

In accordance with Rule 3.61(1) of the Insolvency (England & Wales) Rules 2016 & Paragraph 84(B) of Schedule B1 of the Insolvency Act 1986.

AM23

Notice of move from administration to dissolution



Companies House

WEDNESDAY



A6IAQVS3

A15

01/11/2017

#341

COMPANIES HOUSE

1 Company details

Company number

Company name in full

→ Filling in this form
Please complete in typescript or in bold black capitals.

2 Court details

Court name

Court number

3 Administrator's name

Full forename(s)

Surname

4 Administrator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

AM23
 Notice of move from administration to dissolution

5 Administrator's name

Full forename(s)	Clare	Other administrator Use this section to tell us about another administrator.
Surname	Boardman	

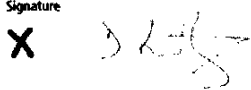
6 Administrator's address

Building name/number	1 City Square	Other administrator Use this section to tell us about another administrator.
Street	Leeds	
Post town	West Yorkshire	
County/Region		
Postcode	L S 1 2 A L	
Country		

7 Final progress report

<input checked="" type="checkbox"/> I have attached a copy of the final progress report	
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8 Sign and date

Administrator's signature	Signature  X	X
Signature date	3 0 1 0 2 0 1 7	

AM23

Notice of move from administration to dissolution

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 **Alcides Parreira**

Company name **Deloitte LLP**

Address **1 City Square**

Leeds

Post town **West Yorkshire**

County/Region

Postcode

L	S	1		2	A	L
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Country

DX

Telephone **+44 121 632 6000**

Checklist

We may return forms completed incorrectly or with information missing.

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.
- You have signed the form.

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Deloitte.

Grayton Engineering Limited (in administration) (“the Company”)

Court Case No. 973 of 2016
High Court of Justice, Chancery
Division, Leeds District Registry
Company Number: 02730358

Registered Office: c/o Deloitte LLP,
Four Brindleyplace, Birmingham,
B1 2HZ






Final progress report to creditors pursuant to Rules 18.6 and 3.53 of the Insolvency (England & Wales) Rules 2016 (“the Rules”).

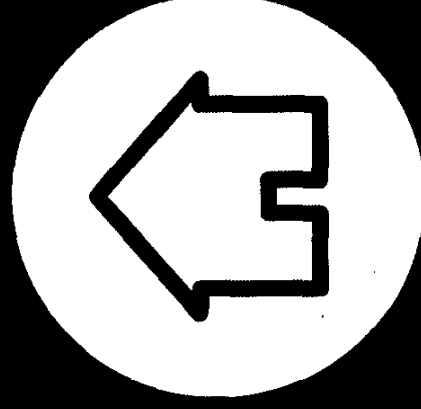
Daniel Francis Butters and Clare Boardman (“the Joint Administrators”) were appointed Joint Administrators of Grayton Engineering Limited on 7 November 2016 by the Company’s Directors. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP (“Deloitte”) are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), (“the Act”), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

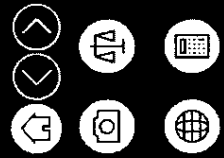
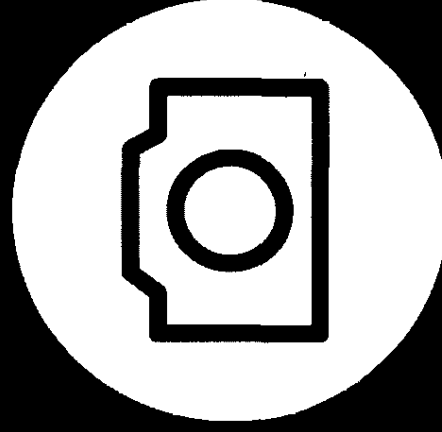
Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

30 October 2017

	Contents	1
	Key messages	2
	Summary Proposals	4
	Information for creditors	9
	Remuneration and expenses	11



Key messages



Key messages

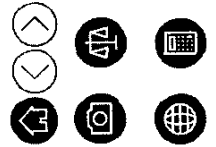
Joint Administrators of the Company

Daniel Francis Butters
Clare Boardman

Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

Contact details

Email: alparreira@deloitte.co.uk
Website: www.deloitte.com/uk/get
Tel: +44 121 695 5761



Commentary

- The purpose of the administration was to achieve a better result for the Company's creditors as a whole than a liquidation.
- The Company's business and assets were sold to Grayton Mechanical and Fabrication Services Limited ("the Purchaser") on 7 November 2016 ("the Transaction"), as detailed in the Joint Administrators' SIP 16 statement to creditors dated 14 November 2016. The consideration for the Transaction was £250k.
- All 59 employees were transferred to the Purchaser via the Transfer of Undertakings (Protection of Employment) Regulations ("TUPE") under the terms of the Transaction. Further funds of £6k have been realised in respect of rent, as detailed on Page 5.
- The secured creditor, HSBC Bank Plc ("HSBC"), was paid a dividend totalling £110k.
- An unsecured dividend was declared on 15 September 2017, being 4.30 pence in the £. Corporation tax and VAT returns were filed to cover all outstanding periods.
- The basis of our fees fixed as a set amount of £75k. Please see Page 12 for further details.
- Disbursements of £743 have been incurred in the period of the administration which is in line with our initial estimate. Please refer to Page 13 for further details.
- Third party costs of £8.9k have been incurred in the period of the administration, which is in excess of our initial estimate. As detailed in the previous report, this was mainly due to extra work required in relations to the licence to occupy. Please refer to Page 7 for further details.
- The secured creditor, HSBC, was paid £110k leaving a shortfall of £1.09m.
- There were no preferential creditors, since all 59 employees were transferred to the Purchaser.
- Unsecured creditors were paid a dividend under the Prescribed Part ("pp") provisions of 4.30p/£, with the distribution totalling £26.3k.
- The period of the administration was not extended.

Purpose of administration

Achievement of the Joint Administrators' proposals

Costs

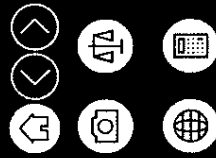
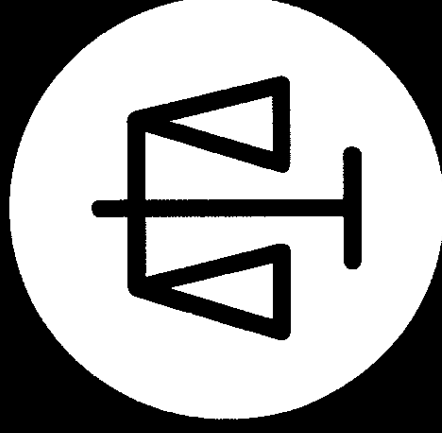
Outcome for Creditors

Extension to the administration period

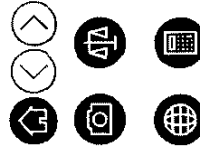


Summary Proposals

Summary of the Joint Administrators' Proposals	5
Steps taken	6
Costs	7



Summary of the Joint Administrators' Proposals



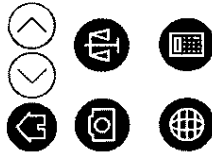
The Joint Administrators' proposals

Our proposals for the administration include:

- continuing to manage the affairs and any remaining assets of the Company and the settlement of all administration expenses;
- assessing the affairs of the Company and reviewing and reporting on the conduct of its directors and, where required, providing assistance to any regulatory authorities with any investigation into the affairs of the Company or its management;
- continuing with enquiries into the conduct of the directors of the Company and continuing to assist any regulatory authorities with any investigation into the affairs of the Company;
- agreement of the claims of any secured, preferential and unsecured creditors against the Company unless we conclude, in our reasonable opinion, that the Company will have no assets available for distribution;
- distributing funds to any secured and preferential creditors and, where applicable, to unsecured creditors under the Prescribed Part as and when their claims are agreed and funds permit, and to make distributions to unsecured creditors, other than out of the Prescribed Part if the court gives permission following an appropriate application;
- that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, we will implement the most appropriate exit route to formally conclude the administration; and
- that, if the Company is to be placed into Creditors' Voluntary Liquidation ("CVL"), we (or any person appointed as a replacement office holder) propose to be appointed Joint Liquidators and for the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.

Specific approval from the appropriate body was sought to fix the basis of and the ability to draw our remuneration and expenses, including pre administration costs and expenses, and to agree the time of our discharge on conclusion of the administration. Please refer to Page 12 for details.

Summary Proposals Steps taken



The Joint Administrators' proposals

Our proposals were deemed approved on 24 November 2016 following the expiration of 8 business days from the date of issue of our proposals in accordance with Rule 3.38(4) of the Rules.

Extensions to the administration

It was not necessary to extend the period of the administration.

Steps taken during the administration

Sale of business and realisation of assets

Following the appointment of the Joint Administrators on 7 November 2016, the business and assets of the Company were sold to the Purchaser in a pre packaged sale.

The consideration for the Transaction was £250k, which was paid on completion of the sale.

Asset Realisations

The sale of the Company's business and assets included the right, title and interest in book debts.

Under the terms of the sale agreement unutilised licence funds were to be retained in the estate. These amounted to £2.8k. There were therefore no further realisations to be made.

Leasehold property

The Company did not own a freehold property. It operated from leasehold premises at its site in Barton-upon-Humber. A three month licence to occupy the premises was granted to the Purchaser as part of the sale agreement.

A total of £5.7k was received from the Purchaser in relation to rents. Of this, £2.9k was paid to the landlord. The lease was subsequently assigned to the Purchaser in the period prior to this report.

Creditors

Since the Joint Administrators' appointment, we have reported regularly to the secured creditor, HSBC and a total distribution of £110k was made.

A total of 22 unsecured claims have been received and agreed for dividend purposes totalling £613.1k.

A first and final distribution was paid to unsecured non preferential creditors with admitted claims, with the dividend totalling £26.3k, being 4.30 pence in the £.

Case specific matters

VAT returns have been filed as required, and refunds have been received. VAT deregistration has been received in the period.

Tax clearance has been received in order to close the administration.

Statutory tasks

During the period of our appointment we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- case set-up and management,
- statutory reporting,
- appointment notifications,
- correspondence,
- CDDA reporting,
- case reviews,
- cashiering functions,
- closing matters.

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.

Summary Proposals

Costs

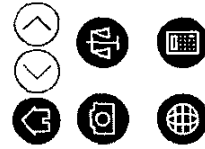
Cost of the work done during the report period

The total costs and expenses incurred during the period of our appointment are detailed below.

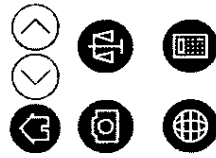
- Legal Costs – We instructed DLA Piper UK LLP (“DLA”) to assist with the licence to occupy and lease assignment, general advice in post-appointment and post-sale matters, and preparing the deed of release for book debts. Extra work was required when dealing with these matters, which led to incurred fees in excess of our initial estimate of £5k.
 - DLA has been paid £8k.
- We have instructed Squire Patton Boggs UK LLP (“SPB”) to assist in the validation of the Joint Administrators’ appointment and in their obligations under the sale agreement.
 - SPB has been paid £868.
- Legal Expenses of £27 were paid in the period.
- Our remuneration and expenses. Further information on these costs are provided on Page 12.

All costs have been paid in full.

All professional costs are reviewed and analysed in detail before payment is approved.



Summary Proposals



Joint Administrators' final receipts and payments 07 May 2017 to 10 October 2017

	SoA values	Notes	Period	To date
Receipts				
Equipment	-	-	-	6,000
Stock	-	-	-	995
WIP	66,636	-	-	3,000
Book Debts	194,138	-	-	240,000
Unutilised Licence Funds	-	-	-	2,800
License to occupy	-	A	-	2,917
Customer List	-	-	-	2
Information Technology	-	-	-	1
Business Intellectual Property	-	-	-	1
Goodwill	-	-	-	1
Bank Interest Gross	-	B	20	235
Total receipts	260,774		20	255,952

Payments				
Pre-appointment Administrators' Fees	-	-	-	3,000
Pre-Appointment Administrators' Expenses	-	-	-	20
Administrators' Fees	70,000	-	-	70,000
Administrators' Expenses	743	-	-	743
3rd Party Liquidators' Fees	10,000	-	-	10,000
Legal Fees	-	-	-	8,964
Legal Expenses	-	-	-	27
Pre-appointment Legal Expenses	-	-	-	82
Pre-appointment Legal Fees	-	-	-	23,717
Statutory Advertising	85	-	-	169
Rents Payable	-	A	-	2,917
Insurance of Assets	-	-	-	138
Bank Charges	1	-	-	1
VAT Irrecoverable	17	-	-	17
Secured Distribution	94,596	-	-	109,776
Unsecured Creditors	26,381	-	-	26,381
Total payments	175,442		20	255,952

Balance -

A receipts and payments account is provided opposite, detailing the transactions in the final period of the administration since our last report to 6 May 2017, and summarising the transactions for the entire period of the administration.

Notes to receipts and payments account

A – Funds were received under the terms of the licence agreement with the Purchaser. These were used to pay rent and other costs for the leasehold properties.

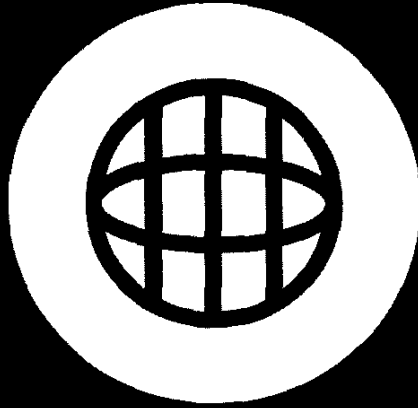
B – All funds were banked in an interest bearing account.

Information for creditors



Outcome for creditors

10



Information for creditors

Outcome for creditors

Secured creditors

At the time of our appointment, the Company records show that the secured creditor, HSBC, was owed £1.2m. Two distributions were paid, totalling 110k.

Preferential creditors

All 59 employees transferred to the Purchaser under TUPE. Therefore, the Joint Administrators do not expect there to be any preferential creditors.

Prescribed Part and unsecured creditors

As per the Directors' Statement of Affairs, the Company had a total of £2.15m of unsecured creditors.

In the period of the administration we have received and agreed 22 claims for dividend purposes, with the claims totalling £613.1k.

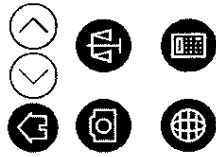
The Prescribed Part fund ("PP") of £26.3k was distributed to all unsecured creditors with admitted claims, as shown in the receipts & payments account on page 8.

Following our appointment the Purchaser was to make payment to unsecured creditors totalling c.£0.5m under the terms of the sale agreement.

Insufficient funds were realised to enable a dividend to be paid to unsecured creditors, other than the PP distribution referred to above.

End of the administration

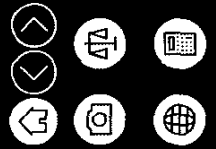
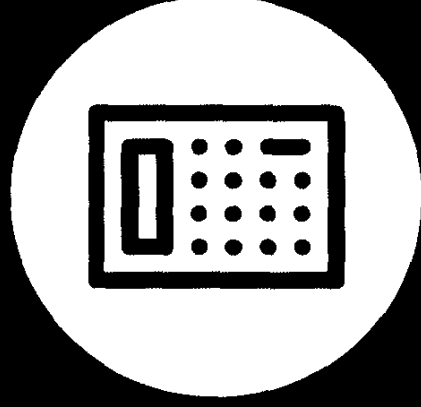
As the Company has no property for distribution to its creditors, the appropriate Notice will be filed at Companies House to enable the Company to move from administration to dissolution. The Company will be deemed to be dissolved three months after the Notice is registered.



Remuneration and expenses

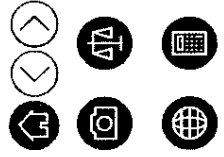
Joint Administrators' remuneration

12



Remuneration and expenses

Joint Administrators' remuneration



Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.Deloitte.com/uk/qel.

Should you require a paper copy, please send your request in writing to us at the address on Page 1 of this report and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed on 6 January 2017 by the secured creditor, HSBC, as a set amount of £75k, plus VAT thereon.

We have drawn remuneration of £70k in the administration against the agreed set fee, as shown in the receipts and payments account on page 8.

Pre-administration costs

All pre-administration costs have been paid in the previous period, and are detailed in our previous report.

Remuneration and expenses

Detailed information

Disbursements

Specific approval is required before these costs and expenses can be drawn from the administration estate and was given by the secured creditor on 6 January 2017.

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred

No expenses were incurred in the period. Details relating to the Administrator's expenses prior to this reporting period total £743, and have been previously provided.

All disbursements have been paid in full.

Creditors' right to request information

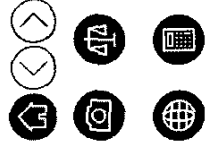
Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.



Deloitte.

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