

WU07

Notice of progress report in a winding-up by the court



Companies House

TUESDAY



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02/06/2020

#17

COMPANIES HOUSE

1 Company details

Company number 3 9 9 7 8 2 6
Company name in full Grafton Pulp and Paper Limited

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

2 Liquidator's name

Full forename(s) Michael T
Surname Leeds

3 Liquidator's address

Building name/number 30 Finsbury Square
Street
Post town London
County/Region
Postcode E C 2 A 1 A G
Country

4 Liquidator's name ①

Full forename(s) Nicholas S
Surname Wood

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

5 Liquidator's address ②

Building name/number 30 Finsbury Square
Street
Post town London
County/Region
Postcode E C 2 A 1 A G
Country

② Other liquidator
Use this section to tell us about
another liquidator.

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Period of progress report

From date	^d 0	^d 5	^m 0	^m 4	^y 2	^y 0	^y 1	^y 9
To date	^d 0	^d 4	^m 0	^m 4	^y 2	^y 0	^y 2	^y 0

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X 

X

Signature date

^d 2	^d 2	^m 0	^m 5	^y 2	^y 0	^y 2	^y 0
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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Christopher Hurtley**

Company name **Grant Thornton UK LLP**

Address **30 Finsbury Square**

London

Post town **EC2A 1AG**

County/Region

Postcode

Country

DX

Telephone **020 7184 4300**



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



Our ref: G30201030/MTL/JKT/AXK/JET/7

To the creditors and members

Insolvency and asset recovery

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

T +44 (0)20 7383 5100
F +44 (0)20 7184 4301

22 May 2020

Dear Sir / Madam

Grafton Pulp and Paper Limited - In Liquidation (the Company)
High Court of Justice No 59 of 2017

1 Introduction

- 1.1 Following my appointment as joint liquidator of the Company with Nicholas Wood on 5 April 2017, in accordance with Part 18 of the Insolvency (England and Wales) Rules 2016 we now report on the progress of the liquidation for the year ended 4 April 2020 and attach:
- Appendix A, an account of our receipts and payments for the year ended 4 April 2020 and also for the whole liquidation to that date.
 - Appendix B, Statement of Insolvency Practice 9 disclosure.
- 1.2 Please note that we are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners. We are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

2 Statutory information

The Company's registered number is 3997826.

3 Progress report

- 3.1 As previously advised, we have undertaken investigations into the trading history of the Company in the lead up to its liquidation. We have sent correspondence to the Company's former directors, shareholders, registered officials and other related parties. To date we have received limited responses.
- 3.2 We have obtained some bank statements for the Company for which we have undertaken a forensic analysis. The analysis identified some other third parties that we were previously not aware. Following initial correspondence with these third parties we have identified parcels of land in Turkey that may be owned by the Company.
- 3.3 We subsequently engaged our colleagues at Grant Thornton Turkey (GTT) to assist with the matter. From GTT's initial enquiries it was established that there are three pieces of land (the Land). Further enquiries were made with the Turkish Land Registry in order to confirm whether the Company owned the Land. It appears that the Company does retain an interest in the Land.
- 3.4 It is understood that the Land is subject to a secured charge held by Garantibank (GB). We have recently received notification from GB that it intends to auction the Land. We are currently pursuing

correspondence with GB and its legal representative to establish whether there is sufficient equity in the Land to enable any realisations into the estate.

- 3.5 *Some of the bank statements obtained related to a US dollar account held with BNP Paribas Bank. It was noted that the account held a small cash balance which has been transferred to the liquidation estate during the period. The amount received was £355.*
- 3.6 The forensic analysis of the Company's bank accounts did not identify any potential claims or assets other than the Land. Following the outcome of our enquiries with GB regarding the equity position of the Land, if there is unlikely to be any realisations for the liquidation estate the case will be closed.

4 Creditors

- 4.1 There are no preferential creditors in this matter.
- 4.2 We have received unsecured claims totalling £39,064,207. Further claims of £8,390,539 are anticipated.
- 4.3 Unfortunately, there are insufficient funds available for a distribution to be made to creditors.

5 Investigations into the affairs of the Company

- 5.1 The joint liquidators continue their investigations into the affairs of the Company and we shall be pleased to receive from any creditor any useful information concerning the Company, its dealing or conduct which may assist us in our investigations into the Company's affairs.

6 Remuneration and expenses

- 6.1 On 1 June 2018 the joint liquidations requested from creditors that the remuneration of the joint liquidators be calculated according to the time properly spent by joint liquidators and their staff in attending to matters arising in liquidation, plus an additional 100% uplift, with a fees estimated £110,477.70 plus VAT. The joint liquidators did not receive any completed voting forms prior to the decision date of 29 June 2018. A second request was circulated to creditors on 6 September 2018, again no completed voting forms were received prior to the decision dates of 3 October 2018. As such, the joint liquidator's remuneration was not approved.
- 6.2 As a fee resolution was not obtained within 18 months of the joint liquidators' appointment. Therefore, our remuneration will be calculated on the basis of the rates set out in schedule 11 of the Insolvency (England and Wales) Rules 2016 and in accordance with Rule 18.22.
- 6.3 Further details about remuneration and expenses are provided in Appendix B to this report.

7 Contact from third parties

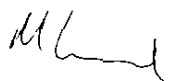
- 7.1 Please be aware fraudsters have been known to masquerade as the legitimate liquidator. The fraudster will contact creditors asking for an upfront fee or tax to release an investment or pay a dividend/ to enable release of money payable to the creditor. A liquidator would never ask for such a payment nor instruct a third party to make such a request.

8 Data Protection

- 8.1 Any personal information held by the Company will continue to be processed in accordance with completing the liquidation of the Company and in accordance with meeting our requirements under applicable Data Protection Legislation/law in the United Kingdom. Our privacy notice on our website (www.grantthornton.co.uk/en/privacy) contains further details as to how we may use, process and store personal data.

Should you have queries please contact Christopher Hurtley on 020 7728 2536 or
Christpoher.J.Hurtley@uk.gt.com.

Yours faithfully
for and on behalf of Grafton Pulp and Paper Limited

A handwritten signature in black ink, appearing to read 'M Leeds', written in a cursive style.

Michael Leeds
Joint Liquidator

Appendix A

A Abstract of the joint liquidators' receipts and payments

**Summary of receipts and payments
from 5 April 2017 to 4 April 2020**

	From 05/04/2017 to 04/04/2019 £	From 05/04/2019 to 04/04/2020 £	Total £
Receipts			
Cash at Bank	0 00	354 56	354 56
Petitioners Deposit	1,600 00	0 00	1,600 00
	1,600.00	354.56	1,954.56
Payments			
Travel	0 00	0 00	0 00
OR Statutory Fees	11,000 00	0 00	11,000 00
ISA Account Fees	176 00	88 00	264 00
DTI Cheque Fees	0 15	0 00	0 15
Statutory Advertising	70 20	0 00	70 20
VAT Receivable	14 04	0 00	14 04
	11,260.39	88.00	11,348.39
Net Receipts/(Payments)	(9,660.39)	266.56	(9,393.83)
Made up as follows			
ISA	(9,576 00)	266 56	(9,309 44)
Grant Thornton Loan Account	(84 39)	0 00	(84 39)
	(9,660.39)	266.56	(9,393.83)

Note

Note that, as there have been insufficient realisations into the estate, Grant Thornton UK LLP has funded payment of the estate's expenses necessary to progress the case and to comply with statute. This is now shown by way of a loan account in the receipts and payments account, rather than as part of the [office holder's] disbursements as in previous reports. This change in accounting policy has occurred during the reporting period, therefore the initial loan account entry appears in the column for the period and includes the cumulative transactions funded by the loan account as at the period end for which an analysis is shown below. This is simply a change in accounting policy and does not affect the estate funds available. The loan account will be repayable as an expense of the liquidation in the same priority as attaches to the respective expenses comprising the loan. In the event there are insufficient realisations to repay the loan, Grant Thornton UK LLP will write-off the final balance when the liquidation is closed but reserves its right to recover such balance should circumstances subsequently permit.

Payments, remuneration and expenses to the joint liquidators or their associates

Grafton Pulp and Paper Limited – In Liquidation

Statement of Insolvency Practice 9 disclosure

This appendix has been prepared in conjunction with the requirements of the Insolvency Act 1986, the Insolvency (England and Wales) Rules 2016 (the Rules) and Statement of Insolvency Practice 9 (SIP9). In summary, it covers:

- fee basis
- work done by the joint liquidators and their team during the period
- disbursements and expenses
- sub-contracted out work
- payments to associates
- relationships requiring disclosure
- information for creditors (rights, fees, committees)

Fee basis of the joint liquidators

On 1 June 2018 the joint liquidations requested from creditors that the remuneration of the joint liquidators be calculated according to the time properly spent by joint liquidators and their staff in attending to matters arising in liquidation, plus an additional 100% uplift, with a fees estimated £110,477.70 plus VAT. The joint liquidators did not receive any completed voting form prior to the design date of 29 June 2018. A second request was circulated to creditors on 6 September 2018, again no completed voting forms were received prior to the decision dates of 3 October 2018. As such, the joint liquidator's remuneration was not approved.

A fee resolution was not obtained within 18 months of the joint liquidators' appointment. Therefore, the joint liquidators will be remunerated on the basis of the rates set out in schedule 11 of the Insolvency (England and Wales) Rules 2016 ("IR 2016") and in accordance with Rule 18.22. Further details of the rates can be found using the following link.
<http://www.legislation.gov.uk/uksi/2016/1024/schedule/11/made>

Work done by the joint liquidators and their team during the Period

The following tables set out an explanation of the work done in the Period, including any expenses incurred in connection with it. Details of expenses incurred in connection with the work done are provided in the 'Disbursements and expenses' section below.

Area of work	Work done	Why the work was necessary	Financial benefit to creditors
Assets			
Property	<ul style="list-style-type: none"> Corresponding with GT Turkey, third parties, secured charge holder and their legal representatives in regard to the parcels of land in Turkey, which the Company potentially retains an interest 	<ul style="list-style-type: none"> The work is necessary to identify whether any claims can be brought 	<ul style="list-style-type: none"> This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process
Cash at bank	<ul style="list-style-type: none"> Cash at bank amounting to £354.56 has been realised into the estate 	<ul style="list-style-type: none"> The work realised assets into the estate 	<ul style="list-style-type: none"> This work was necessary to realise financial value for the estate and for a distribution to creditors should sufficient funds become available
Investigations			
Bank statements & analyses	<ul style="list-style-type: none"> Writing to various banks to obtain bank statements and further information on transactions identified 	<ul style="list-style-type: none"> The work is necessary to identify claims that can be pursued 	<ul style="list-style-type: none"> This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process
Claims	<ul style="list-style-type: none"> In relation to the Turkish land - writing to the secured charge holder's legal representatives in order to establish whether there is equity in the land which could be realised into the estate 	<ul style="list-style-type: none"> The work is necessary to identify claims that can be pursued 	<ul style="list-style-type: none"> This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process
General	<ul style="list-style-type: none"> Liaising with third parties connected to the Company or identified through the Company's bank statements 	<ul style="list-style-type: none"> The work is necessary to identify claims that can be pursued 	<ul style="list-style-type: none"> This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process

Creditors**Unsecured**

- Liaise with unsecured creditors
- Requesting information from creditors
- It is a statutory duty to respond to creditor queries
- To obtain further information regarding the Company's affairs
- This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process

Administration**Case management**

- Review case strategy and level of costs incurred
- To identify the most effective route to assets
- To effectively organise case investigations
- This work was necessary to discharge the office holders' duties. As explained under 'Why the work was necessary', although it might not add financial value to the estate it adds value to the insolvency process

Treasury, billing & funding

- Establish and maintain bank accounts for the liquidation
- To enable the receipt of funds and to settle any costs incurred by the joint liquidator's investigations
- This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate

Tax

- Review the Company's tax position post appointment
- To consider post appointment tax implications
- This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate

Reports, circulars, notices and decisions

- Sending reports, notices and requesting decisions of the creditors
- To keep creditors informed of the joint liquidators' investigations and where necessary to request decisions of the creditors
- This work was completed solely for the purpose of complying with statutory requirements and had no direct financial benefit to the estate

Statement of expenses and disbursements incurred in the Period

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

Category	Incurred in the Period (£)	Cumulatively incurred as at Period end (£)	Of which paid by the estate as at Period end (£)
Category 1 disbursements			
Bond: JLT	-	1,250.00	-
Land Registry	-	23.00	-
Subsistence	-	50.00	-
Statutory Advertising: Timecut Ltd	-	70.20	70.20
Category 2 disbursements			
Expenses	-	-	-
Legal Fees	-	-	-
Total expenses and disbursements		1,393.20	70.20

Disbursements are expenses met by and reimbursed to an office holder in connection with an insolvency appointment and fall into two categories:

Category 1 disbursements

These are also known as 'out of pocket expenses' and are payments to independent third parties where there is specific expenditure directly referable to the insolvent estate; they can be drawn without prior approval and consist of the following categories:

- Travel and subsistence – these costs, which exclude mileage, are incurred by staff in attending trading premises or meetings, for example
- Office costs – these are costs such as postage or courier charges which are incurred in managing the case
- Statutory costs – these are costs such as bonding and advertising relating specifically to the case, which are required by statute

They also include expenses which have been paid using a Grant Thornton Loan, the balance of which (if any) can be seen on the joint liquidators' receipts and payment account at Appendix A.

Category 2 disbursements

These are expenses that are directly referable to the insolvent estate but not a payment to an independent third party. They may include shared or allocated costs that may be incurred by an office holder or their firm, and that can be allocated to the appointment on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as an office holder's remuneration. To the extent that recovery of category 2 disbursements is sought, this will be for mileage only. Mileage is charged at 45p a mile. VAT is added as appropriate. Details of these costs are also provided in the table above.

Sub-contracted out work

We confirm that, in the Period, we have not sub-contracted out any work that could otherwise have been carried out by us or our team.

Payments to associates

Where we have enlisted the services of others, we have sought to obtain the best value and service. In the interest of transparency, we disclose below services we have sought from within our firm or from a party with whom (to the best of our knowledge) our firm, or an individual within our firm, has a business or personal relationship:

Service provider	Services enlisted	Cost of service
Grant Thornton UK LLP	<ul style="list-style-type: none">Tax work/advice (narrative is included within the above narrative of work done)	<ul style="list-style-type: none">Costs are included within the above SIP9 time cost analysis
Grant Thornton Turkey	<ul style="list-style-type: none">Enquiries with the Turkish land registry and correspondence with the secured chargeholder Garantibank	<ul style="list-style-type: none">Costs are estimated to be £2,000. These are yet to be invoiced by Grant Thornton Turkey

Relationships requiring disclosure

We confirm that we are not aware of any business or personal relationships with any parties responsible for approving the joint liquidators' fee basis, or who provide services to us as joint liquidators, which may give rise to a potential conflict.

Information for creditors and members

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

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

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