

The Insolvency Act 1986

Liquidator's Progress Report

S.192

Pursuant to Section 192 of the Insolvency Act 1986

To the Registrar of Companies

For Official Use

--	--	--

Company Number

01864176

Name of Company

(a) Insert full name of company

(a) Newnorth Limited

(b) Insert full name(s) and address(es)

We (b) Robert David Adamson Tim Alan Askham
of Mazars LLP
Mazars House
Gelderd Road
Gildersome
Leeds
LS27 7JN

The liquidators of the company attach a copy of our progress report under section 192 of the Insolvency Act 1986

Signed



Date

26/6/15

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

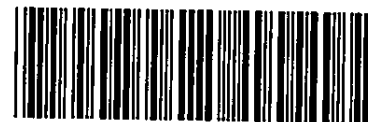
NEW02
Newnorth Limited

Robert David Adamson
Mazars LLP
Mazars House
Gelderd Road
Gildersome
Leeds
LS27 7JN

For Official Use

Insolvency Section Post Room

SATURDAY



A4AG3JV6

A18

27/06/2015

#371

COMPANIES HOUSE

NEWNORTH LIMITED (“THE COMPANY”) - IN LIQUIDATION

Progress Report to Creditors & Members

This is the Liquidator’s annual progress report to all known creditors and members

1. Statutory information

- 1.1 I was appointed Joint Liquidator of the Company together with Mr Timothy Askham following its conversion from an Administration pursuant to paragraph 83 of Schedule B1 of the Insolvency Act 1986 on 12 June 2012. My address is Mazars House, Gelderd Road, Gildersome, Leeds, LS27 7JN.
- 1.2 I am authorised to act as an Insolvency Practitioner in the UK by the Insolvency Practitioners Association and Mr Timothy Askham is authorised in the UK by the Institute of Chartered Accountants in England and Wales.
- 1.3 The Company formerly traded from The Grange Business Centre, Belasis Avenue, Billingham, Cleveland, TS23 1LG. The business traded under the name Newnorth Limited.
- 1.4 The registered office of the Company is Mazars House, Gelderd Road, Gildersome, Leeds, LS27 7JN. Its registered number is 01864176.

2. Details of progress

- 2.1 Upon being appointed as Liquidator of the Company, I instructed Solicitors to assist with the collection of the monies due to the Company in respect of work in progress and retentions. However, it became apparent that due to their internal risk analysis they declined the engagement. Unfortunately, documents that had been passed over for review were misplaced.

I subsequently instructed Irwin Mitchell solicitors, to review the ledger and provide me with a report on the collectability. This report concluded that one debtor had entered into liquidation, a counter claim had been received in respect of two other debts. They advised that the prospect of recovering the remaining ledger was unlikely without supporting documents to confirm the amount due on the final accounts.

As we have been unable to establish the amounts due under these contacts or whether final accounts were ever agreed it is unlikely that any realisations will be received in respect of these debts.

3. Receipts and payments account

- 3.1 A summary of receipts and payments covering the period from the 12 June 2014 to 11 June 2015 together with cumulative totals is attached at Appendix A.

4. Assets still to be realised

4 1 As detailed above, I instructed Irwin Mitchell Solicitors to review the debtors' ledger. It is unlikely that any realisations will be received from this source.

5. Liabilities

5.1. Secured Creditors

5 1 2 HSBC Bank Plc ("HSBC") hold a debenture creating fixed and floating charges over the assets of the Company, however, the liability was repaid to HSBC prior to the Company entering into Administration.

5.2. Preferential Creditors

5 2 1 Preferential claims in the sum of £11,078 have been received. Preferential claims relate to arrears of wages and holiday pay that the Redundancy Payment Office paid to the employees of the Company.

As detailed above it is unlikely that there will be any realisations from the book debt ledger and accordingly there will be insufficient funds available to pay a dividend to the preferential creditors of the Company.

5.3 Unsecured Creditors

5 3 1 According to the records of the Company at the date of Administration the Company had unsecured creditors totalling £1,293,005. To date, unsecured claims in the sum of £1,009,120 have been received.

There are insufficient funds to enable a dividend to be paid to the unsecured creditors of the Company.

6. Prescribed Part

6 1 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 In this instance the secured creditor was repaid in full prior to the Company entering Administration, therefore, the prescribed part calculation is not applicable.

7. Remuneration

7 1 In accordance with Rule 4.127 my remuneration was approved in the former Administration of the Company at a meeting of creditors held on 7 November 2011 to be drawn on a time cost basis.

- 7.2 During the period of this report, a total of 30 hours have been spent dealing with the case at a total cost of £3,357.80 plus VAT which equates to an average hourly rate of £111.93. No remuneration has been drawn during this period.
- 7.3 Total time costs since the date of my appointment as Liquidator are in the sum of £10,563.80 plus VAT which is made up of 94.60 hours at an average hourly rate of £111.67. No remuneration has been drawn to date in respect of time costs during the period of the Company's liquidation.
- 7.4 Attached at Appendix B is a breakdown of my time costs in accordance with SIP 9.
- 7.5 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. All staff that work on the case, including cashiers, support and any secretarial staff charge their time directly to the assignment. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.
- 7.6 Details of the charge out rates of the team members employed on the assignment during the period covered by this report are enclosed at Appendix C.
- 7.7 Costs met by and reimbursed to the Joint Liquidators' in connection with the Liquidation will fall into two categories as follows:
- Category 1 disbursements – these are costs where there is specific expenditure directly referable to both to the Liquidation and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the Liquidator or his or her staff.
 - Category 2 disbursements - these are costs that are directly referable to the Liquidator but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the administration on a proper and reasonable basis, for example, business mileage. These are referred to as "allocated disbursements" in our reports and appendices.
- 7.8 Category 1 disbursements can be drawn without prior approval. Category 2 disbursements are to be drawn subject to approval in the same manner as the Joint Liquidator's remuneration. The drawing of disbursements was also agreed at the meeting of creditors on 7 November 2011 in the former Administration. There have been no disbursements during the period of this report.
- 7.9 I would advise you that pursuant to rule 4.49E 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 Liquidator for further information about the remuneration and expenses set out in this progress report.
- 7.10 Additionally, pursuant to rule 4.131 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 liquidator, or
- the basis fixed for the liquidator's remuneration, or
- expenses incurred by the liquidator

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

7 11 A copy of the publication "A creditors guide to Liquidators' Fees" which details the basis on which a liquidator'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

8. Professional advisors

8 1 The professional advisors used on this assignment are as follows

Name	Nature of Work	Basis of fee Arrangement
Irwin Mitchell Solicitors	Debt Collection	Time costs
Stripes Solicitors	Debt Collection	Time Costs

8 2 Irwin Mitchell have been instructed to review the debtors' ledger and if necessary pursue the recovery of debts Irwin Mitchell has been paid a fee of £3,435

8 3 Stripes Solicitors were instructed to undertake a collection of the debtors' ledger However, as stated above they decline the engagement and have not submitted an invoice in this regard

8 4 The Liquidators' 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

8 5 The joint liquidators have reviewed these costs and consider that they are reasonable

9 Investigations

9 1 The Liquidator has reviewed the affairs of the Company prior to the Liquidation in discharging his duties under the Company Directors' Disqualification Act 1986

9 2 Creditors are reminded that the Liquidator has a statutory obligation to consider the directors' conduct and to submit a return / report to the Department for Business Innovation & Skills' Disqualification Unit The Liquidator can confirm that this obligation has been complied with



R D Adamson FIPA FABRP
Joint Liquidator

Dated 18 June 2015

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

Newnorth Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs	From 12/06/2014 To 11/06/2015	From 12/06/2012 To 11/06/2015
ASSET REALISATIONS		
	NIL	469 82
13,789 67	NIL	13,789 67
	NIL	14,259 49
COST OF REALISATIONS		
	NIL	7,500 00
	NIL	3,435 00
	NIL	35 00
	NIL	577 70
	NIL	(11,547 70)
PREFERENTIAL CREDITORS		
(7,809 21)	NIL	NIL
	NIL	NIL
UNSECURED CREDITORS		
(405,860 67)	NIL	NIL
(1,037 35)	NIL	NIL
(92,361 66)	NIL	NIL
(311,637 19)	NIL	NIL
(474,299 36)	NIL	NIL
	NIL	NIL
(1,279,215.77)	NIL	2,711.79
REPRESENTED BY		
		2,711 79
		2,711.79

Appendix B

NEWNORTH LIMITED - In Administration

Analysis of Liquidators' time costs for the period 12/06/2012 to 11/06/2015

Classification of Work Function	Hours					Total Hours	Time Cost	Av hourly Rate
	Partner	Director	Manager	Administrator	Support			
Taxation			0 90	1 00	0 80	2 70	£ 251 70	£ 93 22
Investigations				0 80	0 00	0 80	92 80	116 00
Realisation of Assets			0 20	14 20	1 70	16 10	1 790 50	111 21
Creditors			0 50	3 00	0 00	3 50	453 50	129 57
Reporting			0 50	3 80	0 00	4 30	519 00	120 70
Cashiering			0 10		40 30	40 40	4 061 00	100 52
Statutory & Compliance			2 90	22 90	1 00	26 80	3 395 30	126 69
Total Hours			5 10	45 70	43 80	94 60		
Total Time Costs (£)			1,014 40	5,091 10	4,458 30		10,563 80	
Av Hourly Rate	0 00	0 00	198 90	111 40	101 79			111 67

Analysis of Liquidators' time costs for the period 12/06/2014 to 11/06/2015

Classification of Work Function	Hours					Total Hours	Time Cost	Av hourly Rate
	Partner	Director	Manager	Administrator	Support			
Taxation			0 80		0 20	1 00	£ 129 40	£ 129 40
Realisation of Assets			0 20	6 20	1 70	8 10	883 30	109 05
Reporting			0 50	1 50	0 00	2 00	279 50	139 75
Cashiering			0 10		12 20	12 30	1 251 00	101 71
Statutory & Compliance			0 40	5 20	1 00	6 60	814 60	123 42
Total Hours			2 00	12 90	15 10	30 00		
Total Time Costs (£)			367 10	1 402 40	1 588 30		3,357 80	
Av Hourly Rate	0 00	0 00	183 55	108 71	105 19			111 93

Guidance for creditors on charge out rates**Charge out rates from 1st September 2011 to 31st August 2015**

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 (up to £)
Partner	317 00
Director	245 00
Senior manager	211 00
Manager	211 00
Senior Administrator/Assistant Manager	165 00
Administrator	115 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.

Allocated disbursements

It is proposed that the following allocated expenses of administering the case be charged -

- Company search(es) Searches are obtained by the firm's company secretarial department and are charged at the cost of the search plus an administration charge, which is currently 25% of cost, subject to a minimum administration charge of £5 00
- Mileage will be charged at relevant Inland Revenue rates, currently 45 p per mile
- Document storage – based on the cost of the square footage occupied by boxes and files of records and allocated on the basis of the number of open cases
- Electronic verification of individual's identity for money laundering purposes, charged at £2 50 per individual or £10 00 per company (where applicable)

It should be noted that disbursement costs might increase from time to time. However, increases would only be in line with inflation or increases from our suppliers.