

Rule 1.26

The Insolvency Act 1986
Voluntary Arrangement's
Supervisor's Abstract of
Receipts and Payments
Pursuant to Rule 1.26(2)(b) of the
Insolvency Rules 1986

R.1.26(2)(b)

To the Registrar of Companies

For Official Use

--	--	--

Company Number

01531627

Insert full name of
company

Name of Company

North East Innovation Centre

Company Limited

Insert full name and
address

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

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

Insert date

supervisor(s) of a voluntary arrangement approved on

28 July, 2006

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

From

28 July 2008

To

27 July 2009

Number of continuation sheets (if any) attached

☐

Signed

Date

13 August 2009

Presenter's name,
address and reference
(if any)

10782
North East Innovation Centre
Company Limited
Gordon Smythe Goldie
Tait Walker
Bulman House
Regent Centre, Gosforth
Newcastle upon Tyne
NE3 3LS

For Official Use

Liquidation Section

Post Room

TUESDAY



P7P70CIM

PC4

18/08/2009

1073

COMPANIES HOUSE



TAIT WALKER
CHARTERED ACCOUNTANTS

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/IN/PF7.1

Your Ref:

Date: 17 August 2008

Dear Sirs

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 2008 to 27 July 2009, 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, Brian A Laidlaw BA CA. **ASSOCIATES:** Christopher D Hodgson BA (Hons) ACA ATII, Mavis V Lawley FCCA, Julie Harrison FCA, Lynn Marshall MABRP, Adrienne Paterson ATII, Iain S Richardson BA (Hons) ACA CF, Simon M J Brown BA (Hons) ACA.

Gordon Smythe Goldie, Allan David Kelly and Andrea Lynn Marshall are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales



INVESTOR IN PEOPLE



Receipts and Payments Account

We attach for your information the abstract receipts and payments for the period 28 July 2008 to 27 July 2009. We would specifically comment as follows:-

There have been no realisations since our last report.

As creditors are aware, the Supervisors have spent a significant amount of time resolving the claim of the ERDF. Matters relating to the initial claim have now been concluded, however, we were advised of a further potential claim from ERDF of upto £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 did not consider that this claim was 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. This matter is now resolved, and there will be no claim for this project.

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

An interim distribution of 4.30p in the £ was declared and paid on 31 March 2009 whilst the ERDF claim was resolved. Forty two creditors participated in the dividend, with claims totaling £1,520,607.

Upon resolution of the ERDF claim, the funds set aside to defray the further ERDF claim were repaid to the case for distribution to the remaining creditors. As such, a second and final distribution of 2.85p in the £ was declared and paid on 26 June 2009. Forty one creditors participated in this distribution, with claims totaling £824,607

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 2009 on this assignment amounts to 388.2 hours resulting in time costs of £60,242.30 against which fees of £58,796.66 have been drawn.

Other Matters

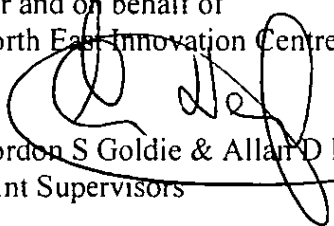
It was originally proposed that the Voluntary Arrangement would last until September 2007 or such longer period as the Supervisor may require in order to complete the Arrangement and deal with creditor claims. Under the circumstances it has been appropriate for the Arrangement to be extended beyond the initial period.

As a final distribution has been made, the Supervisors intend to seek their discharge forthwith. As such, any creditors who are yet to bank dividend cheques should do so immediately.

We anticipate this matter will be concluded within 3 months.

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
For and on behalf of
North East Innovation Centre Co Ltd


Gordon S Goldie & Allan D Kelly
Joint Supervisors

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

Statement of Affairs	From 28/7/2008 to 27/7/2009	From 28/7/2006 to 27/7/2009
	ASSET REALISATIONS	
93,000.00	Book Debts -	93,568.75
	EDRF -	28,196.00
	Refund of Business Rates -	871.40
10,000.00	Cash at Bank -	26,303.38
2,000.00	Sale of Fixtures & Fittings -	2,553.19
2,000.00	Prepayments -	0.00
2,000.00	Work in Progress -	0.00
	Bank Interest Gross 1,173.60	5,164.84
	Motor Vehicles - Std Rate -	7,000.00
	<u>1,173.60</u>	<u>163,657.56</u>
	COST OF REALISATIONS	
	Specific Bond -	420.00
	Supervisors Remuneration 21,858.70	57,833.06
	Travelling Expenses -	26.40
	Valuers Fees -	3,294.60
	Legal Fees -	8,635.50
	Corporation Tax 234.71	1,032.93
	Postage 39.10	171.01
	Wages & Salaries -	7,698.20
	PAYE & NI -	252.09
	Pension Schemes -	387.26
	Nominees Fee -	1,500.00
	Debt Collection Fees -	7,729.30
	Room Hire -	85.11
	<u>22,132.51</u>	<u>89,065.46</u>
	PREFERENTIAL CREDITORS	
	Preferential Dividend -	13,533.90
	Unsecured Dividend 58,959.44	58,959.44
	<u>81,091.95</u>	<u>161,558.80</u>
Balance	<u>(79,918.35)</u>	<u>2,098.76</u>
REPRESENTED BY		
Current Account		1,406.40
VAT		<u>692.36</u>
		<u>2,098.76</u>

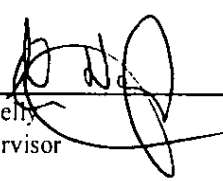

 Allan D Kelly
 Joint Supervisor

Table of time spent and charge out value from 28 July 2006 to 27 July 2009

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	4.30	22.40	17.50	37.50	81.70	10,115.00	123.81
Correspondence	1.00	0.00	3.00	0.30	4.30	508.50	118.26
Creditors	5.40	68.70	54.90	8.00	137.00	22,342.00	163.08
Debtors	0.30	39.00	17.10	0.50	56.90	9,156.50	160.92
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	24.20	0.30	0.00	31.80	6,153.30	193.50
Realisation of Assets	2.00	9.90	1.30	0.00	13.20	2,419.00	183.26
Statutory Matters	8.00	16.90	15.60	0.00	40.50	7,031.00	173.60
Total	28.30	187.40	125.20	47.30	388.20	60,242.30	155.18
					Total Fees Claimed	58,796.66	

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 Apr 09)</i>	<u><i>(Previous rate (£) to 30 Mar 08)</i></u>
Partner	280	260
Associate	250	240
Manager	240	210
Case Handler / Administrator	150	140
Case support staff	96	90

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.