

CVA3

Notice of supervisor's progress report in voluntary arrangement



Companies House

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

1 Company details

Company number 0 0 0 9 5 9 2 0

Company name in full Teesdale Mercury, Limited (The)

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Supervisor's name

Full forename(s) Steven

Surname Ross

3 Supervisor's address

Building name/number Suite 5, 2nd Floor, Bulman House

Street Regent Centre

Post town Gosforth

County/Region Newcastle upon Tyne

Postcode N E 3 3 L S

Country

4 Supervisor's name^①

Full forename(s) Matthew

Surname Higgins

① Other supervisor

Use this section to tell us about
another supervisor.

5 Supervisor's address^②

Building name/number Suite 5, 2nd Floor, Bulman House

Street Regent Centre

Post town Gosforth

County/Region Newcastle upon Tyne

Postcode N E 3 3 L S

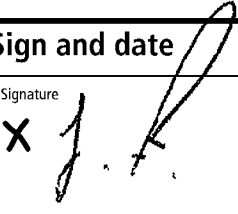
Country

② Other supervisor

Use this section to tell us about
another supervisor.

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6	Date of voluntary arrangement																
Date	^d	0	^d	2	^m	0	^m	3	^y	2	^y	0	^y	1	^y	7	
7	Period of progress report																
Date from	^d	0	^d	2	^m	0	^m	3	^y	2	^y	0	^y	2	^y	0	
Date to	^d	0	^d	1	^m	0	^m	3	^y	2	^y	0	^y	2	^y	1	
8	Progress report																
<input checked="" type="checkbox"/> I attach a copy of the progress report																	
9	Sign and date																
Supervisor's signature	Signature 												X				
Signature date	^d	2	^d	8	^m	0	^m	4	^y	2	^y	0	^y	2	^y	1	

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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 Steven Philip Ross

Company name FRP Advisory Trading Limited

Address Suite 5, 2nd Floor

Bulman House

Post town Regent Centre

County/Region Newcastle Upon Tyne

Postcode N E 3 3 L S

Country

DX cp.newcastle@frpadvisory.com

Telephone 0191 605 3737



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

To all members and creditors

Your Ref:

Our Ref: 1088406/CVA049/KA/LH/27

Please Contact: Lindsay Hailes

Telephone Number: 0191 814 6923

Email Address: Lindsay.Hailes@frpadvisory.com

Date: 28 April 2021

Dear Sirs

TEESDALE MERCURY, LIMITED (THE) (Under a Voluntary Arrangement) ("CVA") ("THE COMPANY")

I was appointed Joint Supervisor of the above CVA on 02 March 2017 and I now give my report in accordance with the Insolvency Rules on the progress of the CVA for the 12 month period ended 01 March 2021 together with my comments on the prospects for the full implementation of the arrangement.

PURPOSE OF THE CVA

Under the terms of the Company's proposals as approved by creditors the CVA was to last for 5 years, a summary of the proposal is as follows:

1. The main basis of the proposal was the net sales proceeds from the sale of the company's two freehold properties.
 - It was estimated that the sale of 84 Galgate would be completed in six months. The other property at 24 Market Street was slightly more complicated and property agent's advice would be sought to maximise realisations for the benefit of creditors;
 - It was expected that both properties would be sold in 24 months and up to a further 12 months be provided for the supervisor to agree the claims of the unsecured creditor and declare and pay a dividend;
2. Monthly contributions of £500 per month would be made to the Supervisor over 5 years totalling at least £30,000;
3. All other assets of the company were excluded from the CVA.
4. This Proposal was in full and final settlement of all claims by creditors against the company.
5. The arrangement shall not be capable of successful completion until all unsecured, non preferential creditors claiming in the arrangement have received a minimum dividend of 44 pence in the pound.

CVA049

PROGRESS OF THE CVA TO DATE

For the purposes of the statement of affairs included in the proposal to creditors, George F White provided their initial opinion on the Company's freehold premises.

84 Galgate

It was suggested that the property be marketed for sale with vacant possession in the region of £170,000 - £190,000. For the estimated outcome statement included in the proposal an estimated realisable value of £180,000 was used. A sale was agreed and completed in during 2017. The gross sales proceeds achieved were slightly less than anticipated at £177,500. Following deduction of costs, the remaining sales proceeds were remitted to HSBC Bank Plc in part settlement of their indebtedness secured on the property.

24 Market Street

This property had several issues that needed to be looked at and addressed to set the guide price. However a rough guide provided at the commencement of the CVA was that the property should be marketed for sale with vacant possession in the region of £150,000 to £175,000 and offered for a sale as an investment subject to a lease back to the Company in the region of £175,000 to £200,000. For the estimated outcome statement included in the original proposal an estimated realisable value of £180,000 was used.

The property had been marked for sale at £225,000 since 2016. This was reduced to £195,000 in May 2017 and following a lengthy marketing period the advice from the sales agent recommended a further reduction to £155,000 in November 2018. No firm offers had been received during this time.

An offer was subsequently received in February 2019 for £100,000 based on a sale and lease back of the building to the Company. The agent strongly recommend to the Company that the offer was accepted, despite the offer being £55,000 less than it was being marketed for, due to work that was required to the building, current market conditions, the lease being offered and the amount of time the property had been on the market.

As the property required significant renovation the Company were required to move into temporary accommodation to allow these works to be completed before they could occupy it as a tenant. The Company had minimal funds to assist with relocation costs and in accordance with the standard terms and conditions, approached the supervisor to enquire if any of the sales proceeds could be used to assist on the basis that it would be assisting with the sale.

Following a review of the standard conditions the Supervisor agreed to that a contribution could be made towards relocation costs to assist the Company secure a sale of the property.

Following a review of the relocation costs estimated at £17,144.95, it was agreed that a contribution of £10,000 would be reasonable and could be retained from the sales proceeds to allow the property sale to be achieved.

Following reimbursement of the remaining indebtedness due to HSBC Bank Plc secured on the property and the costs of sale, the net sales proceeds of £33,283.22 were remitted to the CVA.

The surplus funds achieved by the property sales were £78,2567 less than originally estimated at the commencement of the CVA. The Company has been guided and advised by their property agents in relation to the sales.

Contributions

As per the proposal the Company was to make monthly contributions of £500 per month. The contributions had been maintained in accordance terms of the proposal up to 02 March 2020. However, as a result of the COVID-19 global pandemic the Company lost its main source of income from Advertising overnight. Due to the unprecedented situation and national lockdown restrictions it was agreed that monthly contributions could cease until the COVID-19 position became clearer.

The Company currently has 12 months arrears of contributions of £5,000.

The Company is still not in a position to recommence contributions as COVID-19 restrictions are still in place for many customers who regularly used its services and therefore turnover is significantly reduced, and cash availability is limited.

PREFERENTIAL DISTRIBUTIONS

There are no preferential creditors in the case.

UNSECURED DISTRIBUTIONS

Claims totalling £208,230.56 have been received from unsecured creditors to date. The aggregate Statement of Affairs value is £266,162.53.

As realisations have been significantly less than anticipated, a minimum return to creditors of 44 pence in the pound will not be achieved. I therefore propose to write to creditors under separate cover to propose a variation to the CVA.

SUPERVISORS' RECEIPTS AND PAYMENTS ACCOUNT

A copy of my receipts and payments account for the 12 month period to 1 March 2021 is attached at Appendix A and can be summarised as follows:

Net property sales proceeds were received in the sum of £33,283.22, contributions of £500.00, in addition to bank account interest of £14.22.

PROSPECTS FOR THE FULL IMPLEMENTATION OF THE CVA

As the surplus from the property sales is £78,256 less than originally anticipated it is not possible that the CVA can be fully implemented as a minimum dividend of 44 pence in the pound can no longer be achieved for unsecured creditors.

The Company is not in position to increase its monthly contributions to ensure a minimum dividend of 44 pence in the pound can be achieved.

As the CVA cannot be implemented as per the agreed proposal I intend to write to creditors to seek a variation to terms of the CVA.

SUPERVISORS REMUNERATION AND DISBURSEMENTS

Turning to my own costs in this matter, the creditors approved my fees estimated on a time cost basis to be £38,000. The modifications proposed by HMRC and agreed by creditors was that the combined Nominee and Supervisors fees shall not exceed 20% of total realisations coming into the arrangement. No fees have been drawn to date.

My remuneration as Supervisor is based on computerised records of all time spent on the administration of this case. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and experience required. Time is charged to the case in maximum of six minute units. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters. Charge out rates are reviewed at least annually, details of FRP Advisory charge out rates together with a breakdown of the time costs incurred during the period of this report and cumulatively, in accordance with Statement of Insolvency Practice 9 are attached at appendix B.

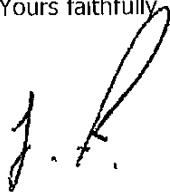
The Supervisors' disbursements are a recharge of actual costs incurred by the Supervisors in dealing with this matter. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the insolvency estate, are paid by FRP Advisory at the HMRC approved

mileage rate prevailing at the time the mileage was incurred. Details of disbursements incurred during the period of this report and cumulatively are attached at appendix B.

A Creditors' Guide to Fees can be accessed using the following link <https://creditors.frapadvisory.com/info.aspx> and selecting the one for voluntary arrangements. Alternatively, a hard copy of the relevant guide will be sent to you on request.

Should you have any queries concerning this report please contact Lindsay Hailes using the above contact details.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S.P. Ross', written over the closing 'Yours faithfully'.

Steven Philip Ross

Joint Supervisor

Licensed in the United Kingdom by unrecognised body and bound by the Insolvency Code of Ethics

APPENDIX A
Supervisors' Receipts & Payments Account for the Period

**Voluntary Arrangement of
Teesdale Mercury, Limited (The)
Joint Supervisors' Summary of Receipts & Payments**

Statement of Affairs £		From 02/03/2020 To 01/03/2021 £	From 02/03/2017 To 01/03/2021 £
360,000.00	SECURED ASSETS Freehold Land and Property	<u>NIL</u> NIL	<u>NIL</u> NIL
(248,460.00)	SECURED CREDITORS Chargeholder (1)	<u>NIL</u> NIL	<u>NIL</u> NIL
	ASSET REALISATIONS		
	Bank Interest Gross	13.05	24.74
	Bank Interest Net of Tax	1.71	1.71
	Freehold Land & Property	33,283.22	33,283.22
30,000.00	Monthly Contributions	<u>500.00</u>	<u>18,000.00</u>
		33,797.98	51,309.67
	COST OF REALISATIONS		
	Pension Costs	NIL	750.00
	VAT - Irrecoverable	<u>NIL</u>	<u>150.00</u>
		NIL	(900.00)
(16,772.00)	UNSECURED CREDITORS		
	Department of Employment	NIL	NIL
(181,796.25)	HM Revenue and Customs	NIL	NIL
(27,364.84)	Trade & Expense Creditors	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
(130,000.00)	DISTRIBUTIONS		
	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
(214,393.09)		<u>33,797.98</u>	<u>50,409.67</u>
	REPRESENTED BY		
	IB Current Floating		50,409.67
			<u>50,409.67</u>

APPENDIX B**Details of the Supervisors' time costs and disbursements for both the Period and cumulatively**

Disbursements (excluding category 2 expenses)	Incurred in period	Incurred to date	Paid	Unpaid
	£			
Specific Bond	Nil	85.00	Nil	85.00
Postage	Nil	16.06	Nil	16.06
Website Charge	Nil	8.00	Nil	8.00
Sub total	Nil	109.06	Nil	109.06
Category 2 expenses, Recipient, type and purpose				
FRP Advisory Trading Limited -- Mileage, meeting attendance	Nil	149.35	Nil	149.35
Sub total	Nil	149.35	Nil	149.38
Total	Nil	258.41	Nil	258.41

FRP

Teesdale Mercury, Limited (The) (In Voluntary Arrangement)

Time charged for the period 13 June 2020 to 01 March 2021

	Total Hours	Total Cost £	Average Hry Rate £
Administration and Planning	1.35	301.25	223.15
Admin & Planning	0.25	101.25	405.00
Case Accounting	1.10	200.00	181.82
Statutory Compliance	0.30	46.50	155.00
Statutory Compliance - General	0.30	46.50	155.00
Grand Total	1.65	347.75	210.76

Time charged from the start of the case to 01 March 2021

	Total Hours	Total Cost £	Average Hry Rate £
Administration and Planning	1.35	301.25	223.15
Admin & Planning	0.25	101.25	405.00
Case Accounting	1.10	200.00	181.82
Statutory Compliance	0.30	46.50	155.00
Statutory Compliance - General	0.30	46.50	155.00
Time brought forward at 13 June 2020	134.40	37,062.00	275.76
Opening Balance	134.40	37,062.00	275.76
Grand Total	136.05	37,409.75	274.97

FRP Charge out rates

Grade	From	1st January 2017	1st April 2018	1st October 2018	1st October 2019
Appointment taker / Partner		385-485	500	525	525
Managers / Directors		215-330	215-330	240-365	240-290
Other Professional		124-230	145-230	75-240	75-230
Junior Professional & Support		78-127	78-127	85-140	85-140

SIP9 Time Report - Level 2

Teesdale Mercury Limited

CVA - Post appointment

For the period 02/03/2020 to 12/06/2020

Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Administration and Planning									
Case Management	0.0	0.4	0.0	0.0	0.1	0.0	0.5	£ 131.50	263.00
Receipts and Payments	0.0	0.0	0.0	0.0	0.6	0.0	0.6	£ 138.00	230.00
Total	0.0	0.4	0.0	0.0	0.7	0.0	1.1	£ 269.50	245.00
Realisation of Assets									
Assets - general/other	0.0	0.0	0.0	0.0	0.3	0.0	0.3	£ 69.00	230.00
Land and Property	0.0	0.5	0.0	0.0	0.0	0.0	0.5	£ 145.00	290.00
Total	0.0	0.5	0.0	0.0	0.3	0.0	0.8	£ 214.00	267.50
Creditors									
Other Creditor Meetings and Reports	0.0	2.6	0.0	0.0	5.9	0.0	8.5	£ 2,111.00	248.35
Total	0.0	2.6	0.0	0.0	5.9	0.0	8.5	£ 2,111.00	248.35
Case Specific Matters - Shareholders									
Shareholders / Members	0.0	0.3	0.0	0.0	0.0	0.0	0.3	£ 87.00	290.00
Total	0.0	0.3	0.0	0.0	0.0	0.0	0.3	£ 87.00	290.00
Total Hours	0.0	3.8	0.0	0.0	6.9	0.0	10.7	£ 2,681.50	250.61
Total Time Cost	£ 0.00	£ 1,102.00	£ 0.00	£ 0.00	£ 1,579.50	£ 0.00	£ 2,681.50		
Total Hours	0.0	3.8	0.0	0.0	6.9	0.0	10.7	£ 2,681.50	250.61

Total Time Cost	£ 0.00	£ 1,102.00	£ 0.00	£ 0.00	£ 1,579.50	£ 0.00	£ 2,681.50
Average Rates	0.00	290.00	0.00	0.00	228.91	0.00	250.61

SIP9 Time Report - Level 2

Teesdale Mercury Limited

CVA - Post appointment

For the period 02/03/2017 to 12/06/2020

Hours Spent	Partners	Directors / Associate Directors	Managers	Assistant Managers	Administrators	Assistants & Support Staff	Total Hours	Total Time Costs	Average Rates
Administration and Planning									
Appointment	0.0	3.5	0.0	0.0	0.5	0.0	4.0	£ 1,070.00	267.50
Case Management	7.0	23.2	1.6	0.0	9.5	1.6	42.9	£ 11,937.50	278.26
Director(s)/debtor/bankrupt	9.0	3.6	0.0	0.0	0.8	0.0	13.4	£ 5,806.50	433.32
Pension Scheme	0.0	0.0	0.0	0.0	5.4	0.0	5.4	£ 945.00	175.00
Post-appointment - general	0.0	0.0	0.0	0.0	2.8	0.0	2.8	£ 602.00	215.00
Receipts and Payments	0.0	0.0	0.0	0.0	6.8	0.6	7.4	£ 1,434.50	193.85
Tax Matters	0.0	0.3	0.0	0.0	0.5	0.0	0.8	£ 160.00	200.00
Total	16.0	30.6	1.6	0.0	26.3	2.2	76.7	£ 21,955.50	286.25
Realisation of Assets									
Assets - general/other	0.0	0.3	0.0	0.0	3.8	0.0	4.1	£ 956.50	233.29
HP/Leasing creditors	0.0	0.5	0.0	0.0	1.3	0.0	1.8	£ 417.00	231.67
Land and Property	11.0	10.2	0.0	0.0	0.4	0.0	21.6	£ 7,153.00	331.16
Sale of business	0.0	0.0	0.0	0.0	3.0	0.0	3.0	£ 210.00	70.00
Total	11.0	11.0	0.0	0.0	8.5	0.0	30.5	£ 8,736.50	286.44
Creditors									
1st creditors/shareholders meetings and reports	0.0	0.5	0.0	0.0	0.0	0.0	0.5	£ 137.50	275.00
Other Creditor Meetings and Reports	0.0	2.6	0.0	0.0	16.9	0.9	20.4	£ 4,639.50	227.43
Secured Creditors	0.0	1.5	0.0	0.0	0.0	0.0	1.5	£ 412.50	275.00
Unsecured Creditors	0.0	1.6	0.0	0.0	2.4	0.0	4.0	£ 956.00	239.00

Total	0.0	6.2	0.0	0.0	19.3	0.9	26.4	£ 6,145.50	232.78
Case Specific Matters - Shareholders									
Shareholders / Members	0.0	0.8	0.0	0.0	0.0	0.0	0.8	£ 224.50	280.63
Total	0.0	0.8	0.0	0.0	0.0	0.0	0.8	£ 224.50	280.63
Total Hours	27.0	48.6	1.6	0.0	54.1	3.1	134.4	£ 37,062.00	275.76
Total Time Cost	£ 11,975.00	£ 13,581.00	£ 272.00	£ 0.00	£ 10,942.00	£ 292.00	£ 37,062.00		
Total Hours	27.0	48.6	1.6	0.0	54.1	3.1	134.4	£ 37,062.00	275.76
Total Time Cost	£ 11,975.00	£ 13,581.00	£ 272.00	£ 0.00	£ 10,942.00	£ 292.00	£ 37,062.00		
Average Rates	443.52	279.44	170.00	0.00	202.26	94.19	275.76		