



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

1 Company details

Company number 0 8 2 8 1 3 4 0

Company name in full Monk Fryston Hall Hotel Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Julian

Surname Pitts

3 Administrator's address

Building name/number Floor 2

Street 10 Wellington Place

Post town Leeds

County/Region

Postcode L S 1 4 A P

Country

4 Administrator's name ①

Full forename(s) Bob

Surname Maxwell

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Floor 2

Street 10 Wellington Place

Post town Leeds

County/Region

Postcode L S 1 4 A P

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 1	^d 6	^m 0	^m 3	^y 2	^y 0	^y 2	^y 3
To date	^d 1	^d 5	^m 0	^m 9	^y 2	^y 0	^y 2	^y 3

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 1	^d 2	^m 1	^m 0	^y 2	^y 0	^y 2	^y 3
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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 **Cameron Smith**

Company name **Begbies Traynor (Central) LLP**

Address **Floor 2**

10 Wellington Place

Post town **Leeds**

County/Region

Postcode

L	S	1		4	A	P
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Country

DX

Telephone **0113 244 0044**

**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

Julian Pitts and Bob Maxwell were appointed Joint Administrators on 16 September 2022

The affairs, business and property of the Company are being managed by the Joint Administrators, who act as the Company's agents and without personal liability.

Monk Fryston Hall Hotel Limited (In Administration)

Progress report of the Joint Administrators

Period: 16 March 2023 to 15 September 2023

Important Notice

This progress report has been produced by the Administrators solely to comply with their statutory duty to report to creditors on the progress of the Administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Monk Fryston Hall Hotel Limited (In Administration)
"the Administration"	The appointment of Administrators under Schedule B1 to the Insolvency Act 1986 on 16 September 2022
"the Administrators" "we" "our" and "us"	Julian Pitts of Begbies Traynor (Central) LLP, Floor 2, 10 Wellington Place, Leeds, LS1 4AP and Bob Maxwell of Begbies Traynor (Central) LLP, Floor 2, 10 Wellington Place, Leeds, LS1 4AP
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	Monk Fryston Hall Hotel Limited
Trading name:	Monk Fryston Hall Hotel
Date of Incorporation:	5 November 2012
Company registered number:	08281340
Company registered office:	Floor 2, 10 Wellington Place, Leeds, LS1 4AP

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of the Administrators:	Julian Pitts, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Floor 2, 10 Wellington Place, Leeds, LS1 4AP and Bob Maxwell, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, Floor 2, 10 Wellington Place, Leeds, LS1 4AP
Date of Administrators' appointment:	16 September 2022
Court:	High Court of Justice, Business And Property Courts in Leeds, Insolvency And Companies List (ChD)
Court Case Number:	CR-2022-LDS-000678
Persons making appointment:	Sharon Mason and Geoff Davies in their capacity as directors of the Company.
Acts of the Administrators:	The Administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an Administrator may be done by any one or more persons holding the office of Administrator from time to time.
Type of Proceedings:	The proceedings will be COMI proceedings, as defined by the Insolvency (England and Wales) Rules 2016 (as amended).
Extensions of the Administration period	The Administration period was extended with the consent of creditors for a period of 12 months.

4. PROGRESS DURING THE PERIOD

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 16 March 2023 to 15 September 2023.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details>. Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 2. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment.

The details below relate to the work undertaken in the period of the report only. Our previous report contains details of the work undertaken since our appointment.

General case administration and planning

We have populated and maintained the virtual electronic case files during the period. In addition, we have maintained the regular internal meetings and calls in order to carry out the following:

- Review the strategy in relation to realisation of the Company's freehold property and progression of the same; and
- Carrying out internal case reviews to ensure all matters are being dealt with in accordance with statutory obligations and best practice and that matters are progressing.

Whilst this work is of no direct financial benefit to creditors, we are required to maintain records to demonstrate how the case is administered and to document the reasons for any decisions that materially affect the case.

Compliance with the Insolvency Act, Rules and best practice

We have a duty to comply with the Act, Rules and best practice. The time incurred preparing and sending our previous progress report to creditors falls under the period of this report. In addition, we have extended the period of the Administration until 15 September 2024 with the consent of the Company's creditors.

Our cashing team has spent time in reconciling the bank account and processing receipts and payments within the period. We have also continued to monitor the statutory bond to ensure it is sufficient to cover the value of realisations in the Administration.

Whilst this work is of no direct financial benefit to creditors, it is necessary in accordance with the Act, Rules and best practice.

Realisation of assets

Monk Fryston Hall Hotel

Further work has been undertaken in order to realise the Company's freehold property known as Monk Fryston Hall Hotel. As creditors are aware, the sale process was protracted due to a number of continuing issues with the property and required extensive correspondence with the directors, utility providers, Barclays Bank plc ("Barclays") as secured creditors, as well as our solicitors and agents.

Whilst there was an ongoing dispute with the Company's directors regarding legal ownership of one of the buildings forming part of the hotel, no further evidence was provided to support the position. As a contingency, our agents and solicitors worked up an alternative sale scenario in the event the property title needed to be split prior to a sale. This took a considerable amount of planning, advice and consideration.

Once we had finalised the protracted negotiations with the interested parties, an offer for the sale of the property was accepted. As part of the agreement, we entered into a deposit agreement, including a non-refundable deposit of £100,000, to secure the sale on 12 May 2023. This included a provision for a sale of the property to complete within three weeks of this date unless the parties agreed to an extension of time.

After further work undertaken during the subsequent period, including a revision to the three-week completion deadline, the sale of the property eventually completed on 9 June 2023 for the total sum of £2.3m. In order to provide vacant possession for the purchaser, it was agreed that the directors' possessions would be stored at a third-party site. The sum of £13,520 has been paid to Express Movers in relation to the removal of storage of the possessions.

A significant amount of advice was required from our solicitors, Pinsent Masons. The costs incurred by Pinsent Masons relating to the property and other advice in relation to the property, including the sale, total £92,496 together with disbursements of £153. These costs have now been discharged in full.

Our agents, Eddisons Commercial Limited, have been paid the sum of £34,500, equivalent to 1.5% of gross realisations, together with marketing and other disbursements totalling £1,990. Edisons have also been paid the valuation fee of £2,500.

Since our appointment, RemoteZone have secured and provided necessary maintenance and other repairs to the property. The total sum of £29,870 has been paid in respect of the services provided to the Company to the date of completion.

In order to sell the property, energy performance certificates were required to be commissioned. Clarius Business Services Limited carried out the assessments at a cost of £1,415.

Ongoing utility supplies in the sum of £8,043 have been paid to date. We remain in correspondence with the other utility providers to obtain final invoices following the sale of the property. We expect this to be concluded shortly.

The Company has incurred an insurance premium of £36,313 with Eddisons Insurance Services Limited. The liability has not yet been discharged.

Other Realisations

We realised interest in the sum of £1,429 on the funds held in the Administration bank account and a utility refund of £3 has also been received from Northern Electric plc.

This work directly benefited creditors of the Company as it resulted in the sale of the Company's primary asset.

Dealing with all creditors' claims (including employees), correspondence and distributions

We answered creditor queries and recorded the claims submitted by creditors. In addition, we have liaised with and reported to the Company's secured creditor, Barclays.

Following completion of the sale of the property, we distributed the proceeds to Barclays under its fixed charge security. The total sum of £1.81m was paid in this regard to discharge Barclays indebtedness in full.

Some of this work represented a financial benefit to creditors and the other aspects of this work was necessary to ensure that creditors have access to information and will assist us in the event we can declare a dividend to other classes of creditor.

Other matters which includes seeking decisions of creditors via deemed consent procedure and/or decision procedures, meetings, tax, litigation, pensions and travel

Discussions and meetings have been held with our agents in order to discuss the progress of the offers made in relation to the Company's property and how best to progress the sale to maximise the benefit to creditors.

Time under this heading has also been spent dealing with the Company's tax matters, including completion of VAT returns.

The Company's former accountants, Langricks, were instructed to assist the directors with the preparation of the statement of affairs. Their agreed costs of £2,500 have been paid. Langricks have also been instructed to deal with the outstanding corporation tax matters for the Administration, including any capital gain following the sale of the property.

Pinsent Masons pre-appointment costs for assisting the directors with placing the Company into Administration in the sum of £7,504 have been discharged.

Whilst this does not benefit creditors financially, it is necessary to ensure the efficient and compliant progression of the Administration, which ensures that we carry out our work to high professional standards.

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided in our statement of proposals.

On the basis of realisations to date we estimate an outcome for each class of the Company's creditors as follows:

Secured creditor

As previously advised, Barclays has been granted a debenture and a mortgage over the Company's property. The total amount due to Barclays, totalling £1.81m, has been paid in full following the sale of Monk Fryston Hall Hotel.

Preferential creditors

We consider that there may be sufficient funds for a dividend to be paid to preferential creditors.

Secondary preferential creditors

Based upon realisations to date and estimated future realisations, there will be insufficient funds available to enable a dividend to be paid to HM Revenue & Customs as secondary preferential creditor.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of how the prescribed part for unsecured creditors is calculated were provided in our statement of proposals.

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act, to be £nil and the prescribed part of the Company's net property to be £nil.

The secured creditor was repaid in full in accordance with its fixed charge security. The prescribed part is therefore no longer applicable.

Unsecured creditors

Based upon realisations to date and estimated future realisations there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

Effect of Administration on limitation periods under the Limitation Act 1980

As we have previously confirmed, the Limitation Act 1980 continues to apply to all debts due from the Company. Case law indicates that where a company is in Administration, time does not stop running for limitation purposes pursuant to the Limitation Act 1980. If you have any concerns in relation to your claim against the Company becoming time-barred during the course of the administration, we strongly recommend that you seek independent legal advice on the options available to you to prevent this.

6. PRE-ADMINISTRATION COSTS

On 28 April 2023 the following amounts in respect of unpaid pre-administration costs were approved by the secured creditor:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor (Central) LLP	17,430.50	3,486.10	20,916.60
Our disbursements in relation to the Work	Begbies Traynor (Central) LLP	54.00	10.80	64.80
Legal fees	Pinsent Mason LLP	7,504.00	1,500.80	9,004.80
Legal disbursements	Pinsent Mason LLP	61.95	2.39	64.34
TOTAL PRE-ADMINISTRATION COSTS		25,050.45	5,010.09	30,060.54

7. REMUNERATION & EXPENSES

Our remuneration has been fixed by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters as set out in the fees estimate totalling £100,356.

We are also authorised to draw expenses for services provided by our firm and/or entities within the Begbies Traynor Group, in accordance with our firm's policy, details of which accompanied the Statement of proposals for achieving the purpose of Administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 16 March 2023 to 15 September 2023 amount to £45,996 which represents 126 hours at an average rate of £366 per hour.

The following further information in relation to our time costs and expenses is set out at Appendix 2:

- Time Costs Analysis for the period 16 March 2023 to 15 September 2023
- Begbies Traynor (Central) LLP's charging policy

To 15 September 2023, we have not drawn any remuneration, against total time costs of £119,535 incurred since the date of our appointment.

Time Costs Analysis

The Time Costs Analysis for the period of this report attached at Appendix 2 shows the time spent by each grade of staff on the different types of work involved in the case, and gives the total costs and average hourly rate charged for each work type. An additional analysis is also attached which details the time costs for the entire period for which we have administered the Administration.

Please note that each analysis provides details of the work undertaken by us and our staff following our appointment only.

As this is our first progress report since the basis of our remuneration was fixed, we are obliged by the Rules to provide creditors with details of the costs incurred in the period since appointment and a description of the work undertaken for the period since our appointment.

The costs that were incurred from the date of our appointment to 15 March 2023 amount to £73,539. Details of the costs incurred during the period of this report are stated above.

The information provided in section 4 above relates to the work undertaken during the period of this report. We have set out below details of the work undertaken prior to the period covered by this report so as to avoid any repetition:

General case administration and planning

- Populated and maintained the virtual electronic case files;
- Carrying out case and compliance reviews at regular intervals;
- Maintained and updated the strategy for the Administration, primarily relating to the realisation of the Company's freehold property; and
- Visiting the Company's property to determine the location and security of the books and records.

Compliance with the Insolvency Act, Rules and best practice

- Initial statutory notifications of our appointment to the creditors, shareholders and other stakeholders;
- Advertised our appointment in the London Gazette;
- We have produced and circulated our Statement of Proposals to creditors to provide details of our appointment and the anticipated outcome for creditors. The Statement of Proposals has been sent to the Registrar of Companies and made available on our website for the convenience of creditors;
- The directors have a duty to provide details of the Company's financial position as at the date of our appointment. We wrote to the directors to notify them of their duty and have followed up our notification to assist with their queries;
- Carried out regular reviews of the statutory bond against our anticipated realisations to ensure that it remains sufficient to safeguard the interests of the Company's creditors; and

- Reconciling the bank account and processing receipts and payments within the period.

Investigations

- Since our appointment, we have undertaken investigations regarding the conduct of the directors and reported to the Department for Business, Energy and Industrial Strategy. We can confirm that we have discharged our duty in this respect.

Realisation of assets

- Considerable time was spent in attempting to realise the Company's property known as Monk Fyrston Hall Hotel. This has required extensive correspondence with utility companies, the Directors of the company, Barclays, our solicitors and our agents.
- Eddisons were instructed to value and market the property for sale. The marketing exercise initially generated significant interest in the site and viewings were held and indicative offers received. Due to the level of interest, Eddisons set a best and final deadline for offers together with proof of funding of 20 January 2023.
- The offers received as part of this process varied significantly. We therefore spent additional time refining the terms of the offers put forward to ensure that the best offer for all creditors was accepted.
- The sale of the Company's property has been complicated by a number of matters. These matters include a significant water leak caused by a burst pipe, two break ins perpetrated by urban explorers requiring additional visits by our agents and police to the property and the continued residence of the Company's former directors in one of the buildings on site. All these factors have added to the time and cost of realising the property.
- There has also been an ongoing dispute between the Company's directors and the secured chargeholder regarding the proper legal ownership of one of the buildings on the Company's property. Reviewing the paperwork and correspondence in relation to this matter has increased the costs and delayed proceedings, as well as requiring input and advice from Pinsent Masons.

Dealing with all creditors' claims (including employees), correspondence and distributions

- We assisted the employees in making their claims for monies owed with the Redundancy Payments Service following their redundancy. The same assistance was provided to the Company's directors;
- Answering creditor queries and in recording the claims submitted by creditors; and
- We have also reported to and liaised with Barclay in order to keep them appraised of the progress in the Administration and the progression of the sale of the asset subject to their security.

Other matters which includes seeking decision of creditors via the deemed consent procedure and/or decision procedures, meetings, tax, litigation, pensions and travel

- Discussions and meetings were held with our agents in order to discuss the progress of the offers made in relation to the Company's property and how best to progress the sale to maximise the benefit to creditors;
- We sought a decision of creditors following issue of our Statement of Proposals in order to agree the basis of our remuneration, disbursements, approval of the proposals and our discharge as Administrators once the Administration has concluded;
- Dealing with the Company's tax matters, including terminal tax loss relief and completion of VAT returns; and
- The Company's former accountants, Langricks, were instructed to assist the directors with the preparation of the statement of affairs.

As can be seen from the information above, we have exceeded the limit of our approved remuneration. For the avoidance of any doubt, we have not drawn any remuneration in excess of the level approved. The reasons why the approved level of remuneration has been exceeded are as follows:

- Protracted sale process for Monk Fryston Hall Hotel as a result of the various issues previously identified, including ownership dispute, deteriorating condition of the fabric of the building and occupation of the directors at the property.
- The previously approved fees estimate was based on charge out rates that were applied by our firm at the time the estimate was produced. With effect from 10 July 2023, the charge out rates of all grades of staff were increased (see Appendix 2).

We are not at this stage proposing to seek an increase to our approved remuneration but reserve the right to do so at a later date should this be required.

Category 1 Expenses

To 15 September 2023, we have not drawn any expenses against those incurred in the sum of £591.

Category 2 Expenses

Details of the Category 2 expenses that have been incurred since the necessary approval was obtained in the total sum of £105,173 are as follows:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Eddisons Commercial Limited, which is a member of the Begbies Traynor Group, has provided valuation and agency services. The purpose of obtaining such services was to determine the value of the Property and for the sale on behalf of the Administrators.	34,500.00 (agency fee) 2,500.00 (valuation fee) 1,990.00 (disbursements)
Remotzone, which is a member of the Begbies Traynor Group, has provided security services for the Company's freehold property up to the date of sale.	29,869.97
Eddisons Insurance Services Limited ("EIS"), which is a member of the Begbies Traynor group, has provided insurance brokerage services, having arranged open cover insurance in relation to the Company's assets.	36,312.82
TOTAL	105,172.79

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2021' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

8. ADMINISTRATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3. A cumulative statement of expenses also appears at Appendix 3 which details the expenses incurred since the date of our appointment, together with a table of future expenses to be incurred.

Expenses actually incurred compared to those that were anticipated

Creditors will recall that we estimated that the expenses of the Administration would total £350,480 to £430,027. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

Expenditure incurred to date

Legal Fees

Pinsent Masons LLP incurred costs of £92,496 and disbursements of £153 to the date of this report. These relate to general matters arising throughout the period of the Administration to include reviewing offers for the property, considering searches and deducing the title, assistance with correspondence with the largest unsecured creditor, tenancy matters, drafting and negotiating a deposit agreement, drafting sale contracts and providing legal advice generally on matters arising throughout.

Agents Fees – Eddisons Commercial Limited

Eddisons are an associated party to the Begbies Traynor Group and require Category 2 approval from creditors. Eddisons are providers of insurance services, property valuation and sale agents and chattel agents.

Full details of these costs are set out below and further detail is provided in the appendices.

Property

Eddisons were instructed to market and sell the freehold property. Their fees have been agreed at 1.5% of gross realisations plus marketing costs. The final agreed costs were £34,500 plus disbursements of £1,990.

In addition, the valuation fee has been agreed at £2,500.

Chattel Assets

Eddisons valued the Company's chattel assets. Their fees have been agreed at £950 for the valuation.

Security

Remotzone, a trading style of Eddisons, are instructed to manage the security requirements for the property. Remotzone have incurred costs of £29,870, including a drain down of the Property, upfront security costs including the installation of concrete access barriers, ongoing security, maintenance, call outs and other property matters.

Insurance

Eddisons Insurance Services Limited are the brokers instructed to insure the Company's assets during the period of our appointment. The total insurance premium from the date of our appointment to the sale of the property on 9 June 2023 was £36,313.

9. ASSETS THAT REMAIN TO BE REALISED AND WORK THAT REMAINS TO BE DONE

The assets of the Company primarily consisted of the property known as Monk Fryston Hall Hotel. At this stage in the Administration, there are no further assets to realise.

What work remains to be done, why is this necessary and what financial benefit (if any) will it provide to creditors?

General case administration and planning

As the Administration progresses, updates will need to be made to the strategy to include meetings between members of staff and our agents to formulate the strategy moving forward and ensure that the objective of the administration is achieved.

We are also required to maintain records to demonstrate how the case was administered and to document the reasons for any decisions that materially affect the case on an ongoing basis. This will include compliance reviews, internal checklist updates, periodic case reviews and maintaining case files.

Whilst this work will not benefit creditors financially, it is necessary to ensure efficient progress of the case and is required in accordance with the law and by our regulatory body.

Compliance with the Insolvency Act, Rules and best practice

We are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progression of the Administration, which ensures that we carry out work to high professional standards.

We will draft and issue interim progress reports on a six-monthly basis to provide an update to the creditors of the progress made during the Administration. These documents will be filed to meet statutory requirements.

In addition, a final progress report will have to be produced once the Administration has reached its conclusion. This will provide creditors with an overview of the Administration, including all realisations, costs and the final outcome for creditors.

Should the Administration need to be extended beyond 15 September 2024, we will have to apply to Court.

We will also continue to monitor realisations and compare to the statutory bond level to ensure that sufficient cover is in place at all times in order to protect the interests of the Company's creditors.

Dealing with all creditors' claims (including employees), correspondence and distributions

We will continue to deal with creditors queries as and when they are received.

Time will also be spent receiving and making a distribution to the preferential creditors, if and when funds permit following the completion of the Administration corporation tax returns.

Not all of this work does directly benefit creditors financially but is necessary to ensure that creditors have access to information regarding the case and their respective claims.

Other matters which includes seeking decisions of creditors via the deemed consent procedure and/or decision procedures, meetings, tax, litigation, pensions and travel

In accordance with law and best practice we will also ensure submission of VAT and corporation tax returns to HMRC in respect of the Administration period. We have instructed Langricks to assist with the preparation and submission of the outstanding corporation tax returns.

Whilst the above work will not benefit creditors financially, it is necessary in accordance with statutory requirements and best practice.

How much will this further work cost?

As can be seen above, there are unforeseen elements of work which were not envisaged at the onset of my appointment, and which need to be carried out in order to complete my duties. The cost of the unforeseen work is estimated to be £40,000 which is in addition to the original remuneration approval we have received. As previously advised, we will need to seek creditor approval for the fair and reasonable increase in our remuneration. We are not approaching creditors for an increase to our approved remuneration at this stage but reserve the right to do so at a later date should this become necessary.

Expenses

Details of the expenses that we expect to incur in connection with the work that remains to be done referred to above are as set out in the estimate of anticipated expenses sent to creditors on 13 April 2023 which included all of the expenses that we anticipate that we will incur throughout the administration.

What is the anticipated payment for administering the case in full?

We estimated that the cost of administering the case would be in the region of £100,356, and subsequently you have provided approval for us to draw our remuneration up to that level. As you will note from this report, the actual costs we have incurred exceed the approved estimate and we now expect the costs of administering the case will be £140,000. However, as you are aware, the remuneration that we can draw is limited to the amount that is realised for the assets, (less any costs incurred in realising those assets). At this stage in the Administration, I can estimate that total remuneration drawn will be in the region of £100,356.

However, please note that should there be additional or unexpected asset realisations, we will look to draw our remuneration from those too, capped at the level that the creditors approve.

10. OTHER RELEVANT INFORMATION

Extension of Administration

The Administration has been extended for a period of 12 months with the consent of creditors.

Proposed exit route from Administration

Unfortunately, due to a lower than originally expected estimated realisation for the Company's property it is unlikely that monies will be available for distribution to unsecured creditors of the Company.

We anticipate that we will be proceeding with our contingency plan of dissolving the Company following a distribution to the secured creditor.

Use of personal information

Please note that in the course of discharging our statutory duties as Joint Administrators, we may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, we are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to our use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact us.

11. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for our remuneration is inappropriate.

12. CONCLUSION

We will report again in approximately six months' time or at the conclusion of the Administration, whichever is the sooner.



J N R Pitts
Joint Administrator

Dated: 12 October 2023

ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 16 March 2023 to 15 September 2023

Statement of Affairs £	From 16/03/2023 To 15/09/2023 £	From 16/09/2022 To 15/09/2023 £
SECURED ASSETS		
Freehold Land & Property	2,300,000.00	2,300,000.00
Bank Interest	1,428.68	1,428.68
	<u>2,301,428.68</u>	<u>2,301,428.68</u>
COSTS OF REALISATION		
Legal expenses	152.85	152.85
Legal Fees	92,496.00	92,496.00
Agents Fees	34,500.00	34,500.00
Agents Disbursements	1,990.00	1,990.00
Valuation Fees	2,500.00	2,500.00
EPC	1,415.00	1,415.00
Security Costs	29,869.97	29,869.97
Storage Costs	13,520.00	13,520.00
Utilities	8,042.65	8,042.65
	<u>(184,486.47)</u>	<u>(184,486.47)</u>
SECURED CREDITORS		
Barclays Bank	1,808,505.91	1,808,505.91
	<u>(1,808,505.91)</u>	<u>(1,808,505.91)</u>
ASSET REALISATIONS		
Utilities Refund	3.00	3.00
	<u>3.00</u>	<u>3.00</u>
COST OF REALISATIONS		
Pre app Legal fees	7,504.00	7,504.00
Statement of Affairs Fee	NIL	2,500.00
	<u>(7,504.00)</u>	<u>(10,004.00)</u>
	<u>300,935.30</u>	<u>298,435.30</u>
REPRESENTED BY		
Fixed VAT Control Account		(47,250.34)
Floating Current Account		345,685.64
		<u>298,435.30</u>

COSTS AND EXPENSES

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 16 March 2023 to 15 September 2023; and
- c. Cumulative Time Costs Analysis for the period from 16 September 2022 to 15 September 2023.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This policy applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. Within our fee estimate creditors can see how we propose to be remunerated.

This policy applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance* indicates that such charges should be disclosed to those who are responsible for approving the basis of the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of their staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded in 6 minute units at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 expenses (approval not required) - Specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ Category 2 expenses (approval required) - Items of expenditure that are directly related to the case and either:
 - (i) include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party; or
 - (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

Shared or allocated costs (pursuant to (i) above)

The following expenses include an element of shared or allocated cost and are charged to the case (subject to approval).

- ❑ Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 per meeting;
- ❑ Car mileage which is charged at the rate of 45 pence per mile.

Payments anticipated to be made to associates (pursuant to (ii) above)

Services provided by other entities within the Begbies Traynor group

The following expenses which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

In addition to the services detailed above, it may become necessary to instruct Eddisons Commercial Limited to provide valuation, advertising and additional services, not currently anticipated, during the course of the case. In such circumstances and to avoid the costs associated with seeking further approval, the charges for such services will be calculated on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The forecasted cost of insurance for the 3 month period immediately following appointment is £11,385 inclusive of Insurance Premium Tax. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Where relevant, administration fees may be charged. These costs are taken into consideration and included within the forecasted cost of insurance, above.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

Where EIS have initially been consulted on a policy, but the policy has not been taken out, EIS will charge an administration fee of £150.

General Office Overheads.

The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 expense:

- ☐ Telephone and facsimile
- ☐ Printing and photocopying
- ☐ Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Leeds office as at the date of this report are as follows:

Grade of staff	Charge-out rate range (£ per hour) 10 th July 2023 until further notice
Appointment taker/partner	560-640
Managers/directors	415-540
Other professional	215-300
Junior professional/support	170

Prior to 10th July 2023, the following rates applied:

Grade of staff	Charge-out rate (£ per hour) 1 January 2022 until further notice
Partner	545
Director	490
Senior Manager	435
Manager	380
Assistant Manager	275
Senior Administrator	240
Administrator	195
Junior Administrator	155
Cashier	155
Secretarial	155

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

As detailed above, time is recorded in 6 minute units.

SIP9 Monk Fryston Hotel Limited - Administration - 80MO741.ADM : Time Costs Analysis From 16/03/2023 To 09/07/2023

[illegible]

SIP9 Monk Fryston Hotel Limited - Administration - 80MO741.ADM : Time Costs Analysis From 16/09/2022 To 15/09/2023

[illegible]

STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Legal fees	Pinsent Masons	28,650.50	28,650.50	0.00
Legal disbursements	Pinsent Masons	131.85	131.85	0.00
Storage	Express Movers	13,520.00	13,520.00	0.00
Utilities (estimated)	Various	15,000.00	8,042.65	6,957.35
Postage	Postworks	56.64	0.00	56.64
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Security Costs	Eddisons Commercial Limited	15,182.47	15,182.57	0.00
Insurance	Eddisons Insurance Services Limited	13,542.82	0.00	13,542.82
Agents fees	Eddisons Commercial Limited	34,500.00	34,500.00	0.00
Agents disbursements	Eddisons Commercial Limited	1,990.00	1,990.00	0.00

CUMULATIVE STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Legal fees	Pinsent Masons	92,496.00
Legal disbursements	Pinsent Masons	152.85
Agents fees	Eddisons Commercial Limited	34,500.00
Agents disbursements	Eddisons Commercial Limited	1,990.00

Property Valuation	Eddisons Commercial Limited	2,500.00
Plant & Machinery Valuation	Eddisons Commercial Limited	950.00
Security Costs	Eddisons Commercial Limited	29,869.97
Insurance	Eddisons Insurance Services Limited	36,312.82
Statement of Affairs fee	Langricks Accountants	2,500.00
Statutory advertising	Courts Advertising Limited	124.20
Storage	Express Movers	13,520.00
Bond	Marsh Limited	180.00
Search fee	Land Registry	9.00
Swear fee		5.00
Premises Licence	Selby District Council	19.17
Mail redirection	Royal Mail	321.00

ADDITIONAL EXPENSES ANTICIPATED FOR FUTURE WORK

Expenses anticipated to be incurred prior to closure of the case	Name of party with whom expense anticipated to be incurred	Amount estimated to cost £
Accountants fees	Langricks Accountants	2,500.00