

The Insolvency Act 1986

**Administrator's progress report**

Name of Company NHL (Realisations) Limited	Company number 02848038
In the High Court of Justice Chancery Division Birmingham District Registry	Court case number 8174 of 2015

We


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26 Spring Gardens  
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administrators of the above company attach a progress report for the period

From 23 April 2016	To 22 October 2016
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Signed

  
 Administrator

Dated

21/11/16

**Contact Details.**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

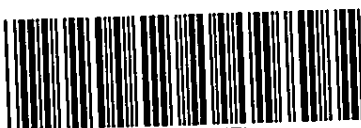
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When you have completed and signed this form, please send it to the Registrar of Companies at -  
**Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff**

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# Administrators' Progress Report for the period 23 April 2016 to 22 October 2016

Prima Hotels Limited,  
NHL Realisations Limited  
(formerly Nunsmere Hall Limited)  
and Fontenhall Limited  
All in Administration

21 November 2016

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## 1. Why this report has been prepared

- 1.1 As you will be aware, Ryan Grant, Lee Causer and Catherine Williamson (the **Administrators**) were appointed on 7 May 2015. Please note that Lee Causer subsequently resigned as Administrator of the Companies on 14 July 2016.
- 1.2 In accordance with UK insolvency legislation, an administrator is required to provide a progress report covering the period of six months commencing on the date on which a company entered into administration and every subsequent period of six months. This progress report covers the period 23 April 2016 to 22 October 2016 (the **Period**) and should be read in conjunction with all previous reports.
- 1.3 This report has been prepared in accordance with rule 2.47 of the Insolvency Rules 1986.
- 1.4 The purpose of this report is to provide statutory and financial information about the Companies and to provide an update on the progress of the Administrations, including details of assets realised during the Period, details regarding the Administrators' fees and the expected outcome for each class of creditor.
- 1.5 As a reminder, an administrator of a company must perform their functions with a view to achieving one of the following statutory objectives'
- Objective 1. rescuing a company as a going concern;
- Objective 2: achieving a better result for a company's creditors as a whole than would be likely if a company were wound up (without first being in administration); or
- Objective 3: realising property in order to make a distribution to one or more secured or preferential creditors
- 1.6 In these cases the Administrators are pursuing the second statutory objective. Further details on the actions taken to achieve that objective can be found in section 3 of this report.
- 1.7 Details of the Administrators' fees and disbursements incurred are detailed at Appendices D to G.
- 1.8 More information relating to the Administration process, Administrators' fees and creditors' rights can be found on AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>). Log-in details to access this information can be found within the covering letter you have received.
- 1.9 If you require a hard copy of this report or have any queries in relation to the contents of this report or the Administrations generally, please contact Paul Butterfield on 0161 838 4539, by email at [creditorreports@alixpartners.com](mailto:creditorreports@alixpartners.com), or write to AlixPartners' office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.

## 2. Summary of information for creditors

### Estimated dividend for creditors

#### Prima

Description	Estimated debt £	Likely level of return £ or pence/£
Secured creditor	36.18 million	5.9 million
Preferential creditors	1,838	100 pence/£
Unsecured creditors	2.23 million	Nil

#### NHL

Description	Estimated debt £	Likely level of return £
Secured creditor	36.18 million	5.1 million
Unsecured creditors	667,164	Nil

#### Fontenhall

Description	Estimated debt £	Likely level of return £
Secured creditor	36.18 million	4.9 million
Unsecured creditors	892,316	Nil

### Notes:

#### Secured creditor

Full details of AIB Group (UK) Plc's (the **Bank**) security was provided in the Administrators' Statement of Proposals dated 19 June 2015 (the **Proposals**). Please note that the Bank holds cross-guarantees between the Companies and a related company, Fontenhall (Scotland) Limited – in Administration (**FSL**). A cross-guarantee was also held in the related company Halco 1494 Limited (**Halco**), which was dissolved on 26 July 2016. The Companies together with FSL and Halco are referred to as the **Group**.

As detailed within the Proposals, the total amount due to the Bank from the Group as at the date of the appointments was £36.18 million. Each company within the Group is jointly and severally liable for this debt under the terms of the cross-guarantees. As FSL is a Scottish registered company, it is subject to different reporting requirements; accordingly, separate creditor reports are prepared in respect of FSL. Halco was a holding company which transpired to have no assets and a final report was issued by the Administrators prior to dissolution.

## **Preferential creditors**

### **Prima**

As previously reported, preferential claims totalling £1,838 in relation to pre-appointment arrears of wages and accrued holiday pay were received from seven head office staff who were made redundant following appointment. In view of the quantum of floating charge realisations, preferential claims will be paid in full during the next reporting period.

### **NHL and Fontenhall**

As all employees of NHL and Fontenhall transferred to the relevant purchasers under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (**TUPE**), there are no preferential creditors in relation to these entities.

## **Unsecured creditors**

The estimated unsecured creditor claims have been taken from the directors' SoAs for each of the Companies. Prima and Fontenhall will have insufficient realisations to enable a distribution to their respective unsecured creditors.

### **NHL**

The estimated net property for NHL is £22,000 resulting in a Prescribed Part fund of £7,000. Given the quantity and value of unsecured claims, the Administrators have disapplied the Prescribed Part provisions pursuant to S176A (3)(a) as the value of the funds available are less than £10,000 and it is anticipated that the costs of issuing an unsecured creditor distribution will outweigh the benefit. The Administrators will confirm the final position in the next reporting period.

For further information please refer to section 5 of this report.

### 3. Progress of the Administrations

- 3.1 Attached at Appendices B and C are the Administrators' Receipts and Payments Accounts and Trading Receipts and Payments Accounts for the Period, together with Cumulative Accounts for the period since the date of the appointments. These accounts are prepared on a cash basis, therefore details of costs incurred but not yet paid are excluded from the accounts and are summarised at Appendix F.
- 3.2 In addition to their statutory objective, the Administrators have duties imposed by insolvency and other legislation and their regulating professional bodies. The Administrators have set out information in respect of the progress of these duties in addition to that of the realisation of assets and distribution of available funds. The detail provided is intended to provide users of this report with information to allow them to understand how the Administrators' fees and expenses as set out in Appendices E and F have been incurred.

#### Strategy

- 3.3 As a reminder, the Companies owned and operated four hotels (the **Hotels**) as detailed below.

Company	Hotel name	Address
Prima	Stanneylands Hotel	Stanneylands Road, Wilmslow, Cheshire, SK9 4EY
Prima	Quorn Country Hotel	Charnwood House, Leicester Road, Quorn, LE12 8BB
NHL	Nunsmere Hall Hotel	Tarporley Road, Oakmere, Cheshire, CW8 2ES
Fontenhall	Hellaby Hall Hotel	Old Hellaby Lane, Hellaby, Nr Rotherham, S66 8SN

- 3.4 As detailed at paragraph 1.6, the Administrators are pursuing the second statutory objective in the Administrations, being to achieve a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in Administration).
- 3.5 To achieve this objective, the Administrators continued to trade the Hotels until going concern sales were achieved, on the basis that their values would be maximised by selling them as operating hotels as opposed to vacant properties.
- 3.6 This strategy also minimised claims from a number of potential creditor groups who may have submitted preferential or unsecured creditor claims had the Hotels ceased to trade, principally relating to employees who would have been made redundant and customers who had paid deposits for future bookings.

Prima Hotels Limited (**Prima**), NHL Realisations Limited (**NHL**) and Fontenhall Limited (**Fontenhall**)  
All In Administration (together the **Companies**)

## Sales of the Hotels

- 3.7 Sales of all the Hotels completed in the previous reporting period and are summarised in the table below. None of the purchasers are connected to the Companies and all consideration has been received in full.

Company	Hotel name	Sale date	Consideration £	Consideration for sale of stock £
Prima	Stanneylands Hotel	22 December 2015	4 15 million	26,464
Prima	Quorn Country Hotel	4 April 2016	2.15 million	16,629
NHL	Nunsmere Hall Hotel	24 December 2015	5 35 million	26,301
Fontenhall	Hellaby Hall Hotel	30 December 2015	5 00 million	15,211

- 3.8 Whilst the majority of the realisations related to freehold land and property, an element of the sales consideration included amounts for goodwill, intellectual property, fixtures, fittings, furniture and equipment. The equipment sold in respect of the Stanneylands Hotel also included a motor vehicle.
- 3.9 Stock held at each of the Hotels was sold separately to the same purchasers. Following a reconciliation process, additional funds of £1,965 were received by Prima during the Period.
- 3.10 Cash balances held on completion of the sales were retained by the Companies and are detailed in the Receipts and Payments Accounts at Appendix B.

## Trading

- 3.11 As previously reported, following their appointment, the Administrators engaged Legacy Hotels and Resorts Limited (**Legacy**), an operator specialising in hotel management, to assist with the day-to-day trading operations of the Hotels.
- 3.12 Following completion of all sales of the Hotels, the Administrators have liaised with Legacy to finalise outstanding trading matters including insurance, withdrawing supplier undertakings, reconciling final trading positions and transferring monies due to the respective purchasers. It is anticipated this process will be completed in the next reporting period. Following completion of this process, and the remaining asset realisations commented on later in this section, the Administrations will be closed and details relating to the proposed exit route are provided at Appendix H.



- 3.13 The trading position of each of the Companies is provided at Appendix C and is summarised below.

Company	Estimated final position at 22 April 2016	Trading position as at 22 October 2016
Prima	(28,000)	(12,120)
NHL	(10,000)	2,265
Fontenhall	10,000	75,659

- 3.14 The trading positions exceed the estimates provided in the previous report. The uplift is principally attributable to supplier rebates received as a result of a reconciliation exercise undertaken by the Administrators and Legacy upon completion of the sales of the Hotels. In addition, outstanding costs were lower than originally forecast.
- 3.15 The trading positions in respect of NHL and Fontenhall are finalised. In respect of Prima, the Administrators instructed Gateley LLP to pursue outstanding post-appointment sales receipts and total realisations in this regard are anticipated to be approximately £3,000, therefore, the final trading position of Prima is expected to be a loss of approximately £9,000.
- 3.16 This deficit is outweighed by the value achieved from selling the Hotels as operating hotels, as compared to selling them as vacant properties. The outcome for the general body of creditors has not been impacted and the loss incurred in Prima will be borne by the secured creditor. It should also be noted that the combined trading performance of the Group's Hotels since the appointments has been profitable.
- 3.17 In addition, as part of the hotel sales, the purchasers of Hellaby Hall (Fontenhall) and Nunsmere Hall (NHL) agreed to honour 100% of the pre-appointment deposits which were outstanding at the time the sales completed. This reduced potential unsecured claims in the Administrations by approximately £70,000.

### **Post-appointment customer deposits**

- 3.18 Upon completion of the sale of each hotel, steps were taken to contact all parties who paid a deposit for a future event in order to obtain consent to transfer their post-appointment deposits to the relevant purchaser
- 3.19 All remaining post-appointment deposits in respect of Nunsmere Hall Hotel and Stanneylands Hotel have been transferred to the relevant purchasers.
- 3.20 At 22 October 2016, the remaining deposits held in relation to Fontenhall total £10,535. Once appropriate arrangements are made, the transfer of remaining funds will be made to the purchaser of Hellaby Hall and are therefore expected to complete in the next reporting period.

- 3.21 As at 22 October 2016, the Administrators held post-appointment deposits totalling £74,576 in relation to events booked at the Quorn Country Hotel which were due to take place in the post-sale period. Whilst outside the Period, the Administrators have completed an initial transfer to the purchaser of £44,147 in respect of deposits honoured between the date the sale of the hotel completed and 20 October 2016. The purchaser is currently seeking customer consents to transfer the remaining deposits and it is anticipated this will complete in the next period.

### **Pre-appointment book debts**

- 3.22 There have been no further realisations in the Period in relation to Prima or Fontenhall. As the respective outstanding balances of £3,099 and £17,300 for Prima and Fontenhall were disputed and could not be evidenced, the Administrators took the decision to draw collection efforts to a close.
- 3.23 As previously reported, book debts in respect of NHL have been recovered in full.

### **Intercompany debtors**

- 3.24 As previously reported, it was identified that a sum was due to Prima of approximately £142,000 from Prima Hotel Management Services Limited (**PHMS**). The Administrators demanded full repayment of this sum; however, PHMS advised it did not have funds available to settle this debt. An application was made by its director to strike the company off the register, which was effective on 5 July 2016.
- 3.25 The Administrators also identified a debt due to Prima from Prima Hotels (Jersey) Limited (**PHJ**) totalling £1.5 million, which arose following a restructuring of the ownership structure of the Group. The Administrators demanded repayment; however, as PHJ holds no funds to repay this sum, it is not anticipated that any recoveries will be made and recovery action has now ceased.

### **Rates refund**

- 3.26 The Administrators engaged the Coupers Partnership Limited (**Coupers**) to identify rates refunds due to the Companies. Refunds totalling £8,625 due to Prima were identified which have been recovered in full. Coupers has subsequently confirmed that there are no further refunds due to the Companies.

### **Other assets**

- 3.27 Bank interest totalling £3,874 has been received in aggregate across the Companies.

### **Administration (including statutory reporting)**

- 3.28 In addition to their duties relating to realising and distributing the assets of the Companies, the Administrators must comply with certain statutory compliance matters in accordance with the Insolvency Act 1986. These include preparing bi-annual reports to creditors to advise on the progress of the Administrations, and liaising with employees.

- 3.29 In order to ensure the matters of the Administrations are being progressed sufficiently, the Administrators have a duty to conduct periodic case reviews and complete case checklists. In addition, the Administrators' treasury function will also comply with cash accounting requirements including raising payments, processing journal vouchers and posting receipts, preparing bank reconciliations and statutory returns.
- 3.30 The time taken for statutory tasks is largely fixed, insofar as the cost of preparing a report to creditors or filing an annual return is similar for most cases, except where cases are very large or complex. Where the costs of statutory compliance and reporting to creditors exceeds the initial estimate, it will generally be because the duration of the case has been longer than expected, due to for example protracted realisation of assets, and therefore additional periodic reports have had to be prepared and distributed to stakeholders.

### **Tax position**

- 3.31 The Administrators are responsible for liaising with HM Revenue and Customs to determine the final position in respect of corporation tax, PAYE, VAT and other taxes that may be owed by or to the Companies, and for filing tax returns for the duration of the Administrations. The Administrators are in the process of finalising the Companies' tax position and returns will be submitted in the next reporting period as part of the closure of the Administrations. Based on the information currently available, it is not anticipated that tax liabilities will arise.

## **4. Investigations**

- 4.1 The Administrators conducted investigations into the conduct of the directors and transactions entered into prior to the insolvency of the Companies, as required by the Company Directors Disqualification Act 1986, and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administrations and Insolvent Liquidations.
- 4.2 The Administrators' investigations into a number of transactions entered into by the Companies are continuing and will be concluded in the next period.

## **5. Estimated outcome for creditors**

### **Secured creditor – AIB Group (UK) Plc**

- 5.1 A schedule of charges granted by the Companies was provided in the Proposals. At the date of the appointments the Bank was owed £36.18 million (excluding accrued interest and charges) under its security from the Group, which is supported by cross-guarantees. The anticipated returns from each of the Companies is provided in section 2. The total return from the Group, including the estimated recovery from FSL, is estimated to be approximately £31.2 million.

### **Preferential creditors**

- 5.2 Seven Prima employees were made redundant from the head office. Claims for arrears of wages and accrued holiday pay in respect of these former employees total £1,838. Following an uplift in the trading position, preferential creditors will be paid in full in the next reporting period.
- 5.3 All other employees of the Companies transferred to the respective purchasers of the Hotels under TUPE. As a result, no further preferential claims are expected.

### **Unsecured Creditors' Fund**

- 5.4 Where there is a floating charge which was created on or after 15 September 2003, the Administrators are required to create a fund from a company's net property available for the benefit of unsecured creditors (**Unsecured Creditors' Fund**), commonly known as the 'Prescribed Part'.
- 5.5 As the floating charges granted by Prima and Fontenhall pre-date 15 September 2003, there is no requirement to create an Unsecured Creditors' Fund for these entities. As a result, there will be no funds available to pay a dividend to the unsecured creditors of Prima and Fontenhall.
- 5.6 The floating charge granted by NHL post-dates 15 September 2003, therefore there is a requirement to create an Unsecured Creditors' Fund. The Administrators estimate the value of NHL's net floating charge property to be £22,000. Arising from this, the value of the Unsecured Creditors' Fund is anticipated to be £7,000.
- 5.7 Given the quantity and value of unsecured claims, it is likely that the costs in issuing an unsecured creditor distribution will outweigh the benefit; therefore, the Administrators do not anticipate that a dividend will be issued to the unsecured creditors. The Administrators will confirm the final position in the next reporting period.

## **6. What happens next**

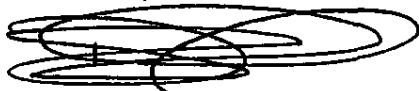
### **Creditors' rights**

- 6.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Administrators provide further information about their fees or expenses (other than pre-administration costs) which have been itemised in this progress report.
- 6.2 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this report, make an application to court on the grounds that the basis fixed for the Administrators' fees is inappropriate, or that the fees charged or the expenses incurred by the Administrators during the period of this report are excessive.

### **Next report**

- 6.3 The Administrators are required to provide a progress report within one month of the end of the next six months of the Administrations, or earlier if the Administrations have been finalised. For details of the proposed exit route please see Appendix H.

For and on behalf of  
The Companies



**Ryan Grant**  
Administrator

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## Appendix A. Statutory information

### Company information

#### Prima

Company name	Prima Hotels Limited
Registered number	03601346
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	Stanneylands Road, Wilmslow, Cheshire, SK9 4EY
Trading addresses	Stanneylands Hotel, Stanneylands Road, Wilmslow, Cheshire, SK9 4EY Quorn Country Hotel, Charnwood House, Leicester Road, Quorn, Leicestershire, LE12 8BB
Trading names	Stanneylands Hotel and Quorn Country Hotel
Court details	High Court of Justice, Chancery Division, Birmingham District Registry
Court reference	8176 of 2015

#### NHL

Company name	NHL Realisations Limited
Registered number	02848038
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	Stanneylands Road, Wilmslow, Cheshire, SK9 4EY
Trading address	Nunsmere Hall Hotel, Tarporley Road, Oakmere, Northwich, Cheshire, CW8 2ES
Trading name	Nunsmere Hall Hotel
Court details	High Court of Justice, Chancery Division, Birmingham District Registry
Court reference	8174 of 2015

Prima Hotels Limited (**Prima**), NHL Realisations Limited (**NHL**) and Fontenhall Limited (**Fontenhall**)  
All In Administration (together the **Companies**)

## Fontenhall

Company name	Fontenhall Limited
Registered number	FC023454
Registered office	The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	Grant Thornton, 24-26 Dublin Quay, Dublin 2, County Dublin, Ireland
Trading address	Hellaby Hall Hotel, Old Hellaby Lane, Hellaby, Nr Rotherham, S66 9SN
Trading name	Hellaby Hall Hotel
Court details	High Court of Justice, Chancery Division, Birmingham District Registry
Court reference	8175 of 2015

## Appointor's information

Name	Address	Position
AIB Group (UK) Plc	92 Ann Street, Belfast, Northern Ireland, BT1 3HH	Fixed and floating chargeholder

## Administrators' information

Name	Address	IP number	Name of authorising body
Ryan Kevin Grant	AlixPartners, 35 Newhall Street, Birmingham, B3 3PU	9637	Insolvency Practitioners Association
Catherine Mary Williamson	AlixPartners, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	15570	Insolvency Practitioners Association

In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Administrators are to be exercised by either or both of the Administrators. All references to the Administrators should be read as the Joint Administrators

## Extension of the Administrations

The Administrations were extended for a period of 12 months with the consent of the secured creditor and will end on or before 6 May 2017.



## Appendix B. Receipts and Payments Accounts for the period 23 April 2016 to 22 October 2016 and Cumulative Accounts for the period since appointment

### Prima

Statement of Affairs £	Period £	Cumulative £
Ring-fenced assets		
Post-appointment deposits	(72,394)	125,270
Deposits transferred to purchasers	(10,999)	(50,694)
	(83,393)	74,576
Fixed charge assets		
4,950,000 Receipts	-	5,200,000
Freehold land and property	-	1,700
Intellectual property	-	1,030,000
Goodwill	-	(12,120)
Trading surplus/(deficit)	44,251	400
Bank interest	400	625
	44,651	6,220,205
Payments		
Administrators' fees	10,884	230,155
Legal fees	65,487	65,487
Legal disbursements	411	411
Agent's/valuer's fees	13,541	36,326
Building surveyor's fees	-	8,980
Bank charges	86	113
	(90,409)	(341,472)
Distributions		
Fixed chargeholder	660,000	5,860,000
	(660,000)	(5,860,000)
Balance of fixed charge assets	(789,151)	93,309
Floating charge assets		
166,000 Receipts	-	69,299
27,000 Furniture and equipment	1,965	43,093
Cash held on completion of sale	26	2,903
93,340 Book debts	-	81,749
3,012 Pre-appointment cash and card sales	-	4,097
Rates refund	8,625	8,625
Bank interest	64	683
Sundry realisations	-	257
Receipts due to purchaser	469	469
	11,149	211,175
Payments		
Pre-administration costs	-	8,654
Administrators' fees	-	2
Disbursements - printing	-	-
Administrators' fees	37,116	37,116
Category 1 disbursements		
Travel and subsistence	1,159	1,159
Stationery and postage	927	2,489
Telephone charges	93	93
Statutory advertising	-	169
Category 2 disbursements		
Photocopying and printing	135	135
Preparation of Statement of Affairs	-	1,500
Agent's/valuer's fees	1,794	7,545
Pre-appointment payroll	-	46,654
Pre-appointment employee expenses	-	2,278
Bank charges	66	812
	(41,290)	(108,606)
Balance of floating charge assets	(30,141)	102,569
Total balance		195,878
Represented by		
Interest bearing accounts		134,268
Deposit accounts		74,576
VAT payable		(12,966)
		195,878

Prima Hotels Limited (**Prima**), NHL Realisations Limited (**NHL**) and Fontenhall Limited (**Fontenhall**)  
All in Administration (together the **Companies**)

**NHL**

Statement of Affairs £	Period £	Cumulative £
<b>Ring-fenced assets</b>		
Post-appointment deposits	(388)	88,833
Deposits transferred to purchasers	(8,921)	(88,833)
	<b>(9,309)</b>	<b>-</b>
<b>Fixed charge assets</b>		
Receipts		
4,050,000 Freehold land and property	-	4,300,000
Intellectual property	-	3
Goodwill	-	1,000,000
Bank interest	473	843
	<b>473</b>	<b>5,300,846</b>
Payments		
Administrators' fees	46,000	117,000
Legal fees	-	50,214
Legal disbursements	1,619	1,982
Agent's/valuer's fees	-	41,102
Building surveyor's fees	-	4,330
Bank charges	23	40
	<b>(47,642)</b>	<b>(214,668)</b>
Distributions		
Fixed chargeholder	567,686	5,068,315
	<b>(567,686)</b>	<b>(5,068,315)</b>
<b>Balance of fixed charge assets</b>	<b>(624,164)</b>	<b>17,863</b>
<b>Floating charge assets</b>		
Receipts		
38,000 Furniture and equipment	-	49,996
20,628 Stock	-	26,301
Cash held on completion of sale	-	2,975
36,187 Book debts	-	34,017
Bank interest	69	389
Trading Surplus	21,649	2,265
Receipts due to purchaser	(7,079)	1,246
	<b>14,639</b>	<b>117,189</b>
Payments		
Pre-administration costs		
Administrators' fees	-	8,654
Disbursements - printing	-	2
Administrators' fees	(19,113)	35,887
Category 1 disbursements		
Travel and subsistence	1,387	1,387
Stationery and postage	126	508
Storage costs	1,724	1,724
Category 2 disbursements		
Photocopying and printing	28	28
Preparation of Statement of Affairs	-	1,500
Agent's/valuer's fees	-	2,300
Pre-appointment payroll	-	20,273
Pre-appointment employee expenses	-	1,225
Bank charges	37	192
	<b>15,811</b>	<b>(73,680)</b>
<b>Balance of floating charge assets</b>	<b>30,450</b>	<b>43,509</b>
<b>Total balance</b>		<b>61,372</b>
<b>Represented by</b>		
Interest bearing accounts		54,787
VAT receivable		6,585
		<b>61,372</b>

Prima Hotels Limited (**Prima**), NHL Realisations Limited (**NHL**) and Fontenhall Limited (**Fontenhall**)  
All In Administration (together the **Companies**)

## Fontenhall

Statement of Affairs £	Period £	Cumulative £
<b>Ring-fenced assets</b>		
Post-appointment deposits	-	49,444
Deposits transferred to purchasers	(38,909)	(38,909)
	<b>(38,909)</b>	<b>10,535</b>
<b>Fixed charge assets</b>		
4,050,000 Receipts	-	4,200,000
Freehold land and property	-	2
Intellectual property	-	750,000
Goodwill	190	579
Bank interest	<b>190</b>	<b>4,950,581</b>
<b>Payments</b>		
Administrators' fees	-	112,164
Legal fees	-	41,615
Legal disbursements	5,434	5,798
Agent's/valuer's fees	-	27,661
Building surveyor's fees	-	6,850
Bank charges	22	44
	<b>(5,456)</b>	<b>(194,132)</b>
<b>Distributions</b>		
Fixed chargeholder	516,984	4,766,984
	<b>(516,984)</b>	<b>(4,766,984)</b>
<b>Balance of fixed charge assets</b>	<b>(561,159)</b>	<b>-</b>
<b>Floating charge assets</b>		
108,000 Receipts	-	49,997
11,779 Furniture and equipment	-	15,211
Stock	-	2,150
Cash held on completion of sale	-	64,393
58,346 Book debts	-	21,157
3,297 Pre-appointment cash and card sales	-	755
Bank interest	164	12,011
Receipts due to purchaser	11,071	75,659
Trading surplus	51,781	241,333
	<b>63,016</b>	<b>241,333</b>
<b>Payments</b>		
Pre-administration costs		
Administrators' fees	-	8,654
Disbursements - printing	-	2
Administrators' fees	25,000	25,000
Category 1 disbursements		
Travel and subsistence	23	23
Stationery and postage	366	979
Storage costs	-	-
Telephone charges	6	6
Category 2 disbursements		
Photocopying and printing	35	35
Preparation of Statement of Affairs	-	1,500
Agent's/valuer's fees	-	2,350
Pre-appointment payroll	-	29,903
Pre-appointment employee expenses	-	1,200
Bank charges	51	429
	<b>(25,481)</b>	<b>(70,081)</b>
<b>Distributions</b>		
Floating chargeholder	89,016	89,016
	<b>(89,016)</b>	<b>(89,016)</b>
<b>Balance of floating charge assets</b>	<b>(51,481)</b>	<b>82,236</b>
<b>Total balance</b>		<b>82,236</b>
<b>Represented by</b>		
Interest bearing accounts		64,848
Deposit account		10,535
VAT receivable		6,853
		<b>82,236</b>

## Appendix C. Trading Receipts and Payments Accounts for the period 23 April 2016 to 22 October 2016 and Cumulative Accounts for the period since appointment

### Prima

	Period £	Cumulative £
Sales		
Sales	109,984	2,087,712
	<b>109,984</b>	<b>2,087,712</b>
Direct costs		
Purchases/(rebates)	(27,783)	364,121
Wages and salaries	17,630	787,860
PAYE and National Insurance	-	149,186
	<b>10,153</b>	<b>(1,301,167)</b>
Trading expenditure		
Managing agent's fees	15,815	86,287
Rents	-	31,332
Rates	-	93,070
Utilities	6,345	111,512
Travel and subsistence	-	3,181
Telephone and IT systems	1,562	24,666
License fees	-	2,104
Insurance	28,107	28,107
Professional fees	497	7,612
PDQ and bank charges	8,616	31,155
Entertainment	-	12,164
Hire of equipment	341	13,900
Repairs and maintenance	740	35,331
Sundry expenses	367	82,529
Sales commission and booking agents	5,906	93,567
Laundry	3,711	41,829
Advertising and marketing	3,259	20,755
Stationery and postage	-	1,071
Waste collection	125	9,698
Retention of title costs	-	15,131
Payroll agent's fees	-	8,419
Health and safety compliance costs	495	21,299
Ransom costs	-	6,926
Pre-appointment deposits paid to purchaser	-	17,020
	<b>(75,886)</b>	<b>(798,665)</b>
<b>Trading surplus/(deficit)</b>	<b>44,251</b>	<b>(12,120)</b>

Prima Hotels Limited (**Prima**), NHL Realisations Limited (**NHL**) and Fontenhall Limited (**Fontenhall**)  
All In Administration (together the **Companies**)

## NHL

	Period £	Cumulative £
Sales		
Sales	6,322	976,425
	<b>6,322</b>	<b>976,425</b>
Direct costs		
Purchases/(rebates)	(19,375)	189,266
Wages and salaries	596	308,507
PAYE and National Insurance	-	75,099
	<b>18,779</b>	<b>(572,872)</b>
Trading expenditure		
Managing agent's fees	2,213	28,166
Rents	-	33,322
Utilities	-	49,028
Telephone and IT systems	-	4,214
License fees	-	922
Insurance	-	10,989
Professional fees	-	3,486
PDQ and bank charges	-	12,973
Hire of equipment	1,169	73,347
Repairs and maintenance	-	22,863
Sundry expenses	-	39,942
Sales commission and booking agents	70	22,605
Laundry	-	21,255
Advertising and marketing	-	5,607
Stationery and postage	-	3,431
Waste collection	-	5,797
Retention of title costs	-	10,000
Payroll agent's fees	-	1,904
Health and safety compliance costs	-	14,146
Ransom costs	-	4,402
Pre-appointment deposit refunds	-	2,139
Pre-appointment deposits paid to purchaser	-	30,750
	<b>(3,452)</b>	<b>(401,288)</b>
<b>Trading surplus</b>	<b>21,649</b>	<b>2,265</b>

\*Note: the above account is subject to small rounding differences.

Prima Hotels Limited (**Prima**), NHL Realisations Limited (**NHL**) and Fontenhall Limited (**Fontenhall**)  
All in Administration (together the **Companies**)

## Fontenhall

	Period £	Cumulative £
Sales		
Sales	34,024	1,386,415
	<b>34,024</b>	<b>1,386,415</b>
Direct costs		
Purchases/(rebates)	(21,398)	255,959
Wages and salaries	649	472,306
PAYE and National Insurance	-	71,228
	<b>20,749</b>	<b>(799,493)</b>
Trading expenditure		
Managing agent's fees	2,962	60,901
Rates	-	59,348
Utilities	-	95,640
Travel and subsistence	-	20,398
Telephone and IT systems	-	12,611
License fees	-	2,846
Insurance	-	18,520
Professional fees	-	2,710
PDQ and bank charges	-	15,600
Entertainment	-	4,970
Hire of equipment	-	21,427
Repairs and maintenance	-	31,276
Sundry expenses	-	30,416
Sales commission and booking agents	-	59,170
Laundry	-	24,114
Advertising and marketing	-	6,931
Stationery and postage	-	3,379
Waste collection	30	8,338
Retention of title costs	-	8,500
Payroll agent's fees	-	2,952
Health and safety compliance costs	-	7,307
Ransom costs	-	9,781
Pre-appointment deposits paid to purchaser	-	4,128
	<b>(2,992)</b>	<b>(511,263)</b>
<b>Trading surplus</b>	<b>51,781</b>	<b>75,659</b>

## Appendix D. Time Analyses and details of time spent

Time Analyses for the Period are detailed below and narrative explanations of the work undertaken during the Period are provided in section 3 of this report.

### Prima

Employee grade (hours)							£
	Managing director /director	Associate director /director associate	Associate/analyst	Junior analyst/ support	Hours worked	Cost incurred	Average rate per hour
<b>Administration and planning</b>							
Strategy and control	3.2				3.2	1,440.00	450
Statutory duties	0.1	1.1	0.9		2.1	650.00	310
Case administration		0.5	1.1		1.6	455.00	284
Accounting and treasury	1.9	1.4	2.7	1.0	7.0	2,031.50	290
Internal documentation	0.4	-			0.4	180.00	450
<b>Investigations</b>							
Other investigations	-	0.9			0.9	373.00	370
<b>Realisation of assets Fixed charge</b>							
Asset realisation strategy			1.8		1.8	360.00	240
Asset identification and valuation			0.7		0.7	168.00	240
Sale of assets			0.8		0.8	130.00	260
Asset accounting and administration	0.3		0.1	0.4	0.7	165.00	238
<b>Realisation of assets - debtors</b>							
Debt collection			1.2		1.2	294.00	245
<b>Realisation of assets Floating charge</b>							
Asset realisation strategy			0.3	-	0.3	72.00	240
Sale of assets			4.5	-	4.5	675.00	150
Asset accounting and administration	0.4		2.8	0.4	3.7	779.00	211
<b>Trading</b>							
Trading strategy		0.3	1.3	-	1.6	443.00	277
Trading activities		0.3	8.2		8.5	1,371.00	249
Accounting and administration	0.9	0.1	29.8	13.8	44.6	7,661.00	191
<b>Creditors</b>							
Reporting to creditors	4.7	0.5	8.1	0.4	13.7	3,662.00	264
Secured creditors		1.0	6.0	0.3	7.3	1,968.00	270
Unsecured creditors	-		1.7	0.2	1.9	411.00	214
Employees	-		0.3		0.3	72.00	240
<b>Total</b>	<b>11.8</b>	<b>6.1</b>	<b>61.8</b>	<b>16.2</b>	<b>95.9</b>	<b>23,289.50</b>	<b>244</b>

### NHL

Employee grade (hours)							£
	Managing director /director	Associate director /director associate	Associate/analyst	Junior analyst/ support	Hours worked	Cost incurred	Average rate per hour
<b>Administration and planning</b>							
Strategy and control	0.1				0.1	45.00	450
Statutory duties	-	0.3	0.2	-	0.5	133.00	264
Case administration		0.2	1.5		1.7	395.00	233
Accounting and treasury	3.6	0.5	1.5	1.2	6.8	2,780.50	335
Internal documentation	0.1				0.1	45.00	450
<b>Investigations</b>							
Other investigations		0.8			0.8	296.00	370
<b>Realisation of assets Fixed charge</b>							
Asset identification and valuation			0.2		0.2	48.00	240
Asset accounting and administration	-			0.2	0.2	34.00	170
<b>Realisation of assets Floating charge</b>							
Asset accounting and administration	0.2		1.3	0.3	1.8	378.50	210
<b>Trading</b>							
Trading activities			0.7		0.7	168.00	240
Accounting and administration	0.9		9.5	5.0	15.4	2,939.00	191
<b>Creditors</b>							
Reporting to creditors	2.3	0.5	4.0	0.4	7.2	2,298.00	319
Secured creditors		0.8	3.1	-	3.9	1,073.00	280
Unsecured creditors			1.3		1.3	233.00	178
<b>Total</b>	<b>7.2</b>	<b>3.1</b>	<b>23.3</b>	<b>7.1</b>	<b>40.7</b>	<b>10,363.60</b>	<b>255</b>

Prima Hotels Limited (**Prima**), NHL Realisations Limited (**NHL**) and Fontenhall Limited (**Fontenhall**)  
All in Administration (together the **Companies**)

## Fontenhall

Employee grade (hours)						£	
	Managing director /director	Associate director /senior associate	Associate/analyst	Junior analyst/ support	Hours worked	Cost incurred	Average rate per hour
Administration and planning							
Strategy and control	1.3			-	1.3	585.00	450
Statutory duties		0.3	0.7		1.0	253.00	253
Case administration	-	0.3	1.1		1.3	344.00	265
Accounting and treasury	2.3	1.0	1.8	1.2	6.4	1,984.00	307
Internal documentation	0.1		-		0.1	45.00	450
Investigations							
Other investigations		0.8			0.8	296.00	370
Realisation of assets - fixed charge							
Asset realisation strategy			0.7		0.7	169.00	240
Asset identification and valuation			0.3	-	0.3	48.00	240
Asset accounting and administration	-		0.3		0.3	59.00	197
Realisation of assets - floating charge							
Sale of assets			4.2		4.2	630.00	150
Asset accounting and administration	0.2		1.0	0.1	1.3	281.00	216
Trading							
Trading activities	-		0.7		0.7	168.00	240
Accounting and administration	0.8	0.1	18.0	7.0	25.9	4,548.00	193
Creditors							
Reporting to creditors	2.3	0.5	3.9	0.4	7.1	2,282.00	321
Secured creditors		0.7	3.3	0.3	4.3	1,155.00	269
Unsecured creditors			0.4		0.4	96.00	240
Employees			0.4		0.4	96.00	240
<b>Total</b>	<b>6.7</b>	<b>3.6</b>	<b>34.8</b>	<b>9.8</b>	<b>54.1</b>	<b>12,018.00</b>	<b>241</b>

Cumulative Time Analyses for the period since the Administrators' appointments are detailed below.

## Prima

Employee grade (hours)						£	
	Managing director /director	Associate director /senior associate	Associate/analyst	Junior analyst/ support	Hours worked	Cost incurred	Average rate per hour
Administration and planning							
Planning	25.7	3.2			28.9	12,092.00	418
Strategy and control	22.8	11.1	0.9	1.0	35.8	14,648.00	409
Statutory duties	1.8	2.4	1.4	3.2	8.8	2,058.00	257
Case administration	1.4	3.2	9.1	13.2	26.9	6,184.00	227
Accounting and treasury	2.5	2.8	9.5	7.0	31.8	8,347.50	238
Travel and mailing time	9.0		1.5		10.5	4,440.00	423
Internal documentation	1.3	0.3	5.7	3.1	12.4	2,647.00	213
Investigations							
Director contact reports	8.1	5.7	7.6	27.1	48.5	11,593.00	239
Other investigations	7.8	7.1	15.0	2.5	32.4	10,218.00	315
Internal documentation	0.5	0.2	24.4		25.1	6,641.00	265
Realisation of assets - fixed charge							
Asset realisation strategy	9.8	1.8	1.9	-	13.5	5,518.00	409
Asset identification and valuation	9.2		20.3	6.9	36.4	10,290.00	283
Sale of assets	9.8	38.4	17.2	2.1	67.5	23,128.00	343
Recovery of assets				0.1	0.1	15.00	150
Dealing with third party assets			0.2		0.2	52.00	260
Asset accounting and administration	0.3	0.3	1.8	1.6	4.0	887.00	222
Realisation of assets - debtors							
Debt collection			1.4		1.4	346.00	247
Internal and external documentation			2.2		2.2	506.00	230
Realisation of assets - floating charge							
Asset realisation strategy	1.2	0.7	0.5	0.1	2.5	933.00	373
Asset identification and valuation			2.4		2.4	624.00	260
Sale of assets		1.9	4.5	-	6.4	1,362.00	213
Recovery of assets		1.2	1.8	0.2	3.2	759.00	304
Dealing with third party assets		0.2	0.4		0.6	2,256.00	282
Asset accounting and administration	0.7		5.0	5.1	10.8	2,070.00	192
Trading							
Trading strategy	8.4	64.2	70.1		142.7	45,108.00	316
Trading activities	3.0	11.4	102.0	20.7	137.1	34,754.00	253
Accounting and administration	10.5	17.9	74.1	160.6	263.1	50,143.50	191
Creditors							
Internal documentation	1.6		0.3	-	1.9	798.00	420
Reporting to creditors	23.8	7.9	39.6	9.4	80.7	25,034.00	310
Secured creditors	0.8	12.1	13.3	0.6	26.8	8,245.50	308
Preferential creditors	-		0.6	0.2	0.8	186.00	233
Unsecured creditors	0.2	2.7	0.1	14.6	23.6	4,689.00	199
Employees		2.7	7.3	8.1	18.1	3,995.00	221
Shareholders and other stakeholders		1.0	0.5		1.5	490.00	327
<b>Total</b>	<b>159.4</b>	<b>288.5</b>	<b>455.8</b>	<b>298.2</b>	<b>1,105.9</b>	<b>298,889.50</b>	<b>269</b>



Prima Hotels Limited (Prima), NHL Realisations Limited (NHL) and Fontenhall Limited (Fontenhall)  
All in Administration (together the Companies)

## NHL

	Employee grade (hours)					£	
	Managing director /director	Associate director /senior associate	Associate/analyst	Junior analyst/assistant	Hours incurred	Cost incurred	Average rate per hour
<b>Administration and planning</b>							
Planning	0.6	0.2	2.0		2.8	882.00	306
Strategy and control	7.0	3.2	1.4	1.1	11.6	5,208.00	386
Statutory duties	0.8	1.6	0.8	3.2	4.1	1,455.00	239
Case administration	0.4	1.3	0.3	10.9	10.7	3,788.00	203
Accounting and treasury	4.3	2.0	9.4	9.5	25.5	5,103.00	249
Travel and working time	4.0		1.0		5.0	2,420.00	417
Internal documentation	0.8	0.3	1.3	2.6	4.8	945.00	197
<b>Investigations</b>							
Director conduct reports	5.0	1.0	5.7	0.7	11.8	4,657.00	378
Other investigations	0.7	4.0	10.4	1.0	24.9	8,805.00	273
Internal documentation		0.2	4.9		5.1	1,346.00	254
<b>Realisation of assets – fixed charge</b>							
Asset realisation strategy	5.0	1.1	0.4		7.4	3,149.00	425
Asset identification and valuation	9.4		0.4	0.1	22.1	6,871.00	311
Sale of assets	10.2	30.9	9.8	2.0	51.7	10,875.00	348
Asset accounting and administration			2.0	2.3	4.2	805.00	192
<b>Realisation of assets – debenture</b>							
Debt collection			0.3		0.3	72.00	240
Internal and external documentation			0.4	-	0.4	92.00	230
<b>Realisation of assets – floating charge</b>							
Asset realisation strategy		0.1		-	0.1	36.00	360
Asset identification and valuation			0.7		0.7	182.00	250
Sale of assets			0.3		0.3	106.00	300
Recovery of assets			0.2		0.2	176.00	293
Dealing with third party assets			3.3		3.3	868.00	263
Asset accounting and administration	0.4		3.2	2.2	5.8	1,192.50	206
<b>Trading</b>							
Trading strategy	3.1	37.8	33.4		74.3	23,692.00	319
Trading activities	2.1	1.7	40.7	20.5	65.0	20,105.00	237
Accounting and administration	0.1	11.2	34.2	94.0	145.5	24,881.00	185
<b>Creditors</b>							
Creditor claims	-			0.1	0.1	15.00	150
Internal documentation	1.2				1.2	540.00	450
Reporting to creditors	10.4	4.4	26.4	9.3	50.5	17,101.00	303
Secured creditors	0.6	0.7	7.1	0.3	14.7	4,546.50	309
Unsecured creditors		0.4	3.6	9.7	13.7	2,375.00	173
Employees		0.1	0.5	3.3	3.9	630.00	162
Shareholders and other stakeholders		0.2			0.2	72.00	360
<b>Totals</b>	<b>61.7</b>	<b>107.6</b>	<b>219.2</b>	<b>179.6</b>	<b>610.1</b>	<b>140,793.00</b>	<b>244</b>

## Fontenhall

	Employee grade (hours)					£	
	Managing director /director	Associate director /senior associate	Associate/analyst	Junior analyst/assistant	Hours incurred	Cost incurred	Average rate per hour
<b>Administration and planning</b>							
Planning	0.6	0.2	2.0		2.8	882.00	306
Strategy and control	11.1	3.2	1.2	1.0	15.5	6,822.00	401
Statutory duties	1.0	2.3	2.1	4.3	9.7	2,367.00	244
Case administration	0.4	1.7	0.3	11.6	20.0	4,136.00	207
Accounting and treasury	3.0	2.0	4.4	6.5	15.9	3,980.50	248
Travel and working time	0.6		1.0		1.6	1,230.00	415
Internal documentation	1.0	0.3	2.4	2.6	6.3	1,369.00	217
<b>Investigations</b>							
Director conduct reports	5.4	1.0	4.3	1.0	11.9	4,267.00	331
Other investigations	0.7	4.2	20.4	2.1	27.4	7,442.00	272
Internal documentation		0.2	1.0		1.2	332.00	277
<b>Realisation of assets – fixed charge</b>							
Asset realisation strategy	5.3	0.9	1.1		7.3	2,975.00	408
Asset identification and valuation	5.6		4.6	0.5	10.7	4,521.00	288
Sale of assets	2.0	19.0	13.4	1.0	37.0	12,077.00	325
Asset accounting and administration	0.1		2.0	1.6	3.7	753.00	204
<b>Realisation of assets – debenture</b>							
Debt collection		0.3	0.5	-	0.8	231.00	289
Internal and external documentation			0.4		0.4	92.00	230
<b>Realisation of assets – floating charge</b>							
Asset realisation strategy		0.1			0.1	36.00	360
Asset identification and valuation			0.7		0.7	182.00	250
Sale of assets		1.1	4.2		5.3	1,029.00	194
Recovery of assets		0.2	0.1	-	0.3	96.00	327
Dealing with third party assets		0.1	2.7		2.8	738.00	264
Asset accounting and administration	0.6		1.7	3.0	5.3	1,058.00	202
<b>Trading</b>							
Trading strategy	7.0	31.2	34.7		74.9	23,935.00	320
Trading activities	1.0	10.0	44.1	14.3	72.8	10,557.00	255
Accounting and administration	0.7	12.6	38.6	90.5	147.4	26,109.50	191
<b>Creditors</b>							
Creditor claims	1.0				1.0	400.00	400
Internal documentation	14.4	4.4	24.8	11.7	55.1	16,103.00	292
Reporting to creditors	0.6	0.4	0.6	0.5	1.6	4,857.50	302
Secured creditors		0.6	1.0	7.2	8.7	1,730.00	179
Unsecured creditors		0.2	2.3	2.0	5.4	1,056.00	196
Employees					0.2	72.00	360
Shareholders and other stakeholders		0.2			0.2	72.00	360
<b>Totals</b>	<b>74.7</b>	<b>104.4</b>	<b>235.1</b>	<b>167.9</b>	<b>102.3</b>	<b>152,747.50</b>	<b>263</b>

## **Appendix E. Administrators' fees and pre-administration costs**

### **Fees**

A copy of 'A Creditors' Guide to Administrations' can be downloaded from AlixPartners' creditor portal (<http://www.alixpartnersinfoportal.com>). If you would prefer this to be sent to you in hard copy please contact the Administrators and they will forward a copy to you.

Approval of the Administrators' fees has been sought in accordance with rule 2 106 of the Insolvency Rules 1986. On 7 July 2015, the secured creditor approved that the basis of the Administrators' fees be fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administrations

The Administrators also requested the preferential creditors' approval of the basis of their fees for Prima, and a deadline of 8 July 2015 was set. As no responses were received by the deadline, the basis of the Administrators' fees were therefore deemed approved by the preferential creditors on 8 July 2015.

To date, fees totalling £557,323 have been drawn on account, made up of £267,271 from Prima, £152,887 from NHL and £137,165 from Fontenhall. Of these amounts, £115,931, £63,036 and £63,513 have been drawn in respect of trading on each case respectively.

In respect of NHL, it should be noted that following a reconciliation exercise, a portion of the Administrators' fees have been reallocated as a fixed cost.

### **Pre-administration costs**

Pre-administration fees charged and expenses incurred by the Administrators were detailed in the previous report. Approval for these costs was granted by the Bank for all cases on 7 July 2015 and deemed approved by the preferential creditors of Prima on 8 July 2015. Pre-administration costs were drawn in full in the previous reporting period.

## **Appendix F. Administrators' expenses and disbursements**

### **Expenses**

The analysis of the receipts and payments for the Period includes the expenses paid during the Period, but excludes the following costs which have been incurred to date during the administration but not yet paid. All costs will be paid within the period agreed with each supplier.

Cost category	Supplier	Amount not yet paid £
Legal fees (Prima)	Gateley LLP	2,155
Legal fees (NHL)	Gateley LLP	714
Legal fees (Fontenhall)	Gateley LLP	1,383
<b>Total</b>		<b>4,252</b>

### **Disbursements**

Category 1 disbursements totalling £8,537 have been drawn on account in respect of the Companies. Approval to draw category 2 disbursements was granted by the Bank for all cases on 7 July 2015 and deemed approved by the preferential creditors of Prima on 8 July 2015, and £198 has been drawn in respect of internal printing costs.

## **Appendix G. Additional information in relation to the Administrators' fees**

### **Policy**

Detailed below is AlixPartners' policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements.

### **Staff allocation and the use of sub-contractors**

The Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of a managing director or director, a vice president or senior associate, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Administrators' charge-out rate schedule overleaf provides details of all grades of staff.

With regard to support staff, time spent by treasury staff in relation to tasks such as recording transactions and dealing with bank accounts is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The following services are being provided on this assignment by external sub-contractors.

Service type	Service provider	Basis of fee arrangement	Cost to date £
Hotel management services	Legacy Hotels and Resorts Limited	Fixed fee and performance related payment	175,354
Payroll services	Fourth Limited	Fixed fee per payslip	13,275

## Professional advisors

On these assignments the Administrators have used the professional advisors listed below. The Administrators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Name of professional advisor	Basis of fee arrangement
Gateley LLP (legal advice)	Hourly rate and disbursements
Willis Towers Watson Limited (insurance)	Risk based premium
Savills Plc (valuation and disposal advice)	Fixed fee and performance related fee
Hilco Appraisal Limited (valuation advice)	Fixed fee
Coupers Partnership Limited	Percentage of realisations

The Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

## Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Administrators and their staff will also be chargeable.

Category 2 disbursements do require approval prior to being paid and will be drawn in accordance with the approval given, they may include:

- photocopying – charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying;
- printing – charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour, and
- business mileage for staff travel – charged at the rate of 45 pence per mile.

## Charge-out rates

A schedule of AlixPartners' hourly charge-out rates for this assignment effective from 1 February 2016 is detailed below. Time is charged by managing directors and case staff in units of six minutes.

Description	Rates £
Managing director 1	490
Managing director 2	450
Director	430
Vice president*	370
Senior associate	295
Associate	260
Analyst	240
Junior analyst	150
Senior treasury associate	170
Treasury associate	110
Treasury analyst	85
Support	85

\* As a result of a project to consolidate the staffing grades of AlixPartners Services UK LLP with the wider AlixPartners firm, the Associate Director grade has been retitled as Vice President. No changes have been made to the rates charged per grade as a result of this project

## **Appendix H. Extension, exit route and discharge from liability**

### **Extension**

The Administrations were due to end automatically on 6 May 2016. However, as it was not possible to conclude all outstanding matters in the Administrations prior to this date, the Administrators sought the approval of the secured creditor for extensions to the Administration periods of 12 months in accordance with paragraph 76 of schedule B1 of the Insolvency Act 1986. The secured creditor consented to the extensions on 3 May 2016 and the Administrations are therefore due to expire on 6 May 2017.

### **Dissolution of the Companies**

The Companies have no property to permit a distribution to the unsecured creditors. The Administrators will therefore file notices, together with their final progress report, at court and with the Registrar of Companies for dissolution of the Companies. The Administrators will send copies of these documents to the Companies and their creditors. The appointment will end following the registration of the notices by the Registrar of Companies.

### **Discharge from liability**

On 3 December 2015, the Bank approved that the Administrators will be discharged from liability under paragraph 98 of schedule B1 of the Insolvency Act 1986 directly after their appointments as Administrators cease to have effect.