

AM22

Notice of move from administration to creditors' voluntary liquidation



Companies House

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

1 Company details

Company number 0 9 3 7 7 7 5 1

Company name in full BELMONT 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

Court case number 0 0 5 4 2 3 O F 2 0 1 9

3 Administrator's name

Full forename(s) ROBERT

Surname ARMSTRONG

4 Administrator's address

Building name/number C/O KROLL ADVISORY LTD

Street THE CHANCERY

58 SPRING GARDENS

Post town MANCHESTER

County/Region GREATER MANCHESTER

Postcode M 2 1 E W

Country UNITED KINGDOM


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Notice of move from administration to creditors' voluntary liquidation

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

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| | | |
|--|--|--|
| 10 | Proposed liquidator's name ^① | |
| Full forename(s) | ANDREW | |
| Surname | KNOWLES | |
| Insolvency practitioner number | 2 4 8 5 0 | |
| | | 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 2</div> <div>m 0 3</div> <div>y 2 0</div> <div>y 2 1</div> </div> | |
| To date | <div> <div>d 1 1</div> <div>m 0 8</div> <div>y 2 0</div> <div>y 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 | Signature  | |
| Signature date | <div> <div>d 1 1</div> <div>m 0 8</div> <div>y 2 0</div> <div>y 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

11 August 2021

Belmont Hotel Limited
(In Administration)

Joint Administrators' final Progress Report for the period from 12 March 2021 to 11 August 2021 with a summary of the Administration.

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

Duff & Phelps Ltd. has recently rebranded as Kroll with a new name, Kroll Advisory Ltd. 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. Our staff email addresses are now from kroll.com and our correspondence and website reflects the Kroll branding.

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1. Introduction

As you are aware, Philip Duffy and Sarah Bell were appointed as Joint Administrators of the Company on the Appointment Date by order of the High Court in Manchester, Companies Court (number 005423 of 2019). The capacity in which Philip Duffy and Sarah Bell were acting in these appointments is henceforth referred to collectively as "Joint Office Holder".

Philip Duffy and Sarah Bell have ceased to act as Joint Office Holders of the insolvent estate and have been replaced by Robert Armstrong and Andrew Knowles of Kroll.

Philip Duffy and Sarah Bell will be retiring from Kroll within the next two years and as part of Kroll's preparations for their retirement, they are stepping down as office holders over all of their insolvency appointments and have been replaced by colleagues from Kroll. However, Philip Duffy and Sarah Bell have been retained as Senior Advisors by Kroll and will remain part of the senior case team across the insolvency estates.

Philip Duffy and Sarah Bell will continue to assist the Joint Administrators as appropriate in performing their duties for the foreseeable future. Please note that this does not impact the ongoing case strategy of the Administration.

To assist with the above, a Block Transfer Order (High Court of Justice, Business & Property Courts in Manchester CR-2021-MAN-000356) ("the Order") was obtained on 16 June 2021. The Order provided for the formal substitution of Philip Duffy and Sarah Bell from office and the appointment of Robert Armstrong and Andrew Knowles as Joint Office Holders.

In relation to the Administration appointment, Philip Duffy and Sarah Bell will be released from liability 28 days after the date of giving notice to creditors by way of single composite advert in the London Gazette.

A copy of the Order will be made available at Companies House shortly under the individual record for each of the relevant companies in the Group, which can be accessed using this link: <https://find-and-update.company-information.service.gov.uk/>.

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.

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 and third 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) and realising property to make a distribution to one or more Secured or Preferential Creditors.

The Proposals were approved by Creditors without modifications, using deemed consent on 14 November 2019. There were no major amendments to or deviations from these Proposals.

The Joint Administrators believe that the third objective has been achieved, as the Administration has facilitated the future sale of the Hotel in the subsequent Liquidation, which will enable a distribution to be made to the Secured Creditor.

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

Progress to date

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

Outcome for Creditors

As detailed in the previous progress report, in respect of the Secured Creditor, it is anticipated that there will be a distribution available to Mysing following the sale of the Hotel. The quantum and timeframe of which will be disclosed upon the sale of the Hotel.

As such, any available distributions to Mysing will be subject to the principles of subrogation across the estates within the NPD Group in which it holds security.

The Company does not employ any staff and therefore there will be no preferential creditor claims.

Based on current information available to the Joint Administrators, it is uncertain whether there will be sufficient realisations to enable a distribution to the Unsecured Creditors in the subsequent Liquidation. Please note, this report provides Creditors with a final account of the Administration of the Company together with a summary of the Administration as a whole. The Joint Administrators' previous progress reports and the Statement of Proposals issued to the Company's Creditors are available to view at Website and paper copies can be provided free of charge by writing to Matthew Welden. Unless otherwise stated, all amounts in this Progress Report and appendices are stated net of VAT.

3. Progress of the Administration

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

3.1 Strategy and progress to date

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

3.2 Asset realisations

No realisations have been made to date as shown in the attached Receipts and Payments Account at Appendix 3.

3.2.1 Freehold Property

The principal asset of the Company is the Hotel located at North Parade, Llandudno, LL30 2LP.

An independent valuation of the Hotel was obtained in the Original Administration and the Joint Administrators' Agents marketed the Property for sale. An offer was received on an unencumbered basis and the Joint Administrators liaised with the leaseholders to negotiate a sale of the Hotel.

The leaseholders were not willing to agree to the sale as no consensus was reached amongst the leaseholders and the Joint Administrators' Agents were instructed to re-market the property for sale with the leases intact.

An offer was received to purchase the Hotel with the leases attached and following recommendation from the Agents this offer was accepted by the Joint Administrators.

Alongside agreements for lease, investors also often entered into a separate "Buy Back Agreement" which provided an option for the investor to require the Company to buy back the investor's lease at 125% of the price the investor originally paid for the room. Some of the Buy Back Agreements have been noted against the Land Registry titles of the Hotel.

As a condition of the offer to purchase the Hotel, the purchaser requires the Company to disclaim the Buy Back Agreements. Once disclaimed, the Buy Back Agreements will no longer be enforceable against the Company or the purchaser of the Hotel. In order to disclaim the Buy Back Agreements, the Joint Administrators must convert the Company into Creditors' Voluntary Liquidation as this power is not available to Administrators. Once converted, the Joint Liquidators intend to disclaim the Buy Back Agreements in order to facilitate the sale of the Hotel.

Creditors will be updated on the sale of the Hotel in the liquidation report.

3.2.2 Intercompany Debtors

Following a reconciliation of the intercompany position, the total balance due to the Company from other companies within the NPD group is £812,000.

Several of the associated companies are in formal insolvency processes and it is uncertain whether any of the intercompany debts are recoverable. The Joint Administrators will lodge claims in the respective estates.

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

3.2.3 Plant and Machinery

As detailed in the previous progress report, the management accounts for the Company as at March 2019 show plant & machinery with a book value of £9,000.

In addition, the management accounts show fixtures and fittings with a book value of £45,000.

These assets are included in the purchaser's offer for the purchase of the Hotel and these assets will be realised in the 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 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.

3.3 Costs

There have been no payments made in the Cumulative and Reporting Period as shown in the attached Receipts and Payments account at Appendix 3.

Summaries of the most significant costs incurred are provided below.

3.3.2 Agents' Fees

The Joint Administrators have incurred agents' fees in respect of the valuation, marketing, and sale of the Hotel totalling £2,515. Further details of these fees are included below and attached at Appendix 4.

Further costs will be incurred following the completion of a sale of the Hotel based on a percentage of the realisations achieved.

To date, no agents' fees have been paid, these costs will be settled in the subsequent Liquidation.

3.3.2 Solicitors' Fees

The Joint Administrators have also incurred solicitors' fees in respect of advising on the Court applications in relation to the sale of the Hotel, advice on the investment schemes and ongoing investigations and other ad hoc legal fees. Further details of these fees are included below.

To date, no solicitors' fees have been paid, these costs will be settled in the subsequent Liquidation.

3.3.3 Ground Rent

The sum of £8,700 has been incurred and paid since the Appointment Date in respect of ground rents.

These costs were paid by Belmont Management as the Company had insufficient funds to meet these obligations.

Following a sale of the Hotel in the subsequent Liquidation, these funds will be repaid to Belmont Management.

3.4 Fees and expenses

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

Summaries of the most significant expenses which have been incurred in the period but have not been paid are provided below:

Significant expenses incurred but not paid

| | | |
|--------------------------------------|---------|--|
| Joint Administrators' time costs | £66,585 | Total time costs incurred in the period is £66,585 (see Appendix 5). No fees have been paid during the Cumulative Period. See section 6 for further details in relation to the Joint Administrators' fees. |
| Agent's fees Sanderson Weatherall | £2,515 | Sanderson Weatherall has incurred agents' fees in dealing with the valuation and marketing of the Hotel. |
| Legal fees Hewlett Swanson | £4,058 | Hewlett Swanson has incurred legal fees of £4,058 in relation to providing legal advice in respect of investigations into the Company and the investment schemes. |
| Legal fees Addleshaw Goddard | £14,492 | Addleshaw has incurred legal fees in relation to providing advice in respect of the sale of the Hotel, leaseholders and security review. |
| Ground Rent Mostyn Estates | £8,700 | Ground rent in respect of the Property |

There has been insufficient realisations to pay these costs to date. These costs and any future costs will be paid following the sale of the Hotel in the subsequent Liquidation.

4. Outcome for Creditors

4.1 Secured Creditors

As previously referenced, the Company granted three fixed and floating charges to Mysing, the first of which was created on 13 March 2015 and delivered on 19 March 2015 and the further two were created on 5 December 2018 and delivered on 6 December 2018.

The Joint Administrators are, however, aware that four other companies within the Group, being Llandudno Bay Hotel & Spa Limited, The Old Golf House Hotel Limited (both in Administration), Queens Hotel Management Limited and The Old Golf House Management Limited (both in Liquidation) have also granted charges to Mysing.

In addition, Mysing holds security in Woodhouse Family (in Administration) and Campus House (in Liquidation).

The indebtedness to Mysing as at the Appointment Date was circa £1.8 million, subject to accruing interest and charges.

To date, Mysing has received distributions in the sums of c£1.32 million from the estate of Woodhouse Family Limited, c£351,000 from the sale of Llandudno Bay Hotel & Spa Limited and c£650,000 from the Gilsland Hall Limited which is under the control of CG & Co. The sum of c£240k plus accruing interest is due to Mysing.

The quantum and timeframe of any further distribution is dependent upon the sale of the Hotel and will also be subject to the principles of subrogation across the NPD Group companies in which it holds security, an update to Creditors will be provided in this regard in the subsequent Liquidation.

4.2 Preferential creditors

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

4.3 Unsecured Creditors

According to the Joint Administrators' Estimated Financial Position included in the Joint Administrators Statement of Proposals, the Company's Unsecured Creditors, including claims from investors, total £3,055,00.

Claims have been received from investors in the Company totalling £543,617. We have not yet received claims from all investors listed on the Company's records and the Joint Administrators investigations into the investments are ongoing and will continue in the Liquidation.

Based on current information available to the Joint Administrators, it is uncertain whether there will be sufficient realisations to enable a distribution to the Unsecured Creditors in the subsequent Liquidation.

4.4 Prescribed Part

As noted above, the Company granted fixed and floating charges to Musing therefore, the Prescribed Part provisions will apply.

Until a sale of the Hotel has been completed, it remains uncertain whether there will be sufficient asset realisations to apply the Prescribed Part or what the value of the Prescribed Part will be.

An update will be provided to Creditors in the Liquidation.

5. Other matters

5.1 Creditors' Committee

Creditors may recall that as part of the Proposal's Creditors were invited to form a Creditors' Committee.

The role of a Creditors' Committee is amongst other things (1) to represent the Unsecured Creditors (2) agree the Joint Administrators remuneration and (3) assist the Administrators in discharging the Joint Administrators functions.

The Joint Administrators received three nominations for committee members and a committee was duly established on 2 March 2020 consisting of the three members.

The Creditors' Committee will continue to be in place in the Liquidation.

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.

5.3 Creditors' rights

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

6. 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 fee estimate provided in the Joint Administrators' Proposals and Kroll's usual charge out rates for work of this nature.

It was reported previously that an updated fee estimate of £161,275 was prepared and approval was sought from the Creditors' Committee.

Approval was not received from the Creditors' Committee and the Joint Administrators, with the assistance of their Solicitors, made an application to the Court for the approval of the basis of the Joint Administrators' fees and fee estimate. The application made a further request of the Court to make provision for how to fix the quantum of the Joint Administrators' fees. The Joint Administrators were legally obliged to make the application as the relevant timeframe in which to apply to Court is 18 months from the Appointment Date where the basis of remuneration cannot be agreed with creditors.

An initial one hour directions hearing took place on 15 June 2021 and, in line with the Joint Administrators' request, the Court adjourned the applications so that they can be considered on an efficient basis next year once more information regarding the outcome of the Administration is known. These applications will now be listed for a further directions hearing on the next available date after 7 March 2022. That hearing will consider whether the investigations work that the Joint Administrators have carried out should be considered separately to the case specific work in each administration, and whether the court should hear the fee approval application made in each administration together or whether each company should be considered separately.

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

The Court ordered that the costs of the application rank as an expense of the Administration. It also ordered that the Joint Administrators will be discharged from liability as Administrators in the Administration with effect from 28 days after the date on which their final Progress Report is filed at Companies House.

Further updates will be provided as and when this matter has progressed. Under the order made by the Court, Creditors are entitled to request details from the Joint Administrators of future hearings relating to this matter (noting that at present no hearings are scheduled to be heard before Spring 2022).

Joinder application

At the hearing on 15 June 2021 some 50+ investors represented by Alastair Dobbie of Shortlands made an application to be joined as parties to the Joint Administrators' fee approval applications. Following adverse judicial comment from Chief Insolvency and Companies Court Judge Briggs, this application was withdrawn and a costs order was made against Shortlands' clients in favour of the Joint Administrators. The purpose of the Shortlands application had been for one or a small number of investors to be appointed as representatives of all investors or categories of investors across the NPD Group and for their costs, in particular the legal costs of Shortlands, to be paid as an expense of the administrations, in priority to the claims of Creditors.

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

The judge found that the Shortlands application was misconceived and without legal basis. He considered that the condition that Shortlands' clients' costs should be paid as an expense of the administrations was objectionable to the system of class remedy in insolvency proceedings as it would allow those investors to jump ahead of other Creditors in the order of priority to the extent of an unknown amount of costs. The Joint Administrators have instructed their solicitors to pursue payment of the Joint Administrators' costs in dealing with Shortlands' application as they would otherwise fall to be paid from the administration estates.

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 £26,353 which represents 69 hours at an average hourly rate of £381 and specialist investigation time totalling £8,363 representing 18 hours at an average hourly rate of £465.

Time costs incurred in the Cumulative Period total £66,585, which represents 219 hours at an average hourly rate of £305 and specialist investigation time totalling £86,640 representing 219 hours at an average hourly rate of £397.

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.

Approval of Category 2 expenses has been sought from the Court.

The Joint Administrators provided in their Proposals report to Creditors an estimate of expenses for the Administration, totalling £45,310. 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 £22,954 were incurred and will be paid in the subsequent Liquidation. 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 £63,542 and will be paid in the subsequent Liquidation. No Category 2 expenses have been incurred for the same period.

All expenses will be paid in the Liquidation.

6.1.4 Additional information

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

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

6.2 Pre-Administration costs

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

| Pre-Administration costs | Paid (£) | Unpaid (£) | Total (£) |
|--------------------------|----------|------------|-----------|
| Kroll Advisory Ltd fees | 0.00 | 4,980 | 4,980 |
| Legal fees | 0.00 | 650 | 650 |
| Total | 0.00 | 5,630 | 5,630 |

Details of the Pre-Administration costs were reported in the Joint Administrators Proposals. To date approval of these costs has not been obtained from the Creditors Committee.

The Joint Administrators have requested approval of the pre-Administration costs within the application to Court.

7. Conclusion of the Administration

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

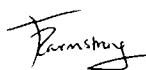
The Joint Administrators have filed a copy of this final Progress Report with the Registrar of Companies, together with the requisite notices to place the Company into Creditors' Voluntary Liquidation.

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

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

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.



Robert Armstrong
Joint Administrator

Enc.

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

Appendix 1 – Statutory information

| Company information | | |
|------------------------------------|---|---|
| Company and trading name | Belmont Hotel Limited | |
| Date of incorporation | 7 January 2015 | |
| Registered Number | 09377751 | |
| Company Director(s) | Iain Shelton was appointed by the interim Manager of NPD in their capacity as shareholders of the Company. | |
| Company Secretary | None Appointed | |
| Shareholders | NPD | |
| Trading address | Belmont Hotel 21 North Parade Llandudno LL30 2LP | |
| Registered office | Current: c/o Kroll Advisory 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 of Justice, Business and Property Courts in Manchester 005423 of 2019 | |
| Appointor | Director | |
| Date of Appointment | 12 September 2019 | |
| Joint Administrators | Robert Armstrong and Andrew Knowles | |
| 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 | 11 September 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 | These proceedings have been defined as the Main Proceedings under Article 3 of the EC Regulations | |

Appendix 2 – Approved Proposals

The following Joint Administrators' Proposals were deemed approved by the creditors on 14 November 2019 being the expiry of the period in which a decision can be requisitioned by creditors.

- That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the Companies as the Joint Administrators consider necessary until such time as the Administrations cease 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 Administrations.
- 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 Companies have no remaining property which might permit a distribution to the creditors, at which stage the Administrations will cease. That the Joint Administrators, where they consider that there are funds available to be distributed to the non-preferential creditors (other than under the Prescribed Part) take the necessary steps to put the Companies into either Creditors' Voluntary Liquidation or into compulsory liquidation as they deem appropriate. It is proposed that the Joint Administrators, currently Philip Duffy and Sarah Bell of Duff & Phelps would act as Joint Liquidators should the Companies be placed into Creditors' Voluntary Liquidation. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 3.60(6)(b) of the Rules creditors may nominate a different person as the proposed Liquidator, provided the nomination is received at this office prior to the approval of these Proposals. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators and in accordance with Section 231 of the Act any act required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them.

Appendix 3 – Receipts and Payments account

Belmont Hotel Limited
(In Administration)
JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

| | Statement of affairs £ | From 12/03/2021 To 11/08/2021 £ | From 12/09/2019 To 11/08/2021 £ |
|---------------------------|------------------------------|---------------------------------------|---------------------------------------|
| RECEIPTS | | | |
| | | <u>0.00</u> | <u>0.00</u> |
| PAYMENTS | | | |
| | | <u>0.00</u> | <u>0.00</u> |
| Net Receipts/(Payments) | | <u>0.00</u> | <u>0.00</u> |
| MADE UP AS FOLLOWS | | | |
| | | <u>0.00</u> | <u>0.00</u> |

Note:

Appendix 4 – Analysis of Expenses Incurred

Joint Administrators' Expenses: Category 1 and Category 2

| Category 1 Expenses | Company | Activity | Fee Basis | Current period | | Cumulative period | |
|---------------------|-----------------------------|--|------------|----------------|----------|-------------------|----------|
| | | | | Incurred (£) | Paid (£) | Incurred (£) | Paid (£) |
| | Hewlett Swanson | Advice in relation to the investigations into the Company and the investment schemes | Time costs | 0 | 0 | 4,058 | 0 |
| | Addleshaw Goddard | Legal advice in relation to the sale of the hotel, leaseholders and security review | Time costs | 14,492 | 0 | 26,785 | 0 |
| | Sanderson Weatherall | Valuation & marketing of Hotel | Time costs | 0 | 0 | 2,515 | 0 |
| | AUA Insolvency Risk Service | Asset insurance | Fixed fee | 8,462 | 0 | 30,184 | 0 |
| Total | | | | 22,954 | 0 | 63,542 | 0 |

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

109471 BELMONT HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 12/03/2021 to 11/08/2021

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 | 0.25 | 0.00 | 1.15 | 0.00 | 1.40 | 270.00 | 192.86 |
| Cashiering & accounting | 0.00 | 0.35 | 0.20 | 0.30 | 0.00 | 0.85 | 294.50 | 346.47 |
| IPS set up & maintenance | 0.00 | 0.00 | 0.00 | 0.25 | 0.00 | 0.25 | 37.50 | 150.00 |
| Statutory matters (Meetings & Reports & Notices) | 1.00 | 3.50 | 1.50 | 15.65 | 0.00 | 21.65 | 5,507.50 | 254.39 |
| Strategy planning & control | 0.00 | 0.00 | 0.00 | 9.95 | 0.00 | 9.95 | 2,277.50 | 228.89 |
| Tax Compliance / Planning | 0.00 | 0.00 | 0.00 | 1.75 | 0.00 | 1.75 | 332.50 | 190.00 |
| Creditors | | | | | | | | |
| Communications with Creditors / Employees | 0.00 | 0.00 | 0.00 | 1.70 | 0.00 | 1.70 | 425.00 | 250.00 |
| Creditors committee | 0.00 | 0.00 | 0.00 | 0.20 | 0.00 | 0.20 | 50.00 | 250.00 |
| Realisation of Assets | | | | | | | | |
| Freehold and Leasehold Property | 0.00 | 3.00 | 25.80 | 2.55 | 0.00 | 31.35 | 17,158.50 | 547.32 |
| Total Hours: | 1.00 | 7.10 | 27.50 | 33.50 | 0.00 | 69.10 | | 381.37 |
| Total Fees Claimed: £ | 750.00 | 2,781.00 | 15,935.00 | 6,887.00 | 0.00 | | 26,353.00 | |

Category 2 Disbursements:

109471 BELMONT HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 12/03/2021 to 11/08/2021

Investigation

| Classification of Work Function | Hours | | | | | Total Hours | Time Cost £ | Avg Hourly Rate £ |
|---------------------------------|-------------------|----------|--------|-----------|----------|-------------|-------------|-------------------|
| | Managing Director | Manager | Senior | Assistant | Support | | | |
| | 0.00 | 10.40 | 0.70 | 0.00 | 6.90 | 18.00 | 8,362.50 | 464.58 |
| Total Hours: | 0.00 | 10.40 | 0.70 | 0.00 | 6.90 | 18.00 | | 464.58 |
| Total Fees Claimed: £ | 0.00 | 6,344.00 | 259.00 | 0.00 | 1,759.50 | | 8,362.50 | |

Category 2 Disbursements:

109471 BELMONT HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 18/09/2019 to 11/08/2021

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 | 0.50 | 3.25 | 0.00 | 7.50 | 0.00 | 11.25 | 2,911.00 | 258.76 |
| Cashiering & accounting | 0.00 | 1.05 | 2.40 | 2.95 | 0.00 | 6.40 | 1,728.75 | 270.12 |
| IPS set up & maintenance | 0.00 | 0.00 | 0.00 | 0.65 | 0.00 | 0.65 | 90.50 | 139.23 |
| Insurance | 0.00 | 0.00 | 0.00 | 0.40 | 0.00 | 0.40 | 94.00 | 235.00 |
| Statutory matters (Meetings & Reports & Notices) | 1.00 | 7.00 | 6.60 | 50.05 | 0.00 | 64.65 | 15,369.75 | 237.74 |
| Strategy planning & control | 1.30 | 0.50 | 0.50 | 14.30 | 0.00 | 16.60 | 4,427.00 | 266.69 |
| Tax Compliance / Planning | 0.00 | 0.10 | 0.00 | 2.40 | 0.00 | 2.50 | 479.00 | 191.60 |
| Creditors | | | | | | | | |
| Communications with Creditors / Employees | 0.80 | 0.70 | 0.00 | 30.10 | 0.00 | 31.60 | 7,378.50 | 233.50 |
| Creditors committee | 0.00 | 0.00 | 2.90 | 14.55 | 0.00 | 17.45 | 4,114.00 | 235.76 |
| Non Pref Creditors / Employee claims handling | 0.00 | 0.00 | 0.00 | 0.75 | 0.00 | 0.75 | 131.25 | 175.00 |
| Secured Creditors | 0.00 | 0.00 | 4.20 | 0.20 | 0.00 | 4.40 | 1,822.00 | 414.09 |
| Investigations | | | | | | | | |
| CDDA & reports & Communication | 0.00 | 0.00 | 0.00 | 1.00 | 0.00 | 1.00 | 217.50 | 217.50 |
| Realisation of Assets | | | | | | | | |
| Book debts | 0.00 | 0.00 | 0.00 | 0.40 | 0.00 | 0.40 | 76.00 | 190.00 |
| Freehold and Leasehold Property | 0.00 | 4.75 | 29.10 | 8.10 | 0.00 | 41.95 | 20,559.25 | 490.09 |
| Sale of business | 0.00 | 0.00 | 3.10 | 0.85 | 0.00 | 3.95 | 1,433.50 | 362.91 |
| Trading | | | | | | | | |
| Trading - Accounting | 0.00 | 0.00 | 0.00 | 2.00 | 0.00 | 2.00 | 300.00 | 150.00 |
| Trading - Operations | 0.00 | 0.00 | 12.60 | 0.00 | 0.00 | 12.60 | 5,453.00 | 432.78 |
| Total Hours: | 3.60 | 17.35 | 61.40 | 136.20 | 0.00 | 218.55 | | 304.67 |
| Total Fees Claimed: £ | 2,284.00 | 6,586.50 | 30,083.00 | 27,631.50 | 0.00 | | 66,585.00 | |

Category 2 Disbursements:

109471 BELMONT HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 18/09/2019 to 11/08/2021

Investigation

| Classification of Work Function | Hours | | | | | Total Hours | Time Cost £ | Avg Hourly Rate £ |
|---------------------------------|-------------------|------------------|---------------|---------------|------------------|---------------|------------------|-------------------|
| | Managing Director | Manager | Senior | Assistant | Support | | | |
| | 0.00 | 106.10 | 2.70 | 2.20 | 107.50 | 218.50 | 86,639.97 | 396.52 |
| Total Hours: | 0.00 | 106.10 | 2.70 | 2.20 | 107.50 | 218.50 | | 396.52 |
| Total Fees Claimed: £ | 0.00 | 57,620.69 | 999.00 | 607.78 | 27,412.50 | | 86,639.97 | |

Category 2 Disbursements:

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

The key areas of work have been:

SIP 9 narrative for the 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• Providing written and oral updates to the Secured Lenders regarding the progress of the Administration and cases strategy; |
| Investigations | <ul style="list-style-type: none">• Managing and reviewing the Company books and records;• Investigating the affairs of the Company to identify any actions available to the Company against third parties in respect of antecedent transactions or other litigation;• Obtaining records from third parties;• Conducting interviews with counterparties and officeholders;• Enquiring with counterparties who has raised disputes against the Company;• Reviewing pre-appointment transactions; and• Documenting investigations. |
| Statutory and compliance | <ul style="list-style-type: none">• Ensuring compliance with all statutory obligations within the relevant timescales;• Uploading information to the Creditors' Portal/Website;• Drafting and publishing progress reports;• Running decision procedures;• Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9;• Monitoring the fees estimate; and• Monitoring the expenses estimate. |

Asset realisations

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

Tax

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

Appendix 7 – Statement of Creditors' rights

Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)
Section or paragraph numbers refer to Insolvency Act 1986

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

Information for Creditors on remuneration and expenses of Administrators

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

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

Should you require a copy, please contact this office.

Creditors' requests for further information

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

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

Creditors' right to challenge our remuneration and expenses

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

Applications 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, 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 | 12 September 2019 being the date of appointment of the Joint Administrators |
| Category 1 Expenses | The Joint Administrators' expenses, in dealing with the Administration, to persons providing the service to which the expense relates and who are not an associate of the Administrator. These expenses can be paid without prior approval |
| Category 2 Expenses | The Joint Administrators' expenses, in dealing with the Administration, to associates or where there is an element of shared costs. Such expenses require approval by Creditors before payment |
| the Company | Belmont Hotel Limited (In Administration) (Company Number: 09377751) |
| Court | High Court Of Justice, Business and Property Courts in Manchester |
| the Cumulative Period | The period from the date of appointment to the date of the report, i.e. the whole period of the Administration |
| the Director | Iain Shelton was appointed by the Interim Managers of NPD in their capacity as shareholders the Company. |
| EC Regulation | EC Regulation on Insolvency Proceedings 2000 |
| the Former Joint Administrators | Philip Duffy and Sarah Bell of Kroll |
| HMRC | HM Revenue and Customs |
| the Hotel | Belmont Hotel, 21 North Parade, Llandudno LL30 2LP |
| the Joint Administrators | Robert Armstrong and Andrew Knowles of Kroll |
| Kroll | Kroll Advisory Ltd., The Chancery, 58 Spring Gardens, Manchester M2 1EW |
| Mysing/Secured Creditor | Mysing Capital Limited, holder of a fixed and floating charges over the assets of Belmont. |
| Preferential Creditor/s | A Creditor with a claim that ranks in priority to other Unsecured Creditors, to floating charge holders and the Prescribed Part. Preferential debts are either 'ordinary', such as certain employee claims, or 'secondary', such as HMRC's claims for VAT and PAYE income tax, which will rank for payment after the ordinary preferential claims are paid in full. |

| | |
|----------------------|--|
| the Prescribed Part | Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to Unsecured Creditors |
| the Proposals | The Joint Administrators Report to Creditors and Statement of Proposals dated 1 November 2019. |
| the Reporting Period | The period from 12 March 2021 to 11 August 2021 |
| the Rules | The Insolvency (England & Wales) Rules 2016 (as amended) |
| the Solicitors | Addleshaw Goddard and Hewlett Swanson |
| 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 Robert Armstrong and Andrew Knowles, the Joint Administrators of the Company, solely to comply with their statutory duty to report to Creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

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

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

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

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

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

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