

AM23

Notice of move from administration to dissolution



Companies House

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

1 Company details

Company number 0 7 1 5 5 4 6 9

Company name in full Nightingale Engineering Limited

→ Filling in this form

Please complete in typescript or in bold black capitals.

2 Court details

Court name High Court of Justice, Chancery Division Birmingham
District Registry

Court number 2 0 1 8 - 8 0 2 8 2 0 1 8

3 Administrator's name

Full forename(s) Dean Anthony

Surname Nelson

4 Administrator's address

Building name/number St Helens House

Street King Street

Post town Derby

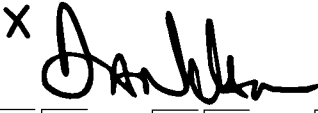
County/Region

Postcode D E 1 3 E E

Country

AM23

Notice of move from administration to dissolution

5		Administrator's name ①	
Full forename(s)	Nicholas Charles Osborn		① Other administrator Use this section to tell us about another administrator.
Surname	Lee		
6		Administrator's address ②	
Building name/number	158 Edmund Street		② Other administrator Use this section to tell us about another administrator.
Street			
Post town	Birmingham		
County/Region			
Postcode	B 3 2 H B		
Country			
7		Final progress report	
		<input checked="" type="checkbox"/> I have attached a copy of the final progress report	
8		Sign and date	
Administrator's signature	Signature 		
Signature date	d 3 0 m 0 7 y 2 0 y 2 0		

**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 **Emily Oliver**

Company name **Smith Cooper**

Address **St Helens House**

King Street

Post town **Derby**

County/Region

Postcode

D E 1 3 E E

Country

DX

Telephone

01332 332021

**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

Nightingale Engineering Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

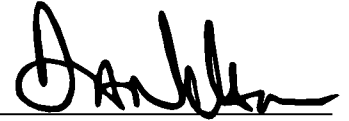
Statement of Affairs £		From 25/06/2020 To 30/07/2020 £	From 07/02/2018 To 30/07/2020 £
	ASSET REALISATIONS		
	Bank Interest Gross	NIL	612.87
	Bank Refund	NIL	4,441.61
4,491.00	Cash held in a Client Account	NIL	4,491.38
11,000.00	Insurance Bond Refund	NIL	NIL
15,936.00	Intercompany Loan - NBML	NIL	NIL
700.00	Office Furniture & Equipment	NIL	800.00
	Settlement	NIL	97,500.00
	Utilities Refund	NIL	3.01
24,957.00	VAT Refund	NIL	69,792.16
Uncertain	WIP - Doosan Contract	NIL	NIL
		NIL	177,641.03
	COST OF REALISATIONS		
	Administrators Fees	49,780.68	81,780.68
	Administrators Pre-Appointment Fe	NIL	3,037.50
	Agents/Valuers Fees	NIL	400.00
	Corporation Tax	NIL	110.96
	Counsels Fees	NIL	3,250.00
	Creditors - Reimburse Admin Costs	NIL	7,000.00
	Insurance of Assets	NIL	168.00
	Legal Disbursements	137.00	137.00
	Pension Advisors	NIL	1,300.00
	Post Appointment Legal Fees	45,061.00	55,002.00
	Pre-appointment Legal Fees	NIL	9,743.45
	Professional Fees	NIL	2,100.00
	Re-Direction of Mail	NIL	204.00
	Specific Bond	150.00	312.00
	Statutory Advertising	NIL	75.00
	Storage Costs	11.49	176.18
	Travel	30.93	123.46
		(95,171.10)	(164,920.23)
	PREFERENTIAL CREDITORS		
(9,331.00)	Employee - Holiday Pay	NIL	NIL
(9,600.00)	Employee - Wage Arrears	12,720.80	12,720.80
		(12,720.80)	(12,720.80)
	FLOATING CHARGE CREDITORS		
(131,909.00)	Lloyds Bank plc	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(22,886.00)	Employees - Bal of Wage Arrears	NIL	NIL
(89,524.00)	Employees - Redundancy and Noti	NIL	NIL
(7,454.00)	HMRC - Corporation Tax	NIL	NIL
(10,816.00)	HMRC - PAYE/NIC	NIL	NIL
(1,197,004.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,421,442.00)		(107,891.90)	NIL
	REPRESENTED BY		
			NIL

Note:

The amounts stated are net of VAT.

The funds are held in an interest bearing account.

On 9 July 2020, a first and final dividend distribution of £12,721, being 100p in the £, was declared and paid to preferential creditors.

A handwritten signature in black ink, appearing to read 'Dean Nelson', written over a horizontal line.

Dean Anthony Nelson
Joint Administrator

**In the High Court of Justice, Chancery Division Birmingham District Registry Reference No.
2018-8028**

**Nightingale Engineering Limited
(In Administration)**

The Joint Administrators' Final Progress Report to 30 July 2020

Dean Anthony Nelson

**Smith Cooper
St Helen's House, King Street, Derby, DE1 3EE
01332 332021
dean.nelson@smithcooper.co.uk**

Nicholas Charles Osborn Lee

**Smith Cooper
158 Edmund Street, Birmingham B3 2HB
0115 945 4300
nick.lee@smithcooper.co.uk**

This report has been prepared for the sole purpose of updating the creditors for information purposes. 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 updating them for information purposes, or by any other person for any purpose whatsoever.

Dean Anthony Nelson and Nicholas Charles Osborn Lee were appointed Joint Administrators of Nightingale Engineering Limited on 7 February 2018. 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.

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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used:

"the Act"	Insolvency Act 1986 (as amended)
"the Rules"	Insolvency (England and Wales) Rules 2016
"the Joint Administrators"	Dean Anthony Nelson and Nicholas Charles Osborn Lee
"the Company"	Nightingale Engineering Limited (In Administration)
"the Court"	High Court of Justice, Chancery Division, Companies Court
"RPS"	The Redundancy Payments Service
"EOS"	Estimated Outcome Statement
"PP"	The Prescribed Part of the Company's net property subject to Section 176A of the Insolvency Act 1986 (as amended).
"QFCH"	Qualifying Floating Charge Holder
"SIP"	Statement of Insolvency Practice (England & Wales)
"the Directors"	Mark Andrew Hardwick and Sean Grayson
"NBML"	Nightingale Business Management Limited, the Company's shareholder
"VDE"	VDE Asset Management Limited
"Nelsons"	Nelsons Solicitors Limited
"Clumber"	Clumber Consultancy Limited
"WIP"	Work in Progress
"QS" or "LK"	Leslie Keats, Quantity Surveyors
"Graywoods"	The Springs Partnership Limited, trading as Graywoods
"Galemain"	Galemain (Engineering Services) Limited
"Review Period"	Period from 25 June 2020 to 30 July 2020
"Whole Period"	Period from 7 February 2018 to 30 July 2020
"Proposals"	Administrators Proposals dated 23 March 2018
"R&P"	Receipts and Payments Account
"the Settlement"	The agreement between the Company, its Administrators, the Directors and NBML, to settle potential rights of action.

1. EXECUTIVE SUMMARY

This report describes the progress since the last progress report dated 24 June 2020 as well as summarising the progress of the Administration as a whole.

A summary of key information in this report is detailed below.

1.1 Asset realisations

Asset	Estimated to realise per SoA (£)	Realisations to date (£)	Section
Office Furniture & Equipment	700	800	2.3.1
Intercompany Loan – NBML	15,936	-	2.3.2
Insurance Bond Refund	Uncertain	-	2.3.3
VAT Refund	24,957	69,792	2.3.4
Cash held in a Client Account	4,491	4,491	2.3.5
Bank Interest	-	613	2.3.6
Utilities Refund	-	3	2.3.7
Bank Refund	-	4,442	2.3.8
Settlement Agreement	-	97,500	2.3.9
Total	46,084	177,641	

1.2 Expenses / Fees

Expense / Fee	Estimated per Proposals (£)	Total expense incurred (£)	Total expense paid (£)	Section
Joint Administrators' Pre-appointment Fees	3,038	3,038	3,038	6.1
Joint Administrators' Post Appointment Fees	49,289	104,995	81,781	6.2
Solicitors' Pre-appointment Fees and Disbursements	11,685	9,743	9,743	6.1
Solicitors' Post-appointment Fees and Disbursements	8,000	67,441	55,002	6.7.1
Legal Disbursements	-	2,237	2,237	
Counsel's Fees and Disbursements	-	3,250	3,250	6.7.2
Creditors – Reimburse for Pre-Appointment Costs	7,000	7,000	7,000	6.1
Agents' Post-appointment Fees and Disbursements	400	400	400	6.7.3
QS' Post-appointment Fees and Disbursements	2,000	945	-	6.7.4
Pension Advisors	-	1,300	1,300	6.7.5
Statutory Advertising	75	75	75	
Insurance	150	168	168	
Specific Bond	108	312	312	
Mail Re-Direction	204	204	204	
Storage	300	176	176	
Travel Expenses	48	124	123	
Corporation Tax	-	111	111	
Total	82,297	201,519	164,920	

1.3 Dividends

	Dividend / Distribution paid to date
Creditor class	(p in £)
Secured creditor	nil
Preferential creditors	100
Unsecured creditors	nil

An extension to the period of Administration of 12 months was granted by the Court on 1 February 2020 and the Administration is now scheduled to end on 7 February 2021.

1.4 Outcome of the Administration

It had been envisaged that the third Administration objective would be achieved, namely that property would be realised in order to make a distribution to one or more secured or preferential creditors. This report explains how this Administration objective was achieved.

The Joint Administrators are now in the process of filing Notice of the Move to Dissolution, which will bring their office and the Administration to an end.

2. THE PROGRESS OF THE ADMINISTRATION

2.1 The Joint Administrators' final R&P

Attached at Appendix III is an R&P covering the Review Period, together with a summary of the transactions in the Whole Period.

In this section, we have summarised the main asset realisations during the Review Period and in the Administration as a whole, together with details of the associated costs incurred. For a detailed list of work undertaken by the Joint Administrators as a whole, see Appendix VI.

2.2 Administration (including statutory reporting)

The Joint Administrators have met a considerable number of statutory and regulatory obligations. Whilst many of these tasks have not had a direct benefit in enhancing realisations for the insolvent estate, they have assisted in the efficient and compliant progressing of the Administration, which has ensured that the Joint Administrators and their staff have carried out their work to high professional standards.

During the Review Period, primarily these tasks have included:

- Considering which exit route from Administration is appropriate and drafting this final report;
 - Consulting with staff and independent advisers as regards practical, technical and legal aspects of the case to ensure efficient progress;
 - Maintaining case files, which must include records to show and explain the Administration and any decisions made by the Joint Administrators that materially affect the Administration;
 - Monitoring and maintaining an adequate statutory bond;
 - Conducting periodic case reviews to ensure that the Administration is progressing efficiently, effectively and in line with the statutory requirements;
-

- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments; and
- Completing final tax returns, and seeking clearance.

2.3 Realisation of assets

2.3.1 Office Furniture & Equipment

The Company's office furniture and equipment which was held at their trading premises, was anticipated to realise £0.7k on a forced sale basis. The Administrators instructed VDE, agents and valuers of Barnsley, who promptly attended site, collected the assets and sold them via private treaty for £0.8k plus VAT.

2.3.2 Intercompany Loan – NBML

According to the Company's records, NBML are indebted to the Company for c.£22.1k in respect of an intercompany loan account operated between the two companies.

After corresponding with NBML, they stated that this needed to be reduced, due to some adjustments in respect of final recharges to the Company such as rent, and they considered the debt to be c.£15.9k. However, they also advised that they wished to apply set-off due to several cross guarantees which they provided in respect of some of the Company's liabilities, notably the bank and a performance bond.

The intercompany loan and counter claims ultimately comprised a component of the Settlement, and has now been resolved.

2.3.3 Insurance Bond Refund

In accordance with the terms of a contract between the Company and one of its customers, Doosan, the Company was obliged to entered into a performance bond to protect Doosan in the event the Company was unable to complete the contract, which was cross guaranteed by NBML.

The Company was in the process of implementing the performance bond in respect of the Doosan Contract WIP (see section 2.3.10). Prior to the bond being finalised, the Company realised that they were not going to be able to proceed with the contract, and as such, the Company wrote to the insurer to cancel the bond and claim a refund, of £11k, in respect of the premium paid.

It was unclear whether the bond was implemented or not at the time at which the Directors cancelled it, and after some correspondence, the insurers advised that the bond had been implemented and as such no refund was payable. The insurers subsequently paid c.£267.5k to Doosan under the bond.

2.3.4 VAT Refund

Having reviewed the Company's books and records and creditor claims, the Administrators identified a VAT refund of c.£69k due to the Company and duly collected the information and submitted a VAT return. HMRC requested a substantial amount of information to justify the refund, which was provided, and as a result, the claim was accepted. The refund was recovered in full.

Furthermore, Smith Cooper's VAT team were instructed to advise on a further potential VAT recovery of c.£72k which may have been recoverable in relation to one of the Company's suppliers un-invoiced WIP. Having gathered all available information, Smith Cooper's VAT team sent a letter to HMRC in respect of further potential VAT recoveries of c.£72k.

A belated response was received from HMRC and, whilst fairly generic, it suggested that the reclaim may be pursued.

However, when we approached the supplier to ascertain whether they would assist in this reclaim for the benefit of all creditors, they withdrew their claim from the Administration estate in respect of the un-invoiced WIP. Having discussed this further with our VAT team, they advised that this reclaim could no longer be pursued as a result of the supplier's actions.

It is likely, however, that even if the claim was successful, HMRC may have applied Crown set-off in respect of the RPS claim for payments made to the employees in respect of their wage arrears, holiday pay, redundancy pay and notice pay.

2.3.5 Cash Held in a Client Account

Prior to the Company being placed into Administration, the Company had instructed Graywoods to place the Company into Creditors' Voluntary Liquidation and NBML had paid funds upfront for Graywoods to undertake this process. The balance held on Graywoods' client account amounted to c.£4.5k, after they had deducted their fees and disbursements totaling c.£7.5k including VAT, and was subsequently transferred to the Joint Administrators following appointment.

2.3.6 Bank Interest

No bank interest has been received during the Review Period.

To date, bank interest of c.£613 has been received.

2.3.7 Utilities Refund

To date, a refund of £3 from Yorkshire Water has been received.

2.3.8 Bank Refund

To date, a refund of c.£4.5k has been received from Lloyds Bank in respect of bank charges.

2.3.9 Settlement Agreement

Various claims were identified as part of our investigations. These claims have now been settled with £97.5k having been received into the estate during the Review Period.

Due to the settlement terms, the Joint Administrators are not able to disclose further information to creditors.

2.3.10 WIP – Doosan Contract

The Administrators instructed LK, quantity surveyors, to review the contract with Doosan. LK advised that they believed c.£424k to be outstanding from Doosan in relation to work carried out by the Company prior to the Administration. However, as the Company had not completed all the works due under the contract, potential counter claims were raised by Doosan due to them having to instruct another firm to complete the work.

As such, the Administrators instructed Nelsons solicitors to pursue the outstanding debt and to correspond with Doosan. Doosan subsequently responded confirming that they had a counter claim of c.£524k and as such, this would result in them being a net creditor in the estate rather than a debtor.

Doosan later issued a counter claim of c.£524k against the Company for incomplete works, and c.£490k in liquidated damages due to, what they perceived to be, the termination of the contract, as the Company was unable to complete the work under the contract due to its financial position.

In accordance with the terms of the contract, the Company had entered into a performance bond to protect Doosan in the event the Company could not complete the contract, which was cross guaranteed by NBML. Whilst there was some uncertainty surrounding whether this bond had been fully implemented, the insurers have paid c.£267.5k to Doosan. As a result of this payment, the counter claim of Doosan will be reduced.

The Joint Administrators and Nelsons considered that there was insufficient information to enable this claim to be pursued. Further the costs of pursuing this action could be considerable and may outweigh any benefit which could be derived from the claim.

Notwithstanding the above, the Joint Administrators sent the claim and all supporting documentation to litigation funders, Manolete Partners Plc to ascertain whether they would be interested in either funding or purchasing the claim. Unfortunately, after discussing with their investment committee they did not consider there were sufficient merits in assisting the Administrators pursue the claim.

As such, the Joint Administrators will not be pursuing this claim any further.

2.3.11 Terminal Loss Relief Claim

The Joint Administrators have submitted a terminal loss relief claim of c.£15k to HMRC, which has been duly accepted. HMRC have subsequently applied set-off against a PAYE/NIC liability, which has reduced their unsecured claim accordingly.

2.3.12 PAYE Refund

HMRC advised the Joint Administrators that a PAYE refund of c.£4.7k was due to the Company and that instead of paying this to the Company, they have applied crown set-off against preferential and unsecured claims made by the RPS for payment of employee's wage arrears, accrued holiday pay, redundancy pay and holiday pay.

2.4 Costs incurred but remaining unpaid

Aside from the Joint Administrators' time costs, no costs have been incurred during the Review Period which remain unpaid.

The following table summarises the costs incurred during the Whole Period, but which as yet remain unpaid:

Cost Description	Amount (£) (net of VAT)
Legal Fees and Disbursements	12,439
QS's Fees and Disbursements	945
TOTAL	13,384

Realisations have been insufficient to discharge these costs.

During the Review Period, the Joint Administrators have also incurred time costs and direct expenses, not all of which have yet been discharged. Further details of these costs are set out in section 6 below.

3. CREDITORS: CLAIMS AND DISTRIBUTIONS

3.1 Secured creditors

The Company granted a fixed and floating charge to Lloyds TSB Bank plc ("LTSB") on 14 December 2010. LTSB was owed c.£132k on appointment.

NBML also provided a cross guarantee in respect of this debt, and have subsequently discharged LTSB in full. As disclosed in section 2.3.2, NBML have waived their entitlement to claim in the Administration as a potential subrogated creditor, as part of the Settlement.

3.2 Preferential creditors

The Joint Administrators and their staff have incurred time costs in assisting employees to obtain payment from the RPS.

Preferential claims relating to unpaid holiday pay, wage arrears and pension contributions were estimated at c.£18.9k in the Director's Estimated Statement of Affairs.

The RPS have submitted a preferential claim for c.£12.3k which has been reduced to c.£11.6k as a result of the Crown set-off.

During the Review Period, a dividend distribution of 100p in the £ was paid to preferential creditors on 9 July 2020.

3.3 Prescribed Part

Under Section 176A of the Insolvency Act 1986, where after 15 September 2003 a company has granted to a creditor a floating charge, a proportion of the net property of the company must be made available purely for the unsecured creditors. This equates to:

- 50% of net property up to £10,000;
 - Plus, 20% of net property in excess of £10,000.
 - Subject to a maximum of £600,000.
-

There were insufficient realisations to discharge in full all costs and preferential claims. Therefore, there was no net property from which to deduct a Prescribed Part.

3.4 Unsecured creditors

Unsecured claims were estimated at c.£1.3m in the Director's Estimated Statement of Affairs. To date c.£1.6m of unsecured claims have been received in the Administration.

There were insufficient asset realisations to pay a dividend distribution to unsecured creditors.

4. INVESTIGATIONS

4.1 Investigations

As part of the Joint Administrators' statutory duties, an investigation into the conduct of the Company Directors was completed.

In this regard, a confidential report was submitted to The Insolvency Service on 4 May 2018.

4.2 Initial Assessment of Potential Recoveries

As part of our duties as Joint Administrators, we reviewed shortly after appointment all the information available to us and conducted an initial assessment of whether there were any matters which may have led to any recoveries for the benefit of creditors.

This initial assessment revealed matters that the Joint Administrators considered merited further investigation, and as such, instructed Nelsons, a firm with the requisite insolvency knowledge and expertise, to assess these claims and advise thereon.

The Joint Administrators cannot provide detailed information in relation to the potential claims, due to restrictions imposed by the Settlement Agreement noted in section 2.3.9.

However, as a result of the Joint Administrators and Nelsons' efforts in progressing the investigative matters, the sum of £97.5k has been recovered, concluding this matter.

4.3 EC Regulations

Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in that regulation.

5. ETHICS

Please also be advised that the Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

5.1 General ethical considerations

During the Review Period, no new threats to compliance with the Code of Ethics have been identified.

5.2 Specialist Advice and Services

When instructing third parties to provide specialist advice and services or having the specialist services provided by the firm, the Joint Administrators are obligated to ensure that such advice or work is warranted and that the advice or work contracted reflects the best value and service for the work undertaken. The firm regularly reviews the specialists available to provide services within each specialist area and the cost of those services to ensure best value. The specialists chosen usually have knowledge specific to the insolvency industry and, where relevant, to matters specific to this insolvency appointment. Details of the specialists specifically chosen in this matter are detailed below.

6. THE JOINT ADMINISTRATORS' FEES AND EXPENSES

6.1. Pre-Administration Costs

Included within the Joint Administrators' Proposals was a Statement of Pre-Administration Costs. A slight amendment has been made to these costs as some legal disbursements had not been accounted for in the Proposals.

These costs were approved as an expense of the Administration by the Court and are detailed below:

Party instructed	Amount approved (£) (net of VAT)	Date approved
Smith Cooper	3,037	7 February 2018
Nelsons	9,743	7 February 2018
TOTAL APPROVED	£12,780	

Since appointment, these costs have been paid in full.

In addition to the above, and prior to the appointment of the Administrators, five creditors paid a total of £7k to Nelsons towards the costs in applying to Court for the Administration. These costs have been reimbursed to the creditors as a first charge on realisations in the Administration estate.

6.2 The Joint Administrators' Fees

The basis of the Joint Administrators' fees was fixed on 27 April 2018 by the secured creditor and preferential creditors as follows. However, a revised fees estimate was approved by preferential creditors on 15 July 2020, in accordance with the following decision:

That the basis of the Joint Administrators' fees be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, in accordance with the adjusted fees estimate, such time to be charged at the prevailing standard hourly charge out rates used by the firm at the time when the work is performed.

A breakdown of the time costs incurred during the Review Period and for the Administration as a whole is provided at Appendix IV and further information regarding the charge-out rates of the Joint Administrators and their staff is provided at Appendix V.

"A Creditors' Guide to Administrators' Remuneration" is available for download at <https://bit.ly/39ojlFy>

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

6.3 Comparison of estimates

The Joint Administrators' time costs incurred to date (whether or not they have been charged to the Administration estate) are compared with the revised fees estimate as follows:

	Revised fees estimate			Actual time costs incurred during the Review Period			Actual time costs incurred to date		
Work category	Number of hours	Average hourly rate £ per hour	Total fees £	Number of hours	Average hourly rate £ per hour	Total time costs £	Number of hours	Average hourly rate £ per hour	Total time costs £
Administration (including statutory reporting)	297	193	57,193	16	171	2,679	314	191	59,910
Realisation of assets	40	204	7,943	1	190	104	40	201	7,932
Creditors (claims and distribution)	39	190	7,427	3	253	733	41	181	7,502
Investigations	129	229	29,510	0	355	106	130	228	29,652
Trading	504	203	102,073	19	187	3,622	525	200	104,995

The expenses incurred to date are compared with the revised expenses estimate as follows:

Expenses	Revised expenses estimate	Actual expenses incurred in the Review Period	Actual expenses incurred to date	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
£	£	£		
Category 1 Expenses				
Joint Administrators' Pre-appointment Fees	3,038	-	3,038	
Solicitors' Pre-appointment Fees and Disbursements	9,743	-	9,743	
Solicitors' Post-appointment Fees and Disbursements	70,000	-	67,441	
Counsel's Fees and Disbursements	4,750	-	4,750	
Legal Disbursements	2,100	137	2,237	An amount was recharged and repaid after the revised expenses estimate was circulated, and consequently the full amount of this cost had been omitted.
Creditors – Reimburse for Pre-Appointment Costs	7,000	-	7,000	
Agents' Post-appointment Fees and Disbursements	400	-	400	
QS' Post-appointment Fees and Disbursements	945	-	945	
Pension Advisors	1,300	-	1,300	
Statutory Advertising	75	-	75	
Insurance	168	-	168	
Specific Bond	162	150	312	An amount was recharged and repaid after the revised expenses estimate was circulated, and consequently the full amount of this cost had been omitted.
Mail Re-Direction	204	-	204	
Storage	165	11	176	An amount was recharged and repaid after the revised expenses estimate was circulated, and consequently

				the full amount of this cost had been omitted.
Corporation Tax	111	-	111	
Category 2 Expenses				
Travel Expenses	93	31	124	An amount was recharged and repaid after the revised expenses estimate was circulated, and consequently the full amount of this cost had been omitted.
TOTAL	100,254	329	98,024	

The bases on which the expenses defined as Category 2 disbursements are calculated are explained in Appendix V.

As can be seen above:

- the revised fees estimate has been exceeded for the reasons given below; and
- the original expenses estimate has been exceeded.

The main reason why the fees estimate has been exceeded is due to the Joint Administrators underestimating the time required to attend to the closure formalities. However, given the limited realisations in this case, the Joint Administrators have not sought to draw fees in excess of the revised fees estimate.

6.4 Payment of the Joint Administrators' unpaid fees and costs

Asset realisations have been insufficient to discharge the Joint Administrators' fees and costs in full.

6.5 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 permission of the Court, may request in writing the Joint Administrators to provide additional information regarding fees or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report.

6.6 Creditors' right to challenge fees and/or expenses

Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors or with permission of the Court, may apply to the Court for one or more orders, reducing the amount or the basis of fees which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the fees and/or expenses being complained of.

Please note that such challenges may not disturb fees or expenses (whether or not discharged from the estate) disclosed in prior progress reports.

6.7 Other Professional Costs

6.7.1 Solicitors Legal fees

Nelsons were instructed as legal advisors in relation to reviewing and assisting the Joint Administrators with the investigation into the inter-company loan (see section 2.3.2), investigative matters (section 4.2), Settlement Agreement (section 2.3.9), WIP dispute (section 2.3.10) and bond claim (section 2.3.3).

Their costs have been agreed on the basis of their standard hourly charge out rates, plus disbursements and VAT. No solicitors' fees have been incurred during the Review Period.

The solicitors' total costs from the date of appointment amount to £67,441, against which the sum of £55,002 plus VAT has been paid, leaving a balance of £12,439 which has been written off accordingly.

6.7.2 Counsel's Fees

Counsel was instructed to provide advice and assistance in relation to extending the Administration, and the various investigative matters.

Their costs have been agreed on the basis of their standard hourly charge out rates, plus disbursements and VAT. No Counsel fees have been incurred during the Review Period.

Counsel's total costs from the date of appointment amount to £3,250 plus VAT, which have been discharged in full.

6.7.3 Agent's Fees

As mentioned in section 2.3.1, VDE were instructed as agents and valuers in relation to the disposal of the Company's chattel assets. Their costs have been agreed on the basis of a fixed fee of £400 plus disbursements and VAT.

No agents' fees have been incurred during the Review Period.

The agents' fees from the date of appointment amount to £400 plus VAT, which have been discharged in full.

6.7.4 QS' Fees

LK were instructed to provide assistance in relation to the appraisal of the Doosan contract. In attending to this matter, LK incurred time costs of £945, which has been written-off in full.

6.7.5 Pensions Advisors

Clumber were instructed to assist the Joint Administrator in winding up the Company's occupational pension scheme and adhering to the relevant guidelines and legislation. Their costs have been agreed on the basis of a fixed fee of £1,300 plus disbursements and VAT.

No costs have been incurred during the Review Period.

For creditors' information, the Joint Administrators have concluded their obligations to deal with the Company's occupational pension scheme.

7 THE OUTCOME OF THE ADMINISTRATION

7.1 Comparison of the outcome with the Joint Administrators' Proposals

Attached at Appendix II is a summary of the Joint Administrators' Proposals as approved.

It had been envisaged that the third Administration objective would be achieved, namely that property would be realised in order to make a distribution to one or more secured or preferential creditors. As described above, it can be seen that this Administration objective was achieved.

The Joint Administrators are now in the process of filing Notice of the Move to Dissolution, which will bring their office, liability and the Administration to an end.

If you require any further information please contact Emily Oliver on 01332 374 411.

A handwritten signature in black ink, appearing to read 'D A Nelson', is written over a horizontal line.

D A Nelson
Joint Administrator

STATUTORY INFORMATION

Company Name	Nightingale Engineering Limited
Previous Names	N/A
Proceedings	In Administration
Court	High Court of Justice, Chancery Division Birmingham District Registry
Court Reference	8028 of 2018
Date of Appointment	7 February 2018
Joint Administrators	Dean Anthony Nelson of Smith Cooper, St Helen's House, King Street, Derby, DE1 3EE Nicholas Charles Osborn Lee of Smith Cooper, 158 Edmund Street, Birmingham, B3 2HB
Registered office Address	c/o Smith Cooper, St Helen's House, King Street, Derby, DE1 3EE
Company Number	07155469
Appointment by	Creditors

APPENDIX II

THE JOINT ADMINISTRATORS' PROPOSALS, AS APPROVED

**Schedule of Agreed Proposals of
Nightingale Engineering Limited (in Administration) ("the Company")
in accordance with the Insolvency Act 1986 ("the Act") and the Insolvency (England &
Wales) Rules 2016 ("the Rules")**

The following summary Statement of Proposals was deemed approved by creditors on 11 April 2018:

In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:

- the Joint Administrators continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration, in particular that:
 - (i) they sell the Company's assets at such times and on such terms as they consider appropriate;
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - (iii) they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
- the Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.
- the Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time;
 - (i) In the event that there is no remaining property that might permit a distribution to the Company's creditors, they shall file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
 - (ii) however, in the unlikely event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the court's permission, and are otherwise unable, to pay the distribution whilst the Company is in Administration), they shall send to the registrar of companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Dean Anthony Nelson and Nicholas Charles Osborn Lee will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed liquidator or liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before it is approved. Information about the process of approval of the Statement of Proposals is set out at Section 8; or
 - (iii) alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into

Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Dean Anthony Nelson and Nicholas Charles Osborn Lee may ask the court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidator.

THE JOINT ADMINISTRATORS' R&P

Nightingale Engineering Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

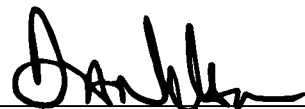
Statement of Affairs £		From 25/06/2020 To 30/07/2020 £	From 07/02/2018 To 30/07/2020 £
	ASSET REALISATIONS		
	Bank Interest Gross	NIL	612.87
	Bank Refund	NIL	4,441.61
4,491.00	Cash held in a Client Account	NIL	4,491.38
11,000.00	Insurance Bond Refund	NIL	NIL
15,936.00	Intercompany Loan - NBML	NIL	NIL
700.00	Office Furniture & Equipment	NIL	800.00
	Settlement	NIL	97,500.00
	Utilities Refund	NIL	3.01
24,957.00	VAT Refund	NIL	69,792.16
Uncertain	WIP - Doosan Contract	NIL	NIL
		NIL	177,641.03
	COST OF REALISATIONS		
	Administrators Fees	49,780.68	81,780.68
	Administrators Pre-Appointment Fe	NIL	3,037.50
	Agents/Valuers Fees	NIL	400.00
	Corporation Tax	NIL	110.96
	Counsels Fees	NIL	3,250.00
	Creditors - Reimburse Admin Costs	NIL	7,000.00
	Insurance of Assets	NIL	168.00
	Legal Disbursements	137.00	137.00
	Pension Advisors	NIL	1,300.00
	Post Appointment Legal Fees	45,061.00	55,002.00
	Pre-appointment Legal Fees	NIL	9,743.45
	Professional Fees	NIL	2,100.00
	Re-Direction of Mail	NIL	204.00
	Specific Bond	150.00	312.00
	Statutory Advertising	NIL	75.00
	Storage Costs	11.49	176.18
	Travel	30.93	123.46
		(95,171.10)	(164,920.23)
	PREFERENTIAL CREDITORS		
(9,331.00)	Employee - Holiday Pay	NIL	NIL
(9,600.00)	Employee - Wage Arrears	12,720.80	12,720.80
		(12,720.80)	(12,720.80)
	FLOATING CHARGE CREDITORS		
(131,909.00)	Lloyds Bank plc	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(22,886.00)	Employees - Bal of Wage Arrears	NIL	NIL
(89,524.00)	Employees - Redundancy and Noti	NIL	NIL
(7,454.00)	HMRC - Corporation Tax	NIL	NIL
(10,816.00)	HMRC - PAYE/NIC	NIL	NIL
(1,197,004.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(1,421,442.00)		(107,891.90)	NIL
	REPRESENTED BY		
			NIL

Note:

The amounts stated are net of VAT.

The funds are held in an interest bearing account.

On 9 July 2020, a first and final dividend distribution of £12,721, being 100p in the £, was declared and paid to preferential creditors.

A handwritten signature in black ink, appearing to read 'Dean Nelson', is positioned above a horizontal line.

Dean Anthony Nelson
Joint Administrator

APPENDIX IV

THE JOINT ADMINISTRATORS' TIME COSTS

Nightingale Engineering Limited

XXNI02

Administration

Time costs summary for the Review Period

SIP9 SubCategory / Staff Grade	Partner	Director	Manager	Senior Ad'or	Ad'or	Junior Ad'or	Cashier	Other	Total Hours	Charge	AvgRate
Administration and planning (Includes: Cashiering, Statutory Reporting, Special Projects and Case Specific Matters)	0.30	-	10.05	3.20	1.00	-	0.90	0.20	15.65	2,678.50	171.15
Creditors (Includes Employees)	1.50	-	0.30	1.10	-	-	-	-	2.90	732.50	252.59
Investigations	0.30	-	-	-	-	-	-	-	0.30	106.50	355.00
Realisation of assets	-	-	0.55	-	-	-	-	-	0.55	104.50	190.00
Trading	-	-	-	-	-	-	-	-	-	-	-
Total	2.10	-	10.90	4.30	1.00	-	0.90	0.20	19.40	3,622.00	186.70
Total Charge	745.50	-	2,071.00	559.00	147.50	-	81.00	18.00	3,622.00		

Nightingale Engineering Limited

XXNI02

Administration

Time costs summary for the Review Period

SIP? SubCategory / Staff Grade	Partner	Director	Manager	Senior Ad'or	Ad'or	Junior Ad'or	Cashier	Other	Total Hours	Charge	AvgRate
Administration and planning (Includes: Cashiering, Statutory Reporting, Special Projects and Case Specific Matters)	52.00	36.90	108.35	21.10	26.70	46.70	15.70	4.30	313.75	59,909.75	190.95
Creditors (Includes Employees)	5.20	0.20	17.65	12.80	2.30	0.70	2.50	-	41.35	7,502.00	181.43
Investigations	29.60	3.50	95.27	0.60	1.20	-	-	-	130.17	29,651.67	227.80
Realisation of assets	2.60	-	36.75	0.20	-	-	-	-	39.55	7,931.50	200.54
Trading	-	-	-	-	-	-	-	-	-	-	-
Total	89.40	40.60	258.02	34.70	30.20	49.40	18.20	4.30	524.82	104,994.92	200.06
Total Charge	31,473.00	10,353.00	48,945.17	4,637.00	3,242.00	4,319.75	1,638.00	387.00	104,994.92		

CHARGE-OUT RATES AND BASES OF DISBURSEMENTS

INFORMATION FOR CREDITORS IN RELATION TO FEES AND DISBURSEMENTS

W	smithcooper.co.uk
F	01332 650290

VAT	123354934
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INFORMATION RELEVANT AT 1 APRIL 2017

General information to creditors regarding insolvency matters

Creditors wishing to understand or find out more information in relation to this or any other type of insolvency process may visit the website:

<http://www.creditorinsolvencyguide.co.uk/>

This website is a step-by-step guide designed to help creditors navigate their way through an insolvency process and has been produced by R3, the UK insolvency trade body.

A creditors' guide to the fees payable in an insolvency process and the process an insolvency practitioner is required to adopt for seeking approval of his or her fees may be acquired from the following website:

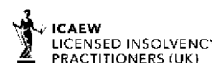
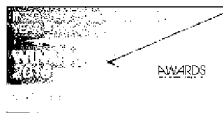
<https://www.r3.org.uk/what-we-do/publications/professional/fees>

If any party is unable to obtain a copy of either of the above guides, please contact the individual referred to below who will furnish you with a copy, free of charge:

- Contact – Emily Oliver
- Telephone – 01332 332021
- Email – creditor.correspondence@smithcooper.co.uk
- Post – St Helen's House, King Street, Derby, DE1 3EE

Sent from: Smith Cooper, St Helen's House, King Street, Derby DE1 3EE

Smith Cooper is the trading name of SC Advisory Services Limited, a company Registered in England
Registered number: 7678255
Registered Office: St Helen's House, King Street, Derby DE1 3EE
A list of directors is available for inspection at the above address.



Dean Anthony Nelson, Nicholas Charles Osborn Lee, Andrew Paul Stevens and Michael Paul Roome are licensed in the United Kingdom to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales. They are all bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment, which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>. When acting as Receiver, Administrative Receiver or Administrator they act as agent only, without personal liability and when acting as Administrator, the affairs, business and property of the company are being managed by them.

Regulated by the Institute of Chartered Accountants in England & Wales for a range of investment business activities.

When taking appointments, the firm's licensed Insolvency Practitioners are Data Controllers of personal data as defined by the Data Protection Act 1998 and the General Data Protection Regulations 2018. Smith Cooper will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the appointments which they take. For further details see the firm's privacy policy which can be accessed on our website using the following link www.smithcooper.co.uk/bri-privacy-notice/.

Information specific to Smith Cooper

Grade	Charge out rate (£ per hour)
Partner	355
Director	255
Senior Manager/Manager	190
Assistant Manager	190
Senior Insolvency Administrator	165
Administrator	130
Junior Administrator	90
Cashier	90
Other	60
Time costs are calculated using 6 minute units.	

The Office Holder does not recover the costs of support staff other than where their time is specifically incurred and can be identified in dealing with work undertaken on a specific engagement.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1, being expenses directly referable to a third party, eg statutory advertising, external meeting room hire, specific bond insurance and courier costs, external archive, storage and subsequent destruction and Company Search fees, or Category 2, being expenses incurred by the firm and recharged to the estate, which may include a profit element, eg postage, stationery and storage.

Category 1 disbursements are recoverable in full from the estate without the prior approval of creditors. Category 2 disbursements are recoverable in full from the estate, subject to the basis of the disbursement allocation being approved by creditors in advance.

Category 2 disbursements are proposed to be recovered, subject to obtaining the requisite approval, as follows:-

Postage	Charged at actual cost (first class)
Photocopying	Recharged at 17p per sheet
Storage	Charged at cost
Room Hire	£50 per meeting held Smith Cooper offices
Archiving case files & closure	Recharged at £42.70 per box
Archiving records & closure	Recharged at £9.55 per box
Mileage	45p per mile

DETAILS OF WORK UNDERTAKEN

GENERAL DESCRIPTION	INCLUDES
ADMINISTRATION AND PLANNING	
	Journals / Cheque Reqs / Deposit Vouchers / Daily Bank Postings Filing Bordereau
Statutory/advertising	Filing of documents to meet statutory requirements Prepare fee uplift report Preparation of Proposals and Progress Reports Advertising in accordance with statutory requirements
Document maintenance/file review/checklist	Filing of documents Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending job files to storage - including inventorising
Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
Creditor Decisions	Writing to secured creditor and preferential creditors in accordance with Paragraph 52(1)(b) of the Act, to seek approval to remuneration Preparation of decision notices, voting forms Collate and examine proofs and votes to decide on resolutions Preparation of certificate of postage
INVESTIGATIONS	

GENERAL DESCRIPTION	INCLUDES
SIP 2 Review	<ul style="list-style-type: none"> Collection, and making an inventory, of company books and records Review of specific transactions and liaising with directors regarding certain transactions Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reconstruction of financial affairs of the company Reviewing company's books and records Preparation of deficiency statement Liaising with the major creditors about further action to be taken Preparing various schedules to analyse transactions for pursuing further / discussing with solicitors Liaising with major supplier and his advisor regarding additional information to compare with company's accounts to ensure correct position reported Liaising with company's external accountant and FD with regards to specific transactions recorded in the accounts
Statutory reporting on conduct of directors	<ul style="list-style-type: none"> Preparing statutory investigation reports Liaising with Insolvency Service Submission of report with the Insolvency Service
Litigation / Recoveries	<ul style="list-style-type: none"> Strategy meeting regarding litigation Seeking funding from creditors Reviewing terms of solicitors' conditional fee agreements Preparing brief to solicitors/Counsel Liaising with solicitors regarding recovery actions Reviewing solicitors letters and preparing additional schedules as necessary to analyse transactions further Attending to negotiations Attending to settlement matters
REALISATION OF ASSETS	
Plant and machinery; office furniture and equipment	<ul style="list-style-type: none"> Liaising with valuers and auctioneers Reviewing asset listings Liaising with landlords

GENERAL DESCRIPTION	INCLUDES
Debtors	<p>Collecting supporting documentation</p> <p>Correspondence with the directors of NBML with regards to the intercompany account</p> <p>Instructing QS to review WIP and contracts to ascertain whether any value exists</p> <p>Communicating and meeting with directors with regards to the insurance bond refund</p> <p>Liaising with solicitors on behalf of insurers to discuss bond refund and actions taken</p> <p>Submitting VAT paperwork for refund and liaising with a VAT expert with regards to the refund</p> <p>Liaising with HMRC with regards to VAT refund and submitting additional paperwork, plus liaising with suppliers for additional paperwork where necessary</p> <p>Liaising with VAT expert and specific supplier to ascertain whether additional VAT refund was possible on uninvoiced WIP.</p> <p>Letter to HMRC to discuss whether additional VAT claim possible.</p>
Work in progress ("WIP")	<p>Instructing QS to review WIP and contracts to ascertain whether any value exists</p> <p>Liaising with the QS and the directors to ensure all relevant information is received</p> <p>Sending all information over to litigation funders to ascertain whether they have any interest in funding / purchasing the claim</p> <p>Virtual meeting with litigation funder to discuss case further</p>
Other assets: VAT refunds	<p>Exchanges with government departments to determine the value of their claim to understand the amount they can set-off against a potential VAT refund</p> <p>Understand whether a terminal loss relief claim would be applicable</p> <p>Liaising with CT department with regards to Terminal Loss relief claim and submission.</p>
CREDITORS	
Creditor Communication	<p>Receive and follow up creditor enquiries via telephone</p> <p>Review and prepare correspondence to creditors and their representatives via facsimile, email and post</p> <p>Assisting employees to pursue claims via the RPO</p> <p>Corresponding with the PPF and the Pensions Regulator</p> <p>Updating major creditors with regards to progress of case</p> <p>Liaising with solicitors with regards to rights of subrogation and discussing matters with our solicitors</p>
Dealing with proofs of debt	<p>Receipting and filing POD when not related to a dividend</p> <p>Corresponding with RPO regarding POD when not related to a dividend</p>
Processing proofs of debt	<p>Preparation of correspondence to potential creditors inviting submission of POD</p> <p>Receipt of POD</p>