

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	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 Court details

Court name	HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY COURTS															
	IN MANCHESTER, INSOLVENCY AND COMPANIES LIST (ChD)															
Court case number	0	0	0	6	7	9	0	f	2	0	1	9				

3 Administrator's name

Full forename(s)	PHILIP
Surname	DUFFY

4 Administrator's address

Building name/number	C/O KROLL ADVISORY LTD															
Street	THE CHANCERY															
	58 SPRING GARDENS															
Post town	MANCHESTER															
County/Region	GREATER MANCHESTER															
Postcode	M	2			1	E	W									
Country	UNITED KINGDOM															


AM22

Notice of move from administration to creditors' voluntary liquidation

5	Administrator's name ①		
Full forename(s)	SARAH		① Other administrator Use this section to tell us about another administrator.
Surname	BELL		
6	Administrator's address ②		
Building name/number	C/O KROLL ADVISORY LTD		② Other administrator Use this section to tell us about another administrator.
Street	THE CHANCERY		
	58 SPRING GARDENS		
Post town	MANCHESTER		
County/Region	GREATER MANCHESTER		
Postcode	M 2 1 E W		
Country	UNITED KINGDOM		
7	Appointor/applicant's name		
	Give the name of the person who made the appointment or the administration application.		
Full forename(s)	ASSETZ CAPITAL TRUST COMPANY LIMITED		
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	C/O KROLL ADVISORY LTD		
Street	THE CHANCERY		
	58 SPRING GARDENS		
Post town	MANCHESTER		
County/Region	GREATER MANCHESTER		
Postcode	M 2 1 E W		
Country	UNITED KINGDOM		

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 liquidator Use this section to tell us about another liquidator.
11	Proposed liquidator's address ^②	
Building name/number	C/O KROLL ADVISORY LTD	
Street	THE CHANCERY	
	58 SPRING GARDENS	
Post town	MANCHESTER	
County/Region	GREATER MANCHESTER	
Postcode	M 2 1 E W	
Country	UNITED KINGDOM	
		② Other liquidator Use this section to tell us about another liquidator.
12	Period of progress report	
From date	<div> <div>d 1 6</div> <div>m 0 7</div> <div>y 2 0 1 9</div> </div>	
To date	<div> <div>d 0 1</div> <div>m 0 6</div> <div>y 2 0 2 1</div> </div>	
13	Final progress report	
<input checked="" type="checkbox"/> I have attached a copy of the final progress report.		
14	Sign and date	
Administrator's signature	<div> <div>Signature</div> <div>X </div> <div>X</div> </div>	
Signature date	<div> <div>d 0 1</div> <div>m 0 6</div> <div>y 2 0 2 1</div> </div>	

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Presenter information

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

Contact name MATTHEW WELDEN

Company name KROLL ADVISORY LTD

Address THE CHANCERY

58 SPRING GARDENS

Post town MANCHESTER

County/Region GREATER MANCHESTER

Postcode M 2 1 E W

Country UNITED KINGDOM

DX

Telephone +44 (0) 161 827 9000



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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

Final Progress Report to Creditors

01 June 2021

Pennine Manor Hotel Limited
(In Administration)

Joint Administrators' final Progress Report for the period from 16 July 2019
to 01 June 2021 with a summary of the Administration

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

Duff & Phelps rebranded as Kroll in February 2021. Insolvency cases handled by insolvency practitioners from Duff & Phelps Ltd. are still being dealt with in the same way, by the same insolvency practitioners and staff within Duff & Phelps Ltd. However, our staff email addresses are now from kroll.com and in time our correspondence will reflect the Kroll branding.

Contents

1. Introduction	1
2. Creditor summary	2
3. Progress of the Administration	3
4. Outcome for Creditors	5
5. Other matters	6
6. Fees, Expenses and Pre-Administration Costs	7
7. Conclusion of the Administration	8

Appendices

Appendix 1 – Statutory information	10
Appendix 2 – Approved Proposals	11
Appendix 3 – Receipts and Payments account	12
Appendix 4 – Analysis of Expenses Incurred	13
Appendix 5 – Analysis of time charged	14
Appendix 6 – Narrative of work carried out for the period	15
Appendix 7 – Statement of Creditors' rights	17
Appendix 8 – Definitions	18
Appendix 9 – Notice about this report	20

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

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

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

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

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

2. Creditor summary

This Progress Report covers the Reporting Period together with a summary of the Cumulative Period.

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 and the Previous Progress Report, the Joint Administrators pursued the second objective, namely 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.

The Proposals were approved by creditors without modifications, using deemed consent. There were no major amendments to, or deviations from, these Proposals.

The Joint Administrators believe that a better result for the Company's creditors as a whole has been achieved, than if the Company were wound up without first being in Administration for the following reasons:

- The continued trading of the Company by the Joint Administrators facilitated a sale to the Purchaser and allowed an enhanced realisation in regard to the sale of the Hotel albeit it closed prior to the sale due to COVID-19 restrictions;

The third objective has also been achieved as a sale of the Hotel was completed on 17 July 2020 and a distribution was made to the Secured Creditor. Further information is available in section 3.2 of this report.

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

Progress to date

The 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.

As detailed in the Previous Progress Report, the Joint Administrators made an application to Court for permission to sell the freehold of the Hotel. The application was approved at a Court hearing held on 6 February 2020. Further information is detailed in section 3.2 of this report.

Due to the COVID-19 pandemic and associated restrictions on the leisure and hospitality industry, the Joint Administrators temporarily closed the Hotel on 24 March 2020 and placed all staff on furlough under the Government Job Retention Scheme.

Throughout the period of the Hotel's closure, the Joint Administrators continued to liaise with the Agents, Solicitors and Purchaser to finalise the sale of the freehold of the Hotel.

On 3 July 2020, due to the impact of the COVID-19 restrictions and the ongoing trading difficulties the Joint Administrators took the decision to close the trading operations of the Hotel permanently and all staff were made redundant.

On 17 July 2020 a sale of the freehold of the Hotel was completed. The Purchaser paid the Joint Administrators the total consideration of £900,000 on the Completion Date. Further information is provided in section 3.2 of this report.

The overall trading losses from the Appointment Date to the closure of the Hotel are £241k. Further details are provided in section 3 of this report.

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

As detailed in the Previous Progress Report, on the completion of a sale of the Hotel, there were sufficient realisations to make a distribution to the Secured Creditor.

The sum of £644,000 has been distributed to the Secured Creditor under the fixed charge. Any further distribution will be dependent on the discharge of the fixed charge costs of realisations associated with the sale of the Hotel and the final trading position of the Hotel. This will be finalised in the subsequent Liquidation.

It was reported in the Previous Progress Report no preferential claims were anticipated; the Joint Administrators have not received a claim regarding preferential claims to date.

Given realisations achieved to date it is uncertain whether there will be funds available to enable a distribution to Unsecured Creditors. However, the Joint Administrators believe that there will be a distribution to Unsecured Creditors due to the ongoing investigations and the claims that the Company has against third parties.

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. As previously advised, the Joint Administrators' previous progress reports and the Statement of Proposals issued to the Company's Creditors are available to view at website and paper copies can be provided free of charge by writing to Kroll Advisory Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW. 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 took control of the Company's assets and continued to trade the business whilst a sale of the business and assets of the Company were pursued.

The complexities faced by the Joint Administrators during the trading period are explained in depth in the Proposals and Previous Progress Report to creditors. In summary, restrictions introduced due to the COVID-19 pandemic impacted the trading of the business, resulting in a reduced trading period in the Administration.

The Joint Administrators made an application to the Court for permission to sell the Hotel. The hearing took place at the Manchester Civil Justice Centre, 1 Bridge Street West, Manchester M60 9DJ on 6 February 2020 and the Court granted permission for the sale of the Hotel. It should be noted that there are no registered leasehold titles on the freehold of the 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 application papers.

As detailed above, the Hotel was closed on 24 March 2020 in line with Government restrictions introduced due to the COVID-19 pandemic. Following the closure, a review of the trading position was carried out and following this review and the ongoing negotiations with the subsequent Purchaser, the Joint Administrators took the decision to permanently close the Hotel on 3 July 2020.

The Purchaser completed the sale in respect of the fixed assets of the Company, being the freehold of the Hotel and certain fixtures and fittings on 17 July 2020.

3.2 Asset realisations

Realisations during the Cumulative and Reporting 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 traded the Hotel until the date of closure on 24 March 2020.

The Joint Administrators with the assistance of Assured reconciled the trading accounts to confirm the final position.

This has resulted in a cumulative trading receipts and payments deficit of £241,258. The Joint Administrators are in the process of submitting a claim for Business Interruption against their insurance policy in respect of the losses suffered during the period of the closure of the Hotel. A further update regarding this claim will be provided in the subsequent Liquidation.

Detail of the above is set out in the Receipts and Payment Account at Appendix 3.

3.2.2 Freehold property

The Joint Administrators completed the sale of the Hotel on 17 July 2020. Consideration of £900,000 was paid on the Completion Date the apportionment of which can be found in the Previous Progress Report.

To date, an interim distribution of £644,000 has been distributed to the Secured Creditor under its fixed charge.

Any remaining balance will be distributed to the Secured Creditor following the discharge of any outstanding professional fees due to the Solicitors, Agents and the Joint Administrators' fees which have been agreed by the Secured Creditor as a fixed fee of 1.5% of the total sale consideration.

3.2.3 Debtors

According to the Company's books and records the outstanding debts of the Company totalled £9,183 as at the Appointment Date. These related to debts connected with the trading of the Hotel such as hotel bookings and events.

Debtor collections to date total £3,720. There have been no realisations in respect of these debtor balances in the Reporting Period.

Pursuit of the remaining balances will continue in the subsequent Liquidation.

3.2.4 Investigations

It was reported in the Previous Progress Report that investigations into the Company's affairs are currently ongoing. The Joint Administrators still cannot detail the nature of these investigations and the ensuing claims against third parties 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 outstanding lines of enquiry will be followed up by the Joint Liquidators, and an update provided to creditors in the subsequent Liquidation.

3.3 Costs

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

The Joint Administrators' choice of professional advisers and service firms is based on their perception of the respective firms to perform the work, the complexity and nature of the assignment and the basis of their fees.

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

3.3.1 Trading Expenditure

Although the Hotel ceased trading prior to the Reporting Period, the Joint Administrators have reconciled the trading accounts and paid the final trading costs of the PAYE and National Insurance contributions of £52,019 in the Reporting Period.

Full details of the final reconciliation are included on the Receipts and Payments Account at Appendix 3.

3.3.2 Solicitors' fees

The Joint Administrators made a payment of £42,000 in respect of legal fees and £12,833 in respect of legal disbursements to Hewlett Swanson following the sale of the Hotel, details of which can be found in Receipts and Payments Account at Appendix 3.

Given this, outstanding solicitors' fees incurred to date total £28,258 due to Addleshaw Goddard in respect of the advising on the court applications in respect of the sale of the Hotel and the subsequent sale, advice on the investment schemes and ongoing investigations and other ad hoc legal fees.

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.

4. Outcome for Creditors

4.1 Secured Creditors

As referenced in the Previous Progress Report, the Company granted the Secured Creditor a debenture, which conferred fixed and floating charges over all the assets of the Company, created on 14 January 2019.

The Company further granted the Secured Creditor a fixed charge over the Hotel property on 14 January 2019. Given the Company's records at the date of appointment, the Company's indebtedness to the Secured Creditor totalled approximately £750,000 subject to accruing interest and charges.

The Previous Progress Report stated the balance due to the Secured Creditor as at 15 July 2020, inclusive of interest, legal charges and additional charges totalled £834,000.

Following the sale of the Hotel, the sum of £644,000 was distributed to the Secured Creditor under the fixed charge.

A further distribution will be subject to the outcome of the settlement of outstanding professional costs and further realisations, an update to creditors will be provided in this regard in subsequent Liquidation.

4.2 Preferential Creditors

As stated in the Previous Progress Report, the Company's 34 employees were made redundant on 3 July 2020.

As the employees had been retained by the Joint Administrators since the Appointment Date, wages and holiday pay were paid up to date and therefore no preferential claims are anticipated.

4.3 Unsecured Creditors

As detailed in the Previous Progress Report, Unsecured Creditors total £276,775 and claims received to date total £29,891.

There were insufficient realisations to enable a distribution to the Unsecured Creditors of the Company.

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 therefore, Prescribed Part provisions will apply.

The Previous Progress Report stated that until such time a sale of the remaining floating charge assets of the Company has been completed it remained uncertain whether there would be sufficient asset realisations to apply the Prescribed Part or what the value of the Prescribed Part will be.

Following the sale of the Hotel, the hotel fixtures and fittings were negligible and therefore no floating charge realisations were made following the sale of the Hotel and therefore there were insufficient funds available to distribute to creditors from the Prescribed Part.

5. Other matters

5.1 Creditors' Committee

A Creditors' Committee was not established in the Administration as there were insufficient nominations received by the Joint Administrators.

5.2 Joint Administrators' Receipts and Payments account

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

There is currently a cash balance of £32,647. This sum will be remitted to the Joint Liquidators' account.

5.3 Creditors' rights

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

6. Fees, Expenses and Pre-Administration Costs

6.1 Fees and expenses

6.1.1 Time costs

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 revised fee estimate and Kroll's usual charge-out rates for work of this nature.

On 3 December 2020 the Secured Creditor approved the Joint Administrators' resolution to draw 75% of the total fee estimate totalling £469,570 and has also agreed a fixed fee of 1.5% in regard to realisations made by the Joint Administrators of any assets subject to fixed charge security.

These fees will be drawn in the Liquidation.

Time has been charged in six minute units. Details of the time charged for the reporting and cumulative period are attached at Appendix 5.

Time costs incurred in the Reporting Period total £19,720, which represents £12,516 of post appointment time representing 52 hours at an average hourly rate of £243 and £7,204 of specialist investigations time representing 16 hours at an average hourly rate of £450.

Time costs incurred in the Cumulative Period total £358,671 which represents £246,863 of post appointment times representing 860 hours at an average hourly rate of £287 and £111,808 of specialist investigations time representing 281 hours at an average hourly rate of £398.

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

6.1.2 Fees

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

Any future fees will be drawn in the subsequent Liquidation.

6.1.3 Expenses

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

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

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

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

The Joint Administrators provided in their Proposals report to creditors an estimate of expenses for the Administration, totalling £50,480. This was for information purposes only and could possibly change over the course of the Administration.

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

In the Reporting Period, Category 1 expenses of £10,468 were incurred and paid in full. No Category 2 expenses have been incurred or paid in the Reporting Period.

For the whole period of the Administration, Category 1 expenses incurred totalled £65,806 which were paid in full. No Category 2 expenses have been incurred for the same period.

The Joint Administrators do not anticipate that any further expenses will be drawn during the Administration.

6.1.4 Additional information

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

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

6.2 Pre-Administration costs

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

As detailed in the Previous Progress Report, 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. Conclusion of the Administration

The Joint Administrators have now concluded matters that cannot be continued in the Liquidation and therefore the Administration can be brought to an end. This is the Joint Administrators' final report on the Administration and no further reports will be issued.

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

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

The Company's remaining assets will be transferred to the Liquidation estate. There are a number of further costs anticipated to close (an estimate is provided in Appendix 4).

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

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



Philip Duffy
Joint Administrator

Enc.

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

Appendix 1 – Statutory information

Company information		
Company and trading name	Pennine Manor Hotel Limited	
Date of incorporation	17 January 2003	
Registered Number	04640106	
Company Director(s)	Ian Shelton Gavin Woodhouse (resigned 9 July 2019)	
Company Secretary	None appointed	
Shareholders	Northern Powerhouse Developments Limited (1 ordinary share of £1)	
Trading address	Nettleton Hill Road Scapegoat Hill Huddersfield	
Registered office	Current: c/o Kroll Advisory Ltd The Chancery 58 Spring Gardens Manchester M2 1EW	Former: Northern PD Elland Riorges Link Lowfields Business park Elland HX5 9DG
Any Other trading names	N/A	
Administration information		
Administration Appointment	The Administration appointment granted in High Court in Manchester, 00679 of 2019	
Appointor	Secured Creditor	
Date of Appointment	16 July 2019	
Joint Administrators	Philip Duffy and Sarah 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 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 Joint Administrators' Proposals shall be deemed approved by the creditors on the expiry of the period in which a decision can be requisitioned by creditors as detailed in the Appendix 8. In paragraphs 15.1.1 to 15.1.4 below:

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 Kroll Advisory Ltd 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 secure creditor:

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.

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.

Where a Creditors' Committee is not established, that the Joint Administrators' Fee Estimate in the total sum of £64,065 is approved.

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").

Where a Creditors' Committee is not established, that the unpaid Pre-Administration costs totalling £5,205 plus VAT as detailed in the Joint Administrators' statement of Pre-Administration costs is approved for payment as an expense of the Administration.

Appendix 3 – Receipts and Payments account

Pennine Manor Hotel Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 16/01/2021 To 01/06/2021 £	From 16/07/2019 To 01/06/2021 £
POST APPOINTMENT SALES		
Sales	NIL	102,277.78
Credit card sales	7,489.71	309,287.48
Job Retention Scheme Claim	NIL	66,222.13
	7,489.71	477,787.39
PURCHASES		
Purchases	NIL	4,695.40
	NIL	(4,695.40)
OTHER DIRECT COSTS		
Wages	NIL	348,622.41
Pension Contributions	NIL	10,912.30
PAYE/NI	52,018.53	59,867.41
	(52,018.53)	(419,402.12)
TRADING EXPENDITURE		
Payroll costs	NIL	2,802.04
Rates	NIL	16,044.70
Heat & Light	NIL	40,316.00
Telephone	NIL	10,600.26
Bank charges	NIL	115.63
Insurance	NIL	19,105.85
Prof Fees: Hotel Operating Agent	NIL	12,762.91
Ransom payments	NIL	11,899.45
Customer Refunds	NIL	3,500.00
Hire of Equipment	NIL	855.00
Repairs & Maintenance	NIL	13,127.71
Sales Commission	NIL	19,277.28
Advertising	NIL	423.00
Postages	NIL	609.50
Staff Training	NIL	305.70
IT Costs	NIL	9,381.29
Laundry	NIL	35,097.51
Food	NIL	60,130.38
Drinks	NIL	27,640.17
Attachment of Earnings	127.34	1,623.62
Entertainment	NIL	9,034.46
Licence Fee	NIL	295.00
	(127.34)	(294,947.46)
TRADING SURPLUS/(DEFICIT)	(44,656.16)	(241,257.59)

Pennine Manor Hotel Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 16/01/2021 To 01/06/2021 £	From 16/07/2019 To 01/06/2021 £
SECURED ASSETS		
Freehold Land & Property	NIL	900,000.00
	NIL	900,000.00
COSTS OF REALISATION		
Legal Fees	NIL	42,000.00
Legal Disbursements	NIL	12,833.40
	NIL	(54,833.40)
SECURED CREDITORS		
Chargeholder (1)	NIL	644,000.00
	NIL	(644,000.00)
ASSET REALISATIONS		
Bank Interest Gross	NIL	121.75
Cash at Bank	NIL	42,968.26
Debtors	NIL	3,720.46
Stock	NIL	3,820.00
Trading Surplus/(Deficit)	(44,656.16)	(241,257.59)
	(44,656.16)	(190,627.12)
COST OF REALISATIONS		
Agents Disbursements	NIL	637.31
Agents/Valuers Fees	10,218.00	10,218.00
Insurance	198.85	198.85
NPD Investor Meeting Recharge	NIL	222.22
Professional Fees	250.00	250.00
Statutory Advertising	NIL	87.48
	(10,666.85)	(11,613.86)
	(55,323.01)	(1,074.38)
REPRESENTED BY		
Fixed bank account		19,599.94
Fixed charge VAT control account		10,944.68
Floating/main current account		13,046.91
General VAT control account		(53,853.72)
VAT payable		(1,654.78)
VAT Receivable		10,842.59
		(1,074.38)

Appendix 4 – Analysis of Expenses Incurred

Joint Administrators' Expenses: Category 1 and Category 2

Category 1 Expenses			Current period		Cumulative period	
Company	Activity	Fee Basis	Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
Accurate Mailing Services	Mailing agent	Fixed fee	0	0	610	610
Hewlett Swanson	Sale of the hotel	Time costs	0	0	42,000	42,000
Hewlett Swanson	Legal Disbursements accrued	As accrued	0	0	12,833	12,833
Sanderson Weatherall	Valuation & marketing of Hotel	Time costs	10,218	10,218	10,218	10,218
Sanderson Weatherall	Agents Disbursements accrued	As accrued	0	0	199	199
Clumber Consultancy Ltd	Pensions advice	As accrued	250	250	250	250
Total			10,468	10,468	65,860	65,860

Notes

The above costs exclude VAT

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

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

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

Appendix 5 – Analysis of time charged

Joint Administrators' Fees

106417 PENNINE MANOR HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 18/01/2021 to 21/05/2021

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	0.00	0.00	2.50	0.00	2.50	400.00	160.00
Cashiering & accounting	0.00	1.30	1.80	5.05	0.00	8.15	2,411.50	295.89
IPS set up & maintenance	0.00	0.00	0.00	0.30	0.00	0.30	45.00	150.00
Insurance	0.00	1.80	0.00	0.00	0.00	1.80	702.00	390.00
Statutory matters (Meetings & Reports & Notices)	0.00	2.75	1.40	21.70	0.00	25.85	5,828.50	225.47
Strategy planning & control	0.00	1.00	0.00	7.65	0.00	8.65	1,968.50	227.57
Tax Compliance / Planning	0.00	0.25	0.00	1.60	0.00	1.85	337.50	182.43
Creditors								
Communications with Creditors / Employees	0.00	0.00	0.00	0.20	0.00	0.20	50.00	250.00
Trading								
Trading - Accounting	0.00	1.50	0.00	0.00	0.00	1.50	585.00	390.00
Trading - Employees	0.00	0.00	0.00	0.75	0.00	0.75	187.50	250.00
Total Hours:	0.00	8.60	3.20	39.75	0.00	51.55		242.78
Total Fees Claimed: £	0.00	3,450.00	1,634.00	7,431.50	0.00		12,515.50	

Category 2 Disbursements:

106417 PENNINE MANOR HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 18/01/2021 to 21/05/2021

Investigations

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
	0.00	8.80	0.00	0.00	7.20	16.00	7,204.00	450.25
Total Hours:	0.00	8.80	0.00	0.00	7.20	16.00		450.25
Total Fees Claimed: £	0.00	5,368.00	0.00	0.00	1,836.00		7,204.00	

Category 2 Disbursements:

106417 PENNINE MANOR HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 16/07/2019 to 21/05/2021

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	1.00	3.15	0.00	9.15	0.00	13.30	3,531.25	265.51
Cashiering & accounting	0.00	51.45	23.70	96.55	0.00	171.70	47,485.25	276.56
IPS set up & maintenance	0.00	0.00	0.00	33.90	0.00	33.90	3,909.00	115.31
Insurance	0.00	7.55	0.00	2.45	0.00	10.00	3,436.50	343.65
Statutory matters (Meetings & Reports & Notices)	0.00	23.60	4.75	107.20	0.00	135.55	32,608.25	240.56
Strategy planning & control	3.20	27.10	10.05	53.80	0.00	94.15	25,800.50	274.04
Tax Compliance / Planning	0.00	1.50	0.00	3.05	0.00	4.55	1,082.25	237.86
Creditors								
Communications with Creditors / Employees	0.00	2.50	0.00	33.95	0.00	36.45	8,067.50	221.33
Non Pref Creditors / Employee claims handling	0.00	0.00	0.00	0.80	0.00	0.80	151.50	189.38
Pref claims adjudication & distribution	0.00	0.00	0.00	1.80	0.00	1.80	354.00	196.67
Secured Creditors	1.00	0.00	20.90	5.10	0.00	27.00	9,971.50	369.31
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	7.20	11.90	20.65	4,874.72	236.06
Realisation of Assets								
Book debts	0.00	1.75	0.00	4.00	0.00	5.75	1,163.75	202.39
Freehold and Leasehold Property	0.00	57.85	0.00	2.40	0.00	60.25	22,227.50	368.92
Other Intangible Assets	0.00	0.00	0.00	1.25	0.00	1.25	293.75	235.00
Other Tangible Assets	1.50	0.25	0.00	0.00	0.00	1.75	892.50	510.00
Sale of business	1.50	2.25	29.20	0.20	0.00	33.15	13,738.75	414.44
Trading								
Trading - Accounting	0.00	73.15	25.70	18.05	0.00	116.90	39,840.25	340.81
Trading - Employees	0.00	14.00	0.00	39.55	0.00	53.55	14,999.00	280.09
Trading - Insurance	0.00	0.00	0.00	2.65	0.00	2.65	628.00	236.98
Trading - Operations	0.50	27.95	0.00	5.15	0.00	33.60	11,478.75	341.63
Total Hours:	8.70	295.60	114.30	429.60	11.90	860.10		287.02
Total Fees Claimed: £	4,851.00	110,839.22	45,703.00	82,435.75	3,034.50		246,863.47	

Category 2 Disbursements:

106417 PENNINE MANOR HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 16/07/2019 to 21/05/2021

Investigations

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
	0.00	131.55	18.80	2.20	128.55	281.10	111,807.78	397.75
Total Hours:	0.00	131.55	18.80	2.20	128.55	281.10		397.75
Total Fees Claimed: £	0.00	71,568.75	6,851.00	607.78	32,780.25		111,807.78	

Category 2 Disbursements:

Appendix 6 – Narrative of work carried out for the period

The key areas of work have been:

SIP 9 narrative for the period

Administration and planning	<ul style="list-style-type: none"> • Monitoring and reviewing the Administration strategy; • Briefing staff on the Administration strategy and matters in relation to workstreams; • Regular case management and reviewing of process including regular team update meetings and calls; • Meeting with management to review and update strategy and monitor progress; • Reviewing and authorising junior staff correspondence and other work; • Dealing with queries arising during the appointment; • Reviewing matters affecting the outcome of the Administration; • Allocating and managing staff/ case resourcing and budgeting exercises and reviews; • Liaising with legal advisors regarding various instructions, including agreeing content of engagement letters; and • Complying with internal filing and information recording practices, including documenting strategy decisions.
Creditors	<ul style="list-style-type: none"> • Updating the list of Unsecured Creditors; • Responding to enquiries from Creditors regarding the Administration and submission of their claims; • Reviewing completed forms submitted by Creditors, recording claim amounts and maintaining claim records; and • Drafting progress statutory progress reports. • Providing written and oral updates to the Secured Lenders regarding the progress of the Administration and cases strategy; and • Filing notice of the extension of the Administration.
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; and• Renewing bonding and complying with statutory requirements;
Asset realisations	<ul style="list-style-type: none">• Collating information from the Company's records regarding assets;• Liaising with finance companies in respect of assets subject to finance agreements;• Liaising with agents regarding the sale of assets;• Reviewing outstanding debtors and management of debt collection strategy;• Collecting and paying rent due on the Company's remaining premises;• Reviewing and agreeing invoices;• Reviewing costs incurred to ensure recorded accurately; and• Arranging payments to agents and solicitors in a timely manner.
Trading	<ul style="list-style-type: none">• 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• Contacting all suppliers to obtain final invoices for the trading period.
Tax	<ul style="list-style-type: none">• 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 Matthew Welden at Matthew.Welden@duffandphelps.com.

Information for Creditors on remuneration and expenses of Administrators

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

<https://www.duffandphelps.co.uk/services/disputes-and-investigations/restructuring/corporate-restructuring/creditor-guides-and-employee-fact-sheets>.

Should you require a copy, please contact this office.

Creditors' requests for further information

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

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

Creditors' right to challenge our remuneration and expenses

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

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

The full text of the relevant rules can be provided on request by writing to Matthew Welden at Kroll Advisory Ltd, 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
Category 1 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to persons providing the service to which the expense relates and who are not an associate of the Administrator. These expenses can be paid without prior approval
Category 2 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to associates or where there is an element of shared costs. Such expenses require approval by creditors before payment
the Company	Pennine Manor Hotel Limited (In Administration) (Company Number: 04640106)
the Cumulative Period	The period from 16 July 2019 to 01 June 2021
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
Interim Managers	Philip Duffy and Sarah Bell of Kroll Advisory Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW
the Joint Administrators	Philip Francis Duffy and Sarah Helen Bell of Kroll Advisory Ltd., The Chancery, 58 Spring Gardens, Manchester M2 1EW
NPD	Northern Powerhouse Developments Limited (Company Number: 09940469) (In Administration)
the Reporting Period	The period from 16 January 2021 to 01 June 2021

Preferential Creditors	A creditor with a claim that ranks in priority to other unsecured creditors, to floating charge holders and the prescribed part. Preferential debts are either 'ordinary', such as certain employee claims, or 'secondary', such as HMRC's claims for VAT and PAYE income tax, which will rank for payment after the ordinary preferential claims are paid in full
the Prescribed Part	Pursuant to Section 176A of the Act, where a floating charge is created after 15 September 2003, a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to Unsecured Creditors
the Previous Progress Report	The Joint Administrators' Progress Report to Creditors for the period 16 July 2020 to 15 January 2021
the Purchaser	Resource Medical (UK) Limited
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
the Secured Creditor	Assetz Capital Trust Company Limited, the holder of 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 expenses

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 (England and Wales) Rules 2016 on the progress of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

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

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

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

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, Kroll Advisory Ltd does not assume any responsibility and will not accept any liability to any person in respect of this Progress Report or the conduct of the Administration.