

AM10

Notice of administrator's progress report



Companies House

FRIDAY



A06 *A7CIAUHM* 17/08/2018 #332
COMPANIES HOUSE

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 Administrator's name

Full forename(s) Dean Anthony
Surname Nelson

3 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

4 Administrator's name ^①

Full forename(s) Nicholas Charles Osborn
Surname Lee

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

5 Administrator's address ^②

Building name/number 158 Edmund Street
Street Birmingham
Post town B3 2HB
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 0	^d 7	^m 0	^m 2	^y 2	^y 0	^y 1	^y 8
To date	^d 0	^d 6	^m 0	^m 8	^y 2	^y 0	^y 1	^y 8

7 Progress report

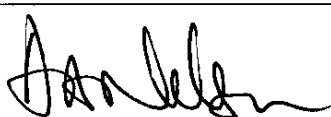
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 1	^d 6	^m 0	^m 8	^y 2	^y 0	^y 1	^y 8
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AM10

Notice of administrator's progress report



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

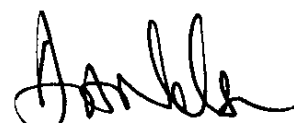
This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

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

Statement of Affairs £		From 07/02/2018 To 06/08/2018 £	From 07/02/2018 To 06/08/2018 £
	ASSET REALISATIONS		
700.00	Office Furniture & Equipment	800.00	800.00
15,936.00	Intercompany Loan - NBML	NIL	NIL
Uncertain	WIP - Doosan Contract	NIL	NIL
11,000.00	Insurance Bond Refund	NIL	NIL
24,957.00	VAT Refund	NIL	NIL
4,491.00	Cash held in a Client Account	4,491.38	4,491.38
	Bank Interest Gross	3.68	3.68
		<u>5,295.06</u>	<u>5,295.06</u>
	COST OF REALISATIONS		
	Creditors - Reimburse Admin Costs	NIL	NIL
	Specific Bond	108.00	108.00
	Pension Advisors	1,300.00	1,300.00
	Agents/Valuers Fees	400.00	400.00
	Travel	48.15	48.15
	Storage Costs	6.87	6.87
	Re-Direction of Mail	204.00	204.00
	Statutory Advertising	75.00	75.00
	Insurance of Assets	168.00	168.00
		<u>(2,310.02)</u>	<u>(2,310.02)</u>
	PREFERENTIAL CREDITORS		
(9,600.00)	Employee - Wage Arrears	NIL	NIL
(9,331.00)	Employee - Holiday Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	FLOATING CHARGE CREDITORS		
(131,909.00)	Lloyds Bank plc	<u>NIL</u>	<u>NIL</u>
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(1,197,004.00)	Trade & Expense Creditors	NIL	NIL
(22,886.00)	Employees - Bal of Wage Arrears	NIL	NIL
(89,524.00)	Employees - Redundancy and Notice	NIL	NIL
(10,816.00)	HMRC - PAYE/NIC	NIL	NIL
(7,454.00)	HMRC - Corporation Tax	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		<u>NIL</u>	<u>NIL</u>
(1,421,442.00)		<u>2,985.04</u>	<u>2,985.04</u>
	REPRESENTED BY		
	Vat Receivable		387.60
	Bank 1 Current (Interest Bearing)		2,757.44
	Vat Payable		(160.00)
			<u>2,985.04</u>

Note:

The amounts stated are net of VAT.



Dean Anthony Nelson
Joint Administrator
16 August 2018 09:54

**High Court of Justice, Chancery Division Birmingham District Registry
No. 8028 of 2018**

**Nightingale Engineering Limited
(In Administration)**

The Joint Administrators' Progress Report to 6 August 2018

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.

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
"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 7 February 2018 to 6 August 2018
"Proposals"	Administrators Proposals dated 23 March 2018
"WIP"	Work In Progress
"R&P"	Receipts and Payments Account

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- 6. Conclusion**

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 - II. The Joint Administrators' Receipts and Payments Account**
 - III. The Joint Administrators' Time Costs**
 - IV. Charge-out Rates and Bases of Disbursements**
 - V. Details of Work Undertaken**
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Nightingale Engineering Limited (In Administration)
The Joint Administrators' Progress Report to 6 August 2018

1. EXECUTIVE SUMMARY

This report describes the progress during the Review Period.

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

1.1. Asset realisations

Asset	Estimated to realise per SoA (£)	Realised to date (£)	Anticipated Future Realisations (£)	Total Anticipated Realisations (£)
Office Furniture & Equipment	700	800	-	800
Intercompany Loan – NBML	15,936	-	-	-
Insurance Bond Refund	Uncertain	-	-	-
VAT Refund	24,957	-	-	-
Cash held in a Client Account	4,491	4,491	-	4,491
Bank Interest	-	4	6	10
Total	46,084	5,295	6	5,301

1.2. Expenses / Fees

Expense / Fees	Estimated per Proposals (£)	Expense / Fees incurred to date (£)	Anticipated further expense / Fees to closure (£)	Total anticipated expense / Fees (£)	Report Section
Joint Administrators' Pre-appointment Fees	3,037	3,037	-	3,037	
Joint Administrators' Post Appointment Fees	49,289	61,507	8,000	69,507	6.1/6.2
Solicitors' Pre-appointment Fees and Disbursements*	11,685	11,685	-	11,685	
Solicitors' Post-appointment Fees and Disbursements	8,000	5,042	7,000	12,042	6.3
Agents' Post-appointment Fees and Disbursements	400	400	-	400	
QS' Post-appointment Fees and Disbursements	2,000	945	450	1,395	
Pension Advisors	-	1,300	-	1,300	
Other Administrative Disbursements	837	610	500	1,110	
Total	75,248	84,526	15,950	100,476	

*Creditors have paid £7k plus VAT towards these fees and will be reimbursed as a first charge on realisations after payment of the pre-Administration fees.

1.3. Dividend prospects

Creditor class	Dividend / Distribution paid to date (p in £)	Anticipated Further Dividend / Distribution (p in £)	Anticipated Total Dividend / Distribution (p in £)
Secured creditor	Nil	Nil	Nil
Preferential creditors	Nil	Nil	Nil
Unsecured creditors	Nil	Nil	Nil

1.4. Summary of key issues outstanding

The outstanding key issues are as follows:-

- Finalising the potential claims with regards to our detailed investigations;
- Progress Terminal Loss Relief claim and VAT claims;
- Conclude bond claim and outstanding WIP;

1.5. Closure

Based on current information, the prospect of any dividend being paid to preferential or unsecured creditors, and the closure of the case, will be dependent on the results of the claims following our investigations. Creditors will be updated further on progress in my next report, so as not to prejudice current/contemplated proceedings.

2. THE PROGRESS OF THE ADMINISTRATION

2.1 The Joint Administrators' R&P

Attached at Appendix II is a receipts and payments account for the Review Period.

The rest of this report describes the key developments in the Administration over the Review Period. For a detailed list of work undertaken by the Joint Administrators as a whole, see Appendix V.

In this section, we have summarised the main asset realisations during the Review Period and an estimation of the those assets yet to be realised, together with details of the associated costs incurred, but as yet, remaining unpaid.

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 progression 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 administrative tasks have included:

- Informing all relevant persons of the commencement of the Administration, including filing statutory documents at Companies House and meeting statutory advertising requirements;
- Issuing the Joint Administrators' Proposals, seeking relevant creditors' approvals and issuing notice of the outcome;
- Drafting and issuing the progress report to creditors;
- Consulting with and instructing 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 periodic tax returns.

2.3 Realisation of assets

2.3.1 Office Furniture and 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 to private treaties for £0.8k plus VAT.

2.3.2 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 totalling c.£7.5k including VAT, and was subsequently transferred to the Joint Administrators following appointment.

2.4 Estimated future realisations

2.4.1 Intercompany Loan Account - 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.

NBML have stated that this needs to be reduced, due to some adjustments in respect of recharges to the Company such as rent, and they consider the debt to be c.£15.9k. However, they have also advised that they wish 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.

This matter has been passed to our solicitors, Nelsons, to progress further, along with our detailed investigations into the make-up of the intercompany loan account.

2.4.2 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 have been raised by Doosan due to them having to instruct another firm to complete the work, which would potentially cause additional delays and associated costs.

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. Nelsons have requested, and are still awaiting, further information in relation to the counter claim, and as such, creditors will be updated on this position in the next report.

2.4.3 Insurance Bond Refund

As stated in the Proposals, the Company was in the process of implementing a performance bond in respect of the Doosan Contract WIP. 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.

There are various issues relating to whether the bond was implemented or not at the time at which the Directors cancelled it. If it had been implemented then the Directors would not have been able to cancel it and as such we would not be able to obtain a refund. Furthermore, Doosan would be able to claim under the bond for the issues surrounding the non-completion of the contract as discussed above.

The most recent update from the insurers indicate that the bond has been implemented and as such, it is unlikely that any realisations will be recovered in this regard. However, this will be confirmed to creditors in the next report.

2.4.4 Terminal Loss Relief Claim

The Joint Administrators have submitted a terminal loss relief claim of c.£15k to HMRC, with the assistance of Smith Cooper's tax team. However, it is likely that HMRC will claim set-off against other liabilities such as PAYE/NIC and / or employee claims subrogated by the Redundancy Payments Service in respect of arrears of wages, redundancy pay and notice pay. Creditors will be updated in my next report.

2.4.5 VAT reclaim

Having reviewed the Company's books and records and creditor claims, there is a VAT refund of c.£67k due to the Company. Furthermore, Smith Cooper's VAT team are currently advising on further VAT recoveries which may be available to progress in relation to some of the suppliers uninvoiced WIP. Whilst HMRC may apply set-off against their outstanding liabilities, as discussed under section 2.4.4, there should be a surplus available in the estate. Creditors will be updated in the next report.

2.5 Costs incurred but remaining unpaid

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

Cost Description	Amount (£) (net of VAT)
Quantity Surveyors Fees	945
Legal Fees and disbursements	5,042
Storage Costs*	35
TOTAL	6,022

*The storage costs have been estimated as an invoice has not been received at the time of writing this report.

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 5 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. They are now claiming to be a subrogated secured creditor for this amount. This issue has been passed to Nelsons Solicitors for their advice on NBML's intentions and an update will be provided to creditors in my next report.

3.2 Preferential creditors

The Joint Administrators and their staff have incurred significant time costs in assisting employees to obtain payment from the Redundancy Payments Office.

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. It is uncertain whether there will be sufficient realisations to pay a dividend to preferential creditors in this matter, however a further update will be provided to creditors in my next report.

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.

As LTSB have been discharged in full by NBML, and based on current anticipated realisations indicating that there will be insufficient assets to discharge the Administrators costs and expenses in full, it is unlikely that the PP will apply. Creditors will be updated in my next report should this position change.

3.4 Unsecured creditors

Unsecured claims were estimated at c.£1.3m in the Director's Estimated Statement of Affairs.

To date c.£1.8m of unsecured claims have been lodged in the Administration estate with a further c.£167k of unsecured claims anticipated to be received.

Based on current information, the likelihood of sufficient funds becoming available to enable any dividend distribution to be declared to unsecured creditors, will depend on the outcome of the claims detailed in section 4. Creditors will be updated on the position in my next report.

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 are obliged to review shortly after appointment all the information available to us and conduct an initial assessment of whether there are any matters which may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have past dealings with the Company.

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 currently provide detailed information in relation to the potential claims, as this may prejudice current or contemplated proceedings. However, a general overview of the claims can be provided as follows:-

4.1.1. Investigations into the composition of the intercompany loan account with NBML;

4.1.2. A potential misfeasance claim;

4.1.3. A potential unlawful dividend claim;

4.1.4. A potential wrongful trading claim.

Steps are being taken to progress these claims further and whilst I cannot disclose any further details to creditors at this time, I hope to be in a position to provide further information in my next report to creditors.

4.3 EC Regulations

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

5. THE JOINT ADMINISTRATORS' FEES AND EXPENSES

5.1. Pre-Administration Costs

Included within the Joint Administrators' Proposals was a Statement of Pre-Administration Costs.

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	7,853	7 February 2018
TOTAL APPROVED	£10,890	

Due to insufficient funds at the Administrators disposal, these costs remain unpaid.

5.2. 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:

1. By reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, such time to be charged at the prevailing standard hourly charge out rates used by Smith Cooper 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 III and further information regarding the charge-out rates of the Joint Administrators and their staff is provided at Appendix IV.

"A Creditors' Guide to Administrators' Remuneration" is available for download at <https://bit.ly/2flyHyf>

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.

5.3. 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 original fees estimate as follows:

Nightingale Engineering Limited (In Administration)
The Joint Administrators' Progress Report to 6 August 2018

Work category	Original fees estimate			Actual time costs incurred during the Review Period			Actual time costs incurred to date		
	No of hours	Blended hourly rate £ per hour	Total fees £	No of hours	Average hourly rate £ per hour	Total time costs £	No of hours	Average hourly rate £ per hour	Total time costs £
Administration (including statutory reporting)	133.9	151.3	20,253	170.0	212.6	36,142	170.0	212.6	36,142
Realisation of assets	27.5	147.9	4,066	19.3	194.3	3,750	19.3	194.3	3,750
Cashiering	23.5	130.5	3,067	16.3	210.8	3,436	16.3	210.8	3,436
Creditors (claims and distribution)	22.1	157.6	3,484	27.3	164.1	4,479	27.3	164.1	4,479
Investigations	85.4	215.7	18,419	66.6	205.7	13,701	66.6	205.7	13,701
Total	292.4	168.6	49,289	299.5	205.4	61,508	299.5	205.4	61,508

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

Expenses	Original 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)
Legal costs	8,000	5,042	5,042	
Agents' and valuers' costs	400	400	400	
Quantity Surveyor	2,000	945	945	
Advertising	75	75	75	
Insurance	150	168	168	Original estimate was slightly under estimated for the insurance of the assets.
Bonding	108	108	108	
Mail Redirection	204	204	204	
Storage	300	7	7	
Pension Advisors	-	1,300	1,300	Whilst we were aware of the pension schemes, we did not anticipate the amount of work required to wind up the schemes.
Other Category 1 expenses	-	48	48	Travel expenses
Category 2 expenses	-			
TOTAL	11,237	8,297	8,297	

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

Having regard for the costs that are likely to be incurred in bringing this Administration to a close, the Joint Administrators consider that:

- the original fees estimate has been exceeded; and
- the original expenses estimate is likely to be exceeded for the reasons given above.

The main reason why the fees estimate has been exceeded is due to the following:-

- Complexities surrounding our investigations and the substantial work that has been required to substantiate the potential unlawful dividends and transactions surrounding the intercompany loan account;
- Identifying additional assets such as the potential Terminal Loss Relief claim and additional VAT refund and scheduling / sourcing the information for these;
- Significant correspondence surrounding the performance bond refund; and
- Significant correspondence with Doosan with regards to the outstanding WIP position.

However, given the limited realisations in this case to date, the Joint Administrators do not propose to draw fees in excess of the fees estimate at present. The Joint Administrators will review the position as regards fees when the prospects of realising the remaining assets become clearer, and will update creditors accordingly.

5.4. 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.

5.5. 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.

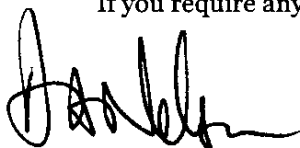
Please note that such challenges may not disturb fees or expenses (whether or not discharged from the estate) disclosed in prior progress reports.

6. CONCLUSION

The Administration will continue in order to finalise the following outstanding matters:

- The progression of the potential claims identified following our detailed investigations;
- the progression of the Terminal Loss Relief claim and VAT claims; and
- the conclusion of the bond claim and outstanding WIP.

If you require any further information please contact Emily Oliver on 01332 374411.



D A Nelson
Joint Administrator

Dean Anthony Nelson and Nicholas Charles Osborn Lee were appointed Joint Administrators of Nightingale Engineering Limited on 07 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.

NIGHTINGALE ENGINEERING LIMITED (IN ADMINISTRATION)**STATUTORY INFORMATION**

Company Name	Nightingale Engineering Limited
Previous Names	
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 Nicholas Charles Osborn Lee Smith Cooper St Helens House, King Street, Derby, DE1 3EE
Registered office address	c/o Smith Cooper St Helens House, King Street, Derby, DE1 3EE
Company Number	07155469
Appointment by	Creditors

NIGHTINGALE ENGINEERING LIMITED (IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

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

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15,936.00	Intercompany Loan - NBML	NIL	NIL
Uncertain	WIP - Doosan Contract	NIL	NIL
11,000.00	Insurance Bond Refund	NIL	NIL
24,957.00	VAT Refund	NIL	NIL
4,491.00	Cash held in a Client Account	4,491.38	4,491.38
	Bank Interest Gross	3.68	3.68
		<u>5,295.06</u>	<u>5,295.06</u>
	COST OF REALISATIONS		
	Creditors - Reimburse Admin Costs	NIL	NIL
	Specific Bond	108.00	108.00
	Pension Advisors	1,300.00	1,300.00
	Agents/Valuers Fees	400.00	400.00
	Travel	48.15	48.15
	Storage Costs	6.87	6.87
	Re-Direction of Mail	204.00	204.00
	Statutory Advertising	75.00	75.00
	Insurance of Assets	168.00	168.00
		<u>(2,310.02)</u>	<u>(2,310.02)</u>
	PREFERENTIAL CREDITORS		
(9,600.00)	Employee - Wage Arrears	NIL	NIL
(9,331.00)	Employee - Holiday Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	FLOATING CHARGE CREDITORS		
(131,909.00)	Lloyds Bank plc	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	UNSECURED CREDITORS		
(1,197,004.00)	Trade & Expense Creditors	NIL	NIL
(22,886.00)	Employees - Bal of Wage Arrears	NIL	NIL
(89,524.00)	Employees - Redundancy and Notice	NIL	NIL
(10,816.00)	HMRC - PAYE/NIC	NIL	NIL
(7,454.00)	HMRC - Corporation Tax	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(2.00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(1,421,442.00)		2,985.04	2,985.04
	REPRESENTED BY		
	Vat Receivable		387.60
	Bank 1 Current (Interest Bearing)		2,757.44
	Vat Payable		(160.00)
			<u>2,985.04</u>

Note:
The amounts stated are net of VAT.



Dean Anthony Nelson
Joint Administrator
13 August 2018 10:25

NIGHTINGALE ENGINEERING LIMITED (IN ADMINISTRATION)

THE JOINT ADMINISTRATORS' TIME COSTS

NIGHTINGALE ENGINEERING LIMITED

XXN102

ADM

TIME COSTS SUMMARY FOR THE PERIOD 7 FEBRUARY 2018 TO 6 AUGUST 2018

SIP9 SubCategory / Staff Grade	Partner	Director	Manager	Senior Ad'or	Ad'or	Junior Ad'or	Cashier	Other	Total Hours	Charge	AvgRate
Administration and planning	35.30	35.70	45.50	-	9.80	37.20	0.90	-	164.40	34,714.00	211.16
Case Specific Matters	0.30	-	-	-	-	-	-	-	0.30	106.50	355.00
Cashiering	6.10	0.50	2.70	-	-	0.20	6.80	-	16.30	3,436.00	210.80
Creditors	1.30	1.05	11.70	-	3.50	2.00	2.30	-	21.85	3,777.25	172.87
Employees	-	-	-	-	5.40	-	-	-	5.40	702.00	130.00
Investigations	5.50	3.50	55.80	-	0.30	1.20	-	-	66.30	13,594.00	205.04
Realisation of assets	0.50	-	18.80	-	-	-	-	-	19.30	3,749.50	194.27
Special Projects	-	-	-	-	-	-	-	-	-	-	-
Statutory Reporting	-	5.60	-	-	-	-	-	-	5.60	1,428.00	255.00
Trading	-	-	-	-	-	-	-	-	-	-	-
Total	49.00	46.35	134.50	-	19.00	40.60	10.00	-	299.45	61,507.25	205.40
Total Charge	17,395.00	11,692.25	25,501.00	-	2,470.00	3,549.00	900.00	-	61,507.25		

NIGHTINGALE ENGINEERING LIMITED (IN ADMINISTRATION)

CHARGE-OUT RATES AND BASES OF CATEGORY 2 DISBURSEMENTS



Derby | St Helen's House | King Street | Derby | DE1 3EE | 01332 332021
Nottingham | 2 Lace Market Square | Nottingham | NG1 1PB | 0115 945 4300
Birmingham | 158 Edmund Street | Birmingham | B3 2HB | 0121 236 6789
Ashbourne | 54 St John Street | Ashbourne | DE6 1GH | 01335 343 141
Leicester | 53 Windsor Street | Burbage | Leicestershire | LE10 2EE | 01455 614 500
Telford | M54 Space Centre | Halesfield Business Park | Halesfield 8 | Telford | TF7 4QN | 01952 601052

INFORMATION FOR CREDITORS IN RELATION TO FEES AND DISBURSEMENTS

INFORMATION RELEVANT AT 1 APRIL 2017

W	smithcooper.co.uk
F	01332 650290
VAT	123354934

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.



Information specific to Smith Cooper

Grade	Charge out rate (£ per hour)
Partner	355
Director	255
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

NIGHTINGALE ENGINEERING LIMITED (IN ADMINISTRATION)

DETAILS OF WORK UNDERTAKEN BY THE JOINT ADMINISTRATORS

Category/Description	Includes
Administration (including statutory reporting)	
Statutory advertising	Filing of documents to meet statutory requirements Advertising in accordance with statutory requirements
Company 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 case files to storage
Creditor reports	Preparing proposal, six monthly progress reports, fee authority report to secured and preferential creditors, and final report Reporting to quasi creditors committee
Investigations	
SIP2 Review	Collection, and making an inventory, of company books and records 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 Review of specific transactions and liaising with directors regarding certain transactions Liaising with the creditors on the quasi creditors committee about further action to be taken Requesting further information from creditors and having meetings with creditors to discuss information required
Statutory reporting to Insolvency Service	Preparing statutory investigation reports Liaising with the Insolvency Service Submission of report to the Insolvency Service Assisting the Insolvency Service with its investigations
Litigation	Strategy meeting regarding litigation Reviewing terms of solicitors' conditional fee agreements
Assets	
Valuation and asset management and equipment	Liaising with valuers and auctioneers Reviewing asset listings Liaising with landlords

APPENDIX V

General Description	Includes
General enquiries	<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 with directors with regards to the insurance bond refund</p> <p>Submitting VAT paperwork for refund and liaising with a VAT expert with regards to the refund</p>
Work in progress enquiries	<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>Instructing solicitors to pursue the WIP</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>Pulling together information for a Terminal Loss Relief claim and liaising with the tax team to progress</p>
Cashiering	
	<p>Journals / Cheque Reqs / Deposit Vouchers / Daily Bank Postings</p> <p>Filing</p> <p>Bordereau</p>
Creditors (Claims and distribution)	
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>
Dealing with proofs of debt (POD)	<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>Receipt of POD</p>