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[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 0 4 2 5 1 8 8

Company name in full NMCN plc

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Helen

Surname Dale

### 3 Administrator's address

Building name/number 17th Floor

Street 103 Colmore Row

Post town Birmingham

County/Region

Postcode B 3 3 A G

Country

### 4 Administrator's name ①

Full forename(s) Nigel

Surname Morrison

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 17th Floor

Street 103 Colmore Row

Post town Birmingham

County/Region

Postcode B 3 3 A G

Country

#### ② Other administrator

Use this section to tell us about  
another administrator.

AM10

Notice of administrator's progress report

6

Period of progress report

From date	<div><div>d</div><div>0</div></div>	<div><div>d</div><div>6</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>4</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>2</div></div>	
To date	<div><div>d</div><div>0</div></div>	<div><div>d</div><div>5</div></div>	<div><div>m</div><div>1</div></div>	<div><div>m</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>2</div></div>	


7

Progress report

☒ I attach a copy of the progress report

8

Sign and date

Administrator's signature	<div>Signature</div> <div><div>X</div><div></div><div>X</div></div>								
Signature date	<div><div>d</div><div>2</div></div>	<div><div>d</div><div>7</div></div>	<div><div>m</div><div>1</div></div>	<div><div>m</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>2</div></div>	

**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 **Aamirah M Patel**

Company name **Grant Thornton UK LLP**

Address **11th Floor**

**Landmark St Peter's Square**

Post town **1 Oxford St**

County/Region **Manchester**

Postcode **M 1 4 P B**

Country

DX

Telephone **0161 953 6900**

**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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

**Important information**

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

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# Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**  
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. ❶  
Attach this to the relevant form.  
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**  
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.  
All fields are mandatory unless specified or indicated by \*

## 1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:  
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7  
- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s)

Jon L

Surname

Roden

## 3 Insolvency practitioner's address

Building name/number

17th Floor

Street

103 Colmore Row

Post town

Birmingham

County/Region

Postcode

B 3 3 A G

Country



# **NMCN plc and NMCN Sustainable Solutions Ltd - both in administration**

UK Restructuring  
Grant Thornton UK LLP  
11th Floor  
Landmark St Peter's Square  
1 Oxford St  
Manchester  
M1 4PB

Joint Administrators' progress report for the  
period 6 April 2022 to 5 October 2022

Prepared by: Nigel Morrison, Joint Administrator

Contact details: Should you wish to discuss any matters in  
this report, please email  
[cmusupport@uk.gt.com](mailto:cmusupport@uk.gt.com), or write to the  
address above

# Guide to this report

## Report sections

### Definitions

#### **1 Executive summary**

This should be read in conjunction with the remainder of the report, together with its appendices

#### **2 Progress**

Includes strategy and progress (realisation of assets)

#### **3 Investigations into the affairs of the Companies**

Includes strategy and progress

#### **4 Creditors and dividends**

Includes creditor balances and information on dividends

#### **5 Joint Administrators' remuneration and expenses**

Includes details of payments to the Joint Administrators (including details of fees and expenses incurred) and their associates

#### **6 Future strategy**

Includes summary details of further work to be done, exit route, details on any proposed creditor decisions, general information for readers (e.g. data protection) and timing of the next report

## Report appendices

#### **A Notice about this report**

Includes information about the preparation and purpose of the report, reliance on it and no liability

#### **B Statutory information**

Includes information required about the Companies (e.g. name, address) and about the administration (e.g. proceedings, administrators, contact details)

#### **C Abstract of the Joint Administrators' receipts and payments**

#### **D Statement of Insolvency Practice 9 disclosure: Payments to the Joint Administrators and their associates**

Includes remuneration basis, work done, expenses of the Joint Administrators, sub-contracted out work, relationships requiring disclosure

# Definitions

The following definitions are used either within the body of this report, the appendices to it, or both.

<b>Act</b>	The Insolvency Act 1986
<b>Browne Jacobson</b>	Browne Jacobson LLP
<b>Colliers</b>	Colliers International Property Consultants Limited
<b>Companies</b>	Together NMCN plc and NMCN Sustainable Solutions Limited
<b>CVL</b>	Creditors' Voluntary Liquidation
<b>ERA</b>	ERA Solutions Limited
<b>Firm / Grant Thornton</b>	Grant Thornton UK LLP
<b>Galliford Try</b>	Galliford Try (Water) Limited
<b>Gateley</b>	Gateley Plc
<b>GMS</b>	GMS Security Services Limited
<b>HMRC</b>	HM Revenue & Customs
<b>Irwin Mitchell</b>	Irwin Mitchell LLP
<b>Joint Administrators / we / us / our</b>	Nigel Morrison, Helen Dale & Jon Roden of Grant Thornton UK LLP
<b>JV</b>	Joint Venture
<b>Keltbray</b>	Keltbray Highways Limited
<b>Leslie Keats</b>	Trading name of Francis Pearce Partnership Limited
<b>Lloyds Bank / the Bank</b>	Lloyds Bank plc
<b>LTO</b>	Licence to occupy
<b>NIC(s)</b>	National insurance contribution(s)
<b>NMCN</b>	NMCN plc
<b>NMCN SS</b>	NMCN Sustainable Solutions Limited
<b>PAYE</b>	Pay As You Earn
<b>Period</b>	The reporting period from 6 April 2022 to 5 October 2022
<b>Pinsent Masons</b>	Pinsent Mason LLP
<b>Proposals</b>	The Joint Administrators' proposals dated 13 October 2021
<b>Purchasers</b>	Svella Connect Limited, Svella Asset Services Limited, Galliford Try (Water) Limited and Keltbray Highways Limited
<b>Reflex</b>	Reflex Bridging Limited
<b>R&amp;P</b>	The Joint Administrators' receipts and payments account
<b>RPS</b>	Redundancy Payments Service
<b>Rules</b>	The Insolvency (England and Wales) Rules 2016
<b>SIP</b>	Statement of Insolvency Practice
<b>SOA</b>	Statement of Affairs
<b>Svella</b>	Svella plc
<b>Svella Asset Services</b>	Svella Asset Services Limited
<b>Svella Connect</b>	Svella Connect Limited
<b>TSA</b>	Transitional Services Agreement
<b>TUPE</b>	Transfer of Undertakings (Protection of Employment) Regulations 2006
<b>VAT</b>	Value added tax

# 1 Executive summary

- This progress report for the Companies in administration covers the period from 6 April 2022 to 5 October 2022
- Our proposals were deemed approved on 27 October 2021 in accordance with rule 3.38(4) of the Rules
- The key work done in the Period has been the realisation of three freehold or long leasehold properties for a combined gross value of £3.58 million, additional receivables collections of £0.65 million, the conclusion of the TSA true-up and progress made on the LTO true-up with the Purchasers. The sales of the remaining two freehold properties are significantly progressed and completion is expected within the next 30 days. Further details on the sales process and other asset realisations are set out later in this report
- We obtained approval from Court on 27 September 2022 to extend the administrations by a further 12 months to 5 October 2023 on the basis that assets of material value are still to be realised, in particular freehold property and debtors
- We have made further fixed charge distributions to Svella during the Period of £3.9 million. It is expected that Svella will be repaid in full and all other secured creditors at the date of appointment have already been repaid
- We currently do not anticipate that there will be sufficient funds to pay the ordinary preferential creditors of the Companies in full or the secondary preferential creditors
- It is unlikely that there will be sufficient funds to make a distribution to unsecured creditors of the Companies (even by virtue of the prescribed part)
- Subject to realising the remaining assets of the Companies and paying Svella in full, it is intended to exit the administrations and move to dissolution



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Nigel Morrison  
Joint Administrator

27 October 2022



# 2 Progress

## 2.1 Strategy and progress in the Period

We have followed the below strategy during the Period, which is a continuation of the strategy outlined in our Proposals and that outlined in our last progress report:

- Completed the TSA true-up for the Purchasers and collected the final TSA receipts from Svella Connect, Svella Asset Services and Galliford Try. Communicated the refund due to Keltbray
- Paid final October PAYE / NIC for Telecoms and Plant employees further to discussions with Svella and legal advice
- Completed the sale of three freehold / long leasehold properties to two purchasers in April/May 2022 with support from Browne Jacobson and Colliers
- Held weekly catch ups with Browne Jacobson and Colliers regarding progress on freehold property sales and the remaining LTOs
- Pursued the sale of the remaining two freehold properties. Remarketing was required due to instability in the property development market which led to our two existing offers, which were considerably progressed, to either fall away or become considerably delayed. A new offer and the delayed offer are now picking up speed and moving towards an imminent exchange and completion, as outlined below
- Responded to Environmental Agency questions in respect of the area of contaminated land at Nunn Close and commissioned environmental surveyors to assist in our management of the area and reporting to the Environmental Agency. Communicated regularly with occupiers of the wider site at Nunn Close to ensure continued awareness of the contaminated area
- Reported progress on freehold property sales to Svella on a regular basis
- Responded to a notice of FCR appointment for Nunn Close from Svella with support from Irwin Mitchell and legal counsel
- Invoiced Purchasers for freehold licence costs and LTO amounts for utilities, rates, rents etc
- Reviewed LTOs with the Purchasers, terminating or extending them as the Purchasers required or the LTOs allowed for
- Performed work on a reconciliation of LTO receipts against payments for each property. This is part of an ongoing true-up exercise
- Agreed leasehold surrenders or assignments with Purchasers and landlords
- Removed undertakings as leasehold properties were vacated
- Novated customer contracts to Purchasers and invoiced Purchasers for legal costs and administration time costs
- Liaised with Premier Guarantee and Browne Jacobson in respect of a warranty refund due to NMCN in respect of its former JV site
- Liaised with Howdens regarding changes in insurance requirements and as properties were sold or vacated. Ensured compliance with unoccupied buildings conditions for empty freehold properties
- Liaised with Howdens and pre-appointment insurers regarding pre-appointment claims
- Liaised with GMS regarding security arrangements at freehold sites and ad-hoc maintenance works required for insurance compliance purposes
- Liaised with Leslie Keats and the Purchasers in respect of debtor or work-in-progress collections
- Liaised with Gordon Brothers to realise residual items of plant and machinery and responded to a potential lien over assets held in storage
- Liaised with former employees to answer ad-hoc queries
- Liaised with pension schemes to facilitate a small number of refunds through the Purchasers
- Filed P11Ds for 21/22 for all employees up to the date they transferred their employment to one of the Purchasers of the business divisions in line with the three pre-packaged sales or the date of their redundancy. Paid class 1A NICs for the post-appointment period in connection with this and submitted a covering letter to HMRC outlining this calculation against the full liability reported on the P11DB

- Liaised with the trustees of NMCN's share incentive plan in respect of any residual fund assets and filed the relevant tax return for 21/22 in July 2022. Pinsent Masons continue to support with these discussions to ensure the appropriate action is taken to close the share incentive plan
- Liaised with employee benefit providers to collect refunds due to NMCN
- Liaised with the Employment Tribunal regarding protective award claims and other pre-appointment employee claims
- Liaised with HMRC to close NMCN's apprenticeship levy scheme
- Liaised with IT and telephone service providers to cease services following the conclusion of the TSA. Agreed amounts to be reimbursed by Svella for IT services spanning beyond the end of its TSA
- Liaised with Lloyds Bank to collect all cash at bank at appointment and to request project bank account funds into the administration estate
- Liaised with shareholder of NMCN in respect of its dormant subsidiaries
- Received creditor claims and creditor query resolution
- Filed the post-appointment corporation tax returns for NMCN for the periods 6 October 2021 to 11 October 2021 and 12 October 2021 to 31 December 2021
- Requested dormancy status from HMRC for NMCN SS for the period commencing 6 October 2021
- Filed quarterly VAT returns during the administration. It has not been possible to complete the outstanding pre-appointment VAT returns due to insufficient records
- Complied with statutory duties, including this progress report, file reviews and investigations into the affairs of the Companies
- Made distributions to Svella under its fixed charge security and agreed other costs payable to Svella as part of enforcing and safeguarding its security
- Liaised with Restore to collect physical books and records and Global EMEA to collect IT equipment. IT equipment is being securely stored and not wiped in case it is required for investigations
- Collected and investigated other utilities, rates, insurance or miscellaneous refunds due to the Companies

## 2.2 Trading

### TSA

As outlined in detail in our last progress report, we entered into TSAs with the Purchasers of the Infrastructure, Water, Telecoms and Plant divisions. All services under the TSAs were concluded on or before 6 February 2022.

The Purchasers were required to pay amounts equal to the costs of operating the TSAs, including any oversight costs as a result of time properly spent by the Joint Administrators and their staff. The Purchasers were invoiced throughout the TSA period based on estimated TSA operating costs and this was subject to a true-up of receipts and expenses after the TSAs had concluded.

During the Period, we have concluded the TSA true-up and agreed the costs payable by the Purchasers. In total, we have received TSA contributions of £1.4 million, which includes additional receipts of £37,946 from Svella and £81,708 from Galliford Try during the Period. A refund of £16,254 is still to be paid to Keltbray due to overpayments previously made and will be processed upon receipt of payment details. Total TSA contributions after the refund to Keltbray will be £1.3 million. This also factors in the reallocation of VAT of £29,032, which related to a prior period receipt from Galliford Try and was erroneously coded gross instead of net in the R&P.

We set out in the table below the additional costs paid during the Period of £217,035 in respect of delivering TSA services, resulting in total costs paid to date of £1.2 million. The only remaining payment relates to agreed oversight costs of £453,877, which we anticipate will be paid shortly. Total TSA costs after the payment of oversight costs will be £1.7 million.

The residual balance of costs of £337,988 are being borne by the administration estate and were required to maximise asset realisations and fulfil our statutory duties as office holders.

**TSA costs**

<b>R&amp;P category</b>	<b>Description</b>	<b>£</b>
Telephone	BT and Vodafone	206,417
Health & Safety	Reallocation of post-TSA costs	(554)
Other taxes due to HMRC	Class 1A NIC liability	1,502
Retained payroll (net)	Reimbursement of Svella payroll costs for x2 retained employees in October 2022	7,695
Information technology	Dropbox	9,196
Retained payroll (other)	Reallocation of Vitality and Canada Life refunds (see Section 2.3 – Insurance refunds)	(40,906)
Utilities	Shared Nunn Close utilities	33,685
<b>TSA costs paid in the Period</b>		<b>217,035</b>

**Non-TSA costs**

Included in the table below are costs relating to the Telecoms and Plant division in respect of the final balance of October 2021 PAYE / NIC and apprenticeship levy payments. Following legal advice, it was confirmed that these payments would be made as an expense of the administration. Further detail on this agreement is provided in Section 4.1.

Due to the time incurred in obtaining legal advice regarding the payment of PAYE / NIC, this payment was made following its due date and it is possible that further late payment interest and penalties may be levied on NMCN by HMRC once certain payment reallocations have been made by HMRC. Any outstanding payments due to HMRC in connection with this will be brought up to date shortly.

**Non-TSA costs**

<b>R&amp;P category</b>	<b>Description</b>	<b>£</b>
Other taxes due to HMRC	Telecoms & Plant October 2021 PAYE	170,618
Other taxes due to HMRC	Telecoms & Plant apprenticeship levy	36,765
Water payroll (other)	Pass through of pension refund to Galliford Try	184
<b>Non-TSA costs paid in the Period</b>		<b>207,567</b>

## 2.3 Realisation of assets in the Period

We attach at Appendix C, accounts of our receipts and payments for the Period.

### NMCN

**Freehold properties**Freehold property sales achieved

As outlined in our last progress report, we had received offers for all freehold and long-leasehold properties. During the Period, we completed the sale of two freehold properties and one long-leasehold property (999 year lease) to unconnected buyers, which together achieved gross realisations of £3.6 million and are outlined in the table below. Cumulative gross property realisations are therefore £4.5 million to date.

**Gross property realisations**

<b>Property address</b>	<b>Completion date</b>	<b>£</b>
24 Kingsland Grange, Warrington	21/04/2022	1,945,000
2 Ripley Drive, Normanton Industrial Estate, Normanton	06/05/2022	840,000
Woodside House, Sherwood Business Park, Annesley	06/05/2022	795,000
<b>Total</b>		<b>3,580,000</b>

After legal and agents' costs, net realisations allowed further fixed charge distributions to Svella of £3.5 million, substantially reducing its indebtedness. Please refer to Appendix D for details of the costs paid or incurred by all our agents.

#### Freehold properties to be realised

Two freehold properties remain to be realised and offers have been accepted for both properties. We are working towards completion within the next 30 days and a progress update on these properties is provided below.

#### ***Nunn Close, Huthwaite***

As above, at the time of our last progress report, an offer had been accepted for this property. The original offer accepted was not disclosed previously due to it being commercially sensitive, but this was a competitive offer and as with nearly all other offers for this property, it was subject to further site investigations to understand the contaminated land issues on part of the site and remedial works required by the Environmental Agency. In late July, after site investigations, this offer was withdrawn as the prospective buyer could not obtain funding against the backdrop of changing sentiment in the property market and significant inflationary cost increases for materials, as well as uncertainty over the cost of remedial works.

Since the withdrawal of the original offer, Colliers approached all previously interested parties which has generated new interest. A new offer was accepted at the end of September and we are working towards exchange and completion within the next 30 days. We will provide further details of the value achieved in our next progress report once the sale has concluded, but can confirm that the offer is lower than the original offer which has implications for the return to creditors (see Section 4). Despite this, it was recommended that we accept the offer by our agents and gross property realisations should still exceed the Directors' estimate of realisable value for the freehold properties of £7.4 million in the SOA. We also consider that this option is better than delaying the sale in the anticipation of a market improvement given the current economic uncertainty and the fact that holding costs may outweigh any benefit.

Shortly following the withdrawal of the original offer, we received notice that Svella had issued an application to Court to enforce its security over the freehold property at Nunn Close. This application requested for the Court to allow Svella to appoint a fixed charge receiver to realise the property at Nunn Close and discharge their indebtedness from any proceeds. This application was defended by us due to the substantial progress made to sell the property, costs already incurred during the sale process which would most likely be duplicated by a receiver, and the offer withdrawal being reflective of wider economic pressures outside of our control. Ultimately, Svella agreed to withdraw the application on 10 August 2022 and it has allowed a further three months standstill whilst we revisit the sale of the remaining properties.

The legal and agents' costs incurred during the sale process for Nunn Close and in defending the court application are outlined in Appendix D. This includes unforeseen legal costs of £25,458 incurred during the Period in respect of the abortive sale of Nunn Close, which will be paid after the Period end.

#### ***Millennium Business Park, Birchwood***

The Birchwood sale process has been subject to significant delays on the buyer's side. We are now seeing tangible progress with the sale and anticipate that exchange and completion could happen in the next couple of weeks. We will provide further details of the value achieved in our next progress report once the sale has concluded.

#### Holding costs

Holding costs of £187,890 have been paid during the Period for freehold or long leasehold properties and further invoices are anticipated. A summary of the paid holding costs is set out in the table below.

These costs are payable in full until the properties are sold or where there is an agreed LTO in place with the Purchasers, the fixed holding costs represent the proportion of costs not reimbursed under the LTO. Cumulative holding costs paid to date are £201,928.

### Holding costs

Nature	£
Fixed utilities costs	83,216
Fixed business rates	22,234
Security	79,548
Fixed property maintenance*	2,892
<b>Total</b>	<b>187,890</b>

\* These costs have been paid for freehold or long leasehold properties and have been necessary to ensure the properties are in a saleable condition. We have also transferred other property expenses of £3,728 from the last reporting period to fixed costs in the R&P to be consistent with the presentation above.

Whilst not included in the summary above, we have also incurred environmental agent fees of £3,560 during the Period for support with contaminated land investigations at Nunn Close, compliance with the EA permit and correspondence with the EA. As at the Period end, ongoing investigation work is being carried out by agents, MJCA, who are technical advisers on environmental issues, at an estimated cost of £1,595, which has not yet been paid.

Insurance costs paid during the Period were £169,290 and are £169,590 on a cumulative basis (excluding the costs relating to the TSA period). An element of these costs will have been incurred in respect of freehold properties and therefore represent fixed holding costs which are not shown in the table above. We are currently reconciling the amounts paid and will reallocate the fixed insurance costs in the R&P for the next reporting period.

### Leasehold properties

LTOs were granted over many of NMCN's leasehold properties whilst we approached landlords with a view to surrendering the leases. Since our last report to creditors, we have surrendered or assigned a further five leases, leaving three leases remaining which we expect will be surrendered or assigned shortly.

### LTOs

Many LTOs over both freehold and leasehold properties have now expired. Three remain with Svella Connect and Svella Asset Services, and are in the process of being extended for an anticipated final period of three months to 5 January 2023.

During the Period, we have received total LTO receipts for freehold and leasehold properties of £214,048 from the Purchasers and have made payments in respect of rents, utilities, and other property expenses of £427,774. This brings cumulative LTO receipts to £624,208 and payments to £544,097.

Further receipts and payments are expected to be received or made under the LTOs, subject to a true-up process as property invoices are received for payment and can be reconciled back to estimated LTO invoices paid by the occupiers. The true-up process may result in further amounts due or refunds from/to the relevant occupiers. The remaining net benefit to the administration estate will be the rents charged on freehold properties (see freehold licence fees in the R&P at Appendix C). These receipts totalled £78,660 during the Period and £149,355 on a cumulative basis.

### JV refund

We were contacted by Premier Guarantee in July about a warranty refund in respect of one of the former JV sites. We were advised by Premier Guarantee that NMCN had previously paid these funds, not the JV partner, and upon taking legal advice, it was confirmed that the benefit of this refund remains in the NMCN estate. Accordingly, £31,802 has been received during the Period and no further realisations are expected.

## **Plant & machinery**

### Chattels

Our previous report confirmed Gordon Brothers, specialist plant and machinery agents, was instructed to value and dispose of assets excluded from the SPA with Svella Asset Services. No value was provided in the SOA for unencumbered plant and machinery, however Gordon Brothers provided an initial desktop valuation of £400,000 on an ex-situ market value.

In the Period, we have realised £155,250 for chattel assets. This includes the following sales which were settled by a deduction from the debt balance due to Svella under its fixed charge security:

- IT equipment sold to Svella Connect for £4,000. This sale was agreed in the prior period, but the form of consideration (cash or debt reduction) was not agreed until this Period; and
- A Polaris Buggy sold to Svella Asset Services for £4,000

All readily identifiable chattels have now been sold, but as previously reported, some residual assets have been difficult to locate. Gordon Brothers continue to trace assets excluded from the SPA, but it has been a challenge to reconcile the opening position at appointment with the records held. It also appears that some assets may have been stolen or removed from third party sites. We considered the merits of an insurance claim for missing assets, but Gordon Brothers advised that in practice, this claim would be difficult to quantify.

To date, Gordon Brothers has been paid time costs of £56,850, sales commission of £14,725 and expenses of £2,403. They have incurred further time costs of £4,800, which are unpaid.

### Modular building, Nunn Close, Huthwaite

The modular building was occupied by Keltbray under a LTO until 31 March 2022. The nature of the building's construction deems it a chattel asset rather than a freehold property. As such, Gordon Brothers was instructed to market for sale.

We are currently pursuing a sale of the modular building to Svella Asset Services with legal support from Browne Jacobson, following a recommendation from Gordon Brothers. Our understanding is that the Asset Purchase Agreement is in its final form and therefore completion should be imminent. It has been agreed with Svella that the consideration will be treated as debt reduction against Svella's fixed charge security. We will provide further details of the sale once it has concluded.

## **Office equipment**

The SOA disclosed office equipment with a book value of £43,907. To date, IT equipment of £4,000 was sold to Svella Connect and is included in the plant & machinery realisation mentioned above.

Gordon Brothers confirmed the remaining office furniture holds minimal value and the costs of realisation would outweigh the sales value. As such, no realisations are expected.

In the Period, all IT equipment has been collected and stored by specialist agents, Global EMEA. Once all devices are wiped, those with residual value will be sold and the remainder scrapped. The estimated to realise value is approximately £1,000 to £3,000.

Global EMEA has incurred costs of £1,565 in the Period, which is unpaid.

## **Project bank accounts**

We have received funds equal to £210,348 from NMCN's project bank accounts during the Period. Upon further investigation, we ascertained that these funds were due to two external parties and as such, we passed on these funds. They are shown as an inflow and corresponding outflow in the R&P at Appendix C.

We are investigating three other project bank accounts which may result in additional cash realisations into the administration estate providing that there is no valid claim over these funds by an external party. We will provide an update on this in our next progress report.

### **Cash at bank**

A final balance of £59 has been received from NMCN's pre-appointment accounts with Lloyds Bank. Cumulative cash at bank realisations are therefore £501,596, excluding the Blocked Account which was set up as part of Svella's security structure to collect certain Telecoms debts. We are advised by Lloyds Bank that there are no further amounts to be remitted into the administration estate, other than any funds which may potentially be due to NMCN from the project bank accounts.

It has come to our attention that the cash at bank realisations were misstated in our last progress report. They were reported at £585,540 plus the Blocked Account of £81,209. We confirm that cash at bank should have been reported at £501,536 plus the Blocked Account of £84,004. The recognition of a fixed charge distribution to Svella equal to the former Blocked Account value of £81,209 has also been reversed in Section 4.1 as this had not been formalised with Svella. The cumulative R&P position as at Appendix C shows the corrected cash at bank position.

The Directors' SOA value for cash at bank was £515,209 and Blocked Account was £81,000. This compares to £501,596 and £84,404 collected into the administration estate to date. These numbers are materially aligned, and any differences are likely to reflect the timing of payments going through the bank on the date of appointment.

### **Petty cash**

We have banked petty cash collected from the Head Office of £465 during the Period. No further petty cash receipts are expected.

### **Reimbursement of novation costs**

We have collected £70,548 from Galliford Try in respect of the reimbursement of contract novation legal costs which were paid for by NMCN. The corresponding legal costs from Pinsent Masons are included within floating costs of realisation in the R&P at Appendix C.

We are awaiting the reimbursement of invoices totalling £5,551 from Galliford Try and Keltbray, and the corresponding costs are shown in the R&P already. We have also incurred a further £6,293 in legal costs which are to be paid and invoiced to Keltbray shortly.

### **Reimbursement of IT costs**

We agreed with Svella Connect and Svella Asset Services that we would continue with the provision of certain IT services beyond the end of the TSA whilst infrastructure was put in place at two sites they were occupying under LTO. In the Period, we received £47,837 from these entities to reimburse for IT costs incurred by NMCN on their behalf. The corresponding costs are included in cumulative IT costs of £76,882 in the R&P at Appendix C. We are not expecting any further reimbursement of IT costs from these entities as the balance of IT costs were incurred in connection with pursuing the administration strategy and investigation work.

### **Security costs**

A small receipt for £3,089 has been received during the Period from Svella Estates in respect of security at the JV sites post-sale. This is a direct reimbursement of costs incurred by NMCN on behalf of Svella Estates and there is no profit due to the administration estate. No further amounts are due to be received.

### **Insurance refunds**

We have received insurance refunds of £626 during the Period, however the R&P at Appendix C shows a net payment position of £40,280 after the reallocation of refunds equal to £40,906 to the trading account (see section 4.2). The reallocation was necessary as inflated premiums were paid during the TSA based on the number of employees and cover requirements at the start of the insured period. Upon the redundancy of the final employees under the scheme, the premiums were adjusted and refunds have been received. The cumulative value of insurance refunds is £93,600 and they do not relate to the TSA period, i.e. they relate to the pre-appointment period or they are reflective of employees leaving the scheme earlier via TUPE or redundancy.

### Utilities / rates refunds

We have received utilities and rates refunds of £534 during the Period, which brings the cumulative total to £17,732. We are aware of a further £21 being received after the end of the Period and consider that further refunds may be due once properties are sold or surrendered, although the value is difficult to quantify at this stage. CAPA remains engaged to carry out a review of historical rates and utilities payments and will be paid on a "no win no fee basis". We will provide a further update to creditors in the next progress report.

### Employee float receipts

We have collected a further £1,922 in employee float receipts during the Period, which brings the cumulative total to £5,943. We understand the employee floats were a form of petty cash payment made to certain employees for purchasing consumables for other members of staff prior to our appointment. Minimal recoveries are expected going forwards as the ledger has largely been collected.

### Miscellaneous refunds

We have collected miscellaneous refunds of £6,693 during the Period, which brings the cumulative total to £36,225. A breakdown of the refunds collected during the Period are shown in the table below:

Miscellaneous refunds	
Nature	£
Audit fee refund	3,250
Reimbursement of legal costs regarding a pre-appointment litigation matter	1,800
Prepayment refund	587
Vehicle tax refunds	1,056
<b>Total</b>	<b>6,693</b>

We are not aware of any other miscellaneous refunds which are still to be collected.

## NMCN and NMCN SS

### Trade debtors & work-in-progress

Under the terms of the respective SPAs, the Purchasers are responsible for collecting trade debtors and work-in-progress balances for the Telecoms, Water and Infrastructure divisions. The SPAs state the Purchasers will retain commissions of up to 50% on debtor recoveries and between 50% and 90% on work-in-progress collections.

Leslie Keats was engaged to oversee collections on our behalf. They have appraised NMCN's construction contracts at appointment and assisted in liaising with the Purchasers to agree opening positions for work-in-progress for the following divisions:

#### Telecoms

The consideration agreed with Svella for acquiring Telecom debtors was 100% and commission of 90% for collecting other receivables on our behalf. Leslie Keats estimated that the opening position of the Telecoms debtors was £2.7 million and other receivables was £9.3 million. This compares to Telecoms debtors of £2.8 million in the Directors' SOA.

The Telecoms opening debtor position is broadly in line with the Directors' SOA for Telecoms of £2.8 million.

During the Period, there have been no further Telecoms debtor collections, but Svella has recovered additional work-in-progress leading to receipts into the administration estate of £37,093. This brings cumulative Telecoms debtor collections to £2.6 million and work-in-progress to £299,075. These realisations have been retained by Svella and treated as debt reduction against its fixed charge indebtedness.

Collections are ongoing and we will provide a further update in our next report.



Water

The commission agreed with Galliford Try was 50% for collecting all receivables. Leslie Keats estimated that the opening position of the Water receivables was £17.8 million.

No recoveries have been received during the Period. Whilst Galliford Try has collected certain receivables, it considers that these amounts are to be set off against other balances payable. Accordingly, Leslie Keats has requested the records held by Galliford Try to assess this methodology and determine any amounts payable to the administration estate. These records have since been provided and we will provide a further update in our next report.

There may also be receivables due to NMCN SS from the Water division, which Leslie Keats will assess upon reviewing the records.

Infrastructure

The commission agreed with Keltbray was 50% for collecting all receivables. Leslie Keats estimated that the opening position of the Infrastructure receivables was £5.1 million.

We understand that Keltbray has collected gross receivables of c.£800,000 to date, of which £55,371 was paid directly to the administration estate during the Period and is shown in the R&P under "release of retentions". We are liaising with Leslie Keats to understand what proportion of the balance is due to the administration estate.

Leslie Keats estimates that between £200,000 to £1.4 million of receivables may still be recovered by Keltbray. Collections are ongoing and we will provide a further update in our next report.

Buildings

This business division was excluded from any SPA and Leslie Keats is directly pursuing any balances due on a contingent fee basis. Leslie Keats estimated that the opening position of the Buildings receivables was £11.2 million.

During the Period, we have received gross receivables of £559,565 into the administration estate. This brings cumulative receivables collections to £1.1 million.

Leslie Keats estimates that between £144,000 and £600,000 may still be recovered in respect of this business division. Collections are ongoing and we will provide a further update in our next report.

Leslie Keats has been paid £204,610 to date (£69,250 of which is a contingent fee with the remainder being time costs). Time costs incurred relate to all divisions, save for Buildings where a contingent fee arrangement was adopted on 1 November 2021.

**Cash at bank**

Lloyds Bank has confirmed that there is no cash at bank to be realised for NMCN SS from the pre-appointment bank accounts.

## 2.4 Additional assets

**Investigations**

Our investigations into the affairs of the Companies are ongoing and the details remain confidential due to their sensitive nature. It is currently uncertain whether they will result in any additional realisations into the administration estates. We will provide an update to creditors at the appropriate time.

**Taxation**

As outlined in Section 2.1, we have submitted corporation tax returns for NMCN from 6 October 2021 to 31 December 2021 and have requested dormancy status for NMCN SS. We are not aware of any tax refunds being due to the Companies based on the information available to us. In any event, HMRC would have the right to apply Crown offset against any refunds (if they were available) in light of the level of HMRC indebtedness.

# 3 Investigations into the affairs of the Companies

## 3.1 Statutory investigations

As outlined in our last report, we undertook an investigation into the Companies' affairs to establish whether there were any potential asset recoveries or conduct matters that required further investigation, taking into account the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved.

Also, within three months of our appointment as Joint Administrators, as required by the Company Directors Disqualification Act 1986, we reported to the Secretary of State the required facts about the Companies' business and the conduct of their directors (including those acting within the past three years).

We have continued our investigations into the affairs of the Companies during the Period, and we would be pleased to receive from any creditor any useful information concerning the Companies, its dealing or conduct which may assist us. Gateley continues to provide legal support and we are also utilising Forensic teams at Grant Thornton to assist us in interrogating records held by the Companies to understand more about the background to the demise of the Companies. There are no findings to report to creditors at this point in time, but our investigations are continuing and we will provide further updates to creditors at the appropriate time.

# 4 Creditors and dividends

## 4.1 Secured creditors

### NMCN

As outlined in previous reports to creditors, please find below details of the fixed charges registered against NMCN at the date of our appointment:

Type of security	In favour of	Date of creation	Date registered
Debenture	The Law Debenture Trust Corporation plc	15 September 2021	24 September 2021
Security assignment	Svella	09 September 2021	17 September 2021
Debenture	Svella	18 June 2021	01 July 2021
Share charge	Reflex Bridging Limited	16 April 2021	27 April 2021
Share charge	Reflex Bridging Limited	16 April 2021	27 April 2021
Share charge	Reflex Bridging Limited	16 April 2021	27 April 2021
Assignment	Lloyds Bank plc	16 April 2021	26 April 2021
Debenture	Lloyds Bank plc	29 March 2021	06 April 2021
Mortgage	Lloyds Bank plc	26 March 2021	06 April 2021
Mortgage	Lloyds Bank plc	12 February 2021	16 February 2021
Mortgage	Lloyds Bank plc	12 February 2021	16 February 2021
Omnibus guarantee	Lloyds Bank plc	10 June 2014	11 June 2014
Mortgage	Lloyds Bank plc	06 June 2014	07 June 2014
Mortgage	Lloyds TSB Bank plc	12 April 2010	14 April 2020
Mortgage	Lloyds TSB Bank plc	12 April 2010	14 April 2010
Mortgage	Lloyds TSB Bank plc	24 May 2005	28 May 2005
Debenture	Lloyds Bank plc	21 August 1984	07 September 1984

We engaged Irwin Mitchell LLP to advise on the validity of the fixed charge security referred to above and the advice confirmed the fixed charges were valid.

At the date of appointment, the balances due to secured creditors included:

- The Law Debenture Trust Corporation plc having no direct indebtedness
- Svella being owed £12.7 million (before accruing interest and charges)
- Reflex Bridging being owed £5.4 million
- Lloyds Bank (including Lloyds TSB Bank plc) being owed £nil.

As at the end of the last reporting period being 5 April 2022, Reflex had been paid in full and Svella was the only remaining secured creditor of NMCN. The relevant satisfaction of charges have been logged at Companies House for the other secured creditors during the Period.

**Fixed charge distributions during the Period**

Svella stated, in accordance with the terms of its facility, that in addition to its principal debt it is entitled to recover all costs, interest, charges and expenses incurred in connection with enforcing or safeguarding its security. Additionally, Svella claimed that NMCN had also indemnified it against any loss or expense which it incurred as a consequence of any default.

During the Period, we have adjudicated the claim received from Svella with support from Irwin Mitchell and legal counsel. Subsequent to further discussions with all parties, we agreed on 10 August 2022 that Svella could claim for £15.5 million (including costs and interest). Svella has been paid £13.9 million at the end of the Period and it is still our expectation that Svella's indebtedness will be repaid in full.

The table below provides a breakdown of the fixed charge distributions per the R&P and the nature of these distributions:

**Svella fixed charge distributions**

<b>Reason</b>	<b>£</b>
Amounts distributed per last progress report	10,043,117
Adjustment for Blocked Account	(81,209)
<b>Brought forward distributions</b>	<b>9,961,908</b>
Freehold / long leasehold property sales	3,491,552
Freehold licence costs*	108,531
LTO invoices	211,634
Final TSA receipt	45,536
IT post-TSA costs	56,968
Telecoms WIP recovery	37,093
Buggy purchase	4,800
IT equipment purchase	4,800
BT & Vodafone post-TSA costs	436
Apprenticeship levy	(36,765)
Reimbursement of retained staff costs	(7,695)
<b>Total distributions in the Period</b>	<b>3,916,889</b>
<b>Total distributions to Svella to date</b>	<b>13,878,797</b>

As outlined in Section 2.3, Svella also submitted an application to Court for the appointment a fixed charge receiver for Nunn Close during the Period. The application was withdrawn on 10 August 2022 following extensive discussions around the administration strategy.

\*Our last progress report referred to LTO rental invoices of £70,695 which were payable by Svella and had been treated as debt reduction against Svella's indebtedness. These invoices were incorrectly referred to as LTO amounts when in fact they related to freehold licence fees. The R&P at Appendix C shows the corrected position.

**NMCN SS**

Please see below details of the charges in NMCN, which are also registered against NMCN SS. As above, we anticipate that the fixed charge holders will be repaid in full.

<b>Type of security</b>	<b>In favour of</b>	<b>Date of creation</b>	<b>Date registered</b>
Debenture	Svella	18 June 2021	01 July 2021
Omnibus guarantee	Lloyds Bank	10 June 2014	11 June 2014
Debenture	Lloyds TSB Bank Plc	12 June 2019	15 June 2019

## 4.2 Preferential creditors

### Ordinary preferential creditors

These may include: employee claims for wages and salary up to £800 per person and accrued holiday pay, and employee contributions to occupational pension schemes deducted in the four months before the insolvency. A significant element of these claims will be transferred to the Secretary of State following payment of employment-related claims by the RPS. There may also be a claim by a lender to the extent the lender advanced funds for payroll which resulted in employees not having preferential claims for arrears of pay.

#### NMCN

There were 1,789 employees as at the date of our appointment. An update on their employment status has been provided below:

- 1,642 employees transferred with the sale of certain divisions and / or contracts
- 99 employees were made redundant almost immediately upon appointment as their roles were no longer required by NMCN and they did not form part of the sold divisions
- 48 employees were initially retained to assist with the administration and the TSAs, but were made redundant by 4 February 2022 upon conclusion of the TSAs

We expect that the value of preferential claims will be approximately £380,000, however we are still yet to receive all employee claims, including the claim from the RPS.

Given the changes to the expected realisable value for the remaining freehold properties, it is no longer likely that there will be sufficient funds to repay the preferential creditors in full. We will provide a further update to creditors in the next progress report once these properties have been sold.

#### NMCN SS

There were no employees as at the date of administration.

### Secondary preferential creditors

These may include HMRC claims for arrears of VAT and for sums deducted in respect of PAYE, employees' national insurance contributions and student loan repayments, and construction industry scheme deductions.

#### NMCN

As set out in our last report, whilst no claim has been received from HMRC to date, we estimate that HMRC's secondary preferential claim could be in the region of £24 million.

We anticipate that there will be insufficient funds to repay the secondary preferential creditors of NMCN in full for the reasons set out above for the ordinary preferential creditors. Any dividend payable to secondary preferential creditors will be subject to the final level of realisations achieved.

We will provide a further update to creditors in the next progress report.

#### NMCN SS

It is anticipated that there will be insufficient funds to enable a dividend to be payable to the secondary preferential creditors of NMCN SS. No claims have been received to date and we are awaiting confirmation of any amounts that NMCN SS are joint and severally liable for, along with NMCN.

## 4.3 Unsecured creditors

#### NMCN

The Directors' SOA details in excess of 3,000 unsecured creditors totaling £115.3 million. The unsecured creditors generally comprise of a large number of suppliers to NMCN. There are no specific unsecured creditors to note which are considered to be more material than others.

### NMCN SS

The Directors' SOA details one unsecured creditor, being NMCN, totaling £3.6 million.

#### **Prescribed part**

In accordance with section 176A of the Act, a prescribed part maybe set aside from floating charge assets and made available to the unsecured creditors. As we do not expect preferential creditors to be repaid in full, the provisions of the prescribed part do not apply.

#### **Dividend prospects**

At present, there is unlikely to be a dividend payable by the Companies to this class of creditor.

Should creditors wish to lodge their unsecured claim in the administration, a claim form is available online for completion and submission through the Grant Thornton Insolvency Act portal. Unique passwords have been issued to each creditor.

# 5 Joint Administrators' remuneration and expenses

## 5.1 Overview

Our remuneration basis has not yet been fixed.

### NMCN

We have incurred time costs in the Period amounting to £1.1 million, which on cumulative basis total £3 million at the Period end. At the Period end, we had not sought fee approval from creditors and therefore our time costs remain unpaid.

Expenses equal to £1.8 million have been incurred during the Period and payments of £2.1 million have been paid from the estate. On a cumulative basis, expenses incurred are £5.6 million and paid are £4.8 million. This includes certain expenses which have been reimbursed by the Purchasers under the TSAs, LTOs or separate agreements, therefore they are not being wholly borne by the estate. The expenses paid to date also include administrators' category 1 disbursements of £12,884, which can be drawn without creditor approval.

In addition to the above time costs and expenses, we estimate that we will incur an additional £470,318 in time costs and £623,257 in expenses to deal with the remaining administration matters as detailed in this report and to close the administration.

Further details about remuneration and expenses are provided in Appendix D to this report including details of our fee estimate.

### NMCN SS

We have incurred time costs in the Period amounting to £11,072, which on a cumulative basis total £25,740 at the Period end. At the Period end, we had not sought fee approval from creditors and therefore our time costs remain unpaid.

Expenses equal to £8,405 have been incurred during the Period, but no expenses have been paid from the estate. On a cumulative basis, expenses incurred are £10,190 and paid are £642.

In addition to the above time costs and expenses, we estimate that we will incur an additional £21,980 in time costs and £16,895 in expenses to deal with the remaining administration matters as detailed in this report and to close the administration

Further details about remuneration and expenses are provided in Appendix D to this report including details of our fee estimate.

# 6 Future strategy

## 6.1 Future conduct of the administrations

We will continue to manage the affairs, business and property of the Companies in order to achieve the purpose of the administration. This will include, but not be limited to:

- Payment of administration expenses, including our remuneration
- Realise the two remaining freehold properties and liaise with landlords to surrender or assign the remaining leases
- Agree LTO extensions with Svella for three leasehold or freehold properties
- Liaise with Environmental Agency regarding issues at Nunn Close
- Liaise with Purchasers and Leslie Keats regarding debtor and WIP collections
- Liaise with Keltbray to obtain final information for the TSA true-up refund to be processed
- Realise value for the modular building and any residual items of plant and equipment. Investigate their whereabouts. Liaise with storage facility regarding potential lien over goods held
- Liaise with HMRC to understand late payment interest due on final October PAYE / NIC balance and make payment to HMRC
- Review project bank account information, contact external parties to ascertain where funds are due to and request transfer of funds from Lloyds Bank
- Invoice Purchasers for any costs due under the LTOs and arrange payments to landlords, utility providers etc
- Complete LTO true-up exercise and obtain any over or underpayments from the Purchasers
- Answer ad hoc queries from former employees or creditors of the Companies
- Maintain insurance cover and update the insurers of any changes to our requirements
- Ensure continued unoccupied buildings insurance compliance at Nunn Close and Birchwood
- Continue to investigate where other refunds may be due e.g. insurance or utilities refunds
- Finalise the Companies' tax affairs, including completion of VAT returns and settlement of any liabilities
- Compliance with statutory and compliance obligations, including ongoing investigations into the conduct of the Companies
- Liaise with Svella and payment of final distributions
- Maintain and review the estimated outcome statement to understand which classes of creditors can be repaid

## 6.2 Extension of the administration

The duration of an administration is restricted to 12 months from the date of commencement unless it is extended with the permission of the creditors or the court. The administrations were due to end on 5 October 2022.

An application to Court was made in order to extend the administrations by 12 months to 5 October 2023. This was to enable us to continue pursuing a sale of the remaining freehold properties, recover additional debtors, make further progress with investigations and make any appropriate distributions to creditors.

The order was granted on 27 September 2022.

## 6.3 Exit from administration

As detailed in our Proposals, we do not consider it likely that we will have sufficient funds to make a distribution to unsecured creditors and therefore intend to exit the administrations and move to dissolution.



## 6.4 Discharge from liability

At the conclusion of the administrations, we require discharge from liability.

As there are insufficient funds to make a distribution to creditors, we will seek consent from each secured creditor and a decision of the preferential creditors in order to obtain our discharge from liability.

## 6.5 Data protection

Any personal information held by the Companies will continue to be processed for the purposes of the administrations of the Companies and in accordance with the requirements of data protection. Our privacy notice on our website ([www.grantthornton.co.uk/en/privacy](http://www.grantthornton.co.uk/en/privacy)) contains further details as to how we may use, process and store personal data.

## 6.6 Contact from third parties

Please be aware that fraudsters have been known to masquerade as legitimate administrators.

Fraudsters may contact creditors asking for an upfront fee or tax to release an investment or to enable payment of a dividend / the release of money payable to the creditor. An administrator would never ask for such a payment nor instruct a third party to make such a request.

## 6.7 Future reporting

Our next report to creditors will be issued no later than 5 May 2023, or earlier if the administrations have been completed by that date.

# A Notice about this report

This report has been prepared solely to comply with the Joint Administrators' statutory duty to report to creditors under the Rules on the progress of the administrations, 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 or any financial interest in the Companies.

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 persons choosing to rely on this report for any purpose or in any context other than under the Rules do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note that we are all authorised by the Insolvency Practitioners Association to act as insolvency practitioners.

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

The Joint Administrators act as agents for the Companies and contract without personal liability. The appointment of the Joint Administrators is personal to them and to the fullest extent permitted by law, Grant Thornton does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administrations.

Please note you should read this progress report in conjunction with the Joint Administrators' previous progress reports and the Proposals issued to the Companies' creditors, which can be found on the Grant Thornton portal (<https://www.grantthornton.co.uk/portal/>). Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT. For definitions of abbreviations please refer to the 'Definitions' table at the start of this progress report.

## B Statutory information

### Company information

Company name	NMCN plc
Date of incorporation	6 December 1946
Company registration number	00425188
Former trading and registered office address	Nunn Close Huthwaite Sutton-In-Ashfield NG17 2HW
Present registered office	11th Floor Landmark St Peter's Square 1 Oxford St Manchester M1 4PB

### Administration information

Administration appointment	The administration appointment granted in the High Court of Justice, 001826 of 2021
Appointor	the directors
Date of appointment	6 October 2021
Joint Administrators' names	Helen Dale Nigel Morrison Jon Roden
Joint Administrators' addresses	17th Floor, 103 Colmore Row, Birmingham, B3 3AG
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up
Estimated value of the net property and confirmation of the prescribed part cap	As we do not expect preferential creditors to be repaid in full, the provisions of the prescribed part do not apply
Functions	In accordance with paragraph 100(2) of Schedule B1 to the Act, the functions of the administrators are to be exercised by any or all of them
Current administration expiry date	5 October 2023

**Company information**

Company name	NMCN Sustainable Solutions Limited
Date of incorporation	4 June 1998
Company registration number	03575174
Former trading and registered office address	Nunn Close Huthwaite Sutton-In-Ashfield NG17 2HW
Present registered office	11th Floor Landmark St Peter's Square 1 Oxford St Manchester M1 4PB

**Administration information**

Administration appointment	The administration appointment granted in the High Court of Justice, 001825 of 2021
Appointor	the directors
Date of appointment	6 October 2021
Joint Administrators' names	Helen Dale Nigel Morrison Jon Roden
Joint Administrators' addresses	17th Floor, 103 Colmore Row, Birmingham, B3 3AG
Purpose of the administration	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up
Estimated value of the net property and confirmation of the prescribed part cap	As we do not expect preferential creditors to be repaid in full, the provisions of the prescribed part do not apply
Functions	In accordance with paragraph 100(2) of Schedule B1 to the Act, the functions of the administrators are to be exercised by any or all of them
Current administration expiry date	5 October 2023

**NMCN plc**  
**(In Administration)**  
**Joint Administrators' Trading Account**

C

Statement of Affairs £	From 06/04/2022 To 05/10/2022 £	From 06/10/2021 To 05/10/2022 £
TRADING INCOME		
TSA - Telecoms & Plant	37,946.49	523,166.84
TSA - Water	81,707.69	631,126.91
TSA - Infrastructure	NIL	199,067.06
Telecoms & Plant recharges	NIL	595,208.91
Water recharges	NIL	434,207.65
Infrastructure recharges	NIL	57,983.01
	119,654.18	2,440,760.38
TRADING EXPENDITURE		
Data protection consultancy costs	NIL	7,572.40
Telephone	206,417.38	206,417.38
Security	NIL	113,248.80
Car leasing for retained staff	NIL	1,145.12
Health & safety	(554.14)	9,450.38
Hire purchase agreements	NIL	5,435.11
Telecoms & Plant payroll (other)	NIL	25,621.75
Water payroll (pension)	NIL	389,776.66
Water payroll (other)	183.73	44,430.99
Infrastructure payroll (pension)	NIL	55,922.56
Other taxes due to HMRC	208,884.84	208,884.84
Cleaning & waste management	NIL	6,005.73
Telecoms & Plant payroll (Pension)	NIL	562,658.72
Retained payroll (pension)	NIL	52,312.13
Retained payroll (net)	7,695.49	353,872.68
Retained payroll (tax and NI)	NIL	183,285.72
Information technology	9,195.90	250,778.35
Retained payroll (other)	(40,906.28)	2,234.68
Infrastructure payroll (other)	NIL	2,060.45
Utilities	33,684.76	34,537.87
	(424,601.68)	(2,515,652.32)
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>(304,947.50)</b>	<b>(74,891.94)</b>

**NMCN plc**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 06/04/2022 To 05/10/2022 £	From 06/10/2021 To 05/10/2022 £
	<b>SECURED ASSETS</b>		
3,000,000.00	JV property development	31,801.91	1,931,801.91
5,234,387.00	Plant & machinery	NIL	8,433,855.00
1,242,188.00	Lorries	NIL	NIL
2,273,425.00	Vans	NIL	NIL
2,844,000.00	Book Debts	NIL	2,640,103.00
7,358,080.00	Property	3,580,000.00	4,506,000.00
	Infrastructure goodwill	NIL	1.00
1,000,000.00	Lintott	NIL	999,999.00
	Plant business and assets	NIL	1.00
	Water business and assets	NIL	1.00
	Purchaser's security costs (In)	3,088.99	21,728.49
	Freehold licence fees	78,660.00	149,355.00
81,000.00	Cash at bank	NIL	84,003.59
		<u>3,693,550.90</u>	<u>18,766,848.99</u>
	<b>COSTS OF REALISATION</b>		
	Professional fees	NIL	53,810.00
	Legal fees	93,276.50	166,244.00
	Agents / valuers fees	41,062.00	42,512.00
	Environmental agent fees	3,598.50	3,598.50
	Purchaser's security costs (Out)	NIL	21,728.49
	Security costs	79,548.28	89,584.88
	Fixed property maintenance	2,891.70	6,620.03
	Fixed business rates	22,234.18	22,234.18
	Fixed utilities costs	83,216.07	83,488.90
	Bank charges	0.05	0.45
		<u>(325,827.28)</u>	<u>(489,821.43)</u>
	<b>SECURED CREDITORS</b>		
(12,749,475.00)	Svella Plc - Fixed charge distribution	3,916,889.02	13,878,796.84
		<u>(3,916,889.02)</u>	<u>(13,878,796.84)</u>
	<b>HIRE PURCHASE</b>		
	Lombard North Plc - Initial Payments	NIL	790,060.51
(4,200,000.00)	Lombard North Plc distribution	NIL	4,038,969.27
		<u>NIL</u>	<u>(4,829,029.78)</u>
	<b>ASSET REALISATIONS</b>		
4,100,818.00	Book Debts	559,564.71	1,109,146.03
515,209.00	Cash at bank	59.48	501,595.62
	Cash held in project bank accounts	210,347.88	210,347.88
	Employee float receipts	1,921.55	5,942.57
	Infrastructure IT equipment	NIL	7,500.00
	Infrastructure LTO (In)	15,347.64	34,941.12
	Infrastructure other assets	NIL	1.00
	Infrastructure stock	NIL	7,500.00
	Insurance refunds	(40,279.70)	93,599.88
	Misc refunds	6,693.44	36,225.24
43,907.00	Office equipment	NIL	NIL
	Petty cash	465.00	465.00
	Plant & Machinery	155,250.00	155,250.00
	Reimbursement of IT costs	47,836.77	47,836.77
	Reimbursement of novation costs	70,548.10	70,548.10
	Release of retentions	55,371.38	55,371.38
	Telecoms LTO (In)	171,361.34	233,929.07

**NMCN plc**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 06/04/2022 To 05/10/2022 £	From 06/10/2021 To 05/10/2022 £	
	Trading Surplus/(Deficit)	(304,947.50)	(74,891.94)
	Utilities / rates refunds	534.19	17,732.45
	Water LTO (In)	27,338.83	355,337.47
3,751,363.00	Work in progress	37,093.00	299,075.10
		1,014,506.11	3,167,452.74
	COST OF REALISATIONS		
	Administrator disbursements	NIL	12,883.93
	Agents/valuers fees	77,355.84	85,070.84
	Bank charges	3.25	6.00
	Consultancy fees - JVs	NIL	21,243.65
	Infrastructure LTO (Out)	24,141.63	30,931.25
	Insurance of assets	169,289.80	169,589.80
	IT costs	71,522.15	76,881.59
	Legal fees	198,970.57	406,203.27
	Payment re project bank accounts	210,347.88	210,347.88
	Payment to Projjex Limited	NIL	13,028.19
	Professional fees	12,765.00	18,983.38
	Quantity Surveyors Fees	204,610.46	204,610.46
	Re-direction of mail	216.00	537.00
	Security costs	NIL	8,718.36
	Statutory advertising	NIL	170.00
	Storage Costs	15,568.74	15,568.74
	Telecoms LTO (Out)	194,264.22	220,051.08
	Transfer to Sustainable Solutions	NIL	1,000.00
	VAT irrecoverable	NIL	59.80
	Water LTO (Out)	209,368.07	303,114.65
		(1,388,423.61)	(1,798,999.87)
	PREFERENTIAL CREDITORS		
(26,914,005.00)	Preferential Creditors (All)	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(115,321,614.00)	Unsecured Creditors (All)	NIL	NIL
		NIL	NIL
(127,740,717.00)		(923,082.90)	937,653.81
	REPRESENTED BY		
	Fixed Charge VAT on Purchases		36,533.71
	Fixed Charge VAT on Sales		(327,000.00)
	Fixed Current Account		665,328.24
	Floating Current Account		530,552.56
	HMRC - Fxd VAT received/paid		(16,134.00)
	HMRC - VAT received/paid		290,185.26
	Trade Creditors		1,285.20
	VAT on Purchases		383,111.72
	VAT on Sales		(626,208.88)
			937,653.81

**NMCN Sustainable Solutions Ltd**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 06/04/2022 To 05/10/2022 £	From 06/10/2021 To 05/10/2022 £
ASSET REALISATIONS		
Transfer from NMCN Plc	NIL	1,000.00
	NIL	1,000.00
COST OF REALISATIONS		
Re-Direction of Mail	NIL	642.00
	NIL	(642.00)
PREFERENTIAL CREDITORS		
(10,564,916.00) Preferential Creditors (All)	NIL	NIL
	NIL	NIL
UNSECURED CREDITORS		
(3,605,435.00) Unsecured Creditors (All)	NIL	NIL
	NIL	NIL
<b>(14,170,351.00)</b>	<b>NIL</b>	<b>358.00</b>
REPRESENTED BY		
Floating Current Account NIB		358.00
		<b>358.00</b>



## D Payments to the Joint Administrators and their associates

### SIP 9 disclosure

This appendix has been prepared in accordance with the requirements of the Act, the Rules and SIP9. In summary, it covers:

- pre-appointment costs
- fee basis
- work done by the Joint Administrators and their team during the Period
- expenses
- sub-contracted work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees).

## Pre-appointment costs

Pre-administration costs are fees charged and expenses incurred by the Joint Administrators, or other qualified insolvency practitioners, before the Companies entered administration but with a view to it doing so. To the extent they remain unpaid when the Companies entered administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

Prior to appointment, the Joint Administrators, by way of engaging Grant Thornton, were engaged by NMCN and NMCN SS through respective engagement letters (the Agreements) dated 1 October 2021, under which the fee basis was actual time spent on the engagement at Lloyds Bank rates plus out of pocket expenses and VAT at the appropriate rate to be added. The Agreements entitled Grant Thornton to total pre-administration fees of £115,000 and out of pocket expenses, albeit actual time costs incurred by Grant Thornton were in excess of this at £140,421. The Companies did not settle the fees of £115,000 or the out of pocket expenses of £1,957 prior to the administrations, as such, this portion of the fees will be subject to creditor approval.

Details of the pre-administration costs are provided below:

### NMCN Plc

Cost	Work done	Why the work was necessary pre-appointment and how it furthered the achievement of an objective of administration	Incurred				Paid		Unpaid
			Grade	Hrs	£	£	Name of payer and relationship to estate	Pre/post administration	
Grant Thornton fees	• Administration eligibility assessment	• To confirm that an objective of administration could be achieved and that administration, therefore, was an option for NMCN	Partner	69	32,324		NA		103,500
	• Pre-packaged sale		Manager	196	73,862				
	• Pre-appointment practicalities	• To assist management with gathering and preparing information, including valuations, for potential acquirers; identification of and introduction to potential acquirers	Executive	69	19,562				
			Administrator	3	630				
			Total	332	126,378				
		• To assist management in planning and liaising with key stakeholders and employees; and to advise directors (as a board) of their general responsibilities with regard to insolvency							
		• To assist management in achieving the best possible value for the business and assets of NMCN from the offers received							
		• Liaising with management and solicitors to prepare and agree the Sale and Purchase agreements to ensure that sales could be							
						Note: pre-appointment time costs across both entities have been capped at £115,000			

		completed following appointment and the best outcome could be achieved for creditors				
<b>Grant Thornton expenses</b>	<ul style="list-style-type: none"> <li>Mileage to site to meet with Directors and agents to prepare for administration</li> </ul>	<ul style="list-style-type: none"> <li>To plan for the administration and gather the necessary information, and progress sale negotiations</li> </ul>	Mileage and subsistence	869	NA	869
	<ul style="list-style-type: none"> <li>Purchase of Zoom platform for employee address shortly after appointment (necessary to set up shortly prior to appointment instead of post given the timings of employee address)</li> </ul>	<ul style="list-style-type: none"> <li>To address employees of NMCN to inform them of the administration</li> </ul>	IT software  Note: Our expenses estimate has been updated. The difference relates to the timing of expenses being posted on internal systems	1,088	NA	1,088
<b>Pinsent Masons</b>	<ul style="list-style-type: none"> <li>Prepare the sale and purchase agreements</li> <li>Prepare the licences to occupy the properties</li> <li>Assisting with the formalities of placing NMCN into administration</li> <li>Providing pre-appointment legal advice on ad hoc queries</li> </ul>	<ul style="list-style-type: none"> <li>The sale and purchase agreements were required to be largely prepared prior to the appointment of the administrators in order for the sales to be transacted shortly after appointment</li> <li>Solicitors were required to assist with the appointment of the administrators</li> <li>Legal advice was sought on a variety of matters by the administrators prior to the appointment, which assisted with the strategy and maximising of realisations</li> </ul>	Time costs	102,393	NA	102,393
<b>Gordon Brothers</b>	<ul style="list-style-type: none"> <li>Valuation of NMCN's fixed assets</li> </ul>	<ul style="list-style-type: none"> <li>In accordance with SIP16 NMCN's assets are required to be valued prior to a transaction, to ensure fair value is achieved in the sale</li> </ul>	Time costs	28,270	NA	28,270
<b>Leslie Keats</b>	<ul style="list-style-type: none"> <li>Provide initial advice on contracts and collection of debts / WIP and retentions in connection with those contracts</li> </ul>	<ul style="list-style-type: none"> <li>To assist the Joint Administrators in maximising asset realisations</li> </ul>	Time costs	11,624	NA	11,624

## Notes:

- Partner includes director
- Manager includes associate directors and managers

Commercial in confidence

- Executive includes assistant managers and executives
- All pre-appointment time costs for agents have been finalised and agreed with the relevant parties

**NMCN Sustainable Solutions Limited**

Cost	Work done	Why the work was necessary pre-appointment and how it furthered the achievement of an objective of administration	Incurred				Paid		Unpaid
			Grade	Hrs	£	£	Name of payer and relationship to estate	Pre/post administration	
<b>Grant Thornton fees</b>	• Administration eligibility assessment	• To confirm that an objective of administration could be achieved and that administration, therefore, was an option for NMCN SS	Partner	7.7	3,592		NA		11,500
	• Pre-packaged sale		Manager	22	8,207				
	• Pre-appointment practicalities	• To assist management with gathering and preparing information, including valuations, for potential acquirers; identification of and introduction to potential acquirers	Executive	6.9	2,174				
		• To assist management in planning and liaising with key stakeholders and employees; and to advise directors (as a board) of their general responsibilities with regard to insolvency	Administrator	0.4	70				
		• To assist management in achieving the best possible value for the business and assets of NMCN SS from the offers received	Total	37	14,043				
<b>Pinsent Masons</b>	• Prepare the sale and purchase agreements	• The sale and purchase agreements were required to be largely prepared prior to the appointment of the administrators in order for the sales to be transacted shortly after appointment	Time costs		5,000		NA		5,000
	• Prepare the licences to occupy the properties								
	• Assisting with the formalities of placing NMCN SS into administration	• Solicitors were required to assist with the appointment of the administrators • Legal advice was sought on a variety of matters by the administrators prior to the appointment, which							

	<ul style="list-style-type: none"><li>• Providing pre-appointment legal advice on ad hoc queries</li></ul>	assisted with the strategy and maximising of realisations				
Leslie Keats	<ul style="list-style-type: none"><li>• Provide initial advice on contracts and collection of debts / WIP and retentions in connection with those contracts</li></ul>	<ul style="list-style-type: none"><li>• To assist the Joint Administrators in maximising asset realisations</li></ul>	Time costs	1,292	NA	1,292

Notes:

- Partner includes director
- Manager includes associate directors and managers
- Executive includes assistant managers and executives
- All pre-appointment time costs for agents have been finalised and agreed with the relevant parties

## Post-appointment costs

### Fee basis of the Joint Administrators

As at the date of this report, the fee basis has not been set for the Companies.

#### **NMCN Plc**

During the Period, time costs were incurred totalling £1,075,224 represented by 2,480 hrs at an average of £434/hr (as shown in the 'Work done' section below). This brings cumulative recorded time costs at the Period end to £2,980,750. A description of the work done in the Period is provided in the respective section below. A description of other work done in earlier reporting periods can be found in our previous reports to creditors.

#### **NMCN Sustainable Solutions Limited**

During the Period, time costs were incurred totalling £11,072 represented by 39 hrs at an average of £286/hr (as shown in the 'Work done' section below). This brings cumulative recorded time costs at the Period end to £25,740. A description of the work done in the Period is provided in the respective section below. A description of other work done in earlier reporting periods can be found in our previous reports to creditors.

#### **Proposed fee basis – NMCN & NMCN SS**

We propose that the remuneration of the Joint Administrators be fixed on the basis of time properly spent by the Joint Administrators and their staff at our standard rates and our out of pocket expenses will be added to our fees.

The Joint Administrators' statement of proposals dated 13 October 2021 stated that the Companies have insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of section 176A(2)(a) of the Insolvency Act 1986 (the "prescribed part" to be carved out of money which would otherwise be payable to the holder of a floating charge).

A consequence of this statement is that rule 18.18(4) of the Rules provides that the basis of the Joint Administrators' remuneration shall be fixed, if, as in this case, there is no creditors committee, by (a) the consent of each of the secured creditors; or (b) if the Joint Administrators have made or intends to make a distribution to preferential creditors (i) the consent of each of the secured creditors, and (ii) a decision of the preferential creditors in a decision procedure.

However, it should be noted that, at the date of this report, it is uncertain whether funds will be available for distribution to preferential creditors. Nevertheless, we are seeking approval from the preferential creditors in the event that future asset realisations do permit a distribution to this class of creditors.

Although the unsecured creditors are not involved in fixing the basis of the Joint Administrators' remuneration, rule 18.16(4) nevertheless requires that where the proposed basis of remuneration is by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration, the Joint Administrators must, prior to the determination of the basis, deliver to the creditors (a) a fees estimate and (b) details of the expenses which will be or are likely to be incurred.

As time costs form the proposed fee basis we provide, below, a fees estimate and details of the expenses that will be, or are likely to be, incurred - please see the 'fees estimate' section.

**Likely return to creditors****NMCN**

To date, we have distributed £13,878,797 million to Svella under its fixed charge indebtedness and anticipate that a further distribution will be made before the end of the calendar year shortly after the completion of the Birchwood and/or Nunn Close freehold property sales. We expect this will enable the full repayment of the Svella's secured debt along with associated interest and costs.

It is currently uncertain whether a dividend will be payable to preferential creditors as this will be subject to the final level of asset realisations and associated costs. However, we do not anticipate being in a position to pay a dividend to unsecured creditors given the expected quantum of preferential creditor claims. We will continue to monitor the position and will provide a further update to creditors in our next progress report. Further details are provided in Section 4 above.

**NMCN SS**

NMCN SS has not made any distributions to creditors to date and we do not anticipate there being sufficient funds to enable the payment of any dividends based on the current level of asset realisations and uncertain recovery of Water debtors.

We expect that Svella's fixed charge security over NMCN SS will be satisfied at the point NMCN's repays Svella's indebtedness in full.

**Fees estimate and work done in the Period**

A fees estimate comprises the work anticipated to be undertaken and the estimated respective time cost – the fees eventually paid may be more or less depending on the complexity of the case as it progresses and the value of asset recoveries or successful claims, for example. The fees estimate below is based on all of the information available to us as at 5 October 2022. We have considered and accounted for the different levels of expertise that we anticipate will be required to do the work we anticipate necessary to complete the administrations in calculating the time and cost included in the fees estimate table provided below. The table below also includes narrative details of the work done in the Period (numerical analysis of the work done is in the subsequent table and details of expenses incurred in the Period are provided in the 'Expenses' section further below). A more detailed numerical break down of the fees estimate is included in the SIP9 time costs analysis table further below.

Note that the fees estimate is also based on the following assumptions:

- The administrations conclude on or before 5 October 2023 and the Companies are dissolved immediately thereafter. Should the administrations continue beyond this date and/or if the Companies are placed into creditors' voluntary liquidation then we anticipate an additional fee proposal may be required
- Fees estimated in respect of investigations solely relate to preliminary investigations. Should any further investigations and/or resultant litigation be identified during our work then we anticipate an additional fee proposal may be required

## Work done by the Joint Administrators and their team during the Period

We are required to detail costs of actual work done in the Period, including any expenses incurred in connection with it, against any fees estimate provided. Our fee estimate has been prepared alongside this report and the figures quoted below are subject to obtaining approval from creditors.

We are also required to provide narrative explanation of the work done. The following tables (narrative followed by numerical) set out this information for the Joint Administrators' fees incurred together with a numerical fees estimate variance analysis. Details of expenses incurred in connection with work done are provided in the 'Expenses' section below.

### TSA oversight costs

As discussed in the main body of this report, time costs amounting to £453,877 were incurred by the Joint Administrators and their team in overseeing the TSAs with the Purchasers in connection with the pre-packaged sales. These time costs have been incurred specifically for the TSAs and are rechargeable to the Purchasers. Accordingly, such time costs are not subject to approval from creditors and they are not presented within the numerical tables below on the basis they will be invoiced and paid by the Purchasers. We expect to draw these fees shortly after the end of the Period.

#### NMCN Plc

Area of work	Work done in the Period	Anticipated work	Why the work was necessary	Financial benefit to creditors	Fees and expenses estimate
Trading					598 hrs   £265,167   £443/hr
Trading general (excludes oversight costs to be recharged to the Purchasers)	<ul style="list-style-type: none"> <li>Performed true-up reconciliation of receipts and payments under the TSAs</li> </ul>	<ul style="list-style-type: none"> <li>Liaise with Keltbray to obtain information and process final refund</li> </ul>	<ul style="list-style-type: none"> <li>The TSAs were essential to the achievement of the pre-packaged sales as they allowed the Purchasers to replicate and integrate certain of NMCN's central shared services into their own businesses. Together, the result has benefited creditors. It has also been possible to share some unavoidable costs with the Purchasers, such as IT and utilities, which would otherwise have been wholly borne by the administration estate</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>	Expenses estimate: <ul style="list-style-type: none"> <li>Payroll - £816,736</li> <li>Information Technology - £464,767</li> <li>Security - £113,249</li> <li>Rents, Business rates and Utilities - £34,538</li> <li>Purchaser payroll - £1,081,672</li> <li>Oversight costs - £453,877</li> <li>Other - £20,891</li> </ul>
	<ul style="list-style-type: none"> <li>Circulated true-up reconciliation to each of the Purchasers and responded to their questions</li> <li>Invoiced Svella and Galliford Try the final balances payable under the TSAs</li> <li>Liaised with Keltbray to communicate the refund due under its TSA and to request payment details</li> <li>Paid final TSA invoices in respect of telephone, IT, utilities etc</li> </ul>				
Assets					2,721 hrs   £1,213,096   £445/hr
Insurance	<ul style="list-style-type: none"> <li>Liaised with our insurance broker, Howdens, regarding the insurance of assets and notification of</li> </ul>	<ul style="list-style-type: none"> <li>Continue to liaise with Howdens to ensure assets are appropriately insured, to notify of changes in cover as assets are sold, to pay invoices as they fall due and to</li> </ul>	<ul style="list-style-type: none"> <li>To mitigate risk from loss from an insurable event to protect creditors' interests</li> <li>To comply with regulations and law</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary for administrative purposes and/or complying with statutory</li> </ul>	Expenses estimate: <ul style="list-style-type: none"> <li>Legal costs – £533,748</li> <li>Agents' costs - £608,005</li> <li>Insurance - £219,590</li> </ul>



	<ul style="list-style-type: none"><li>pre-appointment legal claims to the pre-appointment insurers</li><li>Updated insurance cover following the disposal of assets and sale of properties</li><li>Paid insurance invoices as they fall due</li></ul>	<ul style="list-style-type: none"><li>notify them of any pre-appointment legal claims / queries</li></ul>	<ul style="list-style-type: none"><li>requirements and it had no direct financial benefit to the estate</li></ul>	<ul style="list-style-type: none"><li>Security - £140,032</li><li>Rents, Business rates and Utilities - £904,820</li><li>Project Bank Accounts - £223,376</li><li>Information Technology - £47,638</li></ul>	
Property	<ul style="list-style-type: none"><li>Completed sales of three freehold or long leasehold properties with support from Colliers and Browne Jacobson</li><li>Held regular discussions with Colliers and Browne Jacobson regarding progress with property sales</li><li>Liaised with property utilities providers, landlords and local councils to arrange for payment of invoices where required</li><li>Maintained a property tracker to monitor payments and occupation details</li><li>Continued to work with professional advisers (Freeths, Avison and Young and Brown Jacobson) to complete the surrender or assignment of five leasehold properties. Discussions are ongoing regarding the surrender or assignment of the remaining leases</li><li>Provided information and facilitated site visits for professional advisers as required</li><li>Monitored health and safety requirements at each site ensuring compliance standards are met</li></ul>	<ul style="list-style-type: none"><li>Continue regular dialogue with Browne Jacobson and Colliers to conclude the remaining freehold property sales</li><li>Continue to pay property related invoices as they are received for properties still occupied under LTO for leaseholds and all invoices for freeholds up until the point of sale</li><li>Continue to maintain the property tracker</li><li>Conclude the LTO true-up exercise and share this with the relevant. Invoice or refund the occupiers as appropriate</li><li>Surrender or assign the remaining leases</li><li>Continue to monitor the condition and security of the freehold properties up until the point of sale</li><li>Continue to monitor health and safety requirements at each site ensuring compliance standards are met</li><li>Agree LTO extensions with Svella</li><li>Continue to be responsive to questions from the Environmental Agency regarding Nunn Close</li><li>Instruct further surveys from MJCA in connection with queries from the Environmental Agency</li></ul>	<ul style="list-style-type: none"><li>Freehold properties represent a key asset class of NMCN, so maximising recoveries from these assets has been key to the overall outcome of the administration for the benefit of the creditors</li><li>To fulfil the Company's obligations under the terms of the leases</li><li>To maintain terms of LTO agreements and keep supply of utilities to the Purchasers</li></ul>	<ul style="list-style-type: none"><li>This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available</li></ul>	<ul style="list-style-type: none"><li>Other - £30,219</li></ul>

- Conducted LTO true-up exercise to reconcile LTO receipts against payments made for each property
- Provided LTO invoices to the Purchasers
- Discussed and prepared LTO extensions to 5 April 2023 for Svella
- Liaised with the Environmental Agency regarding contaminated land at Nunn Close. Instructed surveys and ensured occupier awareness of this area
- Instructed GMS to resolve various property maintenance issues, security, regular freehold site inspections
- Contacted third parties to chase invoices relating to properties still held under LTOs

**Debtors**

- |  |  |  |  |
|--|--|--|--|
| <ul style="list-style-type: none"> <li>• Regular discussions with Leslie Keats and the Purchasers regarding progress of collections</li> <li>• Engaged Pinsent Masons to discuss approach to Water debtors / work-in-progress, which currently differs to Galliford Try</li> <li>• Liaised with Leslie Keats and Pinsent Masons regarding a debtor settlement agreement</li> <li>• Instructed Leslie Keats to conduct further work into the Water debtors to appraise the position</li> <li>• Collected receipts into the estate and facilitated payments to Leslie Keats for their fees</li> <li>• Liaised with Svella regarding ongoing WIP collections</li> </ul> | <ul style="list-style-type: none"> <li>• Continue to investigate the prospects of realising Water debtors for the benefit of NMCN. Liaise with Pinsent Masons, Leslie Keats and Galliford Try to progress this and to understand the methodology adopted by Galliford Try to date</li> <li>• Liaise with Leslie Keats in respect of Infrastructure and Buildings debtors</li> <li>• Liaise with Svella in respect of Telecoms debtors</li> <li>• Collect any receipts due to NMCN and pay invoices from Leslie Keats / Pinsent Masons</li> </ul> | <ul style="list-style-type: none"> <li>• To collect outstanding debtors and maximise realisations for creditors</li> </ul> | <ul style="list-style-type: none"> <li>• This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available</li> </ul> |
|--|--|--|--|

<b>Vehicles</b>	<ul style="list-style-type: none"> <li>Liaised with Howdens and third parties in respect of ongoing and historical motor insurance matters, including accident management issues and claims</li> <li>Banked cheques in respect of vehicle tax refunds</li> </ul>	<ul style="list-style-type: none"> <li>No further work anticipated</li> </ul>	<ul style="list-style-type: none"> <li>To ensure that assets owned by NMCN, and third party assets in respect of which NMCN held an interest, were identified, secured and realised</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>
<b>Plant &amp; machinery, fixtures &amp; fittings, equipment</b>	<ul style="list-style-type: none"> <li>Liaised with agents, Gordon Brothers, and third parties regarding identification, securing and realising NMCN's interest in plant and machinery</li> <li>Reconciliation and review in respect of plant and machinery included in the SPAs</li> <li>Determining and implementing strategy for realising plant &amp; equipment not collected or sold as part of the SPAs</li> <li>Facilitated the identification and collection of various third-party assets, including site attendances</li> <li>Engaged Browne Jacobson to assist with the sale of the modular building to Svella Asset Services</li> <li>Responded to potential lien over assets held in storage</li> </ul>	<ul style="list-style-type: none"> <li>Continue to work with Gordon Brothers to identify and realise all residual items of plant, machinery and other equipment</li> <li>Conclude the sale of the modular building</li> <li>Continue to review and respond to potential lien</li> </ul>	<ul style="list-style-type: none"> <li>To ensure that assets owned by NMCN, and third party assets in respect of which NMCN held an interest, were identified, secured and realised</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>
<b>Cash at bank</b>	<ul style="list-style-type: none"> <li>Liaised with Lloyds Bank regarding the transfer of funds into the administration estate from the pre-appointment bank accounts and project bank accounts. Input from third parties in respect of the project bank accounts. Subsequent closure of these accounts</li> <li>Considered the blocked account position</li> </ul>	<ul style="list-style-type: none"> <li>Review funds held in three project bank accounts and contact relevant parties to understand who is the end beneficiary with input from Lloyds Bank</li> </ul>	<ul style="list-style-type: none"> <li>To ensure that NMCN's assets are identified, secured and realised</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available</li> </ul>

<b>Sale of business</b>	<ul style="list-style-type: none"> <li>Agreed novation agreements with the Purchasers following advice from Pinsent Masons</li> </ul>	<ul style="list-style-type: none"> <li>No further work anticipated</li> </ul>	<ul style="list-style-type: none"> <li>To conclude the sale of certain divisions and assets of NMCN</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>	
<b>Other assets</b>	<ul style="list-style-type: none"> <li>Correspondence in respect of miscellaneous refunds</li> <li>Invoiced contract novation legal costs incurred to the relevant Purchasers</li> </ul>	<ul style="list-style-type: none"> <li>Invoice and monitor the reimbursement of contract novation costs by the Purchasers</li> <li>Continue to investigate where other refunds may be due, such as our work with CAPA</li> </ul>	<ul style="list-style-type: none"> <li>To ensure that NMCN's assets are identified, secured and realised</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>	
<b>Investigations</b>					<b>767 hrs    £350,502    £457/hr</b>
<b>Debtor/ directors/ senior employees</b>	<ul style="list-style-type: none"> <li>Ongoing review into the affairs of NMCN prior to the administration period with support from Grant Thornton's Forensic teams and legal advice from Gateley</li> <li>Noted matters requiring further investigation and held internal meetings to discuss this</li> <li>Responded to questions from external investigations</li> </ul>	<ul style="list-style-type: none"> <li>Preliminary investigations into the affairs and conduct of NMCN</li> <li>Seek legal advice in respect of preliminary investigations and findings and report findings to creditors at the appropriate time</li> </ul>	<ul style="list-style-type: none"> <li>To report on conduct of NMCN's personnel or other related parties</li> <li>To ensure that NMCN's assets are identified, secured and realised</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process</li> </ul>	Expenses estimate: <ul style="list-style-type: none"> <li>Legal costs - £145,148</li> <li>Information Technology - £29,244</li> </ul>
<b>Books &amp; records</b>	<ul style="list-style-type: none"> <li>Paid storage invoices to Restore for storing books and records</li> <li>Worked with Grant Thornton Digital Forensics to review data back ups from NMCN's IT systems as part of investigations work</li> <li>Liaised with Global EMEA to collect IT equipment and securely store. Once investigation work is concluded, this equipment will be wiped and sold</li> </ul>	<ul style="list-style-type: none"> <li>Review records belonging to NMCN with support from Grant Thornton Forensics team</li> <li>Respond to initial enquiries raised by external investigations</li> <li>Seek legal advice in respect of preliminary investigations and findings and report findings to creditors at the appropriate time</li> <li>Wipe IT equipment once investigations have concluded</li> <li>Continue to pay storage invoices to Restore and Global EMEA. Pay for Global EMEA to wipe IT equipment</li> </ul>	<ul style="list-style-type: none"> <li>To fulfil the office holders' duties and ensure data is preserved should it be needed in further investigations</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process</li> </ul>	

Claims	<ul style="list-style-type: none"><li>Considered investigations and liaised with legal advisers regarding potential claims</li></ul>	<ul style="list-style-type: none"><li>Preliminary investigations into the affairs and conduct of NMCN</li><li>Seek legal advice in respect of preliminary investigations and findings and report findings to creditors at the appropriate time</li></ul>	<ul style="list-style-type: none"><li>To ensure that NMCN's assets are identified, secured and realised</li></ul>	<ul style="list-style-type: none"><li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process</li></ul>			
Digital Forensics	<ul style="list-style-type: none"><li>Reviewed company records and server back-ups to support with investigations into the affairs of NMCN</li></ul>	<ul style="list-style-type: none"><li>Review records belonging to NMCN to support with preliminary investigations</li></ul>	<ul style="list-style-type: none"><li>To ensure that NMCN's assets are identified, secured and realised</li></ul>	<ul style="list-style-type: none"><li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process</li></ul>			
Bank statements & analysis	<ul style="list-style-type: none"><li>No work performed in the Period</li></ul>	<ul style="list-style-type: none"><li>Review records belonging to NMCN to support with preliminary investigations</li></ul>	<ul style="list-style-type: none"><li>To ensure that NMCN's assets are identified, secured and realised</li></ul>	<ul style="list-style-type: none"><li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process</li></ul>			
Creditors					1,495 hrs	£592,117	£396/hr
Secured	<ul style="list-style-type: none"><li>Liaised with Svella in respect of its secured debt, interest and other charges. Adjudicated its claim with support from Irwin Mitchell and legal counsel, and ultimately reached an agreement on this</li><li>Responded to the notice of fixed charge receiver appointment over Nunn Close from Svella with assistance from Irwin Mitchell</li><li>Provided regular updates to Svella on progress with freehold property sales and other progress with the administration strategy</li></ul>	<ul style="list-style-type: none"><li>Liaise with Svella to ensure full repayment of its secured debt and associated costs and interest</li><li>Continue to provide regular updates to Svella in respect of freehold property sales</li><li>Ensure satisfaction of charge is registered at Companies House once Svella is repaid in full</li><li>Obtain remuneration approval</li></ul>	<ul style="list-style-type: none"><li>To keep the secured creditors informed as the key stakeholders in the administration</li></ul>	<ul style="list-style-type: none"><li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process</li></ul>	Expenses estimate: <ul style="list-style-type: none"><li>Legal costs - £209,858</li><li>Agents' costs - £23,213</li></ul>		

	<ul style="list-style-type: none"> <li>Satisfied charges for other secured creditors at Companies House on the basis they had no indebtedness</li> </ul>			
<b>Employees &amp; pensions</b>	<ul style="list-style-type: none"> <li>Responded to employee queries and claims</li> <li>Engaged external accountancy firm, BK Plus, who prepared the P11Ds for tax year 21/22</li> <li>Paid Class 1A NICs to HMRC and wrote a covering letter setting out the post appointment proportion of Class 1A NICs paid against the full liability reported on the P11DB</li> <li>Liaised with employee benefit providers to receive refunds due into the administration estate</li> <li>Liaised with Pinsent Masons and the Trustees of NMCN's Share Incentive Plan to file the relevant tax return, to obtain information and move towards closure</li> <li>Paid final October PAYE / NIC liability. Corresponded with legal advisers and Svella in this regard</li> <li>Responded to employee related claims, including protective award claim</li> <li>Continued to liaise with ERA Solutions in respect of employee queries and claims</li> </ul>	<ul style="list-style-type: none"> <li>Continue to respond to employee queries as they arise and record their claims</li> <li>Continue to work with Pinsent Masons and the Trustees towards closure of NMCN's Share Incentive Plan</li> </ul>	<ul style="list-style-type: none"> <li>To ensure all employees are kept up to date as stakeholders in the administration</li> <li>To ensure all employee queries and claims are dealt with appropriately</li> <li>To comply with tax legislation</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process</li> </ul>
<b>Unsecured</b>	<ul style="list-style-type: none"> <li>Maintained and updated unsecured creditor information on internal Insolvency Practitioner's Software</li> <li>Continued to gather information in relation to all known creditors and their claims</li> <li>Responded to unsecured creditor queries</li> </ul>	<ul style="list-style-type: none"> <li>Continue to maintain unsecured creditor information on internal Insolvency Practitioner's Software</li> <li>Continue to gather information about unsecured creditors and their claims</li> <li>Respond to unsecured creditor queries as they arise</li> </ul>	<ul style="list-style-type: none"> <li>To ensure all unsecured creditor claims are dealt with appropriately</li> <li>To ensure all creditors are kept up to date with the administration</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process</li> </ul>

	<ul style="list-style-type: none"> <li>Reported to creditors in line with statutory requirements</li> </ul>				
<b>Dividends</b>	<ul style="list-style-type: none"> <li>No work performed in the Period</li> </ul>	<ul style="list-style-type: none"> <li>Adjudicate claims and make any distributions to creditors</li> </ul>	<ul style="list-style-type: none"> <li>To ensure distributions are made to creditors where funds are due</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process</li> </ul>	
<b>Retention of title</b>	<ul style="list-style-type: none"> <li>Liaised with retention of title creditors, to obtain further details about their claims, review documentation and arrange the collection of goods (as appropriate)</li> </ul>	<ul style="list-style-type: none"> <li>No further work anticipated</li> </ul>	<ul style="list-style-type: none"> <li>To ensure retention of title creditors are advised of our appointment and their claims are accurately recorded</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate</li> </ul>	
<b>Administration</b>					<b>2,645 hrs   £1,030,186   £389/hr</b>
<b>Case management</b>	<ul style="list-style-type: none"> <li>Continued case management reviews by the Joint Administrators and internal risk management team to ensure effective risk management and compliance with internal procedures</li> <li>Regular team meetings to discuss case strategy progress and deadlines</li> <li>Maintained Estimated Outcome Statement to establish the potential level of funds available for each class of creditor</li> </ul>	<ul style="list-style-type: none"> <li>Continue with case management reviews by the Joint Administrators and internal risk management team to ensure effective risk management and compliance with internal procedures</li> <li>Continue with regular team meetings to discuss case strategy progress and deadlines</li> <li>Continue to maintain Estimated Outcome Statement to establish the potential level of funds available for each class of creditor</li> </ul>	<ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> <li>To progress strategy including asset realisations and payments to creditors</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate</li> </ul>	Expenses estimate: <ul style="list-style-type: none"> <li>Legal costs - £61,206</li> <li>Storage costs - £45,569</li> <li>Other - £16,022</li> <li>Mileage - £6,582</li> </ul>
<b>Reports to creditors, notices &amp; decisions</b>	<ul style="list-style-type: none"> <li>Prepared, reviewed, finalised and circulated progress reports to creditors</li> <li>Reviewed time costs incurred by the Joint Administrators and their team</li> <li>Prepared fee estimate</li> </ul>	<ul style="list-style-type: none"> <li>Prepare and file this report and future progress reports in administration</li> <li>Review decision procedure outcome</li> </ul>	<ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> <li>To keep creditors informed of the progress of the administration</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate</li> </ul>	

<b>Shareholders / debtor / director</b>	<ul style="list-style-type: none"> <li>Prepared decision procedures</li> <li>Responded to queries from former shareholder regarding dormant subsidiaries of NMCN</li> </ul>	<ul style="list-style-type: none"> <li>No further work anticipated</li> </ul>	<ul style="list-style-type: none"> <li>To keep shareholders (who are also creditors of the NMCN) informed of the progress of the administration</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate</li> </ul>
<b>Treasury, billing &amp; funding</b>	<ul style="list-style-type: none"> <li>Processed receipts and payments</li> <li>Management and maintained the estate's bank accounts</li> <li>Performed regular bank reconciliations</li> </ul>	<ul style="list-style-type: none"> <li>Continue to process receipts and payments</li> <li>Continue to manage and maintain the estate bank accounts</li> <li>Continue to perform regular bank reconciliations</li> </ul>	<ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate</li> </ul>
<b>Tax</b>	<ul style="list-style-type: none"> <li>Prepared and filed post-appointment VAT returns</li> <li>Reviewed the pre-appointment VAT position, but we were not able to bring these returns up to date based on insufficient records</li> <li>Prepared and filed post-appointment corporation tax returns for the period 6 October 2021 until 31 December 2021. Submitted covering letter to HMRC to accompany the returns and to set out details relating to the pre-appointment period</li> <li>Requested the reallocation of post-appointment PAYE payments from HMRC and monitored the position</li> <li>Liaised with HMRC to close the apprenticeship levy scheme</li> <li>Reviewed pre-appointment corporation tax returns to understand if any refunds were due</li> <li>Supported with finalisation of employee payroll matters</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing tax compliance, including the submission of VAT returns, correspondence with HMRC, monitoring PAYE payment allocations and closure of apprenticeship levy scheme</li> </ul>	<ul style="list-style-type: none"> <li>To comply with tax legislation</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate</li> </ul>



Commercial in confidence

Pensions	<ul style="list-style-type: none"><li>Liaised with pension scheme providers to receive certain refunds due to former employees. Followed up with relevant Purchasers to facilitate these refunds</li></ul>	<ul style="list-style-type: none"><li>Continue to respond to any pension queries as they arise</li></ul>	<ul style="list-style-type: none"><li>To ensure employees received monies they are entitled to and in doing so mitigating employee claims</li><li>To comply with pension-related legislation</li></ul>	<ul style="list-style-type: none"><li>This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate</li></ul>
	<ul style="list-style-type: none"><li>Responded to pension queries from former employees</li></ul>			
Closure	<ul style="list-style-type: none"><li>No work carried out in the Period</li></ul>	<ul style="list-style-type: none"><li>Prepare and submit closure report for the administration, and other case closure formalities</li></ul>	<ul style="list-style-type: none"><li>To comply with insolvency law and regulations</li></ul>	<ul style="list-style-type: none"><li>This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate</li></ul>
Total fees estimate				8,225 hrs   £3,451,068   £420/hr
Total expenses estimate				£6,230,000

Detailed SIP9 time cost analysis for the Period and fees estimate variance analysis as at Period end  
Period from 06/04/2022 to 05/10/2022

Area of work	Partner		Manager		Executive		Administrator		Period total		Cumulative total as at period end		Fees estimate		Variance	
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£
Trading:																
Trading (general)	1.00	580.00	164.40	80,875.00	-	-	-	-	165.40	81,455.00	492.47	595.51	264,058.32	443.42	598.01	265,166.86
Realisation of Assets:									165.40	81,455.00	492.47	595.51	264,058.32	443.42	598.01	265,166.86
Insurance	-	-	18.00	8,305.50	2.00	806.00	-	-	858.55	378,927.25	441.31	2,389.20	1,074,838.50	448.19	2,720.70	1,213,035.94
Property	79.05	48,937.75	318.00	152,846.00	286.30	62,972.25	57.00	10,935.00	20.90	9,111.50	435.96	46.55	19,433.50	417.48	54.05	22,564.57
Debtors	15.25	9,638.75	34.20	16,770.00	-	-	-	-	717.35	305,690.00	426.14	1,473.90	590,207.75	400.44	1,693.90	678,304.44
Intellectual property	-	-	-	-	-	-	-	-	46.45	26,408.75	534.06	194.95	98,632.25	505.94	249.95	126,458.74
Vehicles	-	-	-	-	0.50	204.00	-	-	-	-	-	7.00	3,985.00	569.29	7.00	3,985.00
Plant & machinery, fixtures & fittings, equipment	2.50	1,737.50	31.70	15,089.50	-	-	-	-	0.60	204.00	340.00	15.60	7,356.50	471.57	15.60	7,356.50
Stock & WIP	-	-	-	-	-	-	-	-	34.20	16,827.00	492.02	134.40	58,250.00	433.41	154.40	66,919.15
Cash at bank	-	-	3.10	1,317.50	-	-	-	-	-	-	-	0.95	521.75	549.21	0.95	521.75
Sale of business	26.75	16,266.00	4.40	2,266.00	-	-	-	-	3.10	1,317.50	425.00	6.50	2,713.50	417.46	11.50	4,800.81
Contributions	-	-	-	-	-	-	-	-	31.15	18,561.00	595.88	361.85	205,600.25	568.19	361.85	205,600.25
Other assets	-	-	1.90	837.50	-	-	-	-	1.90	837.50	425.00	155.50	88,138.00	563.18	171.50	96,585.73
Investigations:									260.85	143,254.25	549.18	551.50	252,038.75	457.01	766.50	350,501.54
Debtor / director / senior employees	29.50	19,797.50	1.50	637.50	-	-	7.50	1,582.50	38.50	22,017.50	571.58	70.50	34,417.75	488.20	100.50	49,063.60
Books & records	-	-	11.50	4,867.50	-	-	-	-	11.50	4,867.50	425.00	51.10	20,310.00	397.46	81.10	32,233.68
Claims	34.30	23,482.00	133.30	77,432.25	3.50	1,190.00	-	-	171.10	102,054.25	590.46	226.85	130,796.50	576.58	316.85	182,688.43
Digital forensics	-	-	38.75	13,946.00	1.00	353.00	-	-	39.75	14,299.00	356.82	182.55	82,619.50	343.03	232.55	79,770.83
Bank statements & analysis	-	-	-	-	-	-	-	-	-	-	-	20.50	3,895.00	190.00	35.50	6,745.00
Creditors:									300.10	150,930.23	502.93	1,354.50	533,200.73	393.65	1,494.50	592,117.13
Secured	150.10	88,468.75	48.90	22,877.50	-	-	-	-	167.00	111,144.25	594.18	300.15	163,993.50	546.37	360.15	196,775.81
Employees & pensions	-	-	40.30	17,813.50	-	-	-	-	40.30	17,813.50	437.06	490.85	192,382.25	391.94	520.85	204,140.36
Unsecured	1.00	625.00	25.35	11,516.50	20.40	8,809.25	14.85	2,838.75	81.60	21,599.48	390.48	516.90	156,382.48	302.54	541.90	163,945.96
Retention of title	-	-	1.90	515.00	0.20	68.00	-	-	1.20	583.00	495.83	45.50	20,013.50	438.86	45.50	20,013.50
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25.00	6,812.50
Special (ransom) creditors	-	-	-	-	-	-	-	-	-	-	-	1.10	429.00	390.00	1.10	429.00
Administration:									895.30	320,657.00	358.16	2,263.10	856,613.75	388.82	2,645.60	1,030,186.13
Take-on	-	-	-	-	-	-	-	-	-	-	-	4.00	700.00	175.00	4.00	700.00
Appointment formalities	-	-	-	-	-	-	-	-	-	-	-	14.45	3,858.50	267.02	14.45	3,858.50
Case set-up	-	-	-	-	-	-	-	-	-	-	-	42.25	13,095.00	309.94	42.25	13,095.00
Other IPs & OR	-	-	-	-	-	-	-	-	-	-	-	3.50	2,127.50	607.86	3.50	2,127.50
Case management	53.60	32,276.75	180.95	77,083.50	78.45	27,395.25	54.90	10,570.50	343.20	147,938.00	431.05	1,182.25	501,487.25	424.18	1,407.25	596,927.83
Reports to creditors, notices & decisions	9.75	5,745.00	98.40	39,124.50	0.35	85.75	59.80	11,334.00	159.30	56,259.25	390.14	231.45	87,663.00	378.76	321.45	121,751.01
Shareholders / debtor / director communications	-	-	4.50	2,017.50	-	-	-	-	4.50	2,017.50	448.33	8.50	4,397.50	517.35	8.50	4,397.50
Committee / commissioners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Statement of affairs	-	-	-	-	-	-	-	-	-	-	-	1.95	603.00	309.23	1.95	603.00
Treasury, billing & funding	-	-	10.80	4,895.50	87.80	21,101.75	148.75	29,082.50	247.15	54,879.75	222.05	446.35	102,691.50	230.07	491.35	113,044.83
Tax	1.50	1,215.00	46.35	28,142.50	4.80	1,179.00	89.20	27,300.00	141.85	57,869.50	408.17	173.95	75,670.50	435.01	203.95	88,720.89
Pensions	-	-	2.30	1,033.00	-	-	-	-	2.30	1,033.00	710.00	94.45	64,320.00	681.00	96.95	66,022.49
Closure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50.00	18,937.79
Total	401.60	248,780.00	1,184.50	580,787.25	462.20	152,138.25	432.00	93,518.25	2,480.30	1,075,223.73	433.51	7,102.81	2,980,750.05	419.66	8,225.31	3,451,067.60

## Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Adverse variances are presented in brackets
- Total time costs paid to date: £nil
- Please note that the actual time incurred in the Period may slightly differ to that reported in the table above. This is due to lags between time being recorded on our internal system by staff and then being posted to the case. We do not expect any differences to be material and any such discrepancies will be noted in our next report.

## NMCN Sustainable Solutions Limited

Area of work	Work done	Anticipated work	Why the work was necessary	Financial benefit to creditors	Fees and expenses estimate
<b>Assets</b>					<b>8 hrs    £3,285    £401/hr</b>
<b>Cash at bank</b>	<ul style="list-style-type: none"> <li>Liaised with Lloyds Bank to confirm that there were no funds due to the estate</li> </ul>	<ul style="list-style-type: none"> <li>No further work proposed</li> </ul>	<ul style="list-style-type: none"> <li>To ensure that the assets of NMCN SS are identified, secured and realised</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>	Expenses estimate: <ul style="list-style-type: none"> <li>Agents' costs £10,000</li> <li>Legal costs £15,000</li> </ul>
<b>Debtors</b>	<ul style="list-style-type: none"> <li>No work carried out in the Period per SIP 9 table, however regular dialogue held with Leslie Keats during the Period, as set out under NMCN. This included a recap of Water debtors</li> </ul>	<ul style="list-style-type: none"> <li>Continue to investigate the prospects of realising Water debtors for the benefit of NMCN SS. Liaise with Pinsent Masons, Leslie Keats and Galliford Try to progress this and to understand the methodology adopted by Galliford Try to date</li> <li>Collect any receipts due to NMCN SS</li> </ul>	<ul style="list-style-type: none"> <li>To ensure that the assets of NMCN SS are identified, secured and realised</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to help realise financial value for the benefit of the estate and for a distribution to creditors should sufficient funds become available</li> </ul>	
<b>Investigations</b>					<b>15 hrs    £5,250    £362/hr</b>
<b>Books and records</b>	<ul style="list-style-type: none"> <li>No work carried out in the Period per SIP 9 table, however the review of books and records was ongoing during the Period for NMCN</li> </ul>	<ul style="list-style-type: none"> <li>Review records belonging to NMCN SS with support from Grant Thornton Forensics team</li> <li>Respond to initial enquiries raised by external investigations</li> <li>Seek legal advice in respect of preliminary investigation findings and report findings to creditors at the appropriate time</li> </ul>	<ul style="list-style-type: none"> <li>To report on conduct of NMCN SS's personnel or other related parties</li> <li>To ensure that NMCN's assets are identified, secured and realised</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process</li> </ul>	
<b>Debtor / director / senior employees</b>	<ul style="list-style-type: none"> <li>No work carried out in the Period per SIP 9 table, however investigations were ongoing during the Period for NMCN</li> </ul>	<ul style="list-style-type: none"> <li>Preliminary investigations into the affairs and conduct of NMCN SS</li> <li>Seek legal advice in respect of preliminary investigation findings and report findings to creditors at the appropriate time</li> </ul>	<ul style="list-style-type: none"> <li>To report on conduct of NMCN SS's personnel or other related parties</li> <li>To ensure that NMCN's assets are identified, secured and realised</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process</li> </ul>	

Creditors					14 hrs	£2,978	£211/hr
<b>Secured</b>	<ul style="list-style-type: none"> <li>No work carried out in the Period per SIP 9 table, however the Joint Administrators have been liaising with Svella in respect of NMCN. Svella's fixed charge security covers both of the Companies</li> </ul>	<ul style="list-style-type: none"> <li>Liaise with Svella to ensure full repayment of its secured debt and associated costs and interest</li> <li>Ensure satisfaction of charge is registered at Companies House</li> <li>Obtain remuneration approval</li> </ul>	<ul style="list-style-type: none"> <li>To keep the secured creditors informed as the key stakeholders in the administration and ensure their claims are dealt with appropriately</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process</li> </ul>	Expenses estimate: £Nil		
	<ul style="list-style-type: none"> <li>Maintained and updated unsecured creditor information on internal Insolvency Practitioner's Software</li> <li>Continued to gather information in relation to all known creditors and their claims</li> <li>Responded to unsecured creditor queries</li> </ul>	<ul style="list-style-type: none"> <li>Continue to maintain unsecured creditor information on internal Insolvency Practitioner's Software</li> <li>Continue to gather information about unsecured creditors and their claims</li> <li>Respond to unsecured creditor queries as they arise</li> </ul>	<ul style="list-style-type: none"> <li>To ensure all unsecured creditor claims are dealt with appropriately</li> <li>To ensure all creditors are kept up to date with the administration</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process</li> </ul>			
<b>Administration</b>					113 hrs	£36,207	£321/hr
<b>Case management</b>	<ul style="list-style-type: none"> <li>Continued case management reviews by the Joint Administrators and internal risk management team to ensure effective risk management and compliance with internal procedures</li> <li>Regular team meetings to discuss case strategy progress and deadlines</li> <li>Maintained Estimated Outcome Statement to establish the potential level of funds available for each class of creditor</li> </ul>	<ul style="list-style-type: none"> <li>Continue with case management reviews by the Joint Administrators and internal risk management team to ensure effective risk management and compliance with internal procedures</li> <li>Continue with regular team meetings to discuss case strategy progress and deadlines</li> <li>Continue to maintain Estimated Outcome Statement to establish the potential level of funds available for each class of creditor</li> </ul>	<ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> <li>To progress strategy including asset realisations and payments to creditors</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate</li> </ul>	Expenses estimate:		
					<ul style="list-style-type: none"> <li>Redirection of mail: £642</li> <li>Insolvency Practitioners Bond: £1,443</li> </ul>		
<b>Reports to creditors, notices &amp; decisions</b>	<ul style="list-style-type: none"> <li>Prepared, reviewed, finalised and circulated progress reports to creditors</li> </ul>	<ul style="list-style-type: none"> <li>Prepare and file this report and future progress reports in administration</li> </ul>	<ul style="list-style-type: none"> <li>To comply with insolvency law and regulations</li> <li>To keep creditors informed of the progress of the administration</li> </ul>	<ul style="list-style-type: none"> <li>This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate</li> </ul>			

	<ul style="list-style-type: none"><li>Reviewed time costs incurred by the Joint Administrators and their team</li><li>Prepared fee estimate</li><li>Prepared decision procedures</li></ul>	<ul style="list-style-type: none"><li>Review decision procedure outcome</li></ul>		
Treasury, billing & funding	<ul style="list-style-type: none"><li>Managed and maintained the estate's bank account</li><li>Performed regular bank reconciliations</li></ul>	<ul style="list-style-type: none"><li>Continue to manage and maintain the estate's bank account</li><li>Process receipts and payments</li><li>Continue to perform regular bank reconciliations</li></ul>	<ul style="list-style-type: none"><li>To comply with insolvency law and regulations</li></ul>	<ul style="list-style-type: none"><li>This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate</li></ul>
Tax	<ul style="list-style-type: none"><li>Reviewed the Company's tax liabilities and potential refunds</li><li>Requested dormancy status from HMRC for corporation tax purposes</li></ul>	<ul style="list-style-type: none"><li>Ongoing tax compliance, including responding to any communication from HMRC and submitting VAT returns, if appropriate</li></ul>	<ul style="list-style-type: none"><li>To comply with tax legislation</li></ul>	<ul style="list-style-type: none"><li>This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate</li></ul>
Closure	<ul style="list-style-type: none"><li>No work carried out in the Period</li></ul>	<ul style="list-style-type: none"><li>Prepare and submit closure report for the administration</li></ul>	<ul style="list-style-type: none"><li>To comply with insolvency law and regulations</li><li>To keep creditors informed</li></ul>	<ul style="list-style-type: none"><li>This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate</li></ul>
Total fees estimate				150 hrs £47,720 £319/hr
Total expenses estimate		£27,085		

Commercial in confidence

Detailed SIP9 time cost analysis for the Period and fees estimate variance analysis as at Period end  
Period from 06/04/2022 to 05/10/2022

Area of work	Partner		Manager		Executive		Administrator		Period total			Cumulative total as at period end			Fees estimate			Variance		
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	£/hr	Hrs	£	£/hr	Hrs	£	£/hr	Hrs	£	£/hr
Realisation of Assets:	-	-	-	-	-	-	-	-	0.20	85.00	425.00	0.20	85.00	425.00	8.20	3,285.00	400.61	8.00	3,200.00	400.00
Debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.00	3,200.00	400.00	8.00	3,200.00	400.00
Cash at bank	-	-	0.20	85.00	-	-	-	-	0.20	85.00	425.00	0.20	85.00	425.00	0.20	85.00	425.00	-	-	-
Investigations:	-	-	-	-	-	-	-	-	-	-	-	5.50	2,610.00	365.45	14.50	5,250.00	362.07	9.00	3,240.00	360.00
Debtor / director / senior employees	-	-	-	-	-	-	-	-	-	-	-	1.50	450.00	300.00	4.50	1,350.00	300.00	3.00	900.00	300.00
Books & records	-	-	-	-	-	-	-	-	-	-	-	4.00	1,560.00	390.00	10.00	3,900.00	390.00	6.00	2,340.00	390.00
Creditors:	-	-	-	-	-	-	-	-	3.50	630.00	180.00	4.10	738.00	180.00	14.10	2,978.00	211.21	10.00	2,240.00	224.00
Secured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.00	800.00	400.00	2.00	800.00	400.00
Employees & pensions	-	-	-	-	-	-	-	-	-	-	-	0.50	90.00	180.00	0.50	90.00	180.00	-	-	-
Unsecured	-	-	-	-	-	-	3.50	630.00	3.50	630.00	180.00	3.60	648.00	180.00	11.60	2,688.00	180.00	8.00	1,440.00	180.00
Administration:	-	-	-	-	-	-	-	-	37.95	11,031.75	290.69	72.95	22,907.25	314.01	112.95	36,207.25	320.56	40.00	13,300.00	332.50
Take-on	-	-	-	-	-	-	-	-	-	-	-	4.00	700.00	175.00	4.00	700.00	175.00	-	-	-
Appointment formalities	-	-	-	-	-	-	-	-	-	-	-	5.70	1,806.00	316.84	5.70	1,806.00	316.84	-	-	-
Case management	-	-	1.85	788.50	0.15	36.75	0.65	117.00	2.65	942.25	355.57	5.35	1,573.25	294.07	13.35	3,973.25	297.62	8.00	2,400.00	300.00
Reports to creditors, notices & decisions	-	-	9.55	3,670.00	-	-	7.00	1,310.00	16.55	4,980.00	300.91	27.90	10,187.50	365.14	39.90	14,567.50	365.10	12.00	4,380.00	365.00
Statement of affairs	-	-	-	-	-	-	-	-	-	-	-	0.75	225.00	300.00	0.75	225.00	300.00	-	-	-
Treasury, billing & funding	-	-	-	-	0.40	86.00	6.35	1,143.00	6.75	1,231.00	182.37	12.05	2,443.00	202.74	16.05	3,243.00	202.06	4.00	800.00	200.00
Tax	-	-	1.10	561.50	-	-	10.90	3,297.00	12.00	3,878.50	323.21	16.70	5,882.50	352.25	24.70	8,682.50	351.52	8.00	2,800.00	350.00
Pensions	-	-	-	-	-	-	-	-	-	-	-	0.50	90.00	180.00	0.50	90.00	180.00	-	-	-
Closure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.00	2,920.00	365.00	8.00	2,920.00	365.00
Total	-	-	12.70	5,125.00	0.55	124.75	25.40	5,822.00	38.65	11,071.75	286.46	82.75	25,740.25	311.06	149.75	47,720.25	318.67	67.00	21,960.00	328.06

Notes:

- Partner includes partners and directors
- Manager includes associate directors and managers
- Executive includes assistant manager and executives
- Adverse variances are presented in brackets
- Total time costs paid to date: £nil
- Please note that the actual time incurred in the Period may slightly differ to that reported in the table above. This is due to lags between time being recorded on our internal system by staff and then being posted to the case. We do not expect any differences to be material and any such discrepancies will be noted in our next report.

## Statement of expenses incurred in the Period

The tables below provide details of expenses incurred in the Period in connection with the work done by the Joint Administrators, description of which is provided in the 'Work done' section above.

### NMCN Pic

Category	Incurred in the Period (£)	Cumulatively incurred as at Period end (£)	Of which paid by the estate as at Period end (£)
<b>Category 1 expenses</b>			
<b>Trading:</b>			
Data protection consultancy costs	-	7,572	7,572
Telephone	26,194	206,417	206,417
Security	-	113,249	113,249
Car leasing for retained staff	-	1,145	1,145
Health & Safety	(554)	9,450	9,450
Hire purchase agreements	-	5,435	5,435
Telecoms & Plant payroll (other)	-	25,622	25,622
Telecoms & Plant payroll (pension)	-	562,659	562,659
Water payroll (other)	184	44,431	44,431
Water payroll (pension)	-	389,777	389,777
Infrastructure payroll (other)	-	2,060	2,060
Infrastructure payroll (pension)	-	55,923	55,923
Other taxes due to HMRC	208,885	208,885	208,885
Cleaning & waste management	-	6,006	6,006
Retained payroll (net)	7,695	353,873	353,873
Retained payroll (pension)	-	52,312	52,312
Retained payroll (tax and NI)	-	183,286	183,286
Retained payroll (other)	(40,906)	2,235	2,235
Information technology	-	250,778	250,778
Utilities	-	34,538	34,538
Oversight costs	-	453,877	-
	201,498	2,969,530	2,515,653
<b>Agents/Valuers fees:</b>			
Luis Bell Surveyors Limited	550	2,000	2,000
Colliers International Property Consultants Limited	40,512	40,512	40,512
Avison Young (UK) Limited	378	11,093	11,093
Gordon Brothers International LLC	42,843	78,778	73,978
Global Lifecycle Solutions EMEA (IT hardware disposals)	1,565	1,565	-
Leslie Keats (Quantity Surveyor)	26,250	222,384	204,610
	112,098	356,332	332,193

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<b>Legal fees:</b>			
Irwin Mitchell LLP	80,143	137,750	96,206
Browne Jacobson LLP	155,419	207,119	83,703
Pinsent Masons LLP	38,669	398,076	369,858
Squire Patton Boggs (UK) LLP	-	5,148	5,148
Freeths LLP	6,703	17,532	17,532
Gateley Plc	51,007	90,845	-
	331,941	856,470	572,447
<b>Professional fees:</b>			
ERA	-	5,448	5,448
CAPA	-	770	770
BK Plus Accountants - P11Ds	12,765	12,765	12,765
Gateley Vinden	-	15,898	15,898
Taska Limited - JV consultancy support from former director	-	21,244	21,244
Womble Bond Dickinson re Cow Lane sale	-	2,513	2,513
Other professional/agency fees re Cow Lane sale	-	35,400	35,400
	12,765	94,038	94,038
<b>IT Costs:</b>			
Softcat Plc	134	4,699	4,699
Maintel Europe Limited	47,638	47,638	47,638
Cloud Technology Solutions Limited	23,750	24,545	24,545
	71,522	76,882	76,882
<b>Security and property expenditure:</b>			
GMS Security / Property Services Limited	73,048	120,325	120,032
Fixed business rates	22,234	22,234	22,234
Fixed utilities costs	83,216	83,489	83,489
Fixed property maintenance costs	2,892	6,620	6,620
MJCA - Technical advisers on environmental matters	5,194	5,194	3,599
	186,583	237,862	235,974
<b>Other expenses:</b>			
Howden Insurance Brokers Limited - Insurance of assets	197,365	198,940	169,590
Re-direction of mail	216	537	537
Statutory advertising	-	170	170
Restore - collection and storage of records	1,249	15,569	15,569
Payment re project bank accounts	210,348	210,348	210,348
Payment to NMCN SS to cover statutory expenses	-	1,000	1,000
Payment to Projex Limited (necessary to release debtor)	-	13,028	13,028
Bank charges	3	6	6
Administrators' disbursements (subsistence/postage etc)	2,408	15,292	12,884
VAT irrecoverable	-	60	60
	411,589	454,950	423,192



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<b>LTOs:</b>			
Infrastructure (Out)	14,330	30,931	30,931
Telecoms (Out)	145,800	220,051	220,051
Water (Out)	296,325	303,115	303,115
	456,455	554,097	554,097
<b>Category 2 expenses</b>			
Mileage	212	6,582	-
<b>Total expenses</b>	<b>1,784,664</b>	<b>5,606,743</b>	<b>4,804,476</b>

Total expenses paid above matches to the R&P, except for any distributions made to Svella Plc or Lombard North Plc. As discussed in the main body of this report, we have paid or incurred expenses to date which have largely been reimbursed by the Purchasers under the TSAs, LTOs or separate agreements. Therefore, the above expenses are not being wholly borne by the administration estate.

## NMCN Sustainable Solutions Ltd

Category	Incurred in the Period (£)	Cumulatively incurred as at Period end (£)	Of which paid by the estate as at Period end (£)
<b>Category 1 expenses</b>			
Insolvency Practitioners' Bond	-	1,143	-
Redirection of mail	-	642	642
Legal costs - Irwin Mitchell LLP	8,405	8,405	-
<b>Total expenses</b>	<b>8,405</b>	<b>10,190</b>	<b>642</b>

Expenses are any payments from the estate which are neither the Joint Administrators' remuneration nor a distribution to a creditor or member, but they may include disbursements which are payments first met by and then reimbursed to the Joint Administrators from the estate. Expenses fall into two categories:

**Category 1 expenses**

These are also known as 'out of pocket expenses' and are payments to third parties not associated with the Joint Administrators where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval from creditors. No category 1 expenses have been drawn during the Period, however £12,884 was drawn in the previous reporting period, as shown in the R&P at Appendix C.

**Category 2 expenses**

These are expenses directly referable to the insolvent estate, but payments that are either to an associate, or that include shared or allocated costs that may be incurred by the Joint Administrators or their firm and that can be allocated to the appointment on a proper and reasonable basis. Category 2 expenses require approval in the same manner as the Joint Administrators' remuneration.

Mileage is charged at 45p a mile. VAT is added as appropriate.

For associates, please see the next section – Payments to associates.

**Payments to associates**

Where we have enlisted the services of others, we have sought to obtain the best value and service.

To the extent that services have been enlisted from Grant Thornton's specialist teams, for example tax, pensions, digital forensics, or any others, the narrative for and cost of their work is included in the work done narrative and SIP9 time costs analysis details in the Work done by the Joint Administrators and their team during the Period section above.

We confirm that in the Period, we have not enlisted any other services from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has an association.

## Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the Joint Administrators' fee basis.

## Sub-contracted work

During the Period we have sub-contracted the following work that could otherwise have been carried out by us or our team:

Sub-contractor	Work sub-contracted	Reasons for sub-contracting
<b>ERA Solutions</b>	<ul style="list-style-type: none"> <li>Employee liaison and claims</li> </ul>	<ul style="list-style-type: none"> <li>Lower costs to the estate than would have been incurred by the Joint Administrators and their team</li> </ul>
<b>Leslie Keats</b>	<ul style="list-style-type: none"> <li>Assistance with debtor and work-in-progress collections</li> </ul>	<ul style="list-style-type: none"> <li>Leslie Keats is a team of qualified quantity surveyors. Their expertise is required given the complexity of the opening positions for the debtor and work-in-progress. They have also spent time reviewing customer contracts and using their experience to maximise collections</li> </ul>
<b>BK Plus</b>	<ul style="list-style-type: none"> <li>Preparation and filing of P11D returns for 21/22 tax year</li> </ul>	<ul style="list-style-type: none"> <li>Lower costs to the estate than would have been incurred by the Joint Administrators and their team</li> <li>Access to software required for the preparation and submission of the returns to HMRC</li> </ul>

The costs incurred and paid for each subcontractor can be seen in the 'Statement of expenses incurred in the Period' table above.

## Information for creditors and members

Information to help creditors and members understand their rights in insolvency and regarding officeholders' (i.e. Administrators or Liquidators) fees, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, we will supply this information by post, free of charge, on request.

