

The Insolvency Act 1986

# Notice of move from administration to creditors' voluntary liquidation

Pursuant to paragraph 83(3) of Schedule B1 to the Insolvency Act 1986  
and Rule 2.47 of the Insolvency (Scotland) Rules 1986

Name of Company  
**Granutyre Limited**

Company number  
**SC277783**

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

I / We (a) Adrian David Allen and Philip Edward Pierce of Baker Tilly Restructuring  
& Recovery LLP, 2 Whitehall Quay, Leeds LS1 4HG

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

having been appointed administrator(s) of (b) Granutyre Limited c/o Baker Tilly  
Restructuring & Recovery LLP, 2 Whitehall Quay, Leeds LS1 4HG

(c) Insert date of  
appointment

on (c) 12 June 2006 by (d) Credential Oldco Limited

(d) Insert name of  
applicant / appointor

hereby give notice that the provisions of paragraph 83(2) of Schedule B1 to the  
Insolvency Act 1986 apply,

(e) Insert name(s) and  
address(es) of  
liquidator(s)

and it is proposed that (e) Adrian David Allen and Philip Edward Pierce of Baker  
Tilly Restructuring & Recovery LLP, 2 Whitehall Quay, Leeds LS1 4HG  
will be the liquidator(s) of the company (IP No (s) 8740 & 9364 )

I / we attach a copy of the final progress report.

Signed

*Adrian David Allen*  
Joint/Administrator(s)

Dated

*7/6/07*

## 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

	Tel
DX Number	DX Exchange

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

Companies House, 37 Castle Terrace, Edinburgh EH1 2EB  
X 235 Edinburgh / LP 4 Edinburgh-2



SCT

COMPANIES HOUSE

THURSDAY

## The Insolvency Act 1986

**Administrator's progress report**

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company  <b>Granutyre Limited</b>	Company number  <b>SC277783</b>
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(a) Insert full name(s)  
and address(es) of  
administrator(s)

We (a) Adrian David Allen and Philip Edward Pierce of Baker Tilly Restructuring & Recovery LLP, 2 Whitehall Quay, Leeds LS1 4HG,  
administrators of the above company attach a progress report for the period

(b) Insert dates

from	to
(b) 12 January 2007	(b) 7 June 2007

Signed

Joint / Administrator(s)

Dated

7/6/07

**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

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DX Number	DX Exchange

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Companies House, 37 Castle Terrace, Edinburgh EH1 2EB  
( 235 Edinburgh / LP 4 Edinburgh-2

**GRANUTYRE LIMITED - IN ADMINISTRATION**  
**JOINT ADMINISTRATORS' FINAL PROGRESS REPORT**

**7 June 2007**

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**1. PURPOSE OF REPORT**

This report is prepared pursuant to Rules 2.47 and 2.110 of the Insolvency Rules 1986 (as amended) and is the final report to be issued by the Joint Administrators. The report provides creditors with information relating to the progress of the administration in the final period from 12 January 2007 to 7 June 2007.

**2. JOINT ADMINISTRATORS' APPOINTMENT**

Adrian David Allen and Philip Edward Pierce of Baker Tilly Restructuring and Recovery LLP, 2 Whitehall Quay, Leeds LS1 4HG were appointed Joint Administrators ("the Joint Administrators") of Granutyre Limited ("the Company") on 12 June 2006 by Credential Oldco Limited, 249 West George Street, Glasgow.

The notice of appointment was filed in the Sheriff Court of Glasgow and Strathkelvin.

The Joint Administrators' appointment specified that they would have power to act jointly and severally. The Joint Administrators have exercised and will continue to exercise all of their functions jointly and severally as stated in the notice of appointment.

**3. COMPANY DETAILS**

The registered number of the Company is SC277783

The Registered Office of the Company is c/o Baker Tilly Restructuring and Recovery LLP, 2 Whitehall Quay, Leeds LS1 4HG.

**4. RECEIPTS AND PAYMENTS SUMMARY**

We attach as Appendix A a receipts and payments summary for the period from 12 June 2006 to 7 June 2007.

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### **Prescribed Part**

The amount available to unsecured creditors in relation to the Prescribed Part (Section 176A of the Insolvency Act 1986 (as amended)) is £81,126.08. £72,379.50 will be transferred to the Joint Liquidators' Account and a VAT refund of £8,747.04 is also due to be repaid.

## **5. DIVIDENDS PAID TO CREDITORS**

A dividend of 100 pence in the £ was paid to the preferential creditors of the Company on 11 May 2007.

The Governor and Company of the Bank of Scotland ("the Bank") held two chattel mortgages over various items of plant & machinery belonging to the Company. Upon the sale of these items, the Bank was repaid £555,818.69 in respect of sums owing under these mortgages.

Credential Oldco Limited ("Credential") holds a bond and floating charge over the assets of the Company. An amount of £310,506.17 has been repaid to Credential in this regard. A further sum of tax is to be paid in the next few days.

## **6. CONDUCT OF THE ADMINISTRATION**

We provide below a summary of the events that have occurred since the date of my last report.

### **Realisations**

We have received a rates refund of £20,014.75 from Sheffield City Council, and a VAT refund of £8,308.82, after Crown set off, from HM Revenue & Customs.

We finally received payment of £5,348.60 in respect of stock that was sold shortly after my appointment. Bank interest of £5,915.52 has also been received.

### **Investigations**

We have concluded our investigations into the Company's affairs and reported our findings to the Creditors Committee, which recommended there were no matters to be pursued, which the committee agreed with.

### **Other matters**

We received a utility bill for c. £10,000 which was based on a contracted rate for the year. Following extensive discussions with the utility provider this was reduced to £7,000, and this has now been paid.

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**7. ASSETS REMAINING TO BE REALISED**

There are no assets remaining to be realised.

**8. ADMINISTRATORS' PROPOSALS**

The Joint Administrators' proposals were approved by creditors at a meeting held on 16 August 2006. The proposals can be summarised as follows:

- The Joint Administrators should continue to realise the assets of the Company upon the terms they consider to be the most beneficial to creditors of the Company;
- The Joint Administrators should arrange to distribute available funds from the realised assets to those creditors entitled to them in such manner as they consider will lead to an early distribution of the available assets in an economic manner;
- The Joint Administrators do all such things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration;
- The Joint Administrators be authorised to make such application to Court for directions, as they consider appropriate with a view to achieving the objectives set out above;
- The Joint Administrators' remuneration is to be paid out of the assets of the Company in accordance with Rule 2.39 of Insolvency (Scotland) Rules 1986 (as amended). The basis of the Joint Administrators' remuneration shall be fixed by a Committee, should one be established. If there is no Committee, or the Committee does not make the requisite determination, the remuneration shall be fixed by the Court.
- The Joint Administrators propose that the Company exits the Administration by way of creditors' voluntary liquidation and the Joint Administrators be appointed Joint Liquidators by filing a notice 2.25B(Scot) with the Court and Registrar of Companies pursuant to paragraph 83 of Schedule B1 of the Insolvency Act 1986.
- That the Joint Administrators be discharged from all liability pursuant to paragraph 98 of Schedule B1 to the Act by seeking such approval from all secured creditors of the Company, as necessary.

**9. EXTENSION OF THE ADMINISTRATION**

There has been no need to apply for the extension of the administration order.

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## **10. ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS**

### **Time costs and fees drawn to date**

The basis of the Joint Administrators' remuneration was approved by creditors on 16 August 2006, and subsequently ratified by the creditors' committee on 28 September 2006, when the following resolution was passed:

"The Joint Administrators' remuneration is to be paid out of the assets of the Company in accordance with Rule 2.39 of the Insolvency (Scotland) Rules 1986 (as amended). The basis of the Joint Administrators' remuneration shall be fixed by a committee, should one be established. If there is no committee, or the Committee does not make the requisite determination, the remuneration shall be fixed by the Court.

We have drawn a total of £80,000 plus VAT and are to draw a further £11,000 plus VAT making £91,000 plus VAT in total.

These sums are in line with the authorisation of the committee as set out above.

In addition £2,349.40 plus VAT has been drawn in respect of disbursements.

Attached are the following:

- Appendix B: Baker Tilly's Restructuring and Recovery LLP charging, expenses and disbursements policy statement.
- Appendix C: Time and charge out summary.
- Appendix D: Charge out bands.
- Appendix E: Summary of payments to office holder and associated parties.

A total of 696.4 hours have been spent by our staff in the administration of the estate from the date of appointment to 7 June 2007, at an average hourly charge out rate of £130.73.

Time costs incurred prior to my appointment amount to £8,888.50 representing 48.9 hours. These have been written off.

### **Analysis of time spent in administration of the estate**

Our staff have carried out the following tasks:

#### **a) Administration and Planning**

This includes dealing with the commencement of the Administration, statutory filing of appointment documents with Companies' House, requesting the submission of the Statement of Affairs and filing it at Companies' House, together with day-to-day administration duties. These include but are not limited to: handling receipts and payments; VAT and Corporation Tax issues such as the monthly VAT returns; pension queries and general correspondence.

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**b) Realisation of Assets**

Our staff have been employed on various matters, including:

- Collection of book debts and various refunds due to the Company
- An environmental clean up of the assets following the fire and contamination of the assets
- Liaising with agents and insurers concerning the tangible assets prior to their sale
- Dealing with various interested parties regarding the sale of the business assets
- Investigation into assets held by the company
- Liaising with the various finance companies and secured creditors concerning the realisation of charged assets

Asset realisation is considered to be a key aspect of this Administration.

**c) Employees and Security**

Our staff have had to liaise with employees and various suppliers in order to secure the site and assets and then adopt a strategy to clean up and sell assets. Payments to employees, suppliers and general correspondence with these and the landlord have been undertaken. Since the assets have been sold the site has been vacated and final bills paid. We have also dealt with the redundancy of the former employees as and when the assets have been sold.

**d) Creditors**

Queries from and correspondence with creditors and employees have been necessary aspects of the Administration process. The preparation of the Administrators' Proposals has been undertaken including the attendant aspects of providing and obtaining the required information, convening the creditors' meeting etc. A brief report on the outcome of the creditors' meeting and the report on the first six months of the Administration period have both been prepared.

**Administrators' Disbursements**

The basis of the Joint Administrators' drawing disbursements was approved by creditors on 16 August 2006, and subsequently ratified by the creditors' committee on 28 September 2006, when the following resolution was passed:

"The Joint Administrators be authorised to draw their disbursements and other expenses incurred by them in the Administration, to be paid out of the assets of the Company. Such disbursements to include "Category 2 disbursements".

Disbursements drawn from the Company's assets in accordance with the resolution are detailed on Appendix E.

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**11. CLOSURE OF THE ADMINISTRATION**

The Joint Administrators will bring the administration to a close by moving to a Creditors' Voluntary Liquidation upon the filing of Form 2.25B (Scot) to the Registrar of Companies.



**Adrian David Allen and Philip Edward Pierce  
Baker Tilly Restructuring and Recovery LLP  
Joint Administrators**

Adrian David Allen and Philip Edward Pierce are both licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales

**The affairs, business and property of the company are being managed by the Joint Administrators who act as agent for the company without personal liability.**

7 June 2007

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**GRANUTYRE LIMITED**  
**(In Administration)**

**Joint Administrators' Abstract of Receipts and Payments to 7 June 2007**

	<b>Total</b>
<b>RECEIPTS</b>	<b>£</b>
Book Debts	5,226.40
Stock	5,446.10
Plant & Machinery	1,150,000.00
Cash at Bank	1,673.33
Non-domestic Rates Refund	20,014.75
VAT Refund	8,308.82
Miscellaneous	110.29
Bank Interest Gross	734.61
Bank Interest Net of Tax	8,353.03
	<u>1,199,867.33</u>
<b>PAYMENTS</b>	
Bank of Scotland	555,818.69
Credential Oldco Limited	310,506.17
Preferential Creditors (100 pence in the £)	3,814.05
Joint Administrators' Fees	91,000.00
Joint Administrators' Disbursements	2,349.40
Agent's Fees	10,000.00
Agent's Disbursements	496.75
Legal Fees	39,820.00
Legal Disbursements	154.60
Purchases	454.90
Asbestos Clean Up	51,800.00
Carriage	9.31
Wages	31,072.00
Equipment Hire	1,609.37
Insurance	2,695.16
Utilities	7,045.13
Repairs & Maintenance	734.00
Security	8,424.00
Telephone	117.36
Vehicle Running Costs	721.97
Corporation Tax	56.49
Bank Charges	41.44
Transferred to Joint Liquidators' Account	72,379.50
VAT Receivable	8,747.04
	<u>1,199,867.33</u>
<b>Balances In Hand</b>	<u>0.00</u>
	<u>1,199,867.33</u>

**Appendix B**

**BAKER TILLY RESTRUCTURING AND RECOVERY LLP**

**CHARGING, EXPENSES AND DISBURSEMENTS  
POLICY STATEMENT**

**Charging policy**

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units.
- Time billed is subject to Value Added Tax (VAT) at the applicable rate.

**Expenses and disbursements policy**

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
  - Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to creditors, but do not require creditors' approval prior to being drawn from the insolvency estate. These are known as "Category 1" disbursements.
  - Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) require the approval of creditors prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements.
  - General office overheads are not re-charged to the insolvency estate as a disbursement.
  - Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of creditors.
  - Where applicable, expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate.
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## SUMMARY OF TIME COSTS AND CHARGE-OUT RATES TO 7 JUNE 2007

Hours	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs	Average hourly rate
Administration and Planning	4.30	21.90	93.90	21.80	141.90	£13,653.00	£96.22
Investigation	7.50	23.00	0.00	8.40	38.90	£6,292.50	£161.76
Realisation of Assets	43.60	97.90	39.20	1.70	182.40	£30,711.00	£168.37
Trading	0.40	38.20	31.50	0.00	70.10	£8,210.50	£117.13
Creditors	21.70	45.00	144.50	9.70	220.90	£26,029.50	£117.83
Case Specific Matters	0.00	39.80	2.10	0.30	42.20	£6,145.50	£145.63
<b>Total Hours</b>	<b>77.50</b>	<b>265.80</b>	<b>311.20</b>	<b>41.90</b>	<b>696.40</b>		
<b>Total Time Costs</b>	<b>£22,928.50</b>	<b>£40,444.50</b>	<b>£25,807.50</b>	<b>£1,861.50</b>		<b>£91,042.00</b>	

## Charge-out Rates:

As at 1 May 2007

As at 1 May 2006

£325	£125-205	£80-100	£45-65
£295	£150-165	£75-105	£40-60

£

Total fees claimed:

91,042.00

Less billed on account:

(91,000.00)

Unbilled work in progress:

42.00

**Appendix D**

**CHARGE OUT RATE BANDS**

	Charge out band as at date of appointment (£)	Charge out band as at date of current report (£)
Partners	295	325
Managers	150-165	125 – 205
Administrators	75-105	80-100
Assistants & Support Staff	40-60	45 – 65

## Appendix E

**SUMMARY OF PAYMENTS TO OFFICE HOLDER AND  
ASSOCIATED PARTIES**

<b>AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S FIRM</b>	
TYPE AND PURPOSE	£
Joint administrators' fees	91,000.00
Joint administrators' disbursements	2,349.40
Total	93,349.40

<b>AMOUNTS PAID OR PAYABLE TO ASSOCIATED PARTIES OF OFFICE-HOLDER</b>	
TYPE AND PURPOSE	£
None	
Total	

<b>AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S SOLICITOR</b>	
TYPE AND PURPOSE	£
Anderson Fyfe Solicitors – fees	5,930.00
Anderson Fyfe - disbursements	66.00
Dickinson Dees – fees	33,880.00
Dickinson Dees - disbursements	98.60
Total	39,974.60

<b>AMOUNTS PAID OR PAYABLE TO THE OFFICE-HOLDER'S AGENT</b>	
TYPE AND PURPOSE	£
Henry Butcher - fees	10,000.00
Henry Butcher disbursements	496.75
Total	10,496.75