

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company Seal Engineering Company Limited	Company Number 02657798
In the High Court of Justice, Chancery Division, Leeds District Registry (full name of court)	Court case number 1050 of 2009

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

We (a) Lyn Vardy
PricewaterhouseCoopers LLP
1 East Parade
Sheffield
S1 2ET

Stephen Ellis
PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds
LS1 4JP

* Delete as applicable

administrators of the above company attach a progress report for the period

from

to

(b) Insert dates

(b) 9 October 2009

(b) 1 April 2010

Signed

Joint Administrator

Dated

31-3-10

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.

Charlotte Smith	
PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds LS1 4JP	
	Tel 0113 239 4445
DX Number	DX Exchange

SATURDAY



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COMPANIES HOUSE

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

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

PricewaterhouseCoopers LLP

Benson House
33 Wellington Street
Leeds LS1 4JP

Telephone +44 (0) 113 289 4000

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pwc.com/uk

To all known creditors

When telephoning please ask for Charlotte Smith

1 April 2010

Our ref CS/010410/OppGroup

Dear Sirs

G.M.A. Engineering Company Limited, Opportunity Group (Holdings) Limited, Seal Engineering Company Limited – All in administration ("the Companies")

I refer to my appointment as Joint Administrator ("Administrator") of the Companies on 9 April 2009 and last report dated 4 November 2009. I am pleased to provide you with my final Progress Report on the administrations in respect of the above Companies, in accordance with Rule 2.47 and Rule 2.118 of the Insolvency Rules 1986 ("IR86").

1 Statutory and financial information

I enclose the following for your information:

- Appendix A Statutory information,
- Appendix B Administrators' receipts and payments accounts to 1 April 2010,
- Appendix C Administrators' proposals, dated 20 May 2009 ("the Proposals"),
- Forms 2.24B Administrators' progress reports, and
- Forms 2.35B Notice of move from administration to dissolution.

2 Overview of the administrations

Lyn Vardy and Stephen Ellis were appointed as Administrators the Companies on 9 April 2009. The Proposals were circulated to all known creditors on 20 May 2009.

The purpose of an administration is to achieve one of the following objectives:

- (a) Primarily, rescuing the Company as a going concern, or failing that
- (b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in administration), or finally
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors.

As detailed in the Proposals, objective (b) has been pursued for all three of the Companies.

3 Steps taken by the Administrators

The business and assets of Seal Engineering Company Limited ("Seal"), and the assets of G M A Engineering Company Limited ("GMA") and Opportunity Group (Holdings) Limited ("Opportunity Group") were sold to CTL Seal Limited ("CTL") upon the Administrators' appointments. The sale generated total proceeds of £405,000.

The Administrators issued CTL with a licence to occupy Seal's site at Butterthwaite Lane, Ecclesfield whilst a formal lease assignment was progressed. The lease was successfully assigned to CTL on 27 August 2009. The lease in respect of Seal's second site at Provincial Park, Sheffield was surrendered to the landlord of this site on 30 June 2009.

At the time of the Administrators' appointment, Seal held 50% of the share capital of Tubular Fabrications Limited ("Tubular"). On 22 September 2009, the sale of Seal's interest in Tubular was completed for a consideration of £500, completing asset realisation in respect of the Companies.

The Administrators subsequently filed corporation tax returns in respect of the Companies and HM Revenue and Customs have issued clearance for the Administrators to close the administration cases.

4 The fulfilment of the Administrators' statutory duties

The Administrators have a duty to review the conduct of everyone who has acted as a director of the Companies in the three years prior to the Administration and report to the Department for Business, Innovation and Skills on their findings.

The Administrators have complied with their duties, however for confidentiality reasons we are unable to give any further information.

5 Receipts & payments account

Attached at Appendix B is an abstract of the receipts and payments to 1 April 2010 for each of the Companies.

6 Administrators' remuneration

The Administrators have drawn remuneration of £2,348, £51,000 and £10,425 in relation to Opportunity Group, Seal and GMA respectively, together with disbursements totalling £1,951. This is against total time costs for all of the Companies of £119,600. The Administrators' remuneration and disbursements have been agreed with the Companies' secured creditor, in line with the Proposals.

7 Estimated outcome for creditors

7.1 Secured creditors

The Companies' secured creditor was owed in excess of £1.5m at the time of the Administrators' appointments. This indebtedness includes amounts owed by two group companies and was cross-guaranteed by Seal, GMA and Opportunity Group. There will be a shortfall to the secured creditor in respect of their lending to the Companies.

7.2 Preferential creditors

Preferential creditors represent amounts due for arrears of wages, subject to statutory limits, and unpaid holiday pay together with certain pension contributions.

Preferential creditor claims would only arise in Opportunity Group as GMA did not have any employees and arrears of wages and holiday pay in respect of Seal were transferred to CTL under the Transfer of Undertakings (Protection of Employment) Regulations.

There are insufficient floating charge realisations to enable a dividend to be paid to any preferential creditors of Opportunity Group.

7.3 Unsecured creditors

At the time of the Proposals, the Administrators originally believed that there was no prospect of a dividend to the Companies' unsecured creditors, other than potentially by virtue of the Prescribed Part, in respect of Seal and GMA. No funds were available to the unsecured creditors of Opportunity Group.

The prescribed part is an amount made available for unsecured creditors, proportionate to net realisations, providing that the secured creditor registered their security on or after 15 September 2003.

On 9 October 2009, an application was heard in court and an order was granted to enable the Administrators to disapply the prescribed part in respect of Seal as the estimated costs of distributing the funds were in excess of the funds available. As such, there is no prospect of a dividend to the unsecured creditors of Seal.

The Administrators formed the view that a prescribed part arose in GMA, however having taken all reasonable steps to identify any unsecured creditors of GMA, the Administrators have not received any unsecured creditor claims. The provisions of the prescribed part are therefore not applicable in respect of GMA.

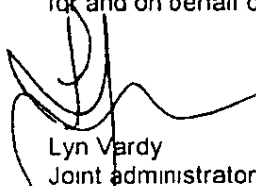
8 Ending the administrations and discharge from liability

The administrations will end upon the registering of Forms 2.35B and this final progress report by the Registrar of Companies, in accordance with Paragraph 84(4) of Schedule B1 of the Insolvency Act 1986. The Companies will be dissolved three months after registration of the final documents.

The Administrators' discharge from liability, pursuant to Paragraph 98(2)(b) of Schedule B1, will be effective 14 days after the Administrators' appointments cease to have effect.

Should you have any further questions, please do not hesitate to contact my colleague, Charlotte Smith on 0113 289 4445.

Yours faithfully
for and on behalf of the Companies



Lyn Vardy
Joint administrator

Enclosures

Appendix A	Statutory information
Appendix B	Administrators' abstract of receipts and payments
Appendix C	Proposals dated 20 May 2009
Forms 2.24B	Administrators progress reports
Forms 2.35B	Notice of move from administration to dissolution

Lyn Vardy and Stephen Andrew Ellis were appointed Joint Administrators of GMA Engineering Company Limited, Opportunity Group (Holdings) Limited and Seal Engineering Company Limited to manage their affairs, business and property as agents and without personal liability. Both are licensed to act as insolvency practitioners in the United Kingdom by the Institute of Chartered Accountants in England & Wales.

Statutory Information

Appendix A

Full name	Opportunity Group (Holdings) Limited	G M A Engineering Company Limited	Seal Engineering Company Limited
Court details for the Administration	Companies Court, Case No 1051 of 2009	Companies Court, Case No 1052 of 2009	Companies Court, Case No 1050 of 2009
Trading name	Not applicable	Not applicable	Seal Engineering
Former name	HLW 327 Limited	Heverprobe Limited	Not applicable
Registered number	06100133	02470221	02657798
Registered address	92 Burton Road Sheffield S3 8DA	PricewaterhouseCoopers LLP Benson House, 33 Wellington Street, Leeds, LS1 4JP	PricewaterhouseCoopers LLP Benson House, 33 Wellington Street, Leeds, LS1 4JP
Company directors	Andrew Eyre, Andrew England, Douglas Maxwell	Andrew Eyre, Andrew England, Douglas Maxwell	Andrew Eyre, Andrew England, Douglas Maxwell
Company secretary	Adrian Jones	Andrew Eyre	Adrian Jones
Shareholdings held by the directors and secretary	24,999 A Eyre, 25,000 A Bumford, 25,000 D Maxwell	None	None
Date of the Administration appointment. Administrators' names and addresses	9 April 2009 Lyn Vardy PricewaterhouseCoopers LLP, 1 East Parade, Sheffield, S1 2ET and, Stephen Ellis, PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP	9 April 2009 Lyn Vardy PricewaterhouseCoopers LLP, 1 East Parade, Sheffield, S1 2ET and, Stephen Ellis, PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP	9 April 2009 Lyn Vardy PricewaterhouseCoopers LLP, 1 East Parade, Sheffield, S1 2ET and, Stephen Ellis, PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP
Appointor's / applicant's name	Directors of Opportunity Group (Holdings) Ltd	Directors of G M A Engineering Company Ltd	Directors of Seal Engineering Company Ltd
Objective being pursued by the Administrators	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up first (without being in Administration)	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up first (without being in Administration)	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up first (without being in Administration)
Division of the Administrators' responsibilities	In relation to paragraph 100(2) Sch B1 IA86, during the period for which the Administration is in force, any function to be exercised by the persons appointed to act as Administrators may be done by any or all of the persons appointed or any of the persons for the time being holding that office	In relation to paragraph 100(2) Sch B1 IA86, during the period for which the Administration is in force, any function to be exercised by the persons appointed to act as Administrators may be done by any or all of the persons appointed or any of the persons for the time being holding that office	In relation to paragraph 100(2) Sch B1 IA86, during the period for which the Administration is in force, any function to be exercised by the persons appointed to act as Administrators may be done by any or all of the persons appointed or any of the persons for the time being holding that office
Proposed end of the Administration	Dissolution	Dissolution	Dissolution
Estimated dividend for unsecured creditors	None	None	None
Estimated values of the prescribed part and the Company's net property	Not applicable	Not applicable	Not applicable
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86	Not applicable	Not applicable	Successful application made
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000)	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

Seal Engineering Company Limited - in Administration
Administrators' abstract of receipts and payments

Appendix B

Directors' Statement of Affairs	9 April 2009 to 8 October 2009	9 October 2009 to 1 April 2010	Total
£	£	£	£
FIXED CHARGE REALISATIONS			
Interest Received	201 24	43 39	244 63
124 000 Plant and Machinery	124 000 00		124 000 00
500 Shares in Subsidiaries	500 00		500 00
	<u>124,701 24</u>	<u>43 39</u>	<u>124,744 63</u>
FIXED CHARGE COST OF REALISATION / PAYMENTS			
Office Holders' fees	(10 000 00)		(10 000 00)
	<u>(10,000 00)</u>		<u>(10 000 00)</u>
SECURED CREDITORS			
Bank of Scotland	(112 000 00)	(2 744 63)	(114 744 63)
	<u>(112,000 00)</u>	<u>(2 744 63)</u>	<u>(114,744 63)</u>
NET FIXED CHARGE RECEIPTS AND PAYMENTS	<u>2,701 24</u>	<u>(2,701 24)</u>	
FLOATING CHARGE REALISATIONS			
120 000 Stock	120 000 00		120 000 00
77 000 Plant and Machinery	77 000 00		77 000 00
Cash in hand	93 28	74 61	167 89
Interest	370 47	114 55	485 02
	<u>197,463 75</u>	<u>189 16</u>	<u>197,652 91</u>
FLOATING CHARGE COST OF REALISATION / PAYMENTS			
Agents' fees	(3 906 22)	-	(3,906 22)
Agents' disbursements	(129 10)	-	(129 10)
Insurance	(577 50)		(577 50)
Leasehold property	(27 514 00)		(27 514 00)
Legal fees	(9 980 76)	(3 892 10)	(13 872 86)
Office Holders' expenses	(706 76)	(968 16)	(1 674 92)
Office Holders' fees	(18 000 00)	(23 000 00)	(41 000 00)
Statutory Advertising	(184 58)		(184 58)
	<u>(60 996 92)</u>	<u>(27 860 26)</u>	<u>(88,859 18)</u>
SECURED CREDITOR			
(296 221) Bank of Scotland		(108 793 73)	(108 793 73)
NET FLOATING CHARGE RECEIPTS AND PAYMENTS	<u>136,464 83</u>	<u>(136,464 83)</u>	
Represented by			
Net Fixed Charge Receipts and Payments	2 701 24	(2 701 24)	-
Net Floating Charge Receipts and Payments	136 464 83	(136 464 83)	-
VAT Control Account	(6 419 26)	6 419 26	-
Balance at Bank	<u>132,746 81</u>	<u>(132,746 81)</u>	<u>-</u>

G M A Engineering Company Limited - in Administration
Administrators' abstract of receipts and payments

Appendix B

Directors' Statement of Affairs	9 April 2009 to 8 October 2009	9 October 2009 to 1 April 2010	Total
£	£	£	£
FLOATING CHARGE REALISATIONS			
Plant and Machinery	73 000 00		73 000 00
Interest	171 99	137 84	309 83
	<u>73,171 99</u>	<u>137 84</u>	<u>73 309 83</u>
FLOATING CHARGE COST OF REALISATION / PAYMENTS			
Agents fees	(1 502 39)	(12 88)	(1 515 27)
Agents disbursements	(49 65)	-	(49 65)
Legal fees	(3 357 27)	-	(3 357 27)
Office Holders expenses	(48 26)	(228 36)	(276 62)
Office Holders fees	(10 000 00)	(425 38)	(10 425 38)
Statutory Advertising	(184 58)	(73 62)	(258 20)
	<u>(15,142 15)</u>	<u>(740 24)</u>	<u>(15,882 39)</u>
SECURED CREDITOR			
Bank of Scotland		(62 427 44)	(62 427 44)
NET FLOATING CHARGE RECEIPTS AND PAYMENTS	<u>63,029 84</u>	<u>(63,029 84)</u>	
Represented by			
Net Floating Charge Receipts and Payments	63 029 84	(63,029 84)	
VAT Control Account	-		
Balance at Bank	<u>63,029 84</u>	<u>(63,029 84)</u>	

Opportunity Group (Holdings) Limited - In Administration
Administrators' abstract of receipts and payments

Appendix B

Directors Statement of Affairs	9 April 2009 to 8 October 2009	9 October 2009 to 1 April 2010	Total
£	£	£	£
FLOATING CHARGE REALISATIONS			
Plant and Machinery	6 000 00		6 000 00
Interest	347 53	13 65	361 18
	<u>6 347 53</u>	<u>13 65</u>	<u>6 361 18</u>
FLOATING CHARGE COST OF REALISATION / PAYMENTS			
Agents fees	(375 60)		(375 60)
Agents disbursements	(12 42)		(12 42)
Office Holders fees		(2 348 11)	(2 348 11)
Legal fees	(3 357 26)		(3 357 26)
Statutory Advertising	(267 79)		(267 79)
	<u>(4 013 07)</u>	<u>(2 348 11)</u>	<u>(6,361 18)</u>
PREFERENTIAL CREDITORS			
(2 440) Employees Wages & Holiday pay			
Secured Creditors			
(296 221) Bank of Scotland			
NET FLOATING CHARGE RECEIPTS AND PAYMENTS	<u>2 334 46</u>	<u>(2,334 46)</u>	<u>-</u>
(298 661)			
Represented by			
Net Floating Charge Receipts and Payments	2 334 46	(2 334 46)	
VAT Control Account			
Balance at Bank	<u>2 334 46</u>	<u>(2,334 46)</u>	

Appendix C

- b. Proposals for achieving the purpose of the Administrations of Opportunity Group (Holdings) Limited, Seal Engineering Company Limited, G M A Engineering Company Limited, LFS Realisations Limited (formerly Locum Fine Steels Limited) and Turton Springs Limited - collectively referred to as ("the Companies")

The Administrators make the following proposals for achieving the purpose of administrations

- i) The Administrators will continue to manage and finance the Companies' business, affairs and property from asset realisations in such manner as they consider expedient with achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in Administration) in respect of Seal, Turton, GMA and Holdings and realising property in order to make a distribution to one or more secured or preferential creditors in respect of Locum
- ii) The Administrators may investigate and, if appropriate, pursue any claims that the Companies' may have under the Companies Act 1985 or IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Companies or to maximise their realisations or for any other purpose incidental to these proposals
- iii) If the Administrators think that funds will become available for the Companies' unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator and that the costs of so doing be met as a cost of the Administration as part of the Administrators' remuneration (where the Administrators think there will be sufficient funds for a distribution to unsecured creditors other than by virtue of the prescribed part) or out of the prescribed part as costs associated with the prescribed part (where the Administrators think that funds will become available to the unsecured creditors by virtue of the prescribed part but not otherwise)
- iv) If the Administrators think that funds will become available for the Companies' unsecured creditors, the Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch B1 IA86
- v) As there will be insufficient funds to enable a distribution to be made to non-preferential unsecured creditors of the Companies, the Administrators are not seeking to form creditors' committees
- vi) The Administrators may make an application to the court under section 176A(5) IA86 for an order not to distribute the prescribed part to unsecured creditors if the Administrators conclude that the cost of making a distribution would be disproportionate to the benefits
- vii) If the Administrators believe that it is considered advantageous to extend the Administration beyond the statutory period of one year, the Administrators shall either apply to the court or seek the consent from the appropriate classes of creditors for an extension

Appendix C

- viii) The Administrators may use any or a combination of "exit route" strategies in order to bring the Administrations to an end, but in this particular instance the Administrators are likely to wish to pursue the following options as being the most cost effective and practical in the present circumstances -
- (a) The Administrators will file a notice under Paragraph 84(1) Sch B1 IA86 with the Registrar of Companies, following registration of which the company will be dissolved three months later,
 - (b) The Administrators will make an application to court under Paragraph 79 Sch B1 IA86 for the Administration to be ended accompanied by a petition under Section 124 IA86 for the company to be wound up, or
 - (c) Once asset disposals are complete, the Administrators will place the company into creditors' voluntary liquidation. In these circumstances, it is proposed that Lyn Vardy and Steve Ellis be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either or both of them. In accordance with Paragraph 83(7) Sch B1 IA86 and Rule 2.117(3) IR86, creditors may nominate alternative liquidators, provided that the nomination is made after the receipt of these proposals and before they are approved,
 - (d) Once asset disposals are complete, the Administrators will apply to the Court to allow the Administrators to distribute surplus funds, if any, to unsecured non-preferential creditors. If such permission is given, the Administration will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Sch B1 IA86, following registration of which the company will be dissolved three months later. If permission is not granted the Administrators will place the company into creditors' voluntary liquidation or otherwise act in accordance with any order of the court.
- ix) The Administrators shall be discharged from liability in respect of any action of theirs as Administrators at a time specified by the appropriate classes of creditors pursuant to Paragraph 98(3) Sch B1 IA86
- x) It is proposed that the Administrators' fees be fixed under Rule 2.106 IR86 by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that Category 2 disbursements (as defined by Statement of Insolvency Practice No 9) be charged in accordance with their firm's policy. As the Administrators have stated that they think that the Companies have insufficient property to enable a distribution to be made to non-preferential unsecured creditors (other than by virtue of a Prescribed Part), it will be for the secured and preferential creditors to determine these instead