

AM08

Notice of revision of administrator's proposals



Companies House

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1 Company details

Company number 0 0 2 4 2 9 6 4

Company name in full Norman And Underwood Limited

→ Filling in this form

Please complete in typescript or in bold black capitals.

2 Court details

Court name High Court of Justice Business & Property Courts in Birmingham Insolvency & Companies List (Ch D)

Court number C R - 2 0 2 3 - B H M 3 4 2

3 Administrator's name

Full forename(s) Joanne Louise

Surname Hammond

4 Administrator's address

Building name/number 3rd Floor, Westfield House

Street 60 Charter Row

Post town Sheffield

County/Region

Postcode S 1 3 F Z

Country

AM08

Notice of revision of administrator's proposals

5

Administrator's name ①

Full forename(s)

Gareth

Surname

Prince

① Other administrator

Use this section to tell us about another administrator.

6

Administrator's address ②

Building name/number

8th Floor

Street

One Temple Row

Post town

County/Region

Birmingham

Postcode

B 2 5 L G

Country

② Other administrator

Use this section to tell us about another administrator.

7

Date of revised proposals

Date

d	1	d	0	m	0	m	4	y	2	y	0	y	2	y	4
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8

Revised proposals

☒ I attach a copy of the revised proposals

9

Sign and date

Administrator's signature

Signature

X

Disammend

X

Signature date

d	1	d	0	m	0	m	4	y	2	y	0	y	2	y	4
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**Presenter information**

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

Contact name **Olivia Oates**

Company name **Begbies Traynor (SY) LLP**

Address
**3rd Floor, Westfield House
60 Charter Row**

Post town **Sheffield**

County/Region

Postcode **S 1 3 F Z**

Country

DX

Telephone **0114 2755033**

**Checklist**

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Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
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Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)

Kris Anthony

Surname

Wigfield

3 Insolvency practitioner's address

Building name/number

3rd Floor, Westfield House

Street

60 Charter Row

Post town

Sheffield

County/Region

Postcode

S 1 3 F Z

Country

Joanne Louise Hammond, Kris Anthony Wigfield and Gareth Prince were appointed joint administrators on 7 July 2023

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

Norman And Underwood Limited (In Administration)

Statement of Revised Proposals of the joint administrators under the provisions of Paragraph 54 of Schedule B1 to the Insolvency Act 1986 and Rule 3.42 of the Insolvency (England and Wales) Rules 2016

Important Notice

This statement of proposals has been produced for the sole purpose of advising creditors pursuant to the provisions of the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced, or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever. Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Contents

1. Interpretation
2. Statutory information
3. Details of appointment of administrators
4. Summary of initial proposals
5. Reason for proposing revisions
6. Details of proposed revisions
7. Remuneration and expenses
8. Other information to assist creditors
9. Conclusion

Appendices

1. Joint Administrators' account of receipts and payments
2. Remuneration and expenses
3. Revised statement of administrators' expenses

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Norman And Underwood Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 7 July 2023
"the joint administrators"	Joanne Louise Hammond of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row , Sheffield , S1 3FZ and Kris Anthony Wigfield of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ and Gareth Prince of Begbies Traynor (Central) LLP, 8th Floor, One Temple Row, Birmingham, B2 5LG
"the Act"	The Insolvency Act 1986
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(a), Insolvency Act 1986)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security and (ii) in relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off). (Section 248(b), Insolvency Act 1986)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986
"the creditors"	All preferential creditors and all unsecured creditors.
"Begbies Traynor"	Begbies Traynor (SY) LLP and/or Begbies Traynor (Central) LLP

2. STATUTORY INFORMATION

Name of Company Norman And Underwood Limited

Trading name(s): N/A

Date of Incorporation: 14 October 1929

Company registered number: 00242964

Company registered office: 3rd Floor, Westfield House, 60 Charter Row, Sheffield, S1 3FZ

Former registered office: The Freeschool Building, 170 Scudamore Road, LE3 1HP

Trading address (es): The Freeschool Building, 170 Scudamore Road, LE3 1HP

Principal business activities: Roofing activities

Directors and details of shares held in Company:	Name	Shareholding
	Leon Michael Ingham	See below

Company Secretary and details of shares held in Company:	Name:	Shareholding
	N/A	N/A

Auditors: UHY Hacker Young LLP
14 Park Row, Nottingham, NG1 6GR

Share capital: 30,200 Ordinary Shares at £1 each

Shareholders: Norman & Underwood Group Limited

Leon Michael Ingham is ultimate shareholder via a 40% holding in Gallibond Limited, who is the 100% shareholder of Norman & Underwood Group Limited.

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Name(s) of joint administrator(s):	Joanne Louise Hammond, a Licensed Insolvency Practitioner of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row , Sheffield , S1 3FZ and Kris Anthony Wigfield, a Licensed Insolvency Practitioner of Begbies Traynor (SY) LLP, 3rd Floor, Westfield House, 60 Charter Row , Sheffield , S1 3FZ and Gareth Prince, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 8th Floor, One Temple Row, Birmingham, B2 5LG
Date of administrators' appointment:	7 July 2023
Date of administrators' resignation:	N/A
Court:	High Court of Justice Business & Property Courts in Birmingham Insolvency & Companies List (Ch D) of 342
Court Case Number:	CR-2023-BHM
Person(s) making appointment / application:	Leon Michael Ingham, in his capacity as the director of the Company, situated at The Freeschool Building, 170 Scudamore Road, LE3 1HP.
Acts of the joint administrators:	The joint administrators act as officers of the court and as agents of the Company without personal liability. 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.
Type of Proceedings:	The proceedings will be COMI proceedings, as defined by the Insolvency (England and Wales) Rules 2016 (as amended).

STATUTORY PURPOSE OF ADMINISTRATION

Paragraph 3 of Schedule B1 to the Act provides as follows:

- "3 (1) The administrator of a company must perform his functions with the objective of:
- (a) rescuing the company as a going concern, or
 - (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- (2) Subject to subparagraph (4), the administrator of a company must perform his functions in the interests of the company's creditors as a whole.
- (3) The administrator must perform his functions with the objective specified in subparagraph (1)(a) unless he thinks either:
- (a) that it is not reasonably practicable to achieve that objective, or
 - (b) that the objective specified in subparagraph (1)(b) would achieve a better result for the company's creditors as a whole.
- (4) The administrator may perform his functions with the objective specified in subparagraph (1)(c) only if:
- (a) he thinks that it is not reasonably practicable to achieve either of the objectives specified in subparagraph (1)(a) and (b), and
 - (b) he does not unnecessarily harm the interests of the creditors of the company as a whole."
-

4. SUMMARY OF INITIAL PROPOSALS

The Joint Administrators' initial Statement of Proposals for achieving the purpose of administration dated 8 August 2023 ("the Initial Proposals") were approved without modification by creditors via the deemed consent procedure on 22 August 2023.

For the reasons set out in the Initial Proposals, it was initially anticipated that the statutory purpose of the administration being pursued in this case was that set out in Paragraph 3(1)(c) of Schedule B1 of the Act, namely realising property in order to make a distribution to one or more secured or preferential creditors.

An extract from the Joint Administrators' Initial Proposals, detailing the purpose of the administration and proposed exit route is set out below. Please note that any capitalised terms are as set out in the Initial Proposals.

Purpose of the Administration

The Joint Administrators are required to set out their Proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above.

For the reasons set out in this report, the Joint Administrators anticipate it is unlikely that there will be sufficient funds to enable a distribution to unsecured creditors, given the value of the secured and preferential creditor claims and the level of realisations from the sale of the *Company's assets*. *Therefore, the Joint Administrators consider that it is unlikely they would be able to achieve the objective specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).*

Due to the extent of the Company's insolvency, it was not anticipated that the Company could be rescued as a going concern, so it was not possible to achieve objective (a).

Consequently, the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(c), namely realising property in order to make a distribution to one or more secured or preferential creditors.

Furthermore, the Joint Administrators consider that pursuing this objective should not unnecessarily harm the interests of the creditors of the Company as a whole.

Details of proposals

The Joint Administrators believe the objective as specified in sub-paragraph 3(1)(c) will be achieved during the administration as it is anticipated that HSBC and Christopher Castleman will be repaid, in full, under their fixed charges following the sale of the Property which currently resides under Group. It is also likely that preferential creditors will receive a distribution *following realisations in the Company's estate*.

Notwithstanding the above, placing the Company into administration has been beneficial to creditors as a whole, as it provided a quick entry into insolvency which meant that creditor claims could be dealt with immediately and prevented liabilities increasing thus, worsening the creditor position.

Furthermore, following the initial period of marketing, it was determined that a better offer for *the Company's assets could be achieved if the assets were sold on a break-up basis*, particularly in the absence of a sufficient offer to purchase the business and assets as a going concern.

In order that the purpose of the administration may be fully achieved, the Joint Administrators propose to remain in office as administrators in order to conclude the realisation of the *Company's property in order to facilitate a dividend to secondary preferential creditors*.

This work is necessary to achieve the purpose of the administration and it is anticipated to result (either directly or indirectly) in a financial benefit to creditors. The purpose of this work is to maximise *realisations from the Company's assets, leading to an increase in the net property of the administration estate*.

The Joint Administrators' costs will be funded from the realisations in the administration. However, there will be certain items of additional work that are of no direct financial benefit to creditors but which they are required to carry out in accordance with statutory requirements under the Act, regulatory compliance and tax compliance and legislation. These include:

- Preparing these Proposals to creditors for their approval;
- Carrying out a review of the Company records and any concerns received in readiness for the completion of the report on the directors conduct to be submitted to the Insolvency Service;
- Maintaining their case files and carrying out regular compliance reviews of the case, together with progress reviews, in order to ensure that any statutory requirements are being complied with and that the case is being efficiently and effectively progressed;
- Preparing a progress report from commencement up to the six-month anniversary of the administration to report on progress to creditors, together with details of the costs and expenses incurred during the period of account; and
- Once the Joint Administrators are satisfied that all outstanding matters have been dealt with in the administration, they will issue their final report to creditors on the progress of the administration prior to moving the Company to dissolution. Alternatively, if necessary, they may seek an extension of the administration and issue a further progress report to creditors.

Exit from Administration

On present information the Joint Administrators consider that the Company will have insufficient property to enable a distribution to be made to unsecured creditors. Consequently, as soon as they are satisfied that they have fully discharged their duties as administrators and that the purpose of the administration has been fully achieved, the Joint Administrators propose to deliver a notice of moving from administration to dissolution to the Registrar of Companies. Upon the registration of such notice the Joint Administrators' appointment as administrators ceases to have effect, and at the end of three months the Company will automatically be dissolved.

Where an administrator sends such a notice of dissolution to the Registrar of Companies, he must also file a copy of the notice with the court and send a copy to each creditor of the Company, and on application by any interested party the court may suspend or disapply the automatic dissolution of the Company.

However, it may transpire that it is not possible to finalise the administration as envisaged within one year of the date of their appointment. In particular, this situation will arise if the Joint Administrators are not able to conclude the realisation of contract retentions falling due after the appointment anniversary. The appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect.

However, Joint Administrators' term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding twelve months. It may therefore become necessary at some future time for them to seek creditor consent to extending the period of the administration for up to a further twelve months following the anniversary of Joint Administrators' appointment in order to ensure that the objective of the administration can be fully achieved.

If (whether or not an extension to the period of administration actually becomes necessary) it ultimately transpires that there are indeed surplus funds enabling a distribution to the unsecured creditors, then unless the court makes an order permitting such a distribution on *Joint Administrators' application, Joint Administrators will issue revised proposals for consideration by creditors dealing with the most appropriate exit strategy from the administration in those circumstances.*

The Initial Proposals advised that the Company's former trading premises, situated at The Freeschool Building, 170 Scudmore Road, Leicester, LE3 1HP (the "Property"), was acquired by Norman & Underwood Group Limited ("Group") in 2016.

The Company was a subsidiary of Group, and Group entered into administration on 7 July 2023.

HSBC Bank UK Plc ("HSBC") holds debentures over Group, the Company, and other subsidiaries within the group of companies, all dated 3 November 2016 and incorporating fixed and floating charges. The security held in respect of the Company is in support of a primary facility within Group.

The Joint Administrators were advised HSBC's debt related to a commercial mortgage with an outstanding balance of £1,007,090.82 as at the date of their appointment (plus interest where applicable). The group of companies also operated a net zero overdraft facility.

Whilst the combined balance of the group banking facility was positive at the date of the Joint Administrators' engagement, the accounts held by Group and another subsidiary namely, Norman & Underwood (Glazing Systems) Limited ("Glazing"), individually were overdrawn. At HSBC's request, funds from the accounts held by the Company and another subsidiary namely, Norman & Underwood Conservation Limited ("Conservation"), were transferred to Group and Glazing prior to the Company entering into Administration, in order to clear the outstanding balance in accordance with the cross guarantees that these entities had provided to HSBC.

Following the date of the Joint Administrators' appointment, the Company had accrued a credit balance as a result of various receipts crediting the account. HSBC offset this amount against their indebtedness, pursuant to the terms of their security.

As the Company repaid an amount on behalf of Group, this resulted in the Company having the benefit of subrogated rights to HSBC's security. The Joint Administrators sought legal advice from Freeths LLP ("Freeths") who confirmed the existence of the subrogated rights to HSBC's security, upon HSBC being repaid in full.

The total sum of the subrogated claims was £465,445.80, of which the sum of £117,537.66 was owed to the Company.

The Property (owned by Group) was sold on 25 October 2023 for the sum of £2,600,000, which was in excess of the initial estimated to realise value. Subsequently, HSBC were repaid the sum of £861,061.80, being repayment in full of their remaining indebtedness in respect of the group of companies as a whole.

On the basis that there were surplus funds, the subrogated claims were subsequently paid in full, followed by payment in full to the second ranking charge holder. This resulted in a distribution from Group to the Company in the sum of £117,537.66, which was not anticipated at the time of circulating the Initial Proposals.

All other assets of the Company have been realised, with the exception of some outstanding debts and retentions which are being pursued by Francis Pearce Partnership Limited trading as Leslie Keats ("Leslie Keats").

After taking into account the costs and expenses of the administration, and the level of preferential claims, it is now anticipated that there will be surplus funds available to enable a distribution to unsecured creditors. Accordingly, the Joint Administrators are issuing these Revised Proposals in order to move the Company into Creditors Voluntary Liquidation and facilitate a dividend to unsecured creditors.

5. REASON FOR PROPOSING REVISIONS

The Joint Administrators have carefully considered the Initial Proposals that were approved on 22 August 2023. The Joint Administrators think that they need revising and that the proposed revisions are substantial for the following reason:

Unforeseen Surplus Funds

As detailed above, due to the advice relating to the subrogated rights to HSBC's security, there are indeed surplus funds available in the estate which should be sufficient to discharge all anticipated costs and expenses of the administration and pay preferential creditors in full. On the basis that there are no unsatisfied floating charges, there will be sufficient funds available to pay a distribution to unsecured creditors.

Accordingly, the proposed revisions to move the Company to creditors voluntarily liquidation are substantial to facilitate a distribution to unsecured creditors. However, the quantum of the dividend is currently unknown on the basis that there is additional work to conclude with regard to the intercompany debt positions, and the ongoing collection of the outstanding debts and retentions by Leslie Keats.

6. DETAILS OF PROPOSED REVISIONS

Purpose of the Administration

The Initial Proposals detailed that the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(c), namely realising property in order to make a distribution to one or more secured or preferential creditors. This purpose has been achieved on the basis that secured creditors have been repaid in full and the Joint Administrators will be processing a distribution to preferential creditors in full.

It is now deemed that the objective specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration) will be achieved through the approval of these Revised Proposals and facilitating a dividend to unsecured creditors.

For the avoidance of doubt, it remains the case that, due to the extent of the Company's insolvency, the Company could not be rescued as a going concern, so it was not possible to achieve the objective specified in sub-paragraph 3(1)(a) namely, rescuing the Company as a going concern. It is proposed that the Company will exit Administration into Creditors' Voluntary Liquidation, therefore the Company will not be rescued as a going concern.

Outcome for Creditors

Secured Creditors

All secured creditors have been repaid in full from distributions made from Group, and therefore, the proposed revisions will have no impact on secured creditors.

Preferential Creditors

On the basis that all employees were employed by Group, there are no known preferential claims.

However, the Joint Administrators understand that the pension scheme for the aforementioned employees was operated and paid by the Company. It is understood that there are outstanding contributions for the last couple of months and the Joint Administrators are in the process of liaising with the Company's pension provider in order to reconcile the same and submit the relevant documentation for a reclaim.

Secondary Preferential Creditors

Further to the changes to the Finance Act 2020, HM Revenue & Customs ("HMRC") are now able to claim secondary preferential status for certain liabilities. Taxes owed by the business to HMRC comprising of VAT, PAYE Income Tax, Employee National Insurance Contributions, Student loan deductions and Construction Industry Scheme deductions fall under the secondary preferential status.

The secondary preferential claim of HMRC in relation to outstanding PAYE/NIC was estimated at £80,441.32. However, HMRC submitted an interim claim in the sum of £17,773.15. The Joint Administrators are continuing to liaise with HMRC in respect of their final claim in the administration.

HMRC are due to be repaid in full upon receipt of their final claim in the administration and following the completion of any adjudication conducted by the Joint Administrators.

It is anticipated that HMRC will be repaid in full either, prior to the Company moving into creditors voluntary liquidation, or shortly thereafter. Consequently, the proposed revisions will have no material impact on HMRC.

Unsecured Creditors

Claims of unsecured creditors are estimated to total £2,112,903.30. However, this does not include any sums due to associated companies in respect of intercompany loans. There is further work to be done in this regard, to reconcile the various intercompany loan accounts, as there is some discrepancy between the various companies' records, which will need to be reconciled and cross-referenced to the companies' bank accounts in order to finalise the claims against the Company. The Joint Administrators, or subsequently appointed liquidators, will provide an update to creditors in due course.

The proposed revisions will allow the Company to move to creditors voluntary liquidation which will facilitate a dividend to be paid to unsecured creditors. Accordingly, the proposed revisions will have a positive financial impact on unsecured creditors.

Exit from Administration

The Joint Administrators confirm that they are of the opinion that the total amount which each secured and preferential creditor of the Company is likely to receive has been paid or set aside and that a distribution will be made to the unsecured creditors of the Company which is not a distribution of the prescribed part¹.

¹ Insolvency Act 1986, Sch B1, para 83(1)

The Joint Administrators have the power to make a distribution of the prescribed part to unsecured creditors in the administration but any other distribution to them requires the permission of court. It is considered that the court will only grant such permission in exceptional circumstances where the normal course for making distributions to unsecured creditors in a voluntary liquidation is inappropriate. Additionally, there may be matters for enquiry concerning a company's affairs which are not within the scope of an administrator's powers and which can only be properly dealt with by a liquidator.

Consequently, as soon as the Joint Administrators are satisfied that they have fully discharged their duties as administrators and that the purpose of the administration has been fully achieved, they propose to deliver a notice of moving from administration to creditors' voluntary liquidation to the Registrar of Companies. Upon the registration of such notice their appointment as administrators shall cease to have effect and the Company will automatically be placed into liquidation. Paragraph 83(7) provides:

The liquidators for the purpose of the winding up shall be-

- (a) a person nominated by the creditors of the company in the prescribed manner and within the prescribed period, or
- (b) if no person is nominated under paragraph (a), the administrator.

The Joint Administrators confirm that as part of these Revised Proposals they propose that they, or in the event of there being a subsequent change of persons appointed as administrator, the individuals in office as such immediately prior to the Company being placed into liquidation, do act as joint liquidators in the subsequent winding up of the Company. Creditors may nominate a different person as the proposed liquidator provided that the nomination is made after the receipt of the Revised Proposals and before the Revised Proposals are approved. The appointment of a person nominated as liquidator takes effect by the creditors' approval, with or without modification, of their revised proposals.

It is proposed that for the purpose of the winding up, any act required or authorised under any enactment to be done by the joint liquidators is to be done by all or any one or more of the persons for the time being holding office.

7. REMUNERATION AND EXPENSES

The Joint Administrators' remuneration has been fixed by reference to the time properly given by them and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor in attending to matters as set out in the fees estimate dated 8 August 2023 in the sum of £130,573.00 ("Initial Fees Estimate").

The Joint Administrators are also authorised to draw expenses for services provided by their firm and/or entities within the Begbies Traynor group, in accordance with their firm's policy, details of which accompanied the Initial Proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

The Joint Administrators' time costs for the period from 7 July 2023 to 10 April 2024 amount to £96,826.50, which represents 311.9 hours at an average rate of £310.44 per hour.

The following further information in relation to the Joint Administrators' time costs and expenses is set out at Appendix 2:

- ☐ Time Costs Analysis for the period 7 July 2023 to 10 April 2024; and
- ☐ Begbies Traynor (SY) LLP's charging policy.

To 10 April 2024, the Joint Administrators have drawn the total sum of £75,675.00 on account of their remuneration, against total time costs of £96,826.50 incurred since the date of their appointment.

Approval of the above was previously sought from secured and preferential creditors on the basis that the Initial Proposals contained a statement under Paragraph 52(1)(b) of schedule B1 of the Act (i.e. it was considered that the Company had insufficient property to enable a distribution to be made to unsecured creditors (other than by virtue of the prescribed part)).

However, for the reasons set out in these Revised Proposals, the Joint Administrators consider that the Company now has sufficient property to enable a distribution to the unsecured creditors, other than from the prescribed part fund of any net floating charge property, under the insolvency legislation and they are therefore required to seek a decision from the Company's creditors as to whether they approve the basis of their remuneration.

Accordingly, the Joint Administrators propose that the basis of their remuneration remain fixed under Rule 18.16 of the Rules by reference to the time properly given by them and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor for attending to matters as set out in the fees estimate at Appendix 3 dated 10 April 2024 ("Revised Fees Estimate").

It is for the creditors' committee to approve the basis of their remuneration under Rule 18.18 of the Rules, but if no such committee is appointed it will be for the creditors to determine. The Joint Administrators intend to deal with this by seeking decisions of creditors via correspondence.

For the avoidance of doubt, the Joint Administrators will not draw any further remuneration until the requisite approval has been received from creditors. Furthermore, no remuneration has been drawn in the period since it was concluded that it is now necessary to seek further approval from creditors as a whole. Following approval of the Revised Fees Estimate, the Joint Administrators propose to only draw fees up to the level of the Revised Fees Estimate. The level of fees drawn to date is incorporated within the Revised Fees Estimate.

The Revised Fees Estimate represents what the Joint Administrators believe is a fair and reasonable fee basis, based on the work which has been carried out to date and the work which is yet to be undertaken.

A summary of work anticipated to be undertaken throughout the course of the administration was provided to creditors in the Initial Proposals. A summary of the work still anticipated to be undertaken is detailed at Appendix 3.

Additionally, the Revised Fees Estimate also considers all of the necessary work proposed to be undertaken within the liquidation that will follow. The Joint Administrators therefore do not intend seeking the approval of a further fees estimate for the liquidation. In accordance with Paragraph 83 of Schedule B1 to the Act, the basis of the fee authority will transfer to the liquidation.

Expenses

The Joint Administrators also propose that expenses for services provided by their firm and/or entities within the Begbies Traynor group, be charged in accordance with their firm's policy, details of which are set out at Appendix 3. These expenses will be identified by the Joint Administrators and will be payable subject to the approval of those responsible for determining the basis of their remuneration.

Estimate of expenses

The Joint Administrators are required by the Rules to provide creditors with details of the expenses that they consider will be, or are likely to be, incurred in the course of the administration. This information was provided in the Initial Proposals however, a revised statement of expenses is detailed at Appendix 3.

8. OTHER INFORMATION TO ASSIST CREDITORS

Deemed delivery

These Revised Proposals will be deemed to have been delivered on 12 April 2024.

Use of personal information

Please note that in the course of discharging their statutory duties as Joint Administrators, they may need to access and use personal data, being information from which a living person can be identified. Where this is necessary, they are required to comply with data protection legislation. If you are an individual and you would like further information about your rights in relation to their use of your personal data, you can access the same at <https://www.begbies-traynorgroup.com/privacy-notice>. If you require a hard copy of the information, please do not hesitate to contact the Joint Administrators.

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that the Joint Administrators provide further information about their remuneration or expenses which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or any unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may, within 8 weeks of receipt of this progress report, make an application to court on the grounds that the remuneration charged or the expenses incurred during the period of this progress report are excessive or, the basis fixed for their remuneration is inappropriate.

9. CONCLUSION

The Joint Administrators are seeking creditors approval of the Joint Administrators' Revised Proposals via the deemed consent procedure and a notice of the decision sought is accompanying this document.

Additionally, the Joint Administrators are seeking creditors' approval that the basis of their remuneration remain fixed under Rule 18.16 of the Rules by reference to the time properly given by them and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor for attending to matters as set out in the Revised Fees Estimate at Appendix 3 and that expenses for services provided by their firm and/or entities within the Begbies Traynor group, be charged in accordance with their firm's policy, details of which are set out at Appendix 3. The Joint Administrators intend to deal with this by seeking decisions of creditors via correspondence and a notice of the decisions sought is accompanying this document.



Joanne Louise Hammond
Joint Administrator
Date: 10 April 2024

JOINT ADMINISTRATORS' ACCOUNT OF
RECEIPTS AND PAYMENTS

Norman And Underwood Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 10/04/2024

S of A £		£	£
	ASSET REALISATIONS		
Uncertain	Receipts under subrogated claims	117,537.66	
Uncertain	Intercompany Loans (Count=5)	NIL	
71,780.00	Plant & Machinery	NIL	
	Plant & Machinery	104,708.00	
	Stock	8,965.00	
Uncertain	Ringfenced Funds	NIL	
	Contracted work	210,723.00	
			441,933.66
	COST OF REALISATIONS		
	Specific Bond	454.33	
	Administrators' Fees		
	Pre-appointment	32,933.50	
	Post appointment	75,675.00	
	Disbursements		
	Other	6.85	
	Mileage	187.20	
	Postage	281.98	
	Agents Fees		
	Pre-appointment fees	21,587.50	
	Pre-appointment disbursements	518.70	
	Post appointment agent's fees	31,214.80	
	Post appointment agent's disbursem	7,539.64	
	Legal Fees		
	Pre-appointment legal fees	6,110.60	
	Post-appointment legal fees	5,158.70	
	Legal disbursements	16.50	
	Court fees	100.00	
	Site clearance fees	10,000.00	
	IT fees	5,955.09	
	Statutory Advertising		
	Advertising	93.00	
	Utilities	4,169.54	
	Insurance of Assets	1,050.00	
			(203,052.93)
	PREFERENTIAL CREDITORS		
Uncertain	Pension Contributions	NIL	
			NIL
	SECONDARY PREFERENTIAL CREDITORS		
(80,441.32)	HMRC (PAYE/NIC)	NIL	
			NIL
	FLOATING CHARGE CREDITORS		
(1,007,090.82)	HSBC Bank UK Plc	NIL	
(600,000.00)	Christopher Castleman	NIL	
			NIL
	UNSECURED CREDITORS		
(2,273,304.33)	Trade Creditors (167)	NIL	
Uncertain	Scottish Widows Pension Fund	NIL	

Norman And Underwood Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 10/04/2024

S of A £		£	£
			NIL
	DISTRIBUTIONS		
(30,200.00)	Ordinary Shareholders	NIL	NIL
(3,919,256.47)			238,880.73
	REPRESENTED BY		
	Vat Receivable		6,347.50
	Barclays FL Current account NIB		218,059.70
	Vat Payable		(17,454.60)
	Vat Control Account		31,928.13
			238,880.73

REMUNERATION AND EXPENSES

- a. Begbies Traynor's charging policy;
- b. Time Costs Analysis for the period from 7 July 2023 to 10 April 2024; and
- c. Revised Fees Estimate.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This policy applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the creditors' decision being made for the office holder to be remunerated on a time cost basis. Best practice guidance* requires that such information should be disclosed to those who are responsible for approving the basis of an office holder's remuneration. Within the Joint Administrators' fee estimate creditors can see how they propose to be remunerated.

In addition, this policy applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance* indicates that such charges should be disclosed to those who are responsible for approving the basis of the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of their staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded in 6-minute units at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Expenses are payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements, which are expenses that are initially paid by the office holder's own firm, but which are subsequently reimbursed from the estate when funds are available.

Best practice guidance classifies expenses into two broad categories:

- ❑ Category 1 expenses (approval not required) - Specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ❑ Category 2 expenses (approval required) - Items of expenditure that are directly related to the case and either:
 - (i) include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party; or
 - (ii) are items of expenditure which are payable to an associate of the office holder and/or their firm.

Shared or allocated costs (pursuant to (i) above)

The following expenses include an element of shared or allocated cost and are charged to the case (subject to approval).

- ☐ Internal meeting room usage for the purpose of physical meetings of creditors is charged at the rate of £100 per meeting;
- ☐ Car mileage which is charged at the rate of 45 pence per mile.

Payments anticipated to be made to associates (pursuant to (ii) above)

Services provided by other entities within the Begbies Traynor group

The following expenses which relate to services provided by entities within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of Eddisons Commercial Limited to provide assistance with the marketing and sale of the Company's tangible assets. Their charges will be calculated at 10% of realisations and on a time costs basis at the prevailing hourly rates for their various grades of staff which are currently as follows:

Grade of staff	Charge-out rate (£ per hour)
Director	£275
Associate	£180
Surveyor	£120
Graduate	£100
Administration	£80
Porters	£35

Instruction of Eddisons Insurance Services Limited ("EIS") to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The forecasted cost of insurance for the 3 month period immediately following appointment is inclusive of Insurance Premium Tax. The costs of insurance cover for subsequent quarter periods will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Where relevant, administration fees may be charged. These costs are taken into consideration and included within the forecasted cost of insurance, above.

In accordance with standard insurance industry practice, EIS will receive payment of commission for the services it provides from the insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

EIS will invoice the insolvent estate for the premium(s) due on the insurer's behalf and receive payment from the estate. EIS will in turn, account to the insurer for the premium(s) payable after deducting any commission payable by the insurer.

Where EIS have initially been consulted on a policy, but the policy has not been taken out, EIS will charge an administration fee of £150.

Additional payments received by Eddisons Commercial Limited from purchasers where assets are disposed of by way of auction

In addition to the charges of Eddisons Commercial Limited detailed above for providing the services to the office holder, where any machinery and business assets (other than freehold/leasehold property) are disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's premium, equivalent to 15% of the successful bid. Where any freehold/leasehold property is disposed of by way of auction, Eddisons Commercial Limited will also receive a payment from the purchaser, known as a buyer's administration fee, in the sum of £600. It is standard auction industry practice for a buyer's premium and buyer's administration fee to be charged. The buyer's premium and buyer's administration fee is paid by the purchaser of the assets and is not paid by the office holder from the assets of the estate.

General Office Overheads.

The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a Category 1 expense:

- ☐ Telephone and facsimile
- ☐ Printing and photocopying
- ☐ Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally but vary to suit local market conditions. The rates applying to the Sheffield office as at the date of this report are as follows:

Grade of staff	Charge-out rate range (£ per hour) 10 th July 2023 until further notice
Appointment taker/partner	560-640
Managers/directors	415-540
Other professional	215-300
Junior professional/support	170

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

As detailed above, time is recorded in 6-minute units.

* STATEMENT OF INSOLVENCY PRACTICE 9, (SIP9) – PAYMENTS TO INSOLVENCY OFFICE HOLDERS AND THEIR ASSOCIATES FROM AN ESTATE

SIP9 Norman And Underwood Limited - Administration - 91NO282.ADM : Time Costs Analysis From 07/07/2023 To 10/04/2024

[illegible]

REVISED FEES ESTIMATE

As set out in the body of this report, the Joint Administrators are seeking to be remunerated on a time costs basis. Details of their firm's hourly charge-out rates are set out in the charging policy which accompanies this estimate. Prior to creditors determining the basis upon which they are to be remunerated, they are obliged to produce a fees estimate and to provide it to each creditor of whose details they are aware so that it can be approved at the same time as the basis of their remuneration.

The Joint Administrators' Revised Fees Estimate for the administration is set out below. Please note that blended hourly rates have been used which take account of the various levels of staff that are likely to undertake each area of work. These can be seen in the average hourly rate column.

Details of the work that the administrators and their staff propose to undertake	Hours	Time cost £	Average hourly rate £
General case administration and planning	130.60	40,772.00	312.19
Compliance with the Insolvency Act, Rules and best practice	112.80	36,078.50	319.84
Investigations	44.30	13,046.00	294.49
Realisation of assets	40.00	17,438.00	435.95
Trading	0.00	0.00	0.00
Dealing with all creditors' claims (including employees), correspondence and distributions	92.50	32,583.00	352.25
Other matters which include seeking decisions from creditors via Deemed Consent Procedures or Decision Procedures, tax, litigation, pensions and travel	47.00	13,834.50	294.35
Total hours	467.20		
Total time costs		153,752.00	
Overall average hourly rate £			329.09

What is the anticipated payment for administering the case?

Although the fees estimate indicates that the total time costs for this matter will be £153,752.00, the time costs that they will be able to draw will be limited to the amount that is realised for the assets. Given the current asset position, the Joint Administrators anticipate that they should be able to draw their fees in full, up to the level approved.

For the avoidance of any doubt, the above estimate relates to the remaining period of administration and considers all of the necessary work proposed to be undertaken within the liquidation that will follow. The Joint Administrators therefore do not intend seeking the approval of a further fees estimate for the liquidation. In accordance with Paragraph 83 of Schedule B1 to the Act, the basis of the fee authority will transfer to the liquidation.

Should creditors require further information on how this estimate has been produced this can be obtained from our website at <http://www.begbies-traynorgroup.com/fee-estimates>.

A more detailed explanation of the work that falls into the categories mentioned in the table above can be obtained from our website at <http://www.begbies-traynorgroup.com/work-details>.

Summary of the further work to be undertaken in the Administration, and subsequent Liquidation

General case administration and planning

The Joint Administrators, and subsequent liquidators, will continue to periodically review the case to ensure that matters are being progressed and correspondence has been dealt with.

In addition, time will also be spent continuing to maintain the file to ensure decisions made are documented.

Time will be spent updating the case strategy document to ensure ongoing matters are dealt with in a timely manner and any outstanding tasks are completed.

There is no financial benefit to creditors, but the work is required in order to carry out their role efficiently.

Compliance with the Insolvency Act, Rules and best practice

The Joint Administrators will incur time preparing the progress report due to creditors which updates them on the progress made in the last six months and details of the anticipated future works, distribution prospects and expenses. As and when they are in a position to close the administration, they will incur time preparing and circulating a final report and moving the Company into Creditors' Voluntary Liquidation ("CVL") in order to facilitate a dividend to unsecured creditors.

Furthermore, time will be spent seeking approval from creditors as to the approval of these Revised Proposals and ensure the relevant documents confirming the same are delivered to creditors and the Registrar of Companies.

Shortly following the move to CVL, the subsequently appointed liquidators will issue statutory notices of their appointment to the Company's Creditors, Members, HM Revenue & Customs ("HMRC") and to the Registrar of Companies. In addition, an advert of their appointment will be placed in the London Gazette. Additionally, annual progress reports will be prepared by the subsequent liquidators and issued to the Company's creditors. A copy of the reports, along with a receipts and payments account, will also be issued to the Registrar of Companies for registration at Companies House.

When all matters within the liquidation proceedings have been finalised, a final report will be prepared and issued to the Company's Creditors, Members and the Registrar. The relevant form will also be issued to the Registrar requesting that the Company be dissolved thereafter.

Periodic reviews of the statutory bond will be carried out to ensure that the case remains adequately bonded and remains bonded throughout the administration and subsequent liquidation process.

In addition, banking duties will be carried out by way of the posting of income and expenditure, and reconciling the bank account together with the processing of bank statements etc.

There is no financial benefit to the creditors, but the work is required by the Insolvency Act and Rules and creditors benefit generally by being provided with regular updates on the progress of the administration and subsequent liquidation.

Investigations

As Joint Administrators, they are required by best practice guidance to make enquiries of creditors as to whether they wish to raise any concerns regarding the way in which the Company's business was conducted prior to the commencement of the administration or wish to bring to their attention any potential recoveries in the estate. If you would like to bring any such issues to the Joint Administrators' attention, please do so in writing to the address detailed in Section 1 of this report. Alternatively, please send an email to Sheffield.north@btguk.com. This request for information is standard practice and does not imply any criticism or cause of action against any person concerned in the management of the Company's affairs.

The Joint Administrators have further work to conclude in this regard however, it is anticipated that this work will be concluded shortly.

It is uncertain whether or not this further work will provide a financial benefit to creditors at this stage, however, this work is required in order to progress the administration and therefore, these costs cannot be avoided.

Realisation of assets

The Joint Administrators will continue to liaise with Leslie Keats with regard to the outstanding debts and retentions. If necessary, this work will be continued by the subsequently appointed liquidators.

All work carried out in respect of assets realisations is for the purpose of realising property and assets for the benefit of creditors generally. However, it is uncertain whether there will be further realisations into the estate in respect of the outstanding debts and retentions at this stage.

Dealing with all creditors' claims (including employees), correspondence and distributions

Time will be spent dealing with creditor queries as and when required. This can include queries by telephone, email or within letters received in the post.

If there is likely to be a distribution, creditors will be made aware of this at the earliest possibility, whether it be detailed in a progress report or by notice of intended dividend issued during the course of administering the case.

Creditors' claims will be dealt with in accordance with the order of priority, and therefore only if there is a prospect of a dividend in the insolvency proceedings, will those specific claims be adjudicated on. However, all claims received will be noted and registered. The administrator is unable to distribute a dividend to the unsecured creditors without permission of the court, other than of the prescribed part. Should there be funds available to make a distribution to the unsecured creditors, it is usual practice for a succeeding liquidator to deal with the claims of the unsecured creditors.

As mentioned in the main body of this report, the Joint Administrators will spend time reviewing and adjudicating upon HMRC's secondary preferential claim, following receipt of their final proof of debt. This work will involve a review of their claim and supporting documents. This may also involve seeking additional supporting documents where claims require further review. This work may be conducted by the Joint Administrators, or subsequently appointed liquidators.

Furthermore, the Joint Administrators, or subsequent liquidators, will spend time reviewing the creditor position of any connected companies in anticipation of distributing to unsecured creditors following the Company moving into Creditors' Voluntary Liquidation.

Any distribution to the unsecured creditors, (unless by way of prescribed part), will be paid by a succeeding liquidator.

Where the above work will result in a distribution being paid to creditors, it will result in a financial benefit to creditors. In any event, this work is required in order to progress the administration, and subsequent liquidation, and therefore these costs cannot be avoided.

Other matters which include, seeking decisions from creditors (via DCP and/or via Decision Procedures), tax, litigation, pensions and travel

Time will be spent submitting the relevant VAT and Corporation Tax returns as and when they fall due.

Furthermore, the Joint Administrators, or subsequent liquidators, will spend time liaising with the Company's pension provider in order to reconcile and reclaim any outstanding contributions.

Most of the above work will not provide a financial benefit to the Company's creditors however, the work detailed above is of a statutory requirement which the Joint Administrators, and subsequently appointed liquidators must comply with. The work involved in respect of the pension reclaim will result in a financial benefit for preferential creditors as this work will facilitate the payment of a preferential dividend.

Dated: 10 April 2024

REVISED STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £	Amount estimated to be incurred for administration and subsequent liquidation £
Expenses incurred with entities not within the Begbies Traynor Group					
Legal Fees	Freeths LLP	11,269.30	11,269.30	Nil	5,000.00
Legal Disbursements	Freeths LLP	116.50	116.50	Nil	Nil
Statutory Advertising	EPE Reynell Advertising Ltd	93.00	93.00	Nil	186.00
Statutory Bond	AON UK Limited	500.00	454.33	45.67	Nil
Postage	Postworks Limited	281.98	281.98	Nil	500.00
IT Fees	Parkway Computer Services Ltd	5,955.09	5,955.09	Nil	Nil
Utilities	Various	4,169.54	4,169.54	Nil	Nil
Debt Collection Fees	Leslie Keats	29,123.19	29,123.19	Nil	5,000.00 – 10,000.00
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)					
Agent's fees paid to Eddisons	Eddisons Commercial Limited	28,989.50	28,989.50	Nil	Nil
Agent's disbursements paid to Eddisons	Eddisons Commercial Limited	9,434.90	8,058.34	1,376.56	Nil
Insurance premium paid to Eddisons	Eddisons Insurance Services Limited	1,050.00	1,050.00	Nil	Nil
Mileage & Subsistence	Begbies Traynor (SY) LLP	194.05	194.05	Nil	Nil