



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number	0	1	9	8	2	3	1	7
Company name in full	Lyte Industries (Wales) Limited							

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

2 Administrator's name

Full forename(s)	Alistair
Surname	Wardell

3 Administrator's address

Building name/number	6th Floor
Street	3 Callaghan Square
Post town	Cardiff
County/Region	
Postcode	C F 1 0 5 B T
Country	

4 Administrator's name ①

Full forename(s)	
Surname	

① **Other administrator**
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number	
Street	
Post town	
County/Region	
Postcode	
Country	

② **Other administrator**
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 2	^d 4	^m 0	^m 1	^y 2	^y 0	^y 2	^y 2
To date	^d 2	^d 3	^m 0	^m 7	^y 2	^y 0	^y 2	^y 2

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X

Justin Wardell

X

Signature date

^d 1	^d 6	^m 0	^m 8	^y 2	^y 0	^y 2	^y 2
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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 **Aamirah M Patel**

Company name **Grant Thornton UK LLP**

Address **11th Floor**

Landmark St Peter's Square

Post town **1 Oxford St**

County/Region **Manchester**

Postcode **M 1 4 P B**

Country

DX

Telephone **0161 953 6900**

**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



Lyte Industries (Wales) Limited - in administration

UK Restructuring
Grant Thornton UK LLP
11th Floor
Landmark St Peter's Square
1 Oxford St
Manchester
M1 4PB

Administrator's progress report for the
period 24 January 2022 to 23 July 2022

Prepared by: Alistair Wardell, administrator

Contact details: Should you wish to discuss any matters in
this report, please email
cmusupport@uk.gt.com, or write to the
above address

Guide to this report

Report sections

Definitions

1 **Executive summary**

This should be read in conjunction with the remainder of the report, together with its appendices

2 **Progress**

Includes strategy and progress (realisation of assets)

3 **Investigations into the affairs of the company**

Includes strategy and progress

4 **Creditors and dividends**

Includes creditor balances and information on dividends

5 **Administrator's remuneration and expenses**

Includes details of payments to the administrator (including details of fees and expenses incurred) and his associates

6 **Future strategy**

Includes summary details of further work to be done, exit route, details on any proposed creditor decisions, general information for readers (eg data protection) and timing of the next report

Report appendices

A **Notice about this report**

Includes information about the preparation and purpose of the report, reliance on it and no liability

B **Statutory information**

Includes information required about the company (eg name, address) and about the administration (eg proceedings, Administrator, contact details)

C **Abstract of the administrator's receipts and payments**

D **Statement of Insolvency Practice 9 disclosure: Payments to the administrator and his associates**

Includes remuneration basis, work done, expenses of the administrator, sub-contracted out work, relationships requiring disclosure

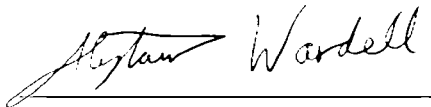
Definitions

The following definitions are used either within the body of this report, the appendices to it, or both.

Administrator / I / me / my	Alistair Wardell of Grant Thornton UK LLP
ATE	After The Event
CFA	Conditional Fee Agreement
Clarke Willmott	Clarke Willmott LLP
The Company	Lyte Industries (Wales) Limited
CVL	Creditors' Voluntary Liquidation
HEF	HSBC Equipment Finance (UK) Limited
HIF	HSBC Invoice Finance Limited
HSBC	HSBC Bank plc
JCP Solicitors	JCP Solicitors Limited
My/The Proposals	The Administrator's Statement of Proposals circulated on 15 February 2019
Period	The reporting period from 24 January 2022 to 23 July 2022
The Rules	the Insolvency (England and Wales) Rules 2016
SIP9	Statement of Insolvency Practice 9
VAT	Value added tax

1 Executive summary

- This progress report for the Company's administration covers the Period
- My Proposals were approved on 5 March 2019 by way of a decision procedure by the creditors
- The key work done in the Period has been progressing the claim to recover the alleged misappropriation of Company funds, which involved attending two mediation sessions
- It is anticipated that a dividend will be made to unsecured creditors from the prescribed part which currently amounts to c£89,000, however, the timing is currently unknown
- The administration is currently due to end on 23 January 2023 however I will likely look to extend this further
- It is unlikely that there will be sufficient funds to make a distribution to unsecured creditors (other than by virtue of the prescribed part), therefore, it is intended that once the administration is concluded, the Company will move to dissolution.

A handwritten signature in black ink, reading "Alistair Wardell", positioned above a horizontal line.

Alistair Wardell
Administrator

17 August 2022

2 Progress

2.1 Strategy and progress in the Period

As previously advised in my Proposals and previous reports, the business and assets of the Company were sold shortly after my appointment. I continue to pursue the objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up.

During the Period, I have continued to progress the potential claim in respect of the alleged misappropriation of Company funds as detailed in section 3 of this report.

2.2 Realisation of assets

This report should be read in conjunction with all previous reports. Copies of which are available on the creditor portal or can be requested free of charge by contacting the Administrator.

I attach at Appendix C an account of my receipts and payments for the Period and a cumulative account for the entire administration to 23 July 2022.

2.3 Assets remaining to be realised

Whilst there are no tangible assets remaining to be realised, there may be further recoveries from the claim which has been issued for the recovery of the alleged misappropriation of Company funds as detailed in section 3 of this report.

3 Investigations into the affairs of the Company

3.1 Statutory investigations

I undertook an investigation into the Company's affairs to establish whether there were any potential asset recoveries, or conduct matters that required further investigation, taking into account the public interest, potential recoveries, the funds likely to be available to fund an investigation and the costs involved.

I am continuing my investigations into the affairs of the Company, and I would be pleased to receive from any creditor any useful information concerning the Company, its dealing or conduct which may assist us.

As previously reported, I was made aware of a potential claim in the sum of c£1.2 million in respect of alleged misappropriation of Company funds. I instructed Clarke Willmott to assist with this claim on a CFA basis and there is ATE insurance in place.

During the Period, I have continued to liaise with Clarke Willmott with regards to recovery action. I attended two mediation sessions during the Period. The first session occurred on 14 June 2022 and a follow up session was held on 12 July 2022. Following this session, the parties have agreed to extend mediation conditions to allow for further negotiations in the coming weeks.

4 Creditors and dividends

4.1 Secured creditors

HSBC has several fixed and floating charges over the Company's assets dated 18 June 2011, 22 June 2011, 10 August 2011, 7 January 2012 and 2 November 2012. At the date of the administration, HSBC was owed c£2.92 million.

To date, HSBC has been paid £2.57 million under its security over the Company's property.

I expect HSBC to suffer a shortfall, subject to any amounts recovered from the draft claim in relation to the alleged misappropriation of Company funds.

The book debts of the Company were assigned to HIF under a confidential invoice financing agreement. HIF was owed £863,635 at the date of administration and was paid in full following the sale of the business and assets.

Some of the Company's plant and machinery was subject to finance agreements with HEF. At the date of the administration, c£27,000 was settled upon completion of the sale of the business and assets. As this amount was settled directly by the purchaser, the payment to HEF is not reflected in the receipts and payments account at Appendix C.

4.2 Preferential creditors

Preferential creditor claims consist of employee claims for wages and holiday pay, up to certain statutory limits. A significant element of these claims was subrogated to the Secretary of State, following payment of claims by the Redundancy Payments Service.

Although all former employees of the Company transferred to the purchaser following the sale of the business and assets, there was a preferential claim of £8,206 in respect of unpaid pension contributions that were incurred prior to the administration.

The preferential claim was paid in full on 2 February 2021.

4.3 Unsecured creditors

Prescribed part

In accordance with section 176A of the Act, a prescribed part is to be set aside from the floating charge assets and made available to the unsecured creditors of the Company. The prescribed part calculation is applied to the net property available and is calculated at 50% of the first £10,000 of net realisations and 20% of all further amounts, up to a maximum prescribed part of £600,000.

The net property is currently estimated at c£442,000, resulting in a prescribed part fund estimated at c£89,000. Based on the unsecured creditors' estimate in the directors' statement of affairs (£5.9 million), the estimated distribution from the prescribed part is between 1-2 pence in the £.

Please be advised that the quantum of the prescribed part may increase if the claim detailed in section 3 is successful.

Dividend prospects

At present there is unlikely to be a dividend payable to this class of creditor, except for by virtue of the prescribed part detailed above.

5 Administrator's remuneration and expenses

5.1 Overview

The secured and preferential creditors approved that the remuneration of the Administrator be fixed at £120,000 plus 30% of future realisations. No fees have been drawn to date.

I have incurred expenses during the Period amounting to £1,436, bringing the cumulative total at the end of the Period to £51,800, of which £51,280 has been paid from the estate. Due to the ongoing nature of the claims process, I am unable to quantify an estimate of future expenses in this report.

Further details about remuneration and expenses are provided in Appendix D to this report.

6 Future strategy

6.1 Future conduct of the administration

I will continue to manage the affairs, business and property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- recovery of alleged misappropriated Company funds
- payment of administration expenses, including my remuneration and legal fees
- finalisation of the Company's tax affairs, including completion of corporation tax and VAT returns and settlement of any post-administration liabilities
- complying with statutory and compliance obligations
- paying a final distribution to the secured creditor
- agreeing the claims of the unsecured creditors and payment of a dividend from the prescribed part fund

6.2 Extension of the administration

The duration of an administration is restricted to 12 months from the date of commencement unless it is extended with the permission of the creditors or an order from the court.

Having obtained a 12-month extension from the creditors and two further 12-month extensions from the court, the administration is currently due to end on 23 January 2023, however we will likely seek to extend this further to allow time to finalise my investigations and distribute funds to creditors.

6.3 Exit from administration

It is envisaged that the administration will end by the dissolution of the Company, or if there are funds available for unsecured creditors (other than by virtue of a prescribed part distribution), I will convert the administration to CVL.

6.4 Data protection

Any personal information held by the Company will continue to be processed for the purposes of the administration of the Company and in accordance with the requirements of data protection. Our privacy notice on our website (www.grantthornton.co.uk/en/privacy) contains further details as to how we may use, process and store personal data.

6.5 Contact from third parties

Please be aware that fraudsters have been known to masquerade as an administrator of a company which has entered administration, or the administrator's staff or agents.. Fraudsters may contact creditors asking for payment to enable the release of money payable to the creditor or other purposes. The Administrator, his staff or agents will never make such a request.

6.6 Future reporting

My next report to creditors will be issued no later than 23 February 2023, or earlier if the administration has been completed by that date.

A Notice about this report

This report has been prepared solely to comply with the Administrator's statutory duty to report to creditors under the Rules on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under the Rules do so at their own risk. To the fullest extent permitted by law, the Administrator does not assume any liability in respect of this report to any such person.

I am authorised to act as an insolvency practitioner by the Insolvency Practitioners Association.

The Administrator is bound by the Insolvency Code of Ethics.

The Administrator acts as agents for the Company and contracts without personal liability. The appointment of the Administrator is personal to him and to the fullest extent permitted by law, Grant Thornton does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

Please note you should read this progress report in conjunction with the Administrator's previous progress reports and the Proposals issued to the Company's creditors, which can be found on the Grant Thornton portal (<https://www.grantthornton.co.uk/portal/>). Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT. For definitions of abbreviations please refer to the 'Definitions' table at the start of this progress report.

B Statutory information

Company information

Company name	Lyte Industries (Wales) Limited
Date of incorporation	24 January 1986
Company registration number	01982317
Former trading address	Beaufort Reach Siemens Way Swansea Enterprise Park Swansea SA7 9BB
Present registered office	11th Floor Landmark St Peter's Square 1 Oxford St Manchester M1 4PB

Administration information

Administration appointment	The administration appointment granted in the Business and Property Courts in Birmingham, 000032 of 2019
Appointor	the directors
Date of appointment	24 January 2019
Administrator's name	Alistair Wardell
Administrator's address	6th Floor, 3 Callaghan Square, Cardiff, CF10 5BT
Purpose of the administration	Realising property in order to make a distribution to one or more secured or preferential creditors
Estimated value of the net property and confirmation of the prescribed part cap	The Company's net property is estimated to be c£442,000. The prescribed part is capped at the statutory maximum of £600,000 and is estimated to be c£89,000
Prescribed part distribution	The Administrator does not intend to apply to court to obtain an order that the prescribed part shall not apply. Therefore, the Administrator does intend to make a distribution to the unsecured creditors
Current administration expiry date	23 January 2023

Lyte Industries (Wales) Limited
(In Administration)
Administrator's Summary of Receipts & Payments

Statement of Affairs £		From 24/01/2022 To 23/07/2022 £	From 24/01/2019 To 23/07/2022 £
	SECURED ASSETS		
2,300,000.00	Freehold Land & Property	NIL	2,300,000.00
864,000.00	Book Debts	NIL	863,634.68
	Goodwill	NIL	1.00
		NIL	3,163,635.68
	SECURED CREDITORS		
(1,332,000.00)	HSBC Bank Plc - Mortgage	NIL	2,270,000.00
(864,000.00)	HSBC Invoice Finance Limited	NIL	863,634.68
(1,592,000.00)	HSBC Bank Plc - Supplier Loan	NIL	NIL
		NIL	(3,133,634.68)
	ASSET REALISATIONS		
	Bank/ISA InterestGross	NIL	82.36
6.00	Other assets	NIL	5.00
274,994.00	Plant & Machinery	NIL	274,994.00
NIL	Plant and Machinery (HEF Settled Dire	NIL	NIL
	Rates Refund	NIL	10,522.92
320,000.00	Stock	NIL	320,000.00
		NIL	605,604.28
	COST OF REALISATIONS		
	Agents/Valuers Fees (1)	NIL	4,500.00
	Legal Fees (1)	1,436.00	27,779.52
	Professional Fees	NIL	18,546.28
	Stationery & Postage	NIL	379.16
	Statutory Advertising	NIL	73.55
		(1,436.00)	(51,278.51)
	PREFERENTIAL CREDITORS		
	Preferential Creditors (All)	NIL	8,205.76
		NIL	(8,205.76)
	FLOATING CHARGE CREDITORS		
(6,000.00)	Finance Outstanding	NIL	NIL
	HSBC Bank Plc	NIL	300,000.00
		NIL	(300,000.00)
	UNSECURED CREDITORS		
(5,932,175.26)	Unsecured Creditors (All)	NIL	NIL
		NIL	NIL
(5,967,175.26)		(1,436.00)	276,121.01
	REPRESENTED BY		
	Floating Current Account NIB		275,839.01
	HMRC - VAT received/paid		(17,223.79)
	VAT on Purchases		17,505.79
			276,121.01

Note:

Some items of plant and machinery were subject finance with HEF. Circa £27,000 was paid for these items upon completion of the pre-pack sale. This sum was settled directly by the purchaser, and associated costs are included in the costs of the pre-pack sale.

D Payments to the Administrator and his associates

Statement of Insolvency Practice 9 disclosure

This appendix has been prepared in accordance with the requirements of the Insolvency Act 1986, the Rules and SIP9. In summary, it covers:

- pre-appointment costs
- fee basis
- work done by the Administrator and his team during the Period
- expenses
- sub-contracted work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees).

Pre-appointment costs

Pre-administration costs are fees charged and expenses incurred by an administrator, or other qualified insolvency practitioners, before a company enters administration but with a view to it doing so. To the extent they remain unpaid when the company enters administration and payment is sought, approval is required from the appropriate body of creditors as to whether they should be paid from the estate.

The secured and preferential creditors approved payment from the estate of £20,000 of the pre-administration fees and £33,132 of pre-administration expenses of Grant Thornton UK LLP.

To date, all pre-administration expenses have been paid but the pre-administration fees have not yet been drawn.

The pre-administration costs are summarised in the table below. Please note that the pre-administration expenses that have been paid are slightly greater than the amount detailed in the Proposals by £749 due to legal costs being slightly more and due to the payment of disbursements.

Expense	Incurred (£)	Paid (£)	Outstanding (£)
Grant Thornton UK LLP fees	20,000	-	20,000
DLA Piper UK LLP fees	24,500	24,500	-
DLA Piper UK LLP disbursements	249	249	-
Hilco Global	3,500	3,500	-
Alder King LLP	1,000	1,000	-
Sterling Technology Limited	4,632	4,632	-
Total	53,881	33,881	20,000

Post-appointment costs

Fee basis of the Administrator

The secured and preferential creditors approved the below resolution on 5 March 2019 and 12 March 2021 respectively:

- That the remuneration of the Administrator be fixed at £120,000 plus 30% of future realisations.

No fees have been drawn to date. Based on the report to which this document is appended and current information, I currently anticipate total payment from the estate of at least the fixed amount of £120,000. Please note that the total anticipated payment does not limit the amount of remuneration that the Administrator can draw from the estate. Should the claim be successful, a further amount of 30% of the realisations will be paid.

Work done by the Administrator and their team during the Period

Area of work	Work done	Why the work was necessary	Financial benefit to creditors
Investigations			
Claims	<ul style="list-style-type: none"> Continued to pursue the claim for alleged misappropriation of funds and liaised with the defendant's solicitors accordingly Liaised with instructed solicitors to discuss the future strategy of the claim Held internal discussions on mediation strategy Attended two mediation meetings and agreed to extend mediation conditions 	<ul style="list-style-type: none"> To progress the investigations and claim in respect of the alleged misappropriation of Company's funds 	<ul style="list-style-type: none"> This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available
Creditors			
Secured	<ul style="list-style-type: none"> Completed formal reporting to the secured creditor concerning the progress of the administration 	<ul style="list-style-type: none"> To keep the secured creditor informed as the key stakeholder in the administration due to their fixed and floating charges over the Company's assets 	<ul style="list-style-type: none"> This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate
Unsecured	<ul style="list-style-type: none"> Liaised with unsecured creditors regarding their claims in the estate and other queries 	<ul style="list-style-type: none"> To ensure all unsecured creditor claims are dealt with appropriately 	
Administration			
Case management	<ul style="list-style-type: none"> Reviewed and updated case strategy as required Considered future strategy and costs of the case Regular reviews of the case and ongoing progression of outstanding items 	<ul style="list-style-type: none"> To ensure ongoing matters are progressed in a timely fashion To comply with the relevant insolvency regulations 	<ul style="list-style-type: none"> This work was necessary for administrative purposes and/or complying with statutory requirements and it had no direct financial benefit to the estate

Reports to creditors, notices & decisions	<ul style="list-style-type: none">• Drafted and circulated the progress report to creditors	<ul style="list-style-type: none">• This work ensures that creditors are updated on the progress of the administration and the likely return on their claims
Treasury, billing & funding	<ul style="list-style-type: none">• Reconciled bank statements to cash book• Managed and maintained Insolvency Practitioner's bank account• Arranged for settlement of invoices	<ul style="list-style-type: none">• To ensure that the estate bank account is kept up to date• To comply with insolvency law and regulations
Pensions	<ul style="list-style-type: none">• Reviewed communications received from previous pension provider and responded accordingly	<ul style="list-style-type: none">• To ensure compliance with pension legislation and contractual obligations

Statement of expenses incurred in the Period

This table provides details of expenses incurred in the Period in connection with the work done by the Administrator, description of which is provided in the 'Work done' section above.

Category	Incurred in the Period (£)	Cumulatively incurred as at Period end (£)	Of which paid by the estate as at Period end (£)
Category 1 expenses			
Insolvency Practitioner's Bond	0	500	0
Experian Report	0	15	0
Travel	5	5	0
Agents/Valuers Fees			
Alder King Property	0	1,000	1,000
Hilco Appraisal Ltd	0	3,500	3,500
Legal Fees			
DLA Piper UK LLP	0	24,749	24,749
Clarke Wilmott LLP	0	1,595	1,595
JCP Solicitors Limited	1,436	1,436	1,436
Professional Fees			
Sterling Technology Ltd	0	4,632	4,632
CAPA	0	2,631	2,631
Clarke Wilmott LLP	0	11,284	11,284
Stationery & Postage	0	379	379
Statutory Advertising	0	74	74
Total expenses	1,436	51,800	51,280

Expenses are any payments from the estate which are neither the Administrator's remuneration nor a distribution to a creditor or member, but they may include disbursements which are payments first met by and then reimbursed to the Administrator from the estate. Expenses fall into two categories:

Category 1 expenses

These are also known as 'out of pocket expenses' and are payments to third parties not associated with the Administrator where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval from creditors.

Category 2 expenses

These are expenses directly referable to the insolvent estate but payments that are either to an associate, or that include shared or allocated costs that may be incurred by the Administrator or their firm and that can be allocated to the appointment on a proper and reasonable basis. Category 2 expenses require approval in the same manner as the Administrator's remuneration.

The basis and resolutions are set out in the table below for shared or allocated costs, where applicable, and mileage. For associates, please see the next section – Payments to associates.

	Fee / cost basis	Resolution obtained
Mileage	Mileage is charged at 45p a mile. VAT is added as appropriate. Details of these costs are provided in the table above, where incurred	On 5 March 2019, the creditors resolved that the Administrator's out of pocket expenses at cost; mileage is charged at 45p per mile, be approved

Payments to associates

Where I have enlisted the services of others, I have sought to obtain the best value and service.

To the extent that services have been enlisted from Grant Thornton UK LLP's specialist teams, for example tax, pensions, digital forensics, or any others, the narrative for and cost of their work is included in the work done narrative and SIP9 time costs analysis details in the Work done by the Administrator and their team during the Period section above.

I confirm that in the Period, I have not enlisted any other services from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has an association.

Relationships requiring disclosure

I confirm that I am not aware of any business or personal relationships with any parties responsible for approving the Administrator's fee basis.

Sub-contracted work

I confirm that, in the Period, I have not sub-contracted any work that could otherwise have been carried out by me or my team.

Information for creditors and members

Information to help creditors and members to understand their rights in insolvency and regarding officeholders' (ie Administrators or Liquidators) fees, and the roles and functions of committees is available via Grant Thornton's website:

<https://www.grantthornton.co.uk/portal>

Alternatively, I will supply this information by post, free of charge, on request.

