

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company

Alnwick Community Development Trust Limited

Company number

04148521

In the
Newcastle upon Tyne High Court of Justice
Chancery Division

(full name of court)

Court case number
1240 of 2011

(a) Insert full
name(s) and
address(es) of
administrator(s)

I/We (a)
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

administrator(s) of the above company attach a progress report for the period

From

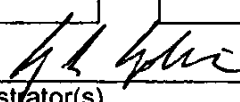
To

(b) Insert date

(b) 21 September 2011

(b) 20 March 2012

Signed


Joint / Administrator(s)

Dated

18 April 2012

Contact Details:

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

The contact information that you give will be visible to searchers of the public record

Gordon Smythe Goldie
Tait Walker
Bulman House
Regent Centre, Gosforth
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NE3 3LS

DX Number

0191 285 0321
DX Exchange

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Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

Administrator's Progress Report
for the period from 21 September 2011 to 20 March 2012

**Alnwick Community Development Trust Limited (“the
Company”) – In Administration**

Issued on: 18 April 2012

**The affairs, business and property of the Company are being managed by Gordon S Goldie and Allan D Kelly as Joint Administrators, who act as
agents of the Company and without any personal liability**

Alnwick Community Development Trust Limited In Administration

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1. INTRODUCTION

We, Gordon Smythe Goldie and Allan David Kelly, of Tait Walker Advisory Services LLP were appointed Joint Administrators of Alnwick Community Development Trust Limited on 21 September 2011

We are both partners in Tait Walker Advisory Services LLP ("Tait Walker") and licensed to act as insolvency practitioners by The Institute of Chartered Accountants in England & Wales.

We confirm that no material conflict or relationship existed or exists which would have prejudiced us in taking this appointment and no subsequent ethical issues have arisen to date which would impact on our duties as office holders

In accordance with statutory requirements, we provide our first progress report on the administration for the period from 21 September 2011 to 20 March 2012.

Appendix A	-	Joint Administrators' receipts and payments account and accruals
Appendix B	-	A summary of the time expended on the Administration for the period from 21 September 2011 to 20 March 2012
Appendix C	-	A summary of the total time expended on the Administration for the period from appointment to 18 April 2012
Appendix D	-	Tait Walker – Statement on Remuneration and Expenses

This report has been prepared for the purposes of complying with our statutory duties as Joint Administrators under the Insolvency Act and Rules, as amended. It should not be relied upon by any person for any other purpose and in any other context, and any person doing so does at their own risk.

Any estimated outcomes or dividend prospect for creditors incorporated within this report are illustrative and subject to change depending on the ultimate proceeds of realisation, costs of the administration, and levels of creditor claims. As such, such estimates or dividend prospects cannot be relied upon as guidance as to the actual outcome

2. STATUTORY AND ADMINISTRATOR'S INFORMATION

Company Information

Company Name	Alnwick Community Development Trust Limited
Registered Number	04148521
Previous Name	Alnwick Peoples Trust Limited
Trading Name	Alnwick Community Development Trust
Nature of Business	Charitable Development Trust for Alnwick and surrounding areas
Registered Office	Bulman House, Regent Centre, Gosforth, Newcastle upon Tyne
Former Address	The Centre, Fenkle Street, Alnwick, Northumberland, NE66 1HW

Administrators Information

Names of Joint Administrators	Gordon Smythe Goldie Licensed Insolvency Practitioner (number 5799) Allan David Kelly Licensed Insolvency Practitioner (number 9156)
Authorising Body	The Institute of Chartered Accountants in England & Wales
Joint Administrators' Address:	Bulman House, Regent Centre, Gosforth, Newcastle upon Tyne NE3 3LS
Date of administrator's appointment	21 September 2011
Court	Newcastle upon Tyne High Court of Justice Chancery Division - 1240 of 2011
Person making appointment	Directors (Trustees)
Acts of the Joint Administrators	<p>The Joint Administrators act as officers of the court and as agents of the Company without personal liability.</p> <p>The Administrators will act jointly and severally. Any act required or authorised under any enactment to be done by an Administrator may be done by any one or more persons holding the office of Administrator from time to time.</p>
EC Regulation on Insolvency	It is considered that the EC Regulation applies and that these are main proceedings as defined in Article 3 of the EC Regulation. The company is registered in the UK (England and Wales), trades within the UK and the majority of its assets and creditors are entirely within the UK
Changes in office holders	None
Basis of Remuneration	By reference to time properly spent by us and our staff in dealing with matters relating to the Administration of the Company, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken Approved by the creditors on 26 October 2012
Extension of Administration	None – proposed extension to 20 March 2013

3. GENERAL UPDATE ON ADMINISTRATION

This update relates to the period from 21 September 2011 to 20 March 2012 only. It should be read in conjunction with our proposals and previous reports, as applicable. Copies of these and of our proposals are available upon request from Tait Walker.

We decided that continued trading would not be feasible due to the limited benefit which would be obtained for the creditors, and the substantial increase in Administrators costs of doing so. We therefore immediately ceased trading of the Company and all employees were dismissed from appointment.

In addition to the Youth hostel at Green Batt, the Company owns three residential properties in Alnwick. We have engaged specialist independent valuers, Storeys SSP of Newcastle upon Tyne, to review the Company's freehold properties and establish the optimum method of disposal to maximise realisations for creditors.

One offer has been received and after discussions with the charge holder, an offer of £425,000 was accepted for the youth hostel and £72,500 for each of the three flats. The sale has yet to be completed due to a number of issues. However we envisage that these will be resolved in the next four weeks.

We continued to allow the tenants of the three residential properties to remain in occupation under the short-hold tenancies previously granted by the Company. We are continuing to collect all rents and any arrears.

ACDT Trading Limited (ACDTTL) had an agreement to occupy the premises at Green Batt and operate the Youth Hostel as the main trust could not trade the business. Shortly after appointment, we met with the directors of ACDTTL. In order to minimise property holding costs and, following our agents advice, to maximise the value of the premises at Green Batt, we granted a licence to occupy to ACDTTL up to 21 December 2011. The licence period has now lapsed and we have agreed to let ACDTTL remain in the premises on the understanding that no tenancy has been created. ACDTTL have already entered negotiations with Northumberland County Council about continuing in occupation. All on going property costs have been paid by ACDTTL and they have agreed to vacate the premises on completion of the sale, if required. We believe, however, that they are intending to negotiate a tenancy agreement with the buyers and continue to trade the youth hostel going forward.

In respect of the services previously provided by the Company, we have held discussions with various parties to mitigate, where possible, the impact on the local community. This has included

- Meeting with representatives of Alnwick Town Council to discuss the on-going provision of certain services previously provided by the Company. We have requested that they take over responsibility for certain Trust assets/obligations such as the Market Place street furniture, the Harry Hotspur statue, and the map cases. Following a number of meetings the Council have agreed to resume responsibility for such items previously dealt with by the Company.
- Northumberland County Council undertaking to continue the operation of the Community Centre and employing the staff previously engaged to provide this resource. They have also taken over the operation of The Centre on Fenkle Street. There was no formal lease on The Centre and an informal surrender was agreed in October. The formal lease on the Community Centre is currently being transferred.
- North County Leisure transferred, under TUPE, the sports development officer funded by the Big Lottery. We are currently assisting with the novation of the on-going grant funding for the post.
- Engaging with other organisations such as Alnwick in Bloom, Alnwick Food Festival and Local Living (NE) to discuss other aspects of the services the Trust provide.
- We have entered negotiation to transfer a legacy from the Ragged Schools Foundation – a former charity who transferred their legacy to the Trust – to a local charity with similar aims and objects.

We are in the process of completing the Rural Development Programme for England (RDPE) grant claim forms which, pending audit and sign off, will facilitate the release of any additional funding available. We understand that there may be an additional £20,000 grant available but there is a claw back by RDPE of VAT reclaimed by the Trust, which will result in no amounts being received by the Administrators but the RDPE claim will be reduced by the grant received.

We have now received the VAT refund of £92,494.79 into the administration.

We have invoiced for any services provided and all payments have been received in respect of these. We do not believe that any other book debts are realisable.

We also intend to maintain a dialogue with other social and charitable organisations within the town to attempt to maintain services and mitigate any impact the demise of the Company has on the residents of Alnwick and to ensure maximum realisations for the benefit of the creditors of the Company.

This case has proved to be technically demanding and we have had a number of senior staff involved in the case due to the social and charitable issues involved.

We are aware that there were a number of designated and restricted funds held by the Trust. We are seeking legal advice to ensure the treatment of these funds is in accordance with the objects of the charity and the rights of the creditors. Our advice thus far is that as the funds have been held in one account and not designated accounts it may not be possible to segregate the funds as there was a deficiency in funds compared to the designated balances at the time of appointment.

Our investigations into the affairs of the Company and the conduct of the directors have been concluded and the required reports filed.

We have now paid a dividend to preferential creditors of 100 pence in the pound. This was paid on 29 February 2012. Unsecured creditors are unlikely to receive any dividend as the secured creditors have not yet been paid in full.

Professional Advisers

The following professional advisers have been used to assist us in discharging our duties during the Administration.

<u><i>Name of Professional Advisor</i></u>	<u><i>Nature of Work</i></u>	<u><i>Basis of Fee Agreement</i></u>
James Sutherland (Auctioneers) Limited	Plant Valuer / Auctioneer	Fixed fee valuation and percentage of realisations
Storeys Edward Symmons (formerly Storeys SSP)	Property Valuer / Sale	Fixed fee valuation and percentage of realisations
Muckle LLP	Legal Advice	Time cost subject to asset realisations

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

4. ASSETS AND REALISATIONS

Our comments on the assets and realisations during the period are occurring in the period from 21 September 2011 to 20 March 2012 are provided below. Additional details together with estimated future asset realisations are provided within Appendix A.

Freehold / Leasehold Property

The freehold properties were marketed by Storeys Edward Symmons (formerly Storeys SSP), independent Chartered Surveyors. One offer has been received and after discussions with the charge holders, an offer of £425,000 was accepted for the youth hostel and £72,500 for each of the three flats.

The sale has yet to be completed due to a number of issues. However, we envisage that these will be resolved in the next four weeks.

There have been a number of Retention of Title issues with regard to equipment in the Youth Hostel. These issues are still being progressed and will have to be resolved prior to the completion of any sale of the Youth Hostel.

Office Equipment

The office equipment was valued at £2,840 by Messrs James Sutherland & Co (Auctioneers) Limited of Newcastle upon Tyne on a forced sale basis. A significant amount of this equipment was held in storage and there were unpaid charges which would need to be settled prior to their release. We discussed the realisation strategy with our agents and they advised that the costs of removal and sale may be in excess of the values realisable. As such, we did not uplift the equipment nor did we pay any costs relating to the on-going storage costs.

Book Debts

On appointment, the Company's ledger indicated gross book debts of approximately £5,000.

Book debt collections to 20 March 2012 have realised £2,397.79, of which £1,981.76 were direct credits into the Company's bank account. A number of debtors provided evidence that they had paid the balance prior to our appointment.

Other Items

Sundry receipts include an insurance refund of £187.01 and cash in hand at the date of appointment of £98.71.

Assets Still to be Realised

Other than the assets outlined above, no assets remain unrealised or have proven to be unrealisable.

5. PAYMENTS AND EXPENSES

Our comments on the payments and expenses incurred and/or paid during the period from 21 September 2011 to 20 March 2012 are provided below. Additional details are provided within Appendix A.

Pre Appointment Remuneration & Expenses and Administrators Remuneration

Further details on remuneration and expenses are provided in Section 6.

External Room Hire / Administrators Bond / Postage / Money Laundering Charges / Statutory Advertising / Property Maintenance Costs / Company Search Fees / Land Registry Charges

The expenses listed above are all category 1 expenses (approval not required) and relate to third party recharges required to administer the case

Mileage and Travel Expenses are category 2 expenses (approval required).

Further details on the expenses recharge policy of Tait Walker is detailed in Appendix C - Tait Walker – Statement on Remuneration and Expenses.

Legal Fees & Disbursements

We have incurred legal fees of £30,000 (paid £15,000) to Muckle LLP in respect of various issues including the sale of the properties, retention of title issues, the validity of the various charges and other general legal issues concerning the administration

Legal disbursements of £147 20 (paid £147.20) was also incurred over the period.

Auctioneers Fees & Disbursements

We have incurred auctioneers fees of £700 (paid £700) to James Sutherland (Auctioneers) Limited in respect of the valuation of the assets of the Company.

Agents Fees

We instructed Storeys Edward Symmons (formerly Storeys SSP) to value and market the youth hostel and the residential flats. Based on the anticipated sale values, we have incurred fees of £7,450 and paid £2,450 to 20 March 2012.

Insurance

Upon our appointment, we obtained insurance cover over the assets of the Company, and general insurances required by law

Charge Holder

No amounts have been paid to any of the charges holders as this time. Further details of all charges are provided in section 8

Preferential Dividend

A first and final preferential dividend of 100p in the £ was paid on 29 February 2012 Further details are provided in Section 8

Unsecured Dividend

Based on current information it is unlikely that there will be a dividend to unsecured creditors

6. REMUNERATION AND EXPENSES

Our remuneration was approved on a time charged basis for both pre and post appointment time spent following the approval of our proposals at a meeting of creditors held on 20 October 2011. Approval was also provided for expenses incurred.

Information concerning Administrators Remuneration is detailed in Statement of Insolvency Practice 9 - A Guide to Administrators Fees. This can be downloaded from <http://insolvency.taitwalker.co.uk/fee-guidance> or upon request from Tait Walker Advisory Services LLP, Bulman House, Regent Centre, Gosforth, Newcastle upon Tyne NE3 3LS (email recovery@taitwalker.co.uk).

A copy of Tait Walker – Statement on Remuneration and Expenses is attached at Appendix C which provides further information on the charge out rates and expenses recovery policy of Tait Walker, and outlines general tasks undertaken by the Administrators.

Pre Appointment Remuneration and Expenses

In the period prior to our appointment as Administrators on 21 September 2011, we spent 37 hrs 36 minutes at a cost of £8,096.20 (an average hourly rate of £215.32) relating to the following:

- Statutory planning work in relation to the appointment of Administrators, including internal compliance and money laundering procedures;
- Meeting the trustees and providing advice as to the insolvency options available to the Company;
- Discussions with the company directors regarding the appointment;
- Discussion with lawyers and advisors regarding potential legal issues, asset security following appointment, and strategy, and
- Planning for actions immediately following appointment to ensure that assets would be safeguarded, and staff resources would be available.

We consider that £7,394.20 of the time spent on these matters was required for the purposes of the Administration. We are not seeking to recover the residual time of £702 and this has been written off.

The following pre-appointment costs have been incurred and have / will be paid by Tait Walker:

<i>Description</i>	<i>£ Incurred in prior to appointment</i>	<i>£ Paid in period of the report</i>	<i>£ Total paid to 5 October 2011</i>	<i>£ Outstanding / Unpaid</i>
Swearing Fees	20 00	20 00	20 00	0 00
Court Fee	35 00	35 00	35 00	0 00
HM Land Registry	4 00	4 00	4 00	0 00
TOTAL	59 00	59 00	59 00	0 00

No professional advisors were instructed in the period prior to our appointment.

Administrators Remuneration and Expenses

Our time charged for the period covered by this report (from 21 September to 20 March 2012) is 287 hrs 36 minutes at a cost of £59,457.60, an average hourly rate of £206.73. We have invoiced £55,624.60 and drawn £55,624.60 over this period. A detailed breakdown is attached at Appendix B.

Details of the general work and tasks undertaken by the Administrators included within Appendix C. Over the period of the report, significant time has been expended on the realisation of the assets, specifically the sale of the freehold properties and dealing with the matters and assets which have been transferred to various community projects or the Town Council.

Total time spent to 18 April 2012 on the Administration amounts to 301 hours 48 minutes resulting in time costs of £62,143.40, an average hourly rate of £205.90. We have invoiced £55,624.60 and drawn £55,624.60 to 12 April 2012.

Details of expenses incurred and charged are shown in section 5. All expenses listed in Section 5 are Category 1 (approval not required) and are case specific. Category 2 expenses (approval required) in respect of mileage and travel of £224.30 have been charged to the case.

Further Information on Remuneration and Expenses

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

7. INVESTIGATIONS AND REPORTS ON DIRECTORS

Investigations

Our investigations have not raised any items which we consider require further investigations.

Reports on Directors

We have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the Administration. We are also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf.

As required under The Company Directors Disqualification Act 1986 we can confirm that we have submitted our return therein. The contents of this return are privileged and we are unable to disclose any further details.

8. CREDITORS AND DIVIDEND PROSPECTS

Secured Creditors

The assets of the Company are subject to a debenture dated 13 January 2009 in favour of Lloyds TSB Bank Plc ("Lloyds"). This debenture gives fixed and floating charges to Lloyds over the assets of the company. Lloyds also have a first legal charge over the properties in Clive Gardens.

At the date of our appointment, Lloyds were owed approximately £115,000

On the basis of current information it is likely that realisations will be sufficient to pay Lloyds in full from the realisation of the residential properties

Northumberland Estates Limited also has a second legal charge over the properties in Clive Gardens. The charge was created on 11 November 2010. At the date of our appointment Northumberland Estates Limited were owed £100,000 plus interest.

On the basis of current information it is likely that realisations will be sufficient to pay Northumberland Estates Limited in full in respect of their capital from the realisation of the residential properties.

Triodos Bank NV hold a legal mortgage created 11 November 2010 secured on the Youth Hostel at 34-38 Green Batt, Alnwick. The mortgage balance outstanding at the date of appointment was £400,000.

Triodos Bank NV also provided an overdraft facility and the balance stood at £99,777 on the date of our appointment. We understand that this facility is also secured by the legal mortgage but is subject to a deed of priority whereby Northumberland County Council ranks in priority to Triodos.

On the basis of information we would anticipate that the Triodos Bank mortgage, limited to the priority amount of £400,000 would be paid in full from the sale of the Youth Hostel. This will be subject to any amounts payable in respect of the retention of title claims which are currently being investigated.

Northumberland County Council has a second legal charge on the property in Green Batt. We are currently awaiting details of the specific terms for repayment. On the basis of current information we do not believe there will be sufficient realisations from the Youth Hostel property to make any repayments to Northumberland County Council.

The validity of all charges listed above has now been agreed by our solicitors.

Preferential Creditors

The only known preferential creditors are former employees of the Company for unpaid wages and holiday pay. Their claims are subject to a maximum limit set by the insolvency legislation.

Three preferential claims have been received to date totalling £10,523.95. The preferential creditors were paid 100 pence in the pound on 29 February 2012.

Unsecured creditors

A number of unsecured claims have been received to date. These have not been formally agreed as it is currently anticipated that there will be insufficient funds to enable any distribution to be made.

Please note that we shall not acknowledge or unsecured agree claims unless it becomes apparent that a dividend will become payable.

There are provisions of the insolvency legislation that require an Administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

The Company gave a fixed and floating charge to Lloyds on 13 January 2009. The money due to Lloyds should be fully repaid from the fixed charge they hold over the properties at Clive Gardens. As a result, we will not have to pay them any money under their floating charge, and the prescribed part provisions will not apply.

On the basis of current information, it is likely that realisations will be insufficient to pay a dividend to unsecured creditors.

9. CONCLUSION

The appointment of Administrators automatically terminates one year after appointment unless the Court or creditors agree that the appointment can be extended. We are seeking agreement from the creditors in this instance as creditors are able to agree an extension of up to 6 months.

Form 2.25B is included with this report which incorporates a resolution for the extension to 20 March 2013.

We should be grateful if you will complete this form and return the same to our office.

Should you require any additional information, please contact Andrew Little or Katy Ellis at Tait Walker Advisory Services LLP, Bulman House, Regent Centre, Gosforth, Newcastle upon Tyne NE3 3LS (tel: 0191 285 0321) quoting reference 11131.



Gordon S Goldie & Allan D Kelly
Joint Administrators

Licensed as Insolvency Practitioners in the United Kingdom by The Institute of Chartered Accountants in England & Wales

Date 18 April 2012

APPENDIX A

Receipts & Payments Account to 20 March 2012 - Fixed & Floating Charge Accounts

Statement of Affairs		Fixed Charge Account	Floating Charge Account	Total
		21/09/2011 to 20/03/2012	21/09/2011 to 20/03/2012	21/09/2011 to 20/03/2012
		£	£	£
RECEIPTS				
2,840	Office Equipment	0 00	658 33	658 33
92,495	VAT Refund	0 00	92,494 79	92,494 79
28,135	Cash at Bank	0 00	28,134 86	28,134 86
5,000	Book Debts	0 00	2,397 76	2,397 76
	Rental Income	0 00	2,630 00	2,630 00
	Insurance Refund	0 00	187 01	187 01
	Cash in Hand/Petty Cash	0 00	98 71	98 71
		0.00	126,601.46	126,601.46
		Total	Paid in Current Period	Total
		21/09/2011 to 20/03/2012	21/09/2011 to 20/03/2012	21/09/2011 to 20/03/2012
		£	£	£
PAYMENTS				
	Pre Appointment Remuneration	0 00	7,345 60	7,345 60
	Swearing/Court Fee	0 00	55 00	55 00
	Specific Bond	0 00	336 00	336 00
	Property Maintenance	0 00	93 00	93 00
	Office Holder Remuneration	0 00	55,624 60	55,624 60
	External Room Hire	0 00	100 00	100 00
	Travel & Subsistence	0 00	224 30	224 30
	Legal Fees	0 00	15,000 00	15,000 00
	Legal Disbursements	0 00	147 20	147 20
	Plant Valuers Fees	0 00	700 00	700 00
	Money Laundering/Company Search Fees	0 00	14 00	14 00
	Postage Costs	0 00	108 35	108 35
	Property Valuers Fees	0 00	2,450 00	2,450 00
	Storage Costs	0 00	30 83	30 83
	Statutory Advertising	0 00	229 50	229 50
	Pref Dividend 100p in £ 29/02/2012	0 00	10,523 95	10,523 95
		0.00	92,982.33	92,982.33
	Balances in Hand	0.00	33,619.13	33,619.13
Represented by				
	Cash at Bank	0 00	17,294 72	17,294 72
	VAT	0 00	16,324 41	16,324 41
	Total	0.00	33,619.13	33,619 13

APPENDIX A

Accruals to 20 March 2012

Costs Accrued in Current Period	Costs Paid in Period	Accrued Costs Unpaid
21/09/2011 to 20/03/2012	21/09/2011 to 20/03/2012	as at 20/03/2012

EXPENSES ACCRUED / PAID			
	<u>FIXED CHARGE</u>		
	£	£	£
Plant Valuer Fees & Disbursements	0.00	0 00	0 00
Swearing Fee	0 00	0 00	0 00
Bonding Fee	0 00	0 00	0 00
Administrators Remuneration	0 00	0.00	0.00
Postage	0 00	0.00	0.00
Statutory Advertising	0.00	0 00	0.00
Company Search Fee	0 00	0 00	0 00
Legal Fees & Disbursements	12,000 00	0 00	12,000 00
Agents Fees & Disbursements	5,000 00	0 00	5,000.00
Insurance of Assets	200.00	0 00	200.00
	<u>17,200 00</u>	<u>0 00</u>	<u>17,200 00</u>

EXPENSES ACCRUED / PAID			
	<u>FLOATING CHARGE</u>		
	£	£	£
Plant Valuer Fees & Disbursements	700.00	700 00	0 00
Swearing/Court Fee	55.00	55.00	0.00
Administrators Remuneration	59,457.60	55,624 60	3,833.00
Postage	108.35	108 35	0 00
Statutory Advertising	229 50	229 50	0 00
Administrators Bond	336.00	336 00	0 00
External Room Hire	100 00	100.00	0.00
Travel & Subsistence	224 30	224 30	0 00
Storage Costs	30 38	30 38	0 00
Money Laundering / Company Search Fee	14 00	14 00	0.00
Legal Fees	15,000 00	15,000 00	0.00
Legal Disbursements	147.20	147.20	0 00
Property Valuers Fees	2,450.00	2,450.00	0.00
Property Maintenance Fees	93 00	93 00	0 00
	<u>78,945 33</u>	<u>75,112 33</u>	<u>3,833.00</u>

Notes

- (1) No provision has been made for any taxation.
- (2) Excludes costs not notified to Administrators as at date of report
- (3) Excludes pre appointment expenses

APPENDIX B

Detailed below is the time expended on the Administration for the report period 21 September 2011 to 20 March 2012: -

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	Associate	Manager	Other Assistants & Professionals	Admin & Support Staff			
Admin & Planning	3.30	0.00	6.10	34.80	18.50	62.70	8,321.00	132.71
Correspondence	0.00	1.50	0.00	0.00	0.00	1.50	390.00	260.00
Creditors	3.80	8.70	0.50	17.10	4.10	34.20	6,034.10	176.44
Debtors	0.00	0.70	0.00	3.50	0.00	4.20	630.00	150.00
Employees	0.80	0.00	0.30	11.20	0.00	12.30	1,713.40	139.30
Investigations	0.00	5.20	0.00	2.00	0.00	7.20	1,608.00	223.33
Other Matters	10.40	10.00	0.00	0.00	0.00	20.40	5,512.00	270.20
Realisation of Assets	33.70	62.50	0.00	7.90	0.00	104.10	26,697.20	256.46
Statutory Matters	6.10	16.40	0.50	15.30	0.00	38.30	8,047.90	210.13
Retention of Title	0.00	1.20	0.00	1.50	0.00	2.70	504.00	186.67
Total	58.10	106.20	7.40	93.30	22.60	287.60	59,457.60	

Detailed below is the **total** time expended on the Administration -

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	Associate	Manager	Other Assistants & Professionals	Admin & Support Staff			
Admin & Planning	3.30	0.00	6.40	36.80	19.40	65.90	8,721.00	132.34
Correspondence	0.00	1.50	0.00	0.00	0.00	1.50	390.00	260.00
Creditors	3.80	8.70	0.50	17.10	4.40	34.50	6,063.50	175.75
Debtors	0.00	0.70	0.00	4.00	0.00	4.70	694.00	147.66
Employees	0.80	0.00	0.30	11.20	0.00	12.30	1,713.40	139.30
Investigations	0.00	5.20	0.00	2.00	0.00	7.20	1,608.00	223.33
Other Matters	10.40	10.00	0.00	0.00	0.00	20.40	5,512.00	270.20
Realisation of Assets	35.80	64.70	0.00	9.30	0.00	109.80	28,036.40	255.34
Statutory Matters	6.10	16.40	0.50	15.60	0.00	38.60	8,086.30	209.49
Retention of Title	0.00	3.30	0.00	3.60	0.00	6.90	1,318.80	191.13
Total	60.20	110.50	7.70	99.60	23.80	301.80	62,143.40	

A copy of Statement of Insolvency Practice 9 - A Guide to Administrators Fees can be downloaded from <http://insolvency.taitwalker.co.uk/fee-guidance> or provided upon written request from this office.

A copy of Tait Walker - Statement on Remuneration and Expenses in Insolvency Proceedings which details the charging and expenses recovery policy of Tait Walker, and also details the matters typically dealt with in the categories above can also be obtained

TAIT WALKER CORPORATE RECOVERY - STATEMENT ON REMUNERATION AND EXPENSES IN INSOLVENCY PROCEEDINGS

INTRODUCTION

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The new legislation allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the court.

Further detail about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9). A copy of these guides can be accessed and downloaded from <http://insolvency.taitwalker.co.uk/fee-guidance>. Alternatively a hard copy may be requested from Tait Walker Corporate Recovery (A division of Tait Walker Advisory Services LLP), Bulman House, Regent Centre, Gosforth, Newcastle upon Tyne NE3 3LS or recovery@taitwalker.co.uk.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the new legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under the old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

POLICY

In order to maximise the cost effectiveness of the work performed it is Tait Walker Corporate Recovery'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.

Time Cost Basis

This is the basis that we use in the majority of cases and we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken. 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 periodically to cover and are adjusted to take account of inflation and the firm's overheads. In cases deemed to be particularly complex revised rates will be presented to creditors. The maximum current charge out rates per grade are currently:

<u>Grade</u>	<u>Rate (£) per hour (effective from 1 Apr 09)</u>	<u>Rate (£) per hour (Previous rate (£) from Jun 08)</u>
Partner	280	260
Associate / Director	250	240
Manager	240	210
Case Handler / Administrator	150	140
Case support staff	96	90

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Each unit of time is 6 minutes. The work is recorded under the following categories including Administration and Planning, Investigations, Realisation of assets, Debtors, Creditors, Employee matters, and Trading.

Percentage Basis

The new legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

Fixed Fee Basis

The new legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

All Bases

The officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

AGENT'S COSTS

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors / Legal Advisors
- Auctioneers / Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

DISBURSEMENTS

As part of our disclosure requirements the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses - are directly referable to an invoice from a third party, which is either in the name of the estate or Tait Walker Advisory Services LLP (or a partner / employee of the same), in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. These expenses may include, but are not limited to case advertising, money laundering fees, company search fees, specific penalty bond, identifiable telephone calls, postage at cost, external document storage, external room hire, external printing, invoiced travel, 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 expenses - are incurred by Tait Walker Advisory Services LLP and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, mileage at approved Inland Revenue scale rates, and internal storage. With the exception of photocopying, Tait Walker Advisory Services LLP do not typically 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.

TYPICAL TASKS UNDERTAKEN

Matters typically dealt with in the respective time breakdown categories during an insolvency procedure may include, but are not limited to, the following. It should be noted that every insolvency case is different, and certain items may not be applicable to this case.

Administration & Planning

Cash strategy and planning, cashing, banking, bank reconciliations, obtaining specific bond and ongoing bond maintenance, any general insurance, uplift and ongoing maintenance of company books and records, filing, internal case progression reviews, case updates, and internal case meetings.

Correspondence

All general correspondence excluding specific correspondence relating to other categories.

Investigations

Collation and review of directors questionnaires, review of any matters raised by the creditors concerning the conduct of the directors, review of all recent bank transactions undertaken by the company, review of any transactions between the company and associated parties, review of the assets listed in the statement of affairs with the last available statutory accounts, collation of information and submission of a report on all directors in the 3 years prior to liquidation under the Company Directors Disqualification Act 1986.

Additional investigations may also be undertaken in specific items at the request of the creditors committee (if any), and antecedent transactions including preferences, transaction at undervalue, misfeasance, breach of fiduciary duties etc.

Debtors

Transfer of debtors ledger onto our software, reconciliation of debtors ledger and identification of any refunds, claims, collection of supporting evidence including invoices, proof of delivery, orders etc, corresponding with debtors to collect debts, review and assessment of any responses and/or counterclaims / disputes, general contact with debtors, instruction, liaison and correspondence with solicitors or debt collection agents, liaison with any invoice discounter or factor, and negotiation of any settlement.

Realisation of Assets

All other assets excluding debtors including property (freehold and leasehold), intangible assets (intellectual property, patents, goodwill, copyrights etc) and chattel assets (e.g. furniture & equipment, stock, cash at bank, plant & machinery, work in progress, vehicles, computer equipment etc). Our work includes the preservation of such assets (arranging insurance, security etc), site visits, complying with fire brigade and insurer requirements (e.g. draining of heating system), arranging collection, preparation of sales particulars, liaising with valuers and agents, assessing and negotiating potential offers, and instructing and liaising with solicitors and reviewing any sale contract.

Reservation of Title

Dealing with all third party assets (including reservation of title, hire purchase, consignment stock, leased assets etc) Our work includes identification of third party assets, reviewing any agreement associated with the assets, corresponding with the claimant, stock taking, arranging and managing uplift of the assets, surrender or disclaiming onerous leases / assets, submission of returns to Registrar of Companies and third parties following disclaimer, and, instructing and liaising with solicitors re challenged claims

Statutory Matters

Undertaking and dealing with statutory matters required to comply with the various legislation concerning an insolvency including preparation and holding of creditors meeting, preparation of report/letters to creditors following appointment, submission of returns to Registrar of Companies and/or Court, preparation of adverts for insert in Gazette / newspaper, preparation of proposals, preparation of progress reports for creditors including receipts and payments, preparation of final reports including receipts and payments, together with the holding of final meetings, preparation of reports and updates for the Creditors Committee, together with any meetings required therein

Creditors

Dealing with all classes of creditors

Secured confirming validity of security, reporting to secured creditor, ongoing communication with secured creditor, review of any claim and distribution thereunder, and instructing and dealing with solicitors

Preferential identifying and notifying potential preferential creditors of ability to claim, review of calculation of preferential claim, ongoing communication with preferential creditors, review and adjudication of preferential claims, and, calculation and payment of dividend (if applicable)

Unsecured identifying and notifying unsecured creditors of ability to claim, submission of pre appointment VAT returns, ongoing communication with unsecured and potential unsecured creditors, dealing with potential pension creditor, recording of unsecured claims, review and adjudication of unsecured claims, and, calculation and payment of unsecured dividend (if applicable)

Employees

Notifying of appointment, issuing redundancy notices, and making employees redundant, assistance in completion of relevant forms to make claim from National Insurance Fund, calculation of outstanding entitlement, collation of claim forms and submission to National Insurance Fund, and ongoing employee correspondence

Trading

Assessment of suitability to trade including preparation of profit and cash flow forecasts, company resources, risk analysis etc, assessing ongoing terms of trade with customers and suppliers, ongoing site presence to monitor and supervise trading, dealing with employees, customers and suppliers, internal reviews to assess ongoing trading, dealing with duress creditors, dealing with health & safety and legislative issues, liaising with insurers, instructing and liaising with solicitors, preparation of trading reports, reporting to funders / secured creditors, and dealing with trading compliance such as VAT, PAYE etc

Other Matters

Items which would not normally fall into any of the above categories including travel, taxation (including processing of any post appointment returns to HMRC in respect of VAT, Corporation Tax etc), director correspondence (to the extent it is not within the other categories), general government returns, and miscellaneous items

PROGRESS REPORT

18 April 2012

Summary

Company	Alnwick Community Development Trust Limited
Type of Insolvency	Administration
Administrators Appointed	Gordon Smythe Goldie and Allan David Kelly
Date of Appointment	21 September 2011
Registered Office	Bulman House, Regent Centre, Gosforth, Newcastle upon Tyne, NE3 3LS
Trading Address	The Centre, 27 Fenkle Street, Alnwick, Northumberland, NE66 1HW
Principal Activity	Charitable Development Trust for Alnwick and surrounding areas

Dividend Prospects

	Current Estimate p in £	Previous Estimate p in £
Preferential	100	100
Unsecured	NIL	Uncertain

Please note that estimated outcomes are illustrative only and are dependant upon asset realisations and creditor claims, and should not be relied upon as guidance to the final outcome for creditors. You should seek your own guidance in respect of any bad debt provision.