would have had the Company entered into Liquidation.

The Joint Administrators asset realisation process will be continued by the Joint Liquidators.

Although the freehold of the Hotel is held in CRHH, CR holds the other assets comprising the furniture, equipment and stock and also debtors. As the Hotel has now ceased to trade the assets within the goodwill and chattel will be made available to any purchaser of the property or should the purchaser not require these assets these will be sold piecemeal.

As previously advised, the Joint Administrators' Proposals for achieving the purpose of the Administration, namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up and realising property in order to make a distribution to one or more Secured or Preferential Creditors, were approved by Creditors using deemed consent.

Progress to date

The Joint Administrators traded the business of the Hotel from the Appointment Date with a view to achieving a sale of the business as a going concern.

Due to the financial position of the Hotel and based on advice from Assured, the Joint Administrators closed the Hotel on 13 January 2020.

In the trading period to date (8 August 2019 to 13 January 2020) sales receipts total £213,593 and trading costs have been paid totaling £338,716 resulting in overall trading losses to date of approximately £125,213. This includes sums that were received and paid in respect of trading costs after the closure of the Hotel.

Investigations into the Company are ongoing and form part of the detailed investigations being carried out by the Joint Administrators of NPD and all of the associated companies.

Outcome for Creditors

CR granted a debenture to NWAF on 8 November 2017 which was delivered on 17 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.

Based on information held at the Appointment Date, the indebtedness to NWAF is approximately £1.1m and is 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 sought advice from their lawyers who have reviewed the NWAF security and confirmed that the security appears to be valid.

Any available distributions to NWAF will be subject to the principle of subrogation across the estates within the NPD group in which it holds security.

Following the closure of the Hotel on 13 January 2020 all of the Company's employees were made redundant. All staff wages were paid up until the closure of the Hotel in the trading period by the Joint Administrators. Holiday pay accrued in the trading period and not taken by employees has been paid as an expense of the Administration.

Holiday pay accrued and not taken prior to the Appointment Date will rank as preferential claims in the Administration, the majority of which is likely to be subrogated to the DBEIS following payment to the employees by the RPS. Any distribution to the Unsecured Creditors of the Company will be dependent on the realisations achieved from any sale of the Hotel and the outcome of the Joint Administrators' investigations.

Please note, this report provides Creditors with a final account of the Administration of the Company together with a summary of the Administration as a whole. The Joint Administrators' previous progress reports and the Statement of Proposals issued to the Company's creditors are available to view at <https://micro.duffandphelps.com/ukrestructuring> and paper copies can be provided free of charge by writing to Heather Barnes.

Unless otherwise stated, all amounts in this Progress Report and appendices are stated net of VAT.

3. Progress of the Administration

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

3.1 Strategy and progress to date

The Joint Administrators are continuing to finalise the trading position of CR, collect the debtors and sell the assets associated with the Hotel.

Investigations into the Company are ongoing and form part of the detailed investigations being carried out by the Joint Administrators of NPD and all of the associated companies.

3.2 Asset realisations

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

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

During the Reporting Period trading receipts of £4,560 have been received from various post appointment debtors in relation to bookings that took place prior to the closure of the Hotel. There are no further trading receipts due in relation to the trading period. The Joint Administrators have settled trading costs in the sum of £6,638 in the Reporting Period.

In the trading period (8 August 2019 to 13 January 2020) sales receipts total £213,593 and trading costs have been paid totaling £338,716 resulting in overall trading losses to date of approximately £125,123. This includes sums that were received and paid in respect of trading costs after the closure of the Hotel.

The Joint Administrators estimate that there are further trading costs that have not yet been paid of approximately £114k (including deposits), therefore the overall estimated trading deficit is estimated to be approximately £239k. In addition to this there are anticipated to be holding costs of c. £14k for the period 1 July 2020 to 31 October 2020.

The Joint Administrators Proposals stated that CR's books and records showed outstanding debts due to be £36,000 as at the date of the Joint Administrators' appointment. Following further analysis of these records the debtor ledger totals £27,297.

The Joint Administrators have contacted these debtors to pursue the outstanding balances.

The sum of £199 has been received in the Reporting Period in respect of the outstanding debtor balances.

During the life of the Administration, the sum of £20,078 has been realised in respect of these debtor balances. The Joint Administrators and Assured will continue to pursue the remaining balances.

The balance sheet taken from the management accounts at 31 March 2018 shows plant & machinery, office equipment, furniture and fixtures and stock.

It is anticipated that these will form part of a sale of the Hotel, however, should such a sale not be achieved these assets will be sold on a breakup basis.

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

Investigations into NPD and all of the associated companies remain ongoing and further reports may be submitted to DBEIS following these investigations if necessary.

The Joint Administrators are reviewing the affairs of the Company to ascertain any actions which could be taken against third parties to increase recoveries for Creditors.

The Joint Administrators' investigations into the activities of the Company and the operation of the various investment schemes are continuing. The Joint Administrators' investigations are primarily focused on investor data and the flow of funds.

The Joint Administrators are continuing to liaise with third parties to obtain relevant investor data. Due to the volume of investment, accounting and investor data and delays encountered in obtaining data from third parties, these investigations are still in progress.

Since the previous investor update, the Joint Administrators have focused on the analysis of the client account ledgers obtained from Metis Law and Linda Heald Property Law, for all NPD transactions, on which these entities acted.

The client account ledgers provide information on the receipts and payments of investor monies that were disbursed directly by Metis Law and Linda Heald Property Law without being transferred to the Northern Powerhouse Developments Limited's (NPD) bank accounts.

The Joint Administrators have requested client account ledgers from Metis Law for all transactions on which Metis Law acted, for NPD and all other entities under the control of the Joint Administrators.

Metis Law has provided the Joint Administrators with over 75% of these ledgers. For those ledgers that have been provided so far, the Joint Administrators have converted these into Excel so that the transactions can be effectively analysed. These Excel conversions have then been collated. The conversions are being reviewed for accuracy and completeness, and the analysis of the transactions is underway.

There are still a number of ledgers that to be provided by Metis Law. The Joint Administrators are working with Metis to obtain these ledgers as quickly as possible and to resolve any additional queries arising.

All client ledgers have been received from Linda Heald Property Law. These have been converted into Excel and an initial analysis has been undertaken. The analysis has identified investor receipts paid to Linda Heald Property Law of £16.7 million in relation to NPD associated entities (of total investor deposits of approximately £72.5 million). The analysis of the dispersal of those funds is continuing.

Once these analyses are complete, a revised investor money trails analysis will be provided to investors showing the general trails of investor funds.

3.3 Costs

Payments made in the cumulative and final period are set out in the attached Receipts and Payments account at Appendix 3.

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

The Receipts and Payments account in respect of the Company included at Appendix 3 shows trading costs of £24,620. These costs are in respect of trading costs such as utilities, telephone costs and repairs and maintenance costs that were unpaid in the trading period and subsequently settled following the closure of the Hotel.

The sum of £20,000 was utilised from LBHS Management Ltd in the Reporting Period to assist CR in settling certain trading liabilities. CR had previously utilised the sum of £6,960 from its parent company Giant Hospitality Ltd. Both liabilities will be settled by CR to the respective estates in the liquidation period once further realisations have been made.

3.4 Schedule of expenses

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

Summaries of the most significant expenses which have been incurred in the Reporting Period but have not been paid are provided below. These expenses will be paid in the Liquidation.

Significant expenses incurred but not paid		
Joint Administrators' time costs	£23,504	Total time costs incurred in the period is £23,504 (see Appendix 5. No fees were paid during the Reporting Period. See section 5.3 for further details in relation to the Joint Administrators' fees.
Legal fees Hewlett Swanson	£301	Hewlett Swanson have incurred legal fees of £301 in dealing with court applications in respect of the sale of the Hotel and legal advice in respect of investigations into the Company and the investment scheme.
Legal fees Addleshaw Goddard	£5,814	Addleshaw Goddard have incurred legal fees totaling £5,814 in dealing with legal advice in respect of investigations into the Company and the investment scheme and other ad hoc legal advice.

4. Outcome for Creditors

4.1 Secured Creditors

The Company granted a debenture to NWAFF on 8 November 2017 which was delivered on 17 November 2017, which confers fixed and floating charges over all of the assets of the Company in respect of a guarantee over the loan facility provided to CRHH.

Based on information held at the Appointment Date, the indebtedness to NWAFF is approximately £1.1million 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 (Fourcroft Hotel (Tenby) Limited, Carmarthen Bay Hotel Limited and Atlantic Bay Hotel (Woolacombe) Limited – all in Administration).

The Joint Administrators sought advice from their lawyers who have reviewed the NWAFF security and have confirmed that the security is valid.

Any available distributions to NWAFF will be subject to the principles of subrogation across the estates within the NPD group in which it holds security.

At this stage it is uncertain whether there will be sufficient realisations to repay NWAFF in full following a sale of the Hotel. This is dependent on confirmation of the total balance due from CRHH and any sale which is being negotiated between the interested parties, certain leaseholders and the Secured Creditor.

4.2 Preferential Creditors

Preferential Creditors' claims consist of employee claims for arrears of pay and holiday pay.

Following the closure of the Hotel on 13 January 2020 all the CR employees were made redundant.

All staff wages and holiday pay accrued in the trading period were paid up until the closure of the Hotel in the trading period by the Joint Administrators.

Holiday pay accrued and not taken prior to the appointment date will rank as preferential claims in the Administration, the majority of which is likely to be subrogated to the DBEIS following payment to the employees by the RPS.

Based on payroll records, preferential claims are anticipated to total approximately £1,600.

Based on current information, it is uncertain as to whether there will be sufficient realisations to pay a dividend to the Preferential Creditors.

4.3 Unsecured Creditors

According to the Joint Administrators' Estimated Financial Position included in the Joint Administrators Statement of Proposals, CR Unsecured Creditors total £3,988,000 and claims received to date total £126,558.

Based on the current information available to the Joint Administrators, it is uncertain whether there will be sufficient realisations to enable a distribution to the Unsecured Creditors other than by way of the Prescribed Part.

For all charges dated post 15 September 2003, a Prescribed Part needs to be calculated and made available to Creditors.

As previously detailed, CR granted a floating charge to NWAFF dated 8 November 2017 and therefore the prescribed part provisions will apply.

Until such a time a sale of the Hotel is completed, it remains uncertain whether there will be sufficient asset realisations to apply the Prescribed Part or what the value of the Prescribed Part will be. Where the net property is less than £10,000, or greater than £10,000 and the costs are disproportionate to the benefit to creditors, the Joint Liquidators may make a court application to disapply the prescribed part.

Surplus funds from the Administrations will be transferred to the Liquidation estates. The amount of the dividend, if any, will be determined by the extent of claims lodged by Creditors, the amount at which these claims are agreed by the Joint Liquidators, the extent of the costs and realisations from the sale of the Hotel.

Further information will be provided by the Joint Liquidators as soon as possible, but in the meantime, any Creditors who have not yet lodged details of their claim with the Administrators should send details of their claim to the Joint Liquidators as soon as possible at manchester@duffandphelps.com or by post to Duff & Phelps, The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

5. Other matters

5.1 Creditors' Committee

No Creditors' Committee was formed in respect of the Company.

5.2 Joint Administrators' Receipts and Payments account

A detailed Receipts and Payments account for the period 8 August 2020 to 25 November 2020 is shown in Appendix 3 together with a cumulative account for the whole of the Administration.

There is currently a cash balance of £19,137 in the Company. This sum will be transferred to the Liquidation estate in due course.

5.3 Creditors' rights

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

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

6.1 Fees and expenses

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

It was reported in a previous Progress Report that approval of the Joint Administrators the Fee Estimate being £85,375 in the Company would be sought from the Secured Creditor.

Following a review of the time costs incurred and the estimated future time costs, an updated Fee Estimate in the sum of £269,890 was produced in regard to the Company and approval of this will be sought from the Secured Creditor.

The request will seek the approval of 75% of the updated fee estimate with the balance of the 25% to be voted on by creditors at the end of the Administration should sufficient funds be available.

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

Time costs incurred in the Reporting Period total £23,504, which represents £13,438 of post appointment time representing 51 hours at an average hourly rate of £264 and £10,066 of specialist investigations time representing 25 hours at an average hourly rate of £400.

Time costs incurred since the Appointment Date total £224,220, which represents £131,756 of post appointment time representing 470 hours at an average hourly rate of £280 and £92,464 of specialist investigations time representing 235 hours at an average hourly rate of £394.

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

No fees have been drawn in the Reporting Period nor during the life of the Administration. The Joint Administrators may seek approval of additional time costs following the sale of the Hotel.

Details of the expenses charged for the reporting and cumulative period are attached at Appendix 5.

No expenses have been paid during the Reporting Period.

Expenses incurred but not paid in the cumulative period total £85,931.

The Joint Administrators have not incurred any disbursements in the Reporting Period.

Disbursements of £487 have been incurred throughout the life of the Administration. No disbursements have been drawn to date.

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

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

6.2 Pre-Administration costs

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

Details of the Pre-Administration costs were detailed in the Proposals and previous Progress Reports to creditors.

The Joint Administrators will seek approval of these costs from the Secured Creditor in due course.

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.

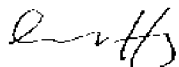
The Joint Administrators have filed a copy of this final Progress Report with the Registrar of Companies, together with the requisite notices to place the Company into Creditors' Voluntary Liquidation.

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. The Joint Liquidators will continue to settle the outstanding trading liabilities and realise the remaining assets.

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

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



Philip Duffy
Joint Administrator

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

Appendix 1 – Statutory information

COMPANY INFORMATION

Company and trading name	Caer Rhun Hotel Management Limited	
Date of incorporation	3 September 2015	
Registered Number	09760520	
Company Director(s)	Iain Shelton appointed by the Interim Managers of NPD in their capacity as shareholders of the Company Gavin Woodhouse (removed as director on 9 July 2019)	
Company Secretary	None appointed	
Shareholders	NPD	
Trading address	n/a	
Registered office	Current: c/o Duff and Phelps The Chancery 58 Spring Gardens M2 1EW	Former: Northern Pd Unit D2 Elland Riorges Link Lowfields Business Park Elland
Any Other trading names		

ADMINISTRATION INFORMATION

Administration Appointment	The Administration appointment granted in the High Court of Justice, 5296 of 2019	
Appointor	Director	
Date of Appointment	8 August 2019	
Joint Administrators	Philip Francis Duffy and Sarah Helen Bell	
Original purpose	Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration)	
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1	
Current Administration expiry date	7 April 2021	
Prescribed part	The prescribed part is applicable in this case. It has been taken into account when determining the dividend prospects for Unsecured Creditors (Section 4).	
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations.	

Appendix 2 – Approved Proposals

The following Joint Administrators' Proposals were deemed approved by the creditors of the Company on 14 October 2019, 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 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.

Appendix 3 – Receipts and Payments account

Caer Rhun Hotel Management Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 08/08/2020 To 25/11/2020 £	From 08/08/2019 To 25/11/2020 £
POST APPOINTMENT SALES		
Sales	4,560.42	85,446.56
Credit card sales	NIL	128,146.21
	4,560.42	213,592.77
PURCHASES		
Purchases	NIL	4,802.00
	NIL	(4,802.00)
OTHER DIRECT COSTS		
Agency costs	NIL	53,427.80
Wages	NIL	127,309.68
Consumable Stores	157.07	2,684.61
	(157.07)	(183,422.09)
TRADING EXPENDITURE		
Drinks	NIL	8,364.99
Holiday Payments to Staff	NIL	6,267.30
Rates	NIL	5,173.41
Heat & Light	8,952.48	27,573.76
Drinking Licence	180.00	360.00
Telephone	228.84	1,888.44
Carriage	NIL	360.00
Prof Fees: Hotel Operating Agent	790.00	4,803.81
Ransom payments	NIL	12,471.16
Lease/HP Payments	969.60	969.60
Customer Refund	40.00	11,695.70
Repairs & Maintenance	1,270.00	8,276.66
Sales Commission: Booking agents	684.77	17,919.53
Advertising	455.40	944.40
Payroll Costs	NIL	110.00
IT Costs	350.00	520.23
Employee Expenses	NIL	90.21
Food	2,100.93	25,316.17
Entertainment	NIL	611.00
Agency Staff	7,037.58	7,037.58
Laundry	1,561.05	8,472.91
Merchant Services	NIL	64.95
TV	NIL	1,100.00
Recycling	NIL	99.91
	(24,620.65)	(150,491.72)
TRADING SURPLUS/(DEFICIT)	(20,217.30)	(125,123.04)

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

Statement of Affairs £	From 08/08/2020 To 25/11/2020 £	From 08/08/2019 To 25/11/2020 £
ASSET REALISATIONS		
Bank Interest Gross	0.28	23.46
Cash at Bank	NIL	24,031.68
Cash in Transit	NIL	31,236.73
Debtors	199.00	20,078.00
Loan from Giant Hospitality	NIL	6,960.00
Loan from LBHS	20,000.00	20,000.00
Stock	NIL	3,539.76
Trading Surplus/(Deficit)	(20,217.30)	(125,123.04)
	20,000.00	20,000.00
	19,981.98	746.59
COST OF REALISATIONS		
Irrecoverable VAT	16.08	16.08
NPD Investor Meeting Recharge	NIL	222.22
Statutory Advertising	NIL	174.96
	(16.08)	(413.26)
	19,965.90	333.33
REPRESENTED BY		
Floating/main current account		19,137.19
General VAT control account		(21,746.45)
VAT Receivable		2,942.59
		333.33

Appendix 4 – Schedule of expenses

A summary of expenses incurred during the reporting and cumulative period of this report is set out below:

Schedule of Expenses	Incurred in the Reporting Period and not yet paid (£)	Incurred in the cumulative period and not yet paid (£)
Expenses		
Insurance of assets	-	5,675
Legal fees – Hewlett Swanson	301	45,334
Legal fees – Addleshaw Goddard	5,814	34,922
Total	6,115	85,931

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

The above costs exclude VAT.

Appendix 5 – Analysis of time charged and expenses incurred

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

We have not incurred any disbursements during the Reporting Period.

Disbursements over the life of the Administration for the Company are detailed below.

SIP 9 - Disbursements	Category 1		Category 2		Totals (£)
Disbursements	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Accommodation	-	-	-	-	-
Insurance	-	225	-	-	225
Meals	-	61	-	-	61
Postage	-	-	-	-	-
Mileage	-	-	-	-	-
Travel	-	202	-	-	202
Total	-	488	-	-	488

107545 CAER RHUN HOTEL MANAGEMENT LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 08/08/2020 to 25/11/2020

ADM-Admin. - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review & Case Diary management	0.00	0.25	0.00	0.00	0.00	0.25	97.50	390.00
Cashiering & accounting	0.00	2.40	2.00	9.90	0.00	14.30	3,415.00	238.81
Insurance	0.00	2.35	0.00	0.30	0.00	2.65	991.50	374.15
Statutory matters (Meetings & Reports & Notices)	0.00	5.00	0.00	12.10	0.00	17.10	4,317.00	252.46
Strategy planning & control	0.50	0.00	0.00	2.00	0.00	2.50	663.00	265.20
Tax Compliance / Planning	0.00	0.20	0.00	0.65	0.00	0.85	185.50	218.24
Creditors								
Communications with Creditors / Employees	0.00	0.25	0.00	4.65	0.00	4.90	1,031.00	210.41
Secured Creditors	0.00	0.00	0.00	0.95	0.00	0.95	142.50	150.00
Realisation of Assets								
Other Tangible Assets	0.00	1.50	0.00	0.00	0.00	1.50	585.00	390.00
Trading								
Trading - Accounting	0.00	1.00	0.00	0.25	0.00	1.25	427.50	342.00
Trading - Employees	0.00	0.00	0.00	1.45	0.00	1.45	362.50	250.00
Trading - Operations	0.00	3.00	0.00	0.20	0.00	3.20	1,220.00	381.25
Total Hours:	0.50	15.95	2.00	32.45	0.00	50.90		264.01
Total Fees Claimed: £	325.00	6,448.50	760.00	5,904.50	0.00		13,438.00	

Category 2 Disbursements:

107545 CAER RHUN HOTEL MANAGEMENT LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 08/08/2020 to 25/11/2020

Investigations

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
	0.00	10.75	0.40	0.00	14.00	25.15	10,066.25	400.25
Total Hours:	0.00	10.75	0.40	0.00	14.00	25.15		400.25
Total Fees Claimed: £	0.00	6,348.25	148.00	0.00	3,570.00		10,066.25	

Category 2 Disbursements:

107545 CAER RHUN HOTEL MANAGEMENT LIMITED
ANALYSIS OF TIME COSTS FOR THE PERIOD 08/08/2019 to 25/11/2020

ADM-Admin. - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review & Case Diary management	0.90	5.00	0.00	10.00	0.00	15.90	4,239.00	266.60
Cashiering & accounting	0.00	29.40	15.30	33.90	0.00	78.60	23,379.00	297.44
IPS set up & maintenance	0.00	0.00	0.00	4.10	0.00	4.10	549.50	134.02
Insurance	0.00	4.85	0.00	2.70	0.00	7.55	2,542.50	336.75
Statutory matters (Meetings & Reports & Notices)	0.00	16.75	7.00	59.20	0.00	82.95	19,551.25	235.70
Strategy planning & control	1.00	2.75	14.00	14.30	0.00	32.05	9,712.00	303.03
Tax Compliance / Planning	0.00	0.70	0.00	0.65	0.00	1.35	366.75	271.67
Creditors								
Communications with Creditors / Employees	1.10	3.50	0.00	36.80	0.00	41.40	9,507.75	229.66
Creditors committee	0.00	0.00	0.00	2.00	0.00	2.00	500.00	250.00
Non Pref Creditor claims adjudication & dist'n	0.00	0.00	0.00	0.25	0.00	0.25	45.00	180.00
Non Pref Creditors / Employee claims handling	0.00	0.00	0.00	10.25	0.00	10.25	2,203.00	214.93
Pref claims adjudication & distribution	0.00	0.00	0.00	5.05	0.00	5.05	997.75	197.57
Secured Creditors	0.00	0.00	0.00	0.95	0.00	0.95	142.50	150.00
Investigations								
CDDA & reports & Communication	0.00	0.00	0.00	0.40	0.00	0.40	86.50	216.25
Financial review and investigations (S238/239 etc)	0.00	0.25	2.00	5.90	0.00	8.15	1,376.00	168.83
Realisation of Assets								
Book debts	0.00	5.25	0.00	8.55	0.00	13.80	3,195.50	231.56
Other Tangible Assets	0.00	2.50	0.00	0.00	0.00	2.50	920.00	368.00
Sale of business	0.00	7.25	0.00	0.20	0.00	7.45	2,470.25	331.58
Stock & Work In Progress	0.00	0.50	0.00	0.00	0.00	0.50	167.50	335.00
Trading								
Trading - Accounting	0.00	40.95	14.60	6.55	0.00	62.10	20,544.25	330.83
Trading - Employees	0.00	2.50	2.50	13.65	0.00	18.65	5,215.00	279.62
Trading - Insurance	0.00	0.00	0.00	1.60	0.00	1.60	376.00	235.00
Trading - Operations	0.50	41.75	12.00	18.40	0.00	72.65	23,669.50	325.80
Total Hours:	3.50	163.90	67.40	235.40	0.00	470.20		280.21
Total Fees Claimed: £	1,951.00	59,553.25	25,470.00	44,782.25	0.00		131,756.50	

Category 2 Disbursements:

107545 CAER RHUN HOTEL MANAGEMENT LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 08/08/2019 to 25/11/2020

Investigations

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
	0.00	113.00	14.45	2.35	105.15	234.95	92,463.89	393.55
Total Hours:	0.00	113.00	14.45	2.35	105.15	234.95		393.55
Total Fees Claimed: £	0.00	60,053.36	4,953.50	643.78	26,813.25		92,463.89	

Category 2 Disbursements:

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

- 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

- Updating the list of Unsecured Creditors;
- Responding to enquiries from Creditors regarding the Administration and submission of their claims;
- Reviewing completed forms submitted by Creditors, recording claim amounts and maintaining claim records; and
- Drafting progress statutory progress reports.
- Providing written and oral updates to the Secured Lenders regarding the progress of the Administration and cases strategy;
- Filing notice of the extension of the Administration; and

Investigations

- Managing and reviewing the Company books and records;
- Investigating the affairs of the Company to identify any actions available to the Company against third parties in respect of antecedent transactions or other litigation;
- Obtaining records from third parties;
- Conducting interviews with counterparties and officeholders;
- Enquiring with counterparties who has raised disputes against the Company;
- Reviewing pre-appointment transactions; and
- Documenting investigations.

Statutory and compliance

- Ensuring compliance with all statutory obligations within the relevant timescales;
- Uploading information to the Creditors' Portal/Website;
- Drafting and publishing progress reports;
- Running decision procedures;
- 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.

Asset realisations

- Collating information from the Company's records regarding assets, specifically inter company balances;
- Liaising with agents regarding the sale of the Hotel;
- Reviewing outstanding debtors
- Liaising with third parties regarding costs incurred;
- Reviewing costs incurred to ensure recorded accurately; and

Tax

- Analysing and considering the tax effects of asset sales;
- Working on tax returns relating to the periods affected by the Administrator;
- Analysing VAT related transactions; reviewing the Company's duty position to ensure compliance with duty requirements; and
- Dealing with post appointment tax compliance.

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

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

Section or paragraph numbers refer to Insolvency Act 1986

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

Information for Creditors on remuneration and disbursements of Administrators

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

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

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

Creditors' requests for further information

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

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

Creditors' right to challenge our remuneration and expenses

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

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

The full text of the relevant rules can be provided on request by writing to Heather Barnes at Duff & Phelps, The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

Appendix 8 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
Addleshaws	Addleshaw Goddard, solicitors who were instructed to provide legal advice and assist with investigations into the Company, the investment scheme and to provide other ad hoc legal advice
the Agents	Sanderson Weatherall, independent agents who were instructed to value and sell the assets of the Company
the Appointment Date	8 August 2019 being the date of appointment of the Joint Administrators
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 Company banked
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Company/CR	Caer Rhun Hotel Management Limited (In Administration) (Company Number: 09760520), the company operating the hotel
CRHH	Caer Rhun Hall Hotel Limited, the Company in which the freehold of the property is held
DBEIS	Department for Business, Energy & Industrial Strategy
the Directors	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 shareholders of the Company
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
Hewlett Swanson	Hewlett Swanson, solicitors who were instructed to assist with court applications in respect of the sale of the Hotel and legal advice in respect of investigations into the Company and the investment scheme
Interim Managers	Philip Duffy and Sarah Bell of Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW appointed interim managers of NPD on 7 July 2019 and Giant on 12 July 2019 by order of the Court

the Joint Administrators	Philip Duffy and Sarah Bell of Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW
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
the Reporting Period	The period from 8 August 2020 to 25 November 2020
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
RPS	Redundancy Payments Service
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
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006

Appendix 9 – Notice about this report

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

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

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

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

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

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

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