

AM10

Notice of administrator's progress report



Companies House

THURSDAY



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27/02/2020

COMPANIES HOUSE

#334

1 Company details

Company number 0 4 6 4 0 1 0 6

Company name in full Pennine Manor Hotel Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Philip

Surname Duffy

3 Administrator's address

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 E W

Country

4 Administrator's name ①

Full forename(s) Sarah

Surname Bell

① Other administrator

Use this section to tell us about
another administrator.

5 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

② Other administrator

Use this section to tell us about
another administrator.

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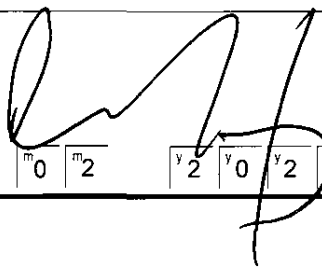
6 Period of progress report

From date	d 1 d 6	m 0 m 7	y 2 y 0 y 1 y 9	
To date	d 1 d 5	m 0 m 1	y 2 y 0 y 2 y 0	

7 Progress report

<input checked="" type="checkbox"/> I attach a copy of the progress report	
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8 Sign and date

Administrator's signature	Signature X		X	
Signature date	d 1 d 7	m 0 m 2	y 2 y 0 y 2 y 0	

DUFF & PHELPS

**Progress Report to
Creditors
Pennine Manor Hotel Limited
(In Administration)**

10 February 2020

*Joint Administrators' Progress Report for the period from 16 July 2019 to
15 January 2020*

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

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1. Introduction

The Joint Administrators were appointed on 16 July 2019 by an order of the High Court in Manchester Companies Court (number 000679 of 2019). The application to the court was made by the Secured Creditor.

This Progress Report provides an update on the Administration of the Company.

The Joint Administrators have also explained their future strategy for the Administration and how likely it is that they will be able to pay each class of creditor.

You will find other important information in this Progress Report, such as the costs that 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 Progress Report to Creditors is attached at Appendix 9.

2. Creditor summary

This Progress Report covers the period from the Appointment Date to 15 January 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.

As detailed in the Joint Administrators' Statement of Proposals, the Joint Administrators are pursuing the second objective as it is likely that a better result for the Company's creditors as a whole will be achieved than if the Company were wound up without first being in Administration for the following reasons:

- Continued trade during the Administration will protect the goodwill of the company's business and enhance the price that will be obtained in a sale as a going concern.
- Continued trade will enable pre-booked weddings and events to be held thereby reducing the value of claims in respect of wedding deposits and staged payments.
- Continued trade and a going concern sale of the Hotel will reduce employee claims which will be minimised by employees transferring under TUPE to the purchaser once a sale is completed.

The third objective will be achieved as it is anticipated that there will be sufficient funds generated from the sale of the business to enable a distribution to the Secured Creditor. There were no major amendments to or deviations from these Proposals.

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 have been trading the Hotel since the appointment date with a view to achieving a sale of the business as a going concern. In the reporting period it is estimated that there has been an accumulation of trading losses of approximately £77,000; however the Agents have advised that the value achieved through a sale of the business as a going concern will be significantly higher than that achieved should the Hotel be closed.

The Joint Administrators are currently negotiating the sale of the freehold property of the Pennine Manor Hotel. *The Joint Administrators made an application to the Court for permission to sell this Hotel, which is subject to security granted to Assetz Capital Trust Company Limited. On 6 February 2020 the Court ordered the sale of the Pennine Manor Hotel on the conditions that*

- ¹ The price achieved was not less than the Market Value as advised by Sanderson Weatherall LLP who are the Joint Administrators' property advisors and member of the Royal Society of Chartered Surveyors, and

2. Not less than an amount agreed by Assetz Capital Trust Company Ltd who has a first charge over the Pennine Manor Hotel

It should be noted that there are no registered leasehold titles on the freehold of Pennine Manor Hotel and that Agreements for Lease purportedly relating to this scheme were issued by Bracken Country House Limited. This background context was included in the above application.

Asset realisations totaling £47,658 have been received in the reporting period in respect of debtors' cash at bank and bank interest.

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

Based on current information, it is anticipated that there will be sufficient realisations to make a distribution to the Secured Creditor from the proceeds of a sale of the Hotel.

It is anticipated that the Company's employees will be transferred to a purchaser via TUPE. Until such time a sale of the Hotel has completed it remains uncertain whether there will be any preferential claims or whether there will be sufficient asset realisations to pay a distribution to preferential creditors.

Any distribution to the non-preferential creditors of the Company will be dependent on the realisations achieved from any sale of the Hotel; however based on current estimates it is anticipated that there will be insufficient realisations to enable a distribution to the non-preferential creditors other than via the prescribed part, if any.

Please note, this Progress Report provides Creditors with an account of the progress of the Administration of the Company in the period. The Joint Administrators' Statement of Proposals issued to the Company's Creditors are available to view at <https://micro.duffandpHELPS.com.uk/restructuring> 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 an update on the Joint Administrators' strategy for the Administration and progress to date.

3.1 Strategy and progress to date

Following the Appointment Date, the decision was immediately taken by the Joint Administrators to continue to trade the business whilst all options were reviewed. It is believed that if a sale as a going concern can be achieved, realisations would be maximised and creditor claims against the Company would be minimised. A going concern sale would also protect the employment of the Company's workforce.

The Joint Administrators instructed the Agents to provide a valuation and marketing advice in respect of the Hotel. The marketing of the Hotel is being progressed with a view to completing a sale as soon as reasonably practicable. The Joint Administrators are currently negotiating with interested parties for the sale of the hotel.

As detailed in the Joint Administrators' Statement of Proposals, NPD operated an investment scheme where investors were offered the opportunity to purchase rooms in a number of hotels which they operated.

Following the appointment of Interim Managers over NPD, a full review of each of the investment schemes and the Hotels trading operations was carried out by the Interim Managers and their legal advisors.

Several investors had invested in rooms at the Hotel, however, upon review it was apparent that these investments were made into a separate legal company and therefore there appear to be no investments issued by the Company. The Joint Administrators have made an application to Court to seek permission from court to sell the hotel which is scheduled to be heard in February 2020. A further update to creditors will be provided in the next progress report.

3.2 Asset Realisations

Realisations during the 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.

3.2.1 Trading period

The Joint Administrators have been trading the Hotel since the appointment date with a view to achieving a sale of the Hotel as a going concern.

In the reporting period, sales of rooms, food, beverage and events have resulted in income totalling £307,401.

The Joint Administrators have incurred and paid trading costs of £384,150. There are also approximately £50,000 of trading costs which have been incurred in the period but not yet paid. As detailed in section 2 of this report, currently there has been an accumulation of trading losses of approximately £77,000.

Further details of these costs are included on the receipts and payments trading account.

3.2.2 Freehold property

As detailed above, the Joint Administrators have been marketing the Hotel for sale as a going concern.

An estimated to realise value has not been disclosed in order not to prejudice any future marketing and sale negotiations

3.2.3 Debtors

According to the Company's books and records the outstanding debts of the Company totalled £4,914 as at the Appointment Date.

The Joint Administrators have contacted these debtors to pursue the balances in line with the Company's credit terms.

To date, £2,850 has been realised in respect of debtor balances. The Joint Administrators and Assured will continue to pursue the remaining balances.

3.2.4 Cash at bank

As at the Appointment Date, the Company had cash at bank of £42,966, which was held at NatWest. These funds have been transferred to the Administration bank account.

No further realisations are anticipated in respect of cash at bank.

3.2.5 Other assets

The balance sheet taken from the management accounts at 31 March 2019 shows plant & machinery, office equipment, furniture and fixtures and stock. It is anticipated that these will form part of a sale of the Hotel as a going concern; however, should such a sale not be achieved these assets will be sold on a break up basis.

Bank interest of £88 has been received in the Reporting Period.

3.2.6 Investigations

The Joint Administrators have a statutory obligation to file a report with DBEIS concerning the conduct of all directors of the Company that served in the three years prior to the Joint Administrators' appointment. The Joint Administrators have filed their confidential report with DBEIS regarding the conduct of the Directors of the Company. The content of this report is confidential and has been submitted to the Insolvency Practitioners Compliance Unit.

The Joint Administrators reviewed the affairs of the Company to find out if there were any actions which could be taken against third parties to increase recoveries for Creditors. An initial assessment was made which involved collecting and analysing the books and records of the Company including the bank accounts, management accounts, Directors' loan accounts and considering the Directors' responses to Questionnaires.

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.

3.3 Costs

Payments made in the 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 also incurred agents' fees in respect of the valuation and marketing of the hotel. Further details of these fees are included overleaf.

3.3.2 Solicitors' fees

The Joint Administrators have also incurred solicitors' fees in respect of the advising on the initial appointment, court applications in respect of the sale of the hotel, advising on the investment schemes and ongoing investigations and other ad hoc legal fees. Further details of these fees are included overleaf.

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 but not paid in the period are provided below.

Significant expenses incurred but not paid

Joint Administrators' time costs	£173,231	Total time costs incurred in the period including investigation time which has been recorded separately (see Appendix 5). See section Appendix 6 for further details in relation to the Joint Administrators' fees.
Legal fees Hewlett Swanson	£25,640	Hewlett Swanson have incurred legal fees of £25,640 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	£25,693	Addleshaw have incurred legal fees of £25,693 in dealing with legal advice in respect of investigations into the Company and the investment scheme and other ad hoc legal advice.
Agent fees Sanderson Weatherall	£23,750	Sanderson Weatherall have incurred agents' fees of £23,750 in dealing with the valuation and marketing of the Hotel.
Agent fees Assured Hotels	£2,000	Assured have incurred agents' fees of £2,000 in dealing with trading and managing the hotel.

4. Outcome for Creditors

4.1 Secured Creditors

In consideration for the monies advanced under a loan facility, the Company granted Assetz a debenture which confers fixed and floating charges over all of the assets of the Company which was created on 14 January 2019.

in addition, the Company granted Assets a fixed charge over the Hotel property which was created on 14 January 2019.

Based on company records at the date of appointment, the Company's indebtedness to the secured creditor totalled approximately £760,000 subject to accruing interest and charges.

At this stage it is anticipated that there will be sufficient realisations to repay the Secured Creditor in full following a sale of the Hotel as a going concern. This is also dependent on the outcome of the Court application for permission to sell the Hotel.

4.2 Preferential Creditors

It is anticipated that following the sale of the business and assets of the Company to a purchaser, the Company's employees will be transferred pursuant to TUPE to the purchaser. Accordingly, it is anticipated there will be no preferential claims in relation to the employees.

Until such time a sale of the Hotel has completed it remains uncertain whether there will be any preferential claims or whether there will be sufficient asset realisations to pay a distribution to Preferential Creditors in the event that claims are received.

4.3 Unsecured Creditors

According to the Joint Administrators' Estimated Financial Position included in the Joint Administrators' Statement of Proposals, Unsecured Creditors total £276,775 and claims received to date total £25,491.

Based on the current information available to the Joint Administrators, it is anticipated that there will be insufficient realisations to enable a distribution to the Unsecured Creditors other than by virtue of the prescribed part. The final figure is dependent on further asset realisations, costs of the Administration and the quantum of creditor claims, once adjudicated.

If not already done so, creditors of the Company should complete the appropriate proof of debt form at Appendix 10 and return this to the Joint Administrators at manchester@duffandpHELPS.com or Duff & Phelps, The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

An update will be provided in the Joint Administrators' next progress report.

4.4 Prescribed part

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

As detailed above, the Company granted a floating charge to the Secured Creditor on 14 January 2019 and the prescribed part provisions will apply.

Until such time a sale of the Hotel has completed it remains uncertain whether there will be sufficient asset realisations 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 Administrators may make a court application to disapply the prescribed part.

A further update will be provided to creditors in the next progress report.

5. Other matters

5.1 Creditors' Committee

No Creditors' Committee has been established.

5.2 Joint Administrators' Receipts and Payments account

A detailed receipts and payments account for the period is shown in Appendix 3.

5.3 Creditors' rights

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

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

6.1 Fees and expenses

6.1.1 Time costs

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

Approval of the fee basis and the Joint Administrators' Fee Estimate which totals £106,385 will be sought from the Secured Creditor. Discussions with the Secured Creditor regarding the Joint Administrators' fees and the proposed sale of the Hotel remain ongoing and it is anticipated that an agreement will be reached following completion of any sale.

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 £173,231, which represents £126,902 of post-appointment time representing 440 hours at an average hourly rate of £288 and £46,329 of specialist investigations time representing 119 hours at an average hourly rate of £390.

Time costs to date have exceeded the fee estimate provided in the Joint Administrators' Statement of Proposals.

The main areas in which time has exceeded the estimate are as follows:

Investigations – the fee estimate included time costs totalling £7,110 in respect of investigations. Time costs totalling £1,704 have been incurred in respect of financial review and investigations and ODDA reports and communication which includes the preparation and submission of the report to DBEIS. A further £46,329 has been incurred in respect of investigations which have been carried out in respect of the wider NPD investigations to identify and trace investor funds.

Cashiering and Accounting – the fee estimate included time costs totalling £6,625 in respect of cashiering and accounting. Time costs totalling £19,616 have been incurred to date in respect of cashiering and accounting. This time has been incurred in processing all receipts and payments associated with trading the Company.

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

6.1.2 Fees

No fees have been drawn in the Reporting Period.

It is anticipated that a further £50,000 of time costs will be incurred in progressing the Administration and continuing the investigations.

The Joint Administrators may seek approval of additional time costs following the sale of the Hotel. This approval will be sought from the Secured Creditor. Details of any further costs and the approval of these costs will be included in the next report to creditors.

6.1.3 Expenses

Details of the expenses charged for the reporting period are attached at Appendix 4.

Expenses incurred in the reporting period (excluding the Joint Administrators' time costs) total £77,583, of which £2,000 has been paid in the reporting period.

6.1.4 Disbursements

In the reporting period, the Joint Administrators have incurred disbursements for services provided by Duff & Phelps Ltd (defined as Category 2 Disbursements in the Statement of Insolvency Practice 9). None of these have been paid to date.

The Joint Administrators' expenses and disbursements are detailed at Appendix 5.

6.1.5 Additional information

Also attached at Appendix 6 is the 'Fees Narrative', a summary of key issues, 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.

As detailed in the Joint Administrators' Statement of Proposals, any Pre-Administration costs incurred in respect of the Company were incurred by the Interim Managers of Giant and therefore, no Pre-Administration costs have been incurred by the Joint Administrators.

7. Future Strategy

7.1 Future conduct of the Administration

The Joint Administrators will continue to manage the affairs, the business and the property of the Company *in order to achieve the purpose of the Administration*. This will include but not be limited to:

- Agreeing a sale of the Hotel
- Finalising trading.
- Agreeing the Joint Administrator's fees
- Paying outstanding costs of the Administration

- Paying a dividend to the Secured Creditor
- Dealing with other statutory matters and duties including accounting for VAT and completing corporation tax returns
- Paying a prescribed part dividend if applicable

7.2 Extension of the Administration

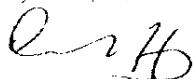
An Administration automatically comes to an end after one year unless an extension is granted by the Court or with the Creditors' consent.

Should matters not be resolved before 16 July 2020, the Joint Administrators will seek approval to extend the Administration in order to finalise outstanding matters.

7.3 Future reporting

The Joint Administrators will provide a further progress report within one month of 16 July 2020 or earlier if the Administration has been completed prior to that time.

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



Philip Francis Duffy
Joint Administrator

End

The affairs, business and property of the Company are being managed by the Joint Administrators Philip Francis Duffy and Heather Barnes both of whom are agents of the Company and who are authorised by both and licensed by the Insolvency Practitioners Association.

Appendix 1 – Statutory Information

COMPANY INFORMATION

Company and trading name	Pennine Manor Hotel Limited	
Date of incorporation	17 January 2003	
Registered Number	04640106	
Company Directors	Iain Shelton Gavin Woodhouse	
Company Secretary	None appointed	
Shareholders	Northern Powerhouse Developments Limited 11 ordinary share of £1	
Trading address	Pennine Manor Hotel Nettleton Hill Road Scapegoat Hill Huddersfield HD7 4NH	
Registered office	Current: c/o Duff and Phelps The Chancery 58 Spring Gardens Manchester M2 1EW	Former: Northern PD Unit D2 Eiland Ridges Link Lowfields Business Park Eiland HX5 3DG

ADMINISTRATION INFORMATION

Administration Appointment	The Administration appointment granted in the High Court in Manchester 000679 of 2019
Appointor	Secured Creditor
Date of Appointment	16 July 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	15 July 2020
Prescribed part	The prescribed part is applicable in this case. It has been taken into account when determining the dividend prospects for Unsecured Creditors (Section 4)
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations

Appendix 2 – Approved Proposals

Joint Administrators' Proposals

- 15.1 The Joint Administrators' proposals shall be deemed approved by the creditors on the expiry of the period in which a decision can be requisitioned by creditors as detailed in the Appendix 8
- 15.2 The Joint Administrators are seeking deemed consent approval from creditors in respect of the proposals as explained in paragraphs 13.1 of these proposals and detailed in sections 15.2.1 to 15.2.4 below
- 15.1.1 That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect
- 15.1.2 That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration
- 15.1.3 That the Joint Administrators, once all outstanding matters have been satisfactorily completed, take the necessary steps to give notice under Paragraph 84 of Schedule B1 of the Act to the Registrar of Companies to the effect that the Company has no remaining property which might permit a distribution to its creditors, at which stage the Administration will cease
- 15.1.4 That the Joint Administrators, where they consider that there are funds available to be distributed to the non-preferential creditors (other than under the prescribed part), take the necessary steps to put the Company into either creditors' voluntary liquidation or into compulsory liquidation as they deem appropriate. It is proposed that the Joint Administrators, currently Philip Duffy and Sarah Bell of Duff & Phelps would act as Joint Liquidators should the Company be placed into creditors' voluntary liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 3.60(6)(b) of the Rules creditors may nominate a different person as the proposed liquidator, provided the nomination is received at this office prior to the approval of these proposals. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators and in accordance with Section 231 of the Act any act required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them
- The Joint Administrators will be seeking specific agreement to the following proposals from the Secured Creditor
- 15.1.5 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Insolvency Act 1986, upon filing the end of the Administration or their appointment otherwise ceasing
- 15.1.6 Where a Creditors' Committee is not established, that the Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration
- 15.1.7 Where a Creditors' Committee is not established, that the Joint Administrators' Fee Estimate in the total sum of £106,388 is approved

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

Appendix 3 – Receipts and Payments account

Pennine Manor Hotel Limited
(In Administration)
Administrators' Trading Account
To 15/01/2020

S of A £	£	£
POST APPOINTMENT SALES		
Sales	76,702.96	
Credit card sales	230,698.53	
		307,401.49
PURCHASES		
Purchases (1)	4,555.40	
		(4,555.40)
OTHER DIRECT COSTS		
Wages	203,265.08	
Consumable Stores	5,869.87	
		(209,134.95)
TRADING EXPENDITURE		
Payroll costs	952.15	
Rates	11,148.90	
Heat & Light	7,998.05	
Telephone	5,821.07	
Bank charges	115.63	
Professional Fees	8,373.16	
Ransom payments	11,899.45	
Hire of Equipment	855.00	
Repairs & Maintenance	9,203.20	
Sales Commission	14,845.68	
Advertising	423.00	
Staff Training	50.95	
IT Costs	447.73	
Laundry	26,816.75	
Food	46,853.06	
Drinks	15,223.01	
Attachment of Earnings	483.72	
Entertainment	8,654.46	
Licence Fee	295.00	
		(170,459.97)
TRADING SURPLUS/(DEFICIT)		(76,748.83)

Pennine Manor Hotel Limited
(In Administration)
Administrators' Summary of Receipts & Payments
To 15/01/2020

S of A £	£	£
ASSET REALISATIONS		
Debtors	2,850.46	
Cash at Bank	42,968.26	
Bank Interest Gross	88.30	
Trading Surplus/(Deficit)	(76,748.83)	(30,841.81)
COST OF REALISATIONS		
NPD Recharge	222.22	
Statutory Advertising	87.48	(309.70)
		(31,151.51)
REPRESENTED BY		
VAT Receivable		2,734.68
Floating/main current account		11,164.18
VAT payable		(1,174.65)
General VAT control account		(43,875.72)
		(31,151.51)

Appendix 4 – Schedule of Expenses

A summary of expenses incurred during the period of this report is set out below

Schedule of Expenses	Incurred in the prior period but not accrued for (£)	Incurred and paid in the period (£)	Incurred in the period and not yet paid (£)
Expenses			
Agents/Valuers fees	2,000		23,750
Bank charges	116		
Insurance of assets	225		9,311
Legal fees			51,333
Utilities	7,998		
VAT paid/payable	43,876		1,175
Total	53,990		85,569

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 incurred the following disbursements during the reporting period.

SIP 9 - Disbursements					
Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Accommodation					
Courier and delivery costs	422				
Meals	30				
Postage					
Mileage	502				
Travel					
Total					

Please note that this table includes expenses incurred by Duff & Phelps Ltd and is therefore unlikely to reconcile with the disbursements shown in the Schedule of Expenses.

Appendix 6 – Narrative of work carried out for the period to 15 January 2020

SIP 9 narrative for the period 16 July 2019 to 15 January 2020

Administration and planning	<ul style="list-style-type: none"> Monitoring and reviewing the Administration strategy Briefing staff on the Administration strategy and matters in relation to workstreams Regular case management and reviewing of process including regular team update meetings and calls Meeting with management to review and update strategy and monitor progress Reviewing and authorising junior staff correspondence and other work Dealing with queries arising during the appointment Reviewing matters affecting the outcome of the Administration Allocating and managing staff, case resourcing and budgeting exercises and reviews Liaising with legal advisors regarding various instructions including agreeing content of engagement letters and Complying with internal filing and information recording practices including documenting strategy decisions
Creditors	<ul style="list-style-type: none"> Updating the list of Unsecured Creditors Responding to enquiries from Creditors regarding the Administration and submission of their claims Reviewing completed forms submitted by Creditors, recording claim amounts and maintaining claim records and Drafting progress statutory progress reports Providing written and oral updates to the Secured Lenders regarding the progress of the Administration and cases strategy
Investigations	<ul style="list-style-type: none"> Managing and reviewing the Company books and records Investigating the affairs of the Company to identify any actions available to the Company against third parties in respect of antecedent transactions or other litigation 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	<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 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
Cashiering	<ul style="list-style-type: none"> Preparing statutory receipts and payments accounts Renewing bonding and complying with statutory requirements Processing all receipts and payments

Asset realisations

- Collating information from the Company's records regarding assets, specifically compiling historical Company records on motor vehicles, records of purchase and part-exchange trading on the vehicles
- Liaising with agents regarding the valuation, marketing and sale of assets
- Reviewing outstanding debtors and management of debt collection strategy
- Seeking legal advice in relation to book debt collections
- Liaising with third parties regarding costs incurred
- Reviewing and agreeing invoices
- Reviewing costs incurred to ensure recorded accurately, and

Trading

- Liaising with Assured Hotels regarding all trading and operational requirements
- Attending to supplier and customer queries and correspondence
- Reviewing invoices to ensure they correspond with the relevant purchase orders
- Raising payments to suppliers in respect of Administration costs, and
- Ensuring adequate insurance is in place
- Dealing with employee issues and raising payments for wages

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

106417 PENNINE MANOR HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 16/07/2019 to 15/01/2020

ADM-Admin. - Post Appt.

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
Administration and Planning								
Case review & Case Diary management	0 50	2.70	0.00	3 25	0 00	6.45	1,842.25	285.62
Cashiering & accounting	0 00	25.45	9.80	36 25	0 00	71.50	19,616.25	274.35
IPS set up & maintenance	0 00	0 00	0 00	33 60	0 00	33.60	3,864.00	115.00
Insurance	0 00	5 00	0 00	1 00	0 00	6 00	2,102.50	350.42
Statutory matters (Meetings & Reports & Notices)	0 00	10 50	1 25	32 25	0 00	44 00	10,674.50	242.60
Strategy planning & control	2 20	26 10	10.05	36 75	0 00	75 10	21,277.50	283.32
Tax Compliance / Planning	0 00	0 25	0 00	0 10	0 00	0 35	107.25	306.43
Creditors								
Communications with Creditors / Employees	0 00	1 75	0.00	11 05	0 00	12.80	2,745.00	214.45
Non Pref Creditors / Employee claims handling	0 00	0 00	0 00	0 60	0 00	0 60	101.50	169.17
Secured Creditors	1 00	0 00	9.50	0 10	0 00	10.60	4,116.00	388.30
Investigations								
CDDA & reports & Communication	0 00	0 00	0 00	1 40	0 00	1.40	329.00	235.00
Financial review and investigations (S238/239 etc)	0 00	1 55	0 00	4 10	0 00	5.65	1,375.22	243.40
Realisation of Assets								
Book debts	0 00	0 00	0 00	1 20	0 00	1.20	186.00	155.00
Freehold and Leasehold Property	0 00	56 60	0 00	0 95	0 00	57 55	21,384.25	371.58
Other Intangible Assets	0 00	0 00	0 00	1 25	0 00	1.25	293.75	235.00
Other Tangible Assets	1 50	0 00	0 00	0 00	0 00	1 50	795.00	530.00
Sale of business	0 00	2 00	7 70	0 10	0 00	9.80	3,581.00	365.41
Trading								
Trading - Accounting	0 00	54 85	8.70	2 25	0 00	65.80	22,202.00	337.42
Trading - Employees	0 00	2 75	0 00	10 90	0 00	13.65	3,482.75	255.15
Trading - Insurance	0 00	0 00	0 00	1 90	0 00	1.90	446.50	235.00
Trading - Operations	0 50	16 50	0 00	2 50	0 00	19.50	6,380.00	327.18
Total Hours:	5.70	206.00	47.00	181.50	0.00	440.20		288.28
Total Fees Claimed: £	3,021.00	74,450.97	17,130.00	32,300.25	0.00		126,902.22	

106417 PENNINE MANOR HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 16/07/2019 to 15/01/2020

Investigations

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost	Avg Hourly Rate
	0.00	51.10	16.80	0.00	50.80	118.70	46,328.64	390.30
Total Hours:	0.00	51.10	16.80	0.00	50.80	118.70		390.30
Total Fees Claimed: £	0.00	27,263.64	6,111.00	0.00	12,954.00		46,328.64	

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 disbursements 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).
the Agents	Sanderson Weatherall independent agents who were instructed to value and sell the assets of the Company
the Appointment Date	16 July 2019 being the date of appointment of the Joint Administrators
Assured	Assured Hotels Limited independent agents who were instructed to oversee the management of the Company
the Bank	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	Pennine Manor Hotel Limited (In Administration) (Company Number 04640106)
DBEIS	Department for Business, Energy & Industrial Strategy
the Directors	Gavin Lee Woodhouse and Iain Shelton the directors 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
EC Regulation	EC Regulation on Insolvency Proceedings 2000
Giant	Giant Hospitality Limited
HMRC	HM Revenue and Customs
the Hotel	Pennine Manor Hotel
the Interim Managers	Philip Francis Duffy and Sarah Helen Bell of Duff & Phelps Ltd. The Chancery 58 Spring Gardens Manchester M2 1EW
the Joint Administrators	Philip Francis Duffy and Sarah Helen Bell of Duff & Phelps Ltd. The Chancery 58 Spring Gardens Manchester M2 1EW
NPD	Northern Powerhouse Developments Limited Company Number 09940469.
the reporting period	The period from 16 July 2019 to 15 January 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)

the Secured Creditor Assets	Assets Capital Trust Company Limited, the holder of a fixed and floating charge over the Company's assets
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 Francis Duffy and Sarah Helen Bell, the Joint Administrators of the Company, solely to comply with their statutory duty to report to Creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

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

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

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

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

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

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

Appendix 10 – Proof of debt form

PROOF OF DEBT - GENERAL FORM

Pennine Manor Hotel Limited - in Administration Company No. 04640106		
Date of Administration: 16 July 2019		
1	Name of Creditor <i>If a company please also give company registration number and if non-UK country of registration</i>	REF
2	Address of Creditor for correspondence	
	Contact telephone number of creditor	
	Email address of creditor	
3	Total amount of claim including any Value Added Tax as at the date of administration less any payments made after this date in relation to the claim any deduction under R14 20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14 24 and R14 25	
4	Details of any documents by reference to which the debt can be substantiated (please attach)	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred (if you need more space append a continuation sheet to this form)	
7	Particulars of any security held the value of the security and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	DATE
	Are you the sole member of the creditor?	YES / NO
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	
Admitted to vote for £		Admitted for dividend for £
Date		Date
Administrator		Administrator

AM10

Notice of administrator's progress report



Presenter information

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

Contact name **Max Spolverato**

Company name **Duff and Phelps Ltd.**

Address **The Chancery**

58 Spring Gardens

Post town **Manchester**

County/Region

Postcode

M

2

1

E

W

Country

DX

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



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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