

The Insolvency Act 1986

# Notice of move from administration to dissolution

# R2.48(1)

Pursuant to paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 and  
Rule 2.48(1) of the Insolvency (Scotland) Rules 1986

Name of Company

Simclar Group Limited

Company number

SC219243

(a) Insert full  
name(s) and  
address(es) of  
administrator(s)

I/We (a) John Charles Reid  
Deloitte LLP  
Lomond House  
9 George Square  
Glasgow  
G2 1QQ

William Kenneth Dawson  
Deloitte LLP  
2 Hardman Street  
Manchester  
M3 3HF

(b) Insert name and  
address of  
registered office of  
company

having been appointed administrator(s) of (b) Simclar Group Limited

(c) Insert date of  
appointment

on (c) 27 June, 2011 by (d) 'the Directors'

(d) Insert name of  
applicant/appointor

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986  
apply.

We attach a copy of the final progress report

Signed

Joint / Administrator(s)

Dated

12 DECEMBER 2014

## Contact Details:

You do not have to give any contact  
information in the box opposite but if  
you do, it will help Companies House to  
contact you if there is a query on the  
form.

The contact information that you give  
will be visible to searchers of the  
public record

John Charles Reid  
Deloitte LLP  
Lomond House  
9 George Square  
Glasgow  
G2 1QQ

DX Number DX: GW 223

Tel: 0141 204 2800  
DX Exchange

SATURDAY



SCT

\*S3MMLUYK\*  
13/12/2014  
COMPANIES HOUSE

#528

When you have completed and signed this form, please send it to the  
Registrar of Companies at:-

**Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge,  
Edinburgh, EH3 9FF  
DXED235 Edinburgh 1 / LP- 4 Edinburgh 2**

**SIMCLAR GROUP LIMITED  
(IN ADMINISTRATION)  
("the Company")**

**Court No. 701 of 2011**

**FINAL PROGRESS REPORT TO CREDITORS  
FOR THE PERIOD TO 10 DECEMBER 2014  
PURSUANT TO RULE 2.42 OF THE INSOLVENCY (SCOTLAND) RULES 1986 AND THE  
INSOLVENCY (SCOTLAND) AMENDMENT RULES 2010**

**12 December 2014**

This report has been prepared for the sole purpose of updating the creditors for information purposes. The report 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.

John Charles Reid and William Kenneth Dawson were appointed Joint Administrators of Simclar Group Limited on 27 June 2011. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability.

All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners.

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- 1. Statutory information**
- 2. Administrators' Final Receipts and Payments account from 27 June 2014 to 10 December 2014 and from 27 June 2011 to 10 December 2014**

## ABBREVIATIONS

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

"Administration"	The management of the affairs, business and property of the Company by a person appointed for the purpose of the Court, for a period as directed by an Administration Order
"Administrators or Joint Administrators"	John Charles Reid & William Kenneth Dawson
"the Act"	Insolvency Act 1986 (as amended)
"the Bank" / "Secured Creditor"	Bank of Scotland Plc
"the Company"	Simclar Group Limited
"the Court"	The Court of Session, Edinburgh
"the Directors"	Samuel Russell and Christina Russell
"Deloitte"	Deloitte LLP
"CMS"	CMS Cameron McKenna LLP (formerly Dundas & Wilson CS LLP)
"SIL"	Simclar International Limited
"SGL"	Simclar Group Limited
"PP"	The Prescribed Part of the Company's net property subject to Section 176A of the Insolvency Act 1986 (as amended).
"the Rules"	Insolvency (Scotland) Rules 1986 (as amended) and the Insolvency (Scotland) Amendment Rules 2010
"SAL"	Simclar (Ayrshire) Limited in Liquidation
"SIP7 (Scotland) "	Statement of Insolvency Practice 7 (Scotland) - Preparation of Insolvency Officer Holders Receipts and Payments Accounts
"SIP9 (Scotland)"	Statement of Insolvency Practice 9 (Scotland) - Remuneration of Office Holder
"SIP13 (Scotland)"	Statement of Insolvency Practice 13 (Scotland) - Transactions with Directors and Persons Connected with Them

## **1. INTRODUCTION**

### **1.1 Introduction**

This report has been prepared in accordance with Rule 2.42 of the Rules to provide creditors with a summary of the Administration of the Company.

In accordance with Paragraph 52(1)(b) of Schedule B1 of the Act, as no meeting of creditors was held, the Administrators' remuneration and expenses would have been approved by the Secured Creditor, had any remuneration or expenses been drawn from the case.

For the purposes of Paragraph 100(2) of Schedule B1 of the Act, the Administrators confirm that they have been authorised to carry out all functions, duties and powers by either of them jointly and severally.

### **1.2 Extensions to original period of appointment**

As previously advised, the Administration of SGL was extended twice by application to Court for a period of 12 months on each occasion.

The current six month period of extension to 26 December 2014 was approved by the Court on 16 June 2014. The most recent period of extension was required to allow the Administrators time to resolve the Company's claim in the SAL liquidation referred to in Section 4.2.

### **1.3 Exit from Administration**

The exit from Administration is by way of dissolution under Paragraph 84 of Schedule B1 of the Act. This report will be filed at Companies House. It is anticipated that the Company will be dissolved three months from the date of registration of the notice by the Registrar.

### **1.4 Administrators' discharge**

In the absence of a creditors' committee, the Secured Creditor and Preferential Creditors have agreed that the Administrators be discharged from liability per Paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Administrators filing this final report to creditors at Companies House.

### **1.5 Statutory Information**

A schedule of statutory information in respect of the Company is attached at Appendix 1.

### **1.6 Electronic communication with creditors**

As previously advised in an effort to reduce the costs of the Administration, all communications with creditors, including updates and progress reports, have been posted onto a website, which has been set up specifically for this purpose. The web address is: <http://www.deloitte.com/uk/simclar>.

A letter is issued to all creditors each time the website is updated with a statutory notice or report. All creditors' statutory notices will be retained on the website for a minimum of three months from being uploaded to the site.

## **2. ADMINISTRATORS' PROPOSALS**

### **2.1 Introduction**

As previously reported to creditors, the Company had significant Secured and Unsecured Creditor liabilities and therefore a restructuring of these creditors of the Company would have been required to meet the objective set out in paragraph 3(a) of Schedule B1 of the Act, which is to rescue a company as a going concern. It was apparent that there was insufficient value placed on the Company's assets by third parties to effect a restructuring of the Company's debt. The Joint Administrators therefore concluded that the first objective was not possible to achieve.

Consequently, the Joint Administrators have performed their functions in relation to the Company with the objective set out in Paragraph 3(b) of Schedule B1 of the Act, which is to achieve a better result for a company's creditors' as a whole than would be likely if the company was wound up (without first being in administration).

The Administrators' Proposals in order to achieve this objective, which, as noted above, were deemed approved following the issue of a notice under Paragraph 52(1) of Schedule B1 of the Act on 17 August 2011 and the expiry of eight business days thereafter are as follows:

1. the Administrators continue to manage the affairs and any remaining assets of the Company and the settlement of all Administration expenses;
2. the Administrators continue with their enquiries into the conduct of the Directors of the Company and continue to assist any regulatory authorities with their investigation into the affairs of the Company;
3. the Administrators be authorised to agree the claims of the Secured, Preferential and Unsecured Creditors against the Company unless the Administrators conclude, in their reasonable opinion, that a company will have no assets available for distribution;
4. the Administrators be authorised to distribute funds to the Secured and Preferential Creditors as and when claims are agreed and funds permit and, in relation to distributions to Unsecured Creditors, if the Court gives permission following an appropriate application;
5. that, in the event the creditors of each company so determine, at meetings of creditors, a Creditors Committee be appointed in respect of the company comprising of not more than five and not less than three creditors of the company;
6. that, if a Creditors' Committee is not appointed, the Secured and Preferential Creditors of the Company shall be asked to fix the basis of the Administrators' remuneration in accordance with Rule 2.39(9) of the Rules, be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the Administrations, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT. In addition those creditors shall also be asked to agree the Administrators' expenses of which the Administrators' expenses for mileage be calculated by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising in the Administrations, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred, plus VAT where applicable;

7. that, following the realisation of assets and resolution of all matters in the Administrations, and as quickly and efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the Administrations. This may include the distribution of funds to Unsecured Creditors (provided Court permission is obtained) and then the dissolution of the Companies or alternatively, seeking to put each or any of the Companies into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors;
8. that, if each or any of the Companies were to be placed into CVL, the Administrators propose to be appointed Liquidators and any Creditors' Committee appointed will become the Liquidation Committee pursuant to Rule 2.47(3) of the Rules. As per Paragraph 83(7) of Schedule B1 of the Act and Rule 2.47(3) of the Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors. For the purposes of Section 231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally.
9. in the absence of Creditors' Committees, the Secured and Preferential Creditors of each company agree that the Administrators be discharged from liability per Paragraphs 98 and 99 of Schedule B1 of the Act immediately upon the Administrators filing their final report to creditors and vacating office.

## 2.2 Amendments to proposals

No amendments were made to the Administrators' Proposals.

## 2.3 Achievement of the approved proposals

We have summarised below the outcome in respect of each of the approved proposals:

Proposal	Current status
1	Completed.
2	Concluded. The Administrators have discharged their statutory responsibilities with regards investigations into the Directors' conduct.
3	Completed. The Company had no assets available for distribution.
4	Completed. The Company had no assets available for distribution.
5	No Creditors Committee appointed.
6	No Administrators remuneration was fixed, or expenses agreed in respect of SGL. No remuneration was drawn from the case.
7	Completed. Dissolution is expected to be effected 3 months after filing Form 2.26B (Scot) with Companies House.
8	Completed.
9	The Administrators will be discharged on filing this report at Companies House.

Further information in respect of the final outcome of the Administration is contained in the following sections of this report.

### **3. STEPS TAKEN DURING THE ADMINISTRATION**

#### **3.1 Securing assets**

SGL was a holding company at the date of the Administrators' appointment. Its assets were shares in subsidiary companies which had no value due to the financial position of those companies.

#### **3.2 Trading**

There was no trading in the Administration.

#### **3.3 Meeting of creditors**

There were no meetings of creditors held.

#### **3.4 Distributions to creditors**

There were no distribution to creditors in the Administration, as discussed further at section 5.

#### **3.5 Investigations**

As part of the 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 24 January 2014.

#### **3.6 EU regulations**

As stated in the Administration Order in respect of the Company, Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.



#### **4. ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT AND ADMINISTRATION OUTCOME**

##### **4.1 Introduction**

Attached at Appendix 2 is a Final Receipts and Payments account covering the period from 27 June 2014 to 10 December 2014 together with cumulative details of the transactions from the date of appointment in accordance with SIP7 (Scotland).

Note that given the limited receipts and payments in the Administration and asset realisations being insufficient to allow a distribution to be made to any category of creditor, a final outcome statement has not been included in this report.

In this section, we have summarised the main asset realisations during the period since our last progress report to creditors.

##### **4.2 Asset realisations**

Bank interest of £0.50 was received in the period.

It was previously reported that the Company's £4.4m claim in the liquidation of SAL was rejected by SAL's liquidators. As a result of lack of evidence to further substantiate the Company's claim and following consultation with the Company's legal advisers, the Administrators decided not to appeal the Liquidator's decision.

##### **4.3 Outcome for creditors**

Asset realisations were not sufficient to meet costs of the Administration (which were principally funded by SIL, a group company to which the Administrators were also appointed) therefore there are no funds available to distribute to the Company's creditors.

## **5. DISTRIBUTIONS TO CREDITORS**

### **5.1 Secured Creditors**

The Directors' Statement of Affairs showed £28,081,300 due to the Secured Creditor. This secured debt is in respect of cross guaranteed lending to the group of which the Company is a part. There were no funds available to allow a distribution to be made to the Secured Creditor.

### **5.2 Preferential creditors**

Preferential claims against the Company were £13,000. There were no funds available to allow a distribution to be made to Preferential creditors.

### **5.3 Prescribed Part**

The Prescribed Part legislation (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) did not apply to the Administration as the floating charges in favour of the Bank granted by each of the Companies pre-dates 15 September 2003.

### **5.4 Unsecured Creditors**

The total due to Unsecured Creditors as at 27 June 2011 outlined in the Directors' Statements of Affairs for the company (excluding any shortfall to floating charge holders) was £15,300,000. There were no funds available to allow a distribution to be made to Unsecured Creditors.

## **6. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS**

### **6.1 SIP13 (Scotland) – Transactions with connected parties**

In accordance with the guidance given in SIP13 (Scotland), we confirm that there have been no transactions with connected parties during the period of this report and we are not aware of any aware of any transactions with connected parties in the two years prior to the Joint Administrators' appointment.

## **7. PRE-ADMINISTRATION COSTS**

Pre-Administration costs are defined as the remuneration charged and expenses incurred by the Administrator (or other person qualified to act as such) before a company enters into Administration but with a view to its doing so. In accordance with Rule 2.25(1)(ka), there were no pre-Administration costs in connection with the Administration of the Company.

## **8. ADMINISTRATORS REMUNERATION AND EXPENSES**

### **8.1 Administrators' Remuneration**

No remuneration was drawn from the Administration.

"A Creditors' Guide to Administrators' Remuneration" is available for download at [www.deloitte.com/uk/sip-9-scotland](http://www.deloitte.com/uk/sip-9-scotland)

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

### **8.2 Expenses**

There were no expenses drawn from the Administration.

### **8.3 Charge out rates**

The range of charge out rates for the separate categories of staff is based on our 2014/2015 charge out rates as summarised below. Manager rates include all grades of assistant manager:

Grade	£
	From 1 Sep 2014
Partners/Directors	615 to 970
Assistant Directors	475 to 735
Managers	410 to 660
Assistant Managers	310 to 525
Assistants and Support Staff	50 to 310

Details of all earlier applicable charge out rates have been included in previous reports to creditors and are therefore not repeated in this report.

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Deloitte Real Estate may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

#### 8.4 Other professional costs

As previously advised, the Group have instructed CMS (formerly Dundas & Wilson CS LLP), a firm of lawyers with the appropriate expertise and experience in dealing with these types of Administrations to advise on legal matters as necessary. The professional costs to date are summarised in the table below. All professional costs are reviewed and analysed before payment is approved.

Name of lawyer/agent	NET (£)	VAT (£)	TOTAL (£)
CMS	<u>18,630.12</u>	<u>2,726.02</u>	<u>21,356.14</u>
Total	<u>18,630.12</u>	<u>2,726.02</u>	<u>21,356.14</u>

**SIMCLAR GROUP LIMITED (IN ADMINISTRATION)**

**STATUTORY INFORMATION**

<b>Company Name</b>	<b>Simclar Group Limited</b>
<b>Proceedings</b>	In Administration
<b>Court</b>	Court of Session
<b>Court Reference</b>	P701/2011
<b>Date of Appointment</b>	27 June 2011
<b>Joint Administrators</b>	John Charles Reid and William Kenneth Dawson Deloitte LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2DB
<b>Registered office Address</b>	c/o Deloitte LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2DB
<b>Company Number</b>	SC219243
<b>Incorporation Date</b>	16 May 2001
<b>Company Secretary</b>	N/A
<b>Bankers</b>	Bank of Scotland Plc
<b>Auditors</b>	Grant Thornton UK LLP
<b>Appointment by</b>	The directors - under Paragraph 22 of Schedule B1 of the Insolvency Act 1986 (as amended)
<b>Directors at date of Appointment</b>	Samuel Russell Christina Russell
<b>Directors' Shareholdings</b>	Samuel Russell: 450,000 £1 Ordinary Shares  Christina Russell: 50,000 £1 Ordinary shares

Simclar Group Limited (In Administration)			
Joint Administrators' Receipts and Payments Account 27 June 2011 to 10 December 2014			
	Statement of Affairs Estimated to Realise £	Interim Period 27/06/14 to 10/12/14 (£)	Cumulative to date (£)
<b>RECEIPTS</b>			
Returned Funds from Third Party			360.50
Bank Interest Gross		0.50	6.42
		<u>0.50</u>	<u>366.92</u>
<b>PAYMENTS</b>			
Advertising			84.22
Specific Bond			10.00
Legal Fees			18,630.12
Corporation Tax			1.40
		<u>0.00</u>	<u>18,725.74</u>
<b>Balance</b>		<u>0.50</u>	<u>(18,358.82)</u>
<b>REPRESENTED BY:</b>			
Due to SIL			(18,358.82)
			<u>(18,358.82)</u>