

FE 1

Form 13

Rule 1 26/
1 54

The Insolvency Act 1986
Notice to Registrar of
Companies of Supervisor's
Abstract of Receipts and
Payments
Pursuant to Rule 1 26(2)(b) or
Rule 1 54 of the
Insolvency Rules 1986

**R.1.26(2)(b)/
R.1.54**

For Official Use

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To the Registrar of Companies

Company Number

01531627

Name of Company

North East Innovation Centre Company Limited

I / We
Gordon Smythe Goldie
Bulman House
Regent Centre, Gosforth
Newcastle upon Tyne
NE3 3LS

Allan David Kelly
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne, NE3 3LS

supervisor(s) of a voluntary arrangement taking effect on

28 July 2006

present overleaf my/our abstract of receipts and payments for the period from

28 July 2007

to

27 July 2008

Number of continuation sheets (if any) attached

☐

Signed



Date

18/8/08

Tait Walker
Bulman House
Regent Centre, Gosforth
Newcastle upon Tyne
NE3 3LS

Ref 10782/GSG/MJH/IN

For Official Use

Insolvency Section

Post Room

WEDNESDAY



AM1732T2

A04

03/09/2008

COMPANIES HOUSE

71

RECEIPTS		£
Brought forward from previous Abstract (if any)		135,012 13
Book Debts		28,196 00
Bank Interest Gross		2,944 13
Vat Control Account		1,857 78
Carried forward to * continuation sheet / next abstract		168,010 04
PAYMENTS		£
Brought forward from previous Abstract (if any)		68,511 51
Supervisors Remuneration		14,264 50
Travelling Expenses		14 80
Agents Fees & Disbursements		2,819 60
CorporationTax		588 81
Postage		31 68
VAT Input		2,504 43
Carried forward to * continuation sheet / next abstract		88,735 33

* Delete as appropriate

* Delete as appropriate

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the supervisor since he was appointed

Bulman House, Regent Centre, Gosforth, Newcastle upon Tyne, NE3 3LS
Tel (0191) 285 0321 Fax (0191) 284 9117 DX 60368 Gosforth www.taitwalker.co.uk

To the Creditors
To the Members
To North East Innovation Centre Company Limited
To Newcastle upon Tyne County Court
To Registrar of Companies

Our Ref
10782/GSG/MJH/TN/PF7 1

Your Ref

Date 18 August 2008

Dear Sirs

WEDNESDAY

A04 03/09/2008 72
COMPANIES HOUSE

THURSDAY

A11 21/08/2008 203
COMPANIES HOUSE

North East Innovation Centre Company Limited (Under a Voluntary Arrangement)
Newcastle upon Tyne County Court No. 707 of 2006

As you are aware Gordon S Goldie and Allan D Kelly were appointed Joint Supervisors of North East Innovation Centre Company Limited ("the Company") on 28 July 2006

We provide herein our annual report on the conduct of the arrangement for the period from 28 July 2007 to 27 July 2008, and attach at Appendix 1 a summary of our receipts and payments for the same period

Compliance with Proposal

In summary, the proposal from the directors of North East Innovation Centre Company Limited (NEIC) was to

- sell the assets to an associated company Innovative Technologies Limited (IIT) with realisations distributed for the benefit of the company's creditors IIT is associated to NEIC as they have two of the same directors;

or

- in the event that a sale to IIT could not be concluded, then the directors proposed to cease trading and instruct the Supervisors to realise the assets for the benefit of creditors

A copy of the proposals is available upon request from this office

As previously advised, it was not possible to complete a sale to IIT and the assets were therefore realised in line with the proposals

PARTNERS David R Arthur FCA Anthony L Crawley FCA Graham J Moore FCA Gordon S Goldie FCA FABRP Mark R C Brunton BSc (Hons) FCA ATII Michael A Smith BA (Hons) FCA Andrew J Moorby ACA ATII Allan D Kelly FCCA MABRP CF Stephen C Plaskitt BSc (Hons) FCA CF **ASSOCIATES** Christopher D Hodgson BA (Hons) ACA ATII Brian A Laidlaw BA CA Mavis V Lawley FCCA Julie Harrison FCA Lynn Marshall MABRP Adrienne Paterson ATII Iain S Richardson BA (Hons) ACA CF



Receipts and Payments Account

We attach for your information the abstract receipts and payments for the period 28 July 2007 to 27 July 2008. We would specifically comment as follows:-

Book Debts

At the date of our appointment the books and records showed that outstanding book debts totaled £168,899.52. To date we have collected £121,764.75. The only realisation since the last report was a payment from ERDF of £28,196. No further realisations are anticipated.

To date, the company and the directors have fulfilled all of the obligations included within the CVA and have fully co-operated with the Supervisor.

Creditors Claims

Preferential Creditors

Thirteen preferential claims in respect of unpaid wages and holiday pay have been received totaling £13,533.90. A dividend of 100p in the £ was paid on 8 June 2007.

Unsecured Creditors

We have been unable to declare the payment of the unsecured dividend until the ERDF claim had been finalised.

Matters relating to the initial claim have now been concluded, however, we have been advised of a further potential claim from ERDF of up to £700,000 relating to a program completed between 1997 and 1999. The directors had believed that all matters relating to this project had been concluded following audits from the relevant governing bodies – given the correspondence, we do not consider that this claim is statute barred.

We have been working with the directors in an attempt to minimise this potential creditor, and they have been co-operating fully in this regard. We believe that this claim should be resolved shortly.

We therefore propose to allow ERDF until 30 November 2008 to submit a final claim. If no claim is received we will pay an interim dividend at this time, likely to be in the region of 5p in the £.

Creditors should also be aware, that as a result of the increased work required as a result of these additional claims, the level of dividend is likely to be lower than initially estimated.

To date, forty two unsecured claims have been received totaling £539,489.19. If you have not submitted a claim, I should be obliged if you would do so otherwise you will be excluded from the benefit of any future dividends.

Nominees Fees

As disclosed in the proposals and approved at the meetings of creditors and members, the Nominees fee was fixed £1,500 plus VAT and disbursements. The Nominees fee, together with disbursements of £3,720 61, relating to legal fees and room hire have been paid.

Nominee's time costs totalled £6,349 but were restricted to £1,500 as detailed within the proposals and agreed by the Creditors.

Supervisors Fees

At the meeting of creditors held on 28 July 2006 our remuneration was approved on a time cost basis.

Enclosed at Appendix 2 is a summary of time costs as prescribed by Statement of Insolvency Practice 9. We also enclose a copy of Tait Walker - Statement on Remuneration and Expenses in Insolvency Proceedings which details our current charge out rates and expenses recovery policy.

Total time spent to 27 July 2008 on this assignment amounts to 264 3 hours resulting in time costs of £38,495 80.

As previously advised, the Supervisors fees, estimated in the proposal at £15,000, have exceeded this and our initial estimated increase to £35,000 as additional costs have been incurred with the ERDF claim. We have estimated that the Supervisors remuneration will be total approximately £45,000 to conclusion of the case.

Other Matters

It was originally proposed that the Voluntary Arrangement would last until September 2007 or such longer period as the Supervisor may require in order to complete the Arrangement and deal with creditor claims. Under the circumstances it has been appropriate for the Arrangement to be extended beyond the initial period. We envisage all matters will be concluded within the next 12 months, subject to the resolution of the potential claim from ERDF.

If you have any queries or wish to discuss any matters raised in this report please do not hesitate to contact Matt Higgins.

Yours faithfully



Gordon S Goldie & Allan D Kelly
Joint Supervisors

**Voluntary Arrangement of
North East Innovation Centre Company Limited**

Statement of Affairs	From 28/07/2006 To 27/07/2007	From 28/07/2007 To 27/07/2008	Total
ASSET REALISATIONS			
93,000 00	Book Debts 93,568 75	0 00	93,568 75
	EDRF 0 00	28,196 00	28,196 00
	Refund of Business Rates 871 40	0 00	871 40
10,000 00	Cash at Bank 26,303 38	0 00	26,303 38
2,000 00	Sale of Fixtures & Fittings 2,553 19	0 00	2,553 19
2,000 00	Prepayments 0 00	0 00	0 00
2,000 00	Work in Progress 0 00	0 00	0 00
	Bank Interest Gross 1,047 11	2,190 34	3,237 45
	Motor Vehicles - Std Rate 7,000 00	0 00	7,000 00
	<u>131,343 83</u>	<u>30,386 34</u>	<u>161,730 17</u>
COST OF REALISATIONS			
	Specific Bond 420 00	0 00	420 00
	Supervisors Remuneration 21,709 86	14,264 50	35,974 36
	Travelling Expenses 11 60	14 80	26 40
	Valuers Fees 475 00	2,819 60	3,294 60
	Legal Fees 8,635 50	0 00	8,635 50
	Corporation Tax 209 41	438 06	647 47
	Postage 100 23	31 68	131 91
	Wages & Salaries 7,698 20	0 00	7,698 20
	PAYE & NI 252 09	0 00	252 09
	Pension Schemes 387 26	0 00	387 26
	Nominees Fee 1,500 00	0 00	1,500 00
	Debt Collection Fees 7,729 30	0 00	7,729 30
	Room Hire 85 11	0 00	85 11
	<u>49,213 56</u>	<u>17,568 64</u>	<u>66,782 20</u>
PREFERENTIAL CREDITORS			
	Preferential Dividend 13,533 90	0 00	13,533 90
	<u>62,747 46</u>	<u>17,568 64</u>	<u>80,316 10</u>
	<u>Balance 68,596 37</u>	<u>12,817 70</u>	<u>81,414 07</u>
REPRESENTED BY			
	Current Account		78,671 67
	VAT		<u>2,742 40</u>
			<u>81,414 07</u>

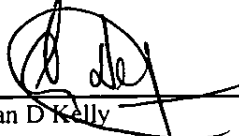

 Allan D Kelly
 Joint Supervisor

Table of time spent and charge out value from 28 July 2006 to 27 July 2008

Time is recorded in units of 0.10 of an hour (i.e. 6 minute units)

Classification of Work Function	Hours				Total Hours	Time Cost £	Average Hourly Rate
	Partner	Manager	Administrator	Admin & Support Staff			
Admin & Planning	1.30	4.00	15.20	28.30	48.80	4,940.50	101.24
Correspondence	1.00	1.00	2.80	0.30	5.10	694.50	136.18
Creditors	3.90	25.80	26.60	7.00	63.30	9,292.00	146.79
Debtors	0.30	36.00	17.10	0.50	53.90	8,526.50	158.19
Employees	0.00	6.30	10.30	1.00	17.60	1,893.00	107.56
Investigation	0.00	0.00	5.20	0.00	5.20	624.00	120.00
Other Matters	7.30	19.60	0.30	0.00	27.20	5,141.30	189.02
Realisation of Assets	2.00	8.30	1.30	0.00	11.60	2,077.00	179.05
Statutory Matters	5.50	13.50	12.60	0.00	31.60	5,307.00	167.94
Total	21.30	114.50	91.40	37.10	264.30	38,495.80	145.65
				Total Fees Claimed		35,974.36	

TAIT WALKER - STATEMENT ON REMUNERATION AND EXPENSES IN INSOLVENCY PROCEEDINGS

Introduction

This policy has been prepared in accordance with guidelines set out in Statement of Insolvency Practice 9

The following information applies to any formal insolvency appointment of partners and/or staff of Tait Walker including the following

- Liquidator, Administrator or Receiver of a limited company,
- Trustee in Bankruptcy,
- Supervisor of a Corporate, Individual or Partnership Voluntary Arrangement, and
- Administrator under the Insolvent Estates Order

When acting as Nominee to a Corporate, Individual or Partnership Voluntary Arrangement, the amount of Nominees remuneration is specified within the proposals. The Nominees remuneration is a fixed amount and takes into account the expected time arising in implementing the proposal based on the historic experience of the Nominee

Policy

In order to maximise the cost effectiveness of the work performed it is Tait Walker's normal policy to delegate certain tasks within the case to members of their staff subject to their experience and specialist skills with the provision of supervision as appropriate. Matters deemed to be complex or of significance will be dealt with by senior members of staff or the license holder

Unless otherwise fixed in accordance with the Insolvency Act 1986, all staff who work on this assignment, including case support (such as cashiers and secretarial staff etc) charge time directly to the assignment and are included within any analysis of time. The costs of any central Tait Walker administration or general Tait Walker overhead costs are not charged directly to the assignment but are reflected in the general level of charge out rates

The rates vary between individuals of each grade reflecting experience and qualification. Charge out rates may be revised annually to cover inflationary cost increases over the duration of the assignment. In cases deemed to be particularly complex revised rates will be presented to creditors. The maximum current charge out rates per grade

<u>Grade</u>	<u>Rate (£) per hour</u> <i>(effective from 1 Jun 08)</i>	<i>(Previous rate (£) to May 08)</i>
Partner	260	260
Associate	240	240
Manager	210	200
Case Handler / Administrator	140	125
Case support staff	90	85

Category 1 disbursements - Tait Walker recharges the costs of external supplies of incidental services directly to the case as expenses and disbursements. These expenses may include, but are not limited to case advertising, specific penalty bond, identifiable telephone calls, postage at cost, external document storage, external room hire, external printing, invoiced travel, mileage at approved Inland Revenue scale rates and properly reimbursed expenses incurred by Tait Walker and its employees in connection with the case. Obtaining a specific penalty bond and advertising are disbursements that are required in each case as a result of statutory obligations imposed on the Insolvency Practitioner

Category 2 disbursements - With the exception of photocopying, Tait Walker do not recharge expenses and disbursements which include an element of shared or allocated costs of internal facilities such as stationery, room hire, communication facilities, printing, internal document storage etc. Tait Walker may recharge photocopying at up to 3p per sheet