

The Insolvency Act 1986

Administrator's progress report

Name of Company Newnorth Limited

Company number 01864176

In the Leeds District Registry <small>(full name of court)</small>
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Court case number 1306 of 2011

(a) Insert full name(s) and

I/We (a)
Robert David Adamson

Tim Alan Askham

address(es) of administrator(s)

of Mazars LLP, Mazars House, Gelderd Road, Gildersome, Leeds, LS27 7JN

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

(b) Insert date

From (b) 2 September 2011

To (b) 1 March 2012

Signed

[Handwritten Signature]
 Joint / Administrator(s)
 30/3/12

Dated

Contact Details:

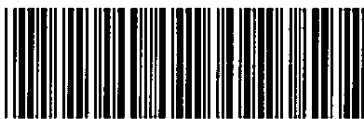
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

Robert David Adamson Mazars House, Gelderd Road, Gildersome, Leeds, LS27 7JN	
DX Number	DX Exchange

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

SATURDAY



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COMPANIES HOUSE

Newnorth Limited - In Administration

Administrators' progress report covering the period 2 September 2011 to 1 March 2012

To all known creditors

1. Statutory information

- 1.1 I was appointed Joint Administrator of the company together with Mr Tim Alan Askham on 2 September 2011 in the Leeds District Registry under Court reference 1306 of 2011. My address is Mazars House, Gelderd Road, Gildersome, Leeds, LS27 7JN. The application for the appointment of an Administrator was made via an application to the Court.
- 1.2 At the meeting of creditors held on 7 November 2011 my proposals were accepted subject to a modification that the Company moved to Creditors Voluntary Liquidation ("CVL") with immediate effect. However, upon receipt of advice received from Irwin Mitchell Solicitors in relation to the previously issued winding up order being rescinded, I was advised that the move to CVL could not take place until this matter had been resolved. Now that this matter has been resolved following this report the move to CVL will take place forthwith.
- 1.3 I am authorised to act as an Insolvency Practitioner in the UK by the Insolvency Practitioners Association and Mr Tim Alan Askham is authorised in the UK by the Institute of Chartered Accountants in England and Wales.
- 1.4 The trading addresses of the Company were The Grange Business Centre, Belasis Avenue, Billingham, Cleveland, TS23 1LG and Unit 3, Spalding Office Park, Elsom's Way, Spalding, Lincolnshire. The business traded under the Newnorth Limited.
- 1.5 The registered office of the Company is Mazars LLP, Mazars House, Gelderd Road, Gildersome, Leeds, LS27 7JN its registered number is 01864176.
- 1.6 All acts required to be done by the joint administrators, may be done by either or both, acting jointly or alone.

2. Details of Progress

- 2.1 Following the valuations carried out in respect of the assets of the Company, as detailed in my proposals the assets were sold accordingly. In comparison to the valuations of the assets totalling £6,400 on an ex situ basis, actual realisations totalled £6,012 plus VAT.
- 2.2 Since my last report to creditors monies totalling £30,196 have been collected in respect of the WIP and retentions.
- 2.3 In respect of the outstanding book debt due to the Company totalling £46,621 I can advise that since my appointment this debt has continued to be pursued however to date payment has not been received.

3. Administrators' Receipts and Payments

3.1 A summary of receipts and payments covering the period from the 2 September 2011 to 1 March 2012 is attached at Appendix A

4. Assets still to be realised

4.1 I can advise that the former director Paul Grylls is continuing to pursue the monies owed to the Company in respect of WIP and retentions. I am closely monitoring the collection, and for those customers who withhold payment it is my intention to make contact direct, with a view to taking legal action where necessary.

5. Liabilities

5.1. Secured Creditors

HSBC Bank Plc ("HSBC") held a debenture granting fixed and floating charges over the assets of the Company that was created on 25 September 2007 and registered on 2 October 2007.

HSBC held a cross guarantee in respect of their liabilities over the Company in addition to Marlanct Limited also in Administration.

The Bank's indebtedness was a loan of approximately £108,000, however, as advised in my proposal document this was discharged by way of a payment of £114,000 into the Company's bank account on 1 September 2011.

5.2. Preferential Creditors

Preferential creditors consist of employees of the Company who are owed monies in respect of unpaid wages and unpaid holiday pay.

All claims have been submitted to the Redundancy Payments Office ("RPO") and I can advise that I am now in receipt of a claim from the RPO and can advise that the preferential element of their claim is £11,078.

Current indications are that preferential creditors will be repaid in full.

5.3. Unsecured Creditors

According to the Company's records the total value of the unsecured creditors is £1,328,052. Of this approximately £728,307 relates to monies owed to HMRC for unpaid PAYE/ NI and VAT.

To date claims have been received totalling £1,061,140. It is anticipated that a distribution will be made to unsecured creditors however this will depend heavily upon the value of monies recovered in respect of the work in progress and retentions.

6. Prescribed Part

6.1 (Except where CVA is proposed as exit route) In accordance with Section 176A of the Insolvency Act 1986, a proportion of the Company's net assets are to be set aside for the benefit of the Company's unsecured creditors where the Company has granted a floating charge after 15 September 2003. This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £600,000. Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors' claims.

6.2 As advised above in paragraph 5.1 above you will note that HSBC have been repaid in full therefore there will be no prescribed part in this matter as there is no floating charge holder.

7. Investigations

7.1 I can confirm that the Joint Administrators have reviewed the affairs of the company for the period prior to Administration for the purpose of discharging their duties under the Companies Directors' Disqualification Act 1986.

7.2 Creditors are reminded that the Administrators have a statutory obligation to consider the directors' conduct and to submit a return/report to the Department for Business, Innovation & Skills' Disqualification Unit. The Administrators can confirm that they have complied with this requirement.

8. Pre-Administration Costs

8.1 The pre-administration costs total £8,426. This is made up of fees charged by my firm, the time costs of which are £3,455 in addition to expenses incurred by other professional firms, being Irwin Mitchell Solicitors of £4,970.

8.2 At the meeting of creditors held on 7 November 2011 I can advise that creditors resolved that the pre-appointment costs of the Administration be authorised and paid as an expense of the Administration. As you will see from the enclosed receipts and payments account this amount has been billed.

9. Administrators' remuneration

9.1 My remuneration was authorised by creditors at the meeting of creditors held on 7 November 2011, on the basis of the time properly spent in attending to matters arising in the Administration.

9 2 To 1 March 2012 my total time costs are £21,219 which reflects time spent of 137 60 hours at an average charge out rate of £154 per hour I have drawn £15,000 to date

9 3 I can advise that my disbursements to date total £268 70 I can advise that the disbursements can be itemised as follows

	£
Room Hire	125
Courier Services	27
Insurance	40
Advertising	77
	<u>269</u>

9 4. Charge out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of the case The rates are appropriate to the skills and experience of the team member and the work that they perform Time is recorded in 6 minute units with supporting narrative to explain the work undertaken

9 5 Details of the charge out rates of the team members employed on the assignment during the period covered by this report are attached at Appendix B

9 6 Also, attached at Appendix C is a summary of time spent for the period covered by this progress report in accordance with SIP9

9 7 I would advise you that pursuant to rule 2 48A of the Insolvency Rules 1986, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors or an unsecured creditor with permission of the court, may, within 21 days of receipt of this progress report, ask the administrator for further information about the remuneration and expenses set out in this progress report

9 8. Additionally, pursuant to rule 2 109 of the Insolvency rules 1986, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors or an unsecured creditor with the permission of the court may, within 8 weeks of the receipt of this progress report, apply to the court on one or more of the following grounds

- the remuneration charged by the administrator, or
- the basis fixed for the administrator's remuneration, or
- expenses incurred by the administrator

is or are in all of the circumstances, excessive or inappropriate

9 9 A copy of the publication “A creditors guide to Administrators’ Fees” which details the basis on which an Administrator’s fees should be calculated is available to download from the website [http //www.insolvency-practitioners.org.uk/page.aspx?pageID=104](http://www.insolvency-practitioners.org.uk/page.aspx?pageID=104) or alternatively will be provided free of charge upon written request to this office

10. Professional advisors

10 1 The professional advisors used on this assignment are as follows

Name	Nature of Work	Basis of fee Arrangement
Irwin Mitchell Solicitors	General legal advice, assistance in obtaining the appointment and rescinding the winding up petition	Time costs
Michael Steel and Co	Valuation	Time costs
GCPM	Collection of books and records	Fixed Fee

10 2 The Administrators’ choice was based on their perception of the advisors’ experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.

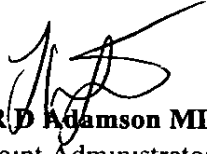
10 3 Michael Steel and Co have incurred fees totalling £2,720 plus VAT In addition to this a payment was made to GCPM of £600 which relates to the collection of the books and records of the Company

10 4 Irwin Mitchell have been paid £5,445 to date and have outstanding time costs of £3,500 plus VAT

10 5 The Administrators’ have reviewed the fees incurred to date and are satisfied that they are reasonable in the circumstances of the case

11. Ending the administration

11.1 As mentioned in paragraph 1.2 above, in accordance with the modifications to my proposals I intend to move the Company from Administration to Creditors Voluntary Liquidation accordingly Creditors will be notified of the move in due course


| **R.D. Adamson MIPA MABRP**
Joint Administrator

Dated 30 March 2012

Authorised to act as an insolvency practitioner in the UK by the Insolvency Practitioners Association

The affairs, business and property of the Company are being managed by the Joint Administrators

The Joint Administrators act as agents of the Company and without personal liability

Newnorth Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 02/09/2011 To 01/03/2012	From 02/09/2011 To 01/03/2012
ASSET REALISATIONS		
	6,012 00	6,012 00
10,000 00 Furniture & Equipment	334 85	334 85
280,000 00 Motor Vehicles	30,196 25	30,196 25
48,563 00 WIP & Retentions	NIL	NIL
10,000 00 Book Debts	10,527 14	10,527 14
	<u>47,070 24</u>	<u>47,070 24</u>
COST OF REALISATIONS		
	1,155 46	1,155 46
	3,455 00	3,455 00
	15,000 00	15,000 00
	268 70	268 70
	3,320 00	3,320 00
	5,445 40	5,445 40
	76 50	76 50
	10 00	10 00
	<u>(28,731 06)</u>	<u>(28,731 06)</u>
PREFERENTIAL CREDITORS		
(7,809 21) Redundancy Payment Service	NIL	NIL
(6,007 06) Employees Wage Arrears	<u>NIL</u>	<u>NIL</u>
	NIL	NIL
UNSECURED CREDITORS		
(405,860 67) Trade & Expense Creditors	NIL	NIL
(30,077 59) Employees	NIL	NIL
(92,361 66) Redundancy Payment Service	NIL	NIL
(311,637 19) HMRC re VAT	NIL	NIL
(474,299 36) HMRC re PAYE & NI	<u>NIL</u>	<u>NIL</u>
	NIL	NIL
DISTRIBUTIONS		
(100 00) Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
	NIL	NIL
(979,589.74)	<u>18,339.18</u>	<u>18,339.18</u>
REPRESENTED BY		
		1,631 44
		13,832 37
		2,875 37
		<u>18,339.18</u>

Robert David Adamson
Joint Administrator

Guidance for creditors on charge out rates**Charge out rates from 1st September 2011 to 31st August 2012**

It is anticipated that the following grades of personnel will work on the above case. Their current charge out rates are set out below.

Grade of personnel	Hourly charge out rate (£)
Partner	317 00
Director	227 00
Senior manager	211 00
Manager	185 00
Assistant manager	148 00
Senior Administrator	127 00
Administrator	100 00
Junior Administrator	58 00
Cashier	100 00

Charge out rates are reviewed annually on 1 September and may be adjusted to take into account inflation and the firm's overheads. The rates are appropriate to the skills and experience of the team member and the work that they perform. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

NEWNORTH LIMITED - In Administration - NEWN94437

IANLDS11 - Administration

Analysis of Administrators time costs for the period 15/08/2003 to 01/03/2012

Classification of work Function	Hours					Total Hours	Time Cost	Average Hourly Rate
	Partner	Director	Manager	Administrator	Clerical			
(blank)				0 50		0 50	58 00	116 00
2 Admin & Planning				1 70		1 70	197 20	116 00
3 Taxation				1 20		1 20	117 90	98 25
4 Investigations			2 50	8 30		10 80	1 490 30	137 99
5 Realisation of Assets	7 60		4 00	18 10		29 70	5,352 80	180 23
7 Employees			7 30	19 60		26 90	3 813 90	141 78
8 Creditors			3 30	12 20		15 50	2 097 10	135 30
9 Reporting	3 90		5 20	3 10		12 20	2 691 50	220 61
11 Cashiering				13 10		13 10	1 310 00	100 00
12 Statutory & Compliance	3 80		3 50	18 70		26 00	4 090 10	157 31
(blank)								
Total Hours	15 30		25 80	96 50		137 60	21,218 80	154 21
Total Time Costs (£)	4,850 10		5,443 80	10,924 90		21,218 80		
Average Hourly Rate by Grade	317 00		211 00	113 21		154 21		