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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 3LSAllan 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

(b) 24 July 2012

To

(b) 23 January 2013

(b) Insert date

Signed


Joint / Administrator(s)

Dated

28 January 2013

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
Newcastle upon Tyne

NE3

WEDNESDAY

DX Number



Companies House receipt date barcode

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

Administrator's Progress Report **for the period from 24 July 2012 to 23 January 2013**

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

Issued on: 28 January 2013

**The affairs, business and property of the Company are being managed by Gordon Smythe Goldie and Allan David 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 third progress report on the administration for the period from 24 July 2012 to 23 January 2013.

We enclose at Appendix A our receipts and payments account from 21 September 2011 to 23 January 2013, at Appendix B a summary of our time costs, and at Appendix C Tait Walker Advisory Services LLP – 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 2011
Extension of Administration	Administration extended by the court to 21 March 2013

3. GENERAL UPDATE ON ADMINISTRATION

This update relates to the period from 24 July 2012 to 23 January 2013 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 have now transferred the Ragged Schools Foundation funds to another charity, Alnwick & Denwick Relief in Need, following a recommendation from Alnwick Town Council. This was agreed by the Charity Commission and the shares were transferred in October 2012.

We have received a residual amount of cash left in the bank account of £398 and a refund of legal costs of £15 into the Administration account

All assets have now been realised and the proceeds received

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

Preferential creditors have been paid in full, details of which were provided in the last progress report

Following a court application, the Administration was extended to 21 March 2013. The Administrators also applied to court to make a first and final distribution to unsecured creditors

These applications were heard and granted on 21 August 2012 and we have now paid a first and final dividend of 5.03 pence in the pound on 14 January 2013

There are no other outstanding matters and the Administrators are in the process of issuing a final report and a formal notice of dissolution.

Professional Advisers

The following professional advisors 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>
Storeys Edward Symmons (formerly Storeys SSP)	Property Valuers / Sale	Fixed fee valuation and percentage of realisations
James Sutherland (Auctioneers) Limited	Plant Valuers	Fixed Fee valuation
Muckle LLP	Legal Advice, Sale of Assets	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 24 July 2012 to 23 January 2013 are provided below. Additional details together with estimated future asset realisations are provided within Appendix A

We have realised the following assets in the period prior to this report as follows: -

Trading sales, furniture and equipment, stock, book debts, rates refunds, cash in hand and petty cash, services refunds and deferred consideration.

Other Items

Sundry receipts include legal refund of £15 and residual cash at bank of £398.82

Assets Still to be Realised

There are no outstanding realisable assets

5. PAYMENTS AND EXPENSES

Our comments on the payments and expenses incurred and/or paid during the period from 24 July 2012 to 23 January 2013 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 / Storage Costs / Insurance of Assets / Sheriffs Costs

The expenses listed above are all category 1 expenses (approval not required) and relate to third party recharges required to administer the case. Further details on the expenses recharge policy of Tait Walker is detailed in Appendix C - Tait Walker – Statement on Remuneration and Expenses.

Mileage

Mileage is a category 2 expense and we received approval for this at the meeting of creditors held on 26 October 2011.

Legal Fees & Disbursements

We have incurred legal fees of £5,600 (paid £5,600) to Muckle LLP in respect of the extension application and the application to pay a dividend to unsecured creditors and general legal issues concerning the administration

Legal disbursements of £908 40 (paid £908.40) were also incurred over the period.

Insurance

Upon our appointment, we obtained insurance cover over the assets of the Company, and general insurances required by law. All assets have now been realised and the insurance cover has been ceased. No further amounts are anticipated to be paid.

Charge Holder

A first and final distribution to charge holders was made in the previous period.

Preferential Dividend

A first and final preferential dividend was made to preferential creditors in the previous period.

Unsecured Dividend

A first and final unsecured dividend of 5.03 pence in the pound was paid on 14 January 2013. Further details are provided in Section 8

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 26 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). We have also incurred expenses totalling £59, details of which have been provided in previous reports

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 24 July 2012 to 23 January 2013) is 48 hrs 24 minutes at a cost of £7,247 90, an average hourly rate of £149 75. We have invoiced £2,000 and drawn £587 73 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, additional time has been expended on agreeing unsecured creditors and making a first and final unsecured dividend and a review of the Administration and closing works required to progress the Administration to closure.

Total time spent to 23 January 2013 on the Administration amounts to 451 hours 18 minutes resulting in time costs of £89,091.90, an average hourly rate of £194 82. We have invoiced £74,590.40 and drawn £73,178 13 to 23 January 2013.

Given the current and anticipated future realisations, it is likely that at present some £14,501 50 of our costs will be irrecoverable together with future time expended on the Administration to closure.

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. No Category 2 expenses (approval required) 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.

Lloyds received a first and final distribution of £116,859 following the sale of the three properties at Clive Gardens and they have been repaid in full under their fixed charge as detailed in the previous report.

Northumberland Estates Limited ("NEL") also has a second legal charge over the properties in Clive Gardens. The charge was created on 11 November 2010. They received a first and final distribution of £100,000 in respect of their charge following the sale of the properties at Clive Gardens of which was detailed in the previous report.

Triodos Bank NV ("TBNV") 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.

TBNV 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 ("NCC") ranks in priority to Triodos.

TBNV received a first and final distribution of £380,000 under their fixed charge, having agreed a reduction to allow the payment of the retention of title settlement, as detailed in the previous report.

NCC has a second legal charge on the property in Green Batt. Following the sale of the Youth Hostel there were insufficient funds to make any repayments to NCC and so there are insufficient funds to pay any further funds to TBNV under their legal mortgage.

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

Preferential Creditors

The preferential creditors were paid in full as detailed in the previous progress report.

Unsecured creditors

A number of unsecured claims have been received to date. These have now been agreed and a first and final dividend of 5.03 pence in the pound was paid on 14 January 2013.

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 TSB Bank Plc on 13 January 2009. Lloyds have now been repaid in full from the fixed charge realisations. As a result, we will not have to pay them any money under their floating charge, and the prescribed part provisions will not apply.

9. CONCLUSION

We will report on the progress again in approximately six months time, or at the conclusion of the Administration, whichever is the sooner.

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



Gordon Smythe Goldie & Allan David Kelly
Joint Administrators

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

Date: 28 January 2013

Ainwick Community Development Trust Limited (In Administration)
Receipts & Payments Account to 23 January 2013 - Floating Charge Account

APPENDIX A

Statement of Affairs			
	Realised In Prior Periods	Realised in Current Period	Total
	21/09/2011 to 23/07/2012	24/07/2012 to 23/01/2013	21/09/2011 to 23/01/2013
	£	£	£
RECEIPTS			
2,840 Office Equipment	658 33	0 00	658 33
92,495 VAT Refund	92,494 79	0 00	92,494 79
28,135 Cash at Bank	28,134 86	398 82	28,533.68
5,000 Book Debts	2,589 76	0 00	2,589 76
Rental Income/Arrears	4,640 31	0 00	4,640 31
Insurance Refund	187 01	0 00	187 01
Legal Refund	0 00	15 00	15 00
Cash in Hand/Petty Cash	98.71	0 00	98 71
	128,803.77	413.82	129,217.59
	Total	Paid in Current Period	Total
	21/09/2011 to 23/01/2013	24/07/2012 to 23/01/2013	21/09/2011 to 23/01/2013
	£	£	£
PAYMENTS			
Pre Appointment Remuneration	7,345.60	0 00	7,345 60
Swearing/Court Fee	55.00	0.00	55 00
Specific Bond	336 00	0 00	336 00
Property Maintenance	93 00	0 00	93 00
Office Holder Remuneration	64,389 62	587 73	64,977 35
External Room Hire	100 00	0 00	100 00
Travel & Subsistence	249 90	75 20	325.10
Legal Fees	18,250 00	5,600 00	23,850 00
Legal Disbursements	147 20	908 40	1,055 60
Sheriff / Bailiffs Costs	85 00	0 00	85 00
Plant Valuers Fees	700 00	0 00	700 00
Money Laundering / Company Search Fees	14 00	0 00	14 00
Postage Costs	140 87	10 00	150 87
Land Registry Fee	4 00	0 00	4 00
Property Valuers Fees	2,450 00	0 00	2,450 00
Storage Costs	30 83	0 00	30 83
Statutory Advertising	229 50	0 00	229 50
Insurance of Assets	0 00	1,441 94	1,441 94
Pref Dividend 100p in £ 29/02/2012	10,523 95	0 00	10,523 95
Unsecured Dividend 5 03p in £ 14/01/2013	0 00	14,037 58	14,037 58
	105,144.47	22,660.85	127,805.32
Balances in Hand	23,659.30	-22,247.03	1,412.27
Represented by			
Cash at Bank	16,408 72	-16,408 72	0 00
VAT	7,250 58	-5,838 31	1,412 27
Total	23,659.30	-22,247.03	1,412.27

Alnwick Community Development Trust Limited (In Administration)
Receipts & Payments Account to 23 January 2013 - Fixed Charge Account

APPENDIX A

Statement of Affairs		Realised in Prior Periods	Realised in Current Period	Total
		21/09/2011 to 23/07/2012	24/07/2012 to 23/01/2013	21/09/2011 to 23/01/2013
		£	£	£
	RECEIPTS			
500,000	Freehold Property 34-38 Green Batt	432,500.00	0 00	432,500 00
255,000	Freehold Property Clive Gardens	217,500 00	0 00	217,500 00
		650,000.00	0.00	650,000.00
		Paid in Current Period	Paid in Current Period	Total
		21/09/2011 to 23/07/2012	24/07/2012 to 23/01/2013	21/09/2011 to 23/01/2013
		£	£	£
	PAYMENTS			
	Legal Fees	7,640 00	0 00	7,640 00
	Ground Rents	300.00	0 00	300 00
	Retention of Title	20,000 00	0.00	20,000 00
	Party Wall Award	8,000 00	0.00	8,000 00
	Tnodos Bank NV	380,000 00	0 00	380,000 00
	Lloyds TSB Bank Plc	116,859 22	0.00	116,859 22
	Northumberland Estates	100,000 00	0 00	100,000 00
	Property Valuers Fees	9,000 00	0 00	9,000 00
	Administrators Remuneration	8,200 78	0 00	8,200 78
		650,000.00	0.00	650,000.00
	Balances in Hand	0.00	0.00	0.00
	Represented by			
	Cash at Bank	0 00	0 00	0 00
	VAT	0 00	0 00	0 00
	Total	0.00	0.00	0.00

Progress Report – 24 July 2012 to 23 January 2013

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	5 03	5

Please note that estimated outcomes are illustrative only and are dependent 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.

Alnwick Community Development Trust Limited (In Administration)
Accruals to 23 January 2013

APPENDIX A

Costs Accrued in Prior Periods	Costs Accrued in Current Period	Costs Paid to date	Accrued Costs Unpaid
21/09/2011 to 23/07/2012	24/07/2012 to 23/01/2013	21/09/2011 to 23/01/2013	as at 23/01/2013

FIXED CHARGE				
EXPENSES ACCRUED / PAID	£		£	£
Plant Valuer Fees & Disbursements	0 00	0 00	0 00	0 00
Swearing Fee	0 00	0 00	0 00	0 00
Bonding Fee	0 00	0 00	0 00	0 00
Administrators Remuneration	8,200 78	0 00	8,200 78	0 00
Postage	0 00	0 00	0 00	0 00
Statutory Advertising	0 00	0 00	0 00	0 00
Company Search Fee	0 00	0 00	0 00	0 00
Legal Fees & Disbursements	15,000 00	0 00	7,640 00	7,360 00
Property Valuers Fees	9,000 00	0 00	9,000 00	0 00
	32,200 78	0 00	24,840 78	7,360 00

FLOATING CHARGE				
EXPENSES ACCRUED / PAID	£		£	£
Plant Valuer Fees & Disbursements	700 00	0 00	700 00	0 00
Administrators Remuneration	73,643 22	7,247 90	64,977 35	15,913 77
Postage	140 87	53 24	150 87	43 24
Statutory Advertising	229 50	153 00	229 50	153 00
Administrators Bond	336 00	0 00	336 00	0 00
External Room Hire	100 00	0 00	100 00	0 00
Travel & Subsistence	249 90	75 20	325 10	0 00
Storage Costs	30 83	0 00	30 83	0 00
Money Laundering / Company Search Fee	14 00	0 00	14 00	0 00
Legal Fees	18,250 00	5,600 00	23,850 00	0 00
Legal Disbursements	147 20	908 40	1,055 60	0 00
Shenffs / Bailiffs Costs	85 00	0 00	85 00	0 00
Insurance of Assets	1,441 94	0 00	1,441 94	0 00
Property Valuers Fees	2,450 00	0 00	2,450 00	0 00
Property Maintenance Fees	93 00	0 00	93 00	0 00
	97,911 46	14,037 74	95,839 19	16,110 01

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

Detailed below is the time expended on the Administration for the report period:-

TIME SPENT AND VALUE FOR THE PERIOD FROM 24 JULY 2012 TO 23 JANUARY 2013 -

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	0 00	0 00	3 30	11 50	6 40	21.20	2,785 30	131 38
Correspondence	0.00	0 00	0 50	0 60	0 00	1.10	194 30	176.64
Creditors	1 20	0 00	6 30	13 00	1 20	21.70	3,598 10	165 81
Employees	0.00	0 00	0.00	0 60	0 00	0 60	76 80	128 00
Realisation of Assets	0.00	0 00	0.00	0.20	0 00	0.20	25 60	128.00
Statutory Matters	0.00	0 00	1.00	2.60	0 00	3 60	567 80	157 72
Total	1 20	0 00	11 10	28 50	7 60	48 40	7,247 90	

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

TOTAL TIME SPENT 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	4 00	12 20	63 40	32 20	115 10	15,540 60	135 02
Correspondence	0 00	2 30	0 50	0 80	0 00	3 60	817 90	227 19
Creditors	5 00	9 10	6 80	31 60	6 60	59 10	10,055 60	170 15
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 80	0 00	12 90	1,790 20	138 78
Investigations	0 00	5 20	0 00	2 00	0 00	7 20	1,608 00	223 33
Other Matters	12 60	20 50	0 00	1 10	0 00	34 20	8,960 80	262 01
Realisation of Assets	43 20	71 10	0 00	14 70	0 00	129 00	32,463 60	251 66
Statutory Matters	11 60	20 50	4 00	35 80	0 00	71.90	14,100 40	196 11
Retention of Title	0 00	10 00	0 00	3 60	0 00	13 60	3,060 80	225 06
Total	76.50	143 40	23 80	168 80	38 80	451.30	89,091.90	

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

APPENDIX C

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</u> <u>(effective from 1 June 11)</u>	<u>Rate (£) per hour</u> <u>(Previous rate (£) from 1 Apr 09)</u>
Partner	280	280
Associate / Director	260	250
Manager	240	240
Case Handler / Administrator	156	150
Case support staff	98	96

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, cashiering, 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

APPENDIX C

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.