

The Insolvency Act 1986

**Administrator's progress report****2.24B**


Name of Company <b>Coastal Bulk Shipping Limited</b>	Company number <b>00540448</b>
In the <b>High Court of Justice, The Strand, London</b> <small>[full name of court]</small>	Court case number <b>134 of 2009</b>

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

I/We (a) William Matthew Humphries Tait of BDO Stoy Hayward LLP 2 City Place, Beehive Ring Road, West Sussex, RH6 0PA and David Harry Gilbert of BDO Stoy Hayward LLP 55 Baker Street, London W1U 7EU

administrator(s) of the above company attach a progress report for the period

(b) Insert date	From (b) 6 January 2009	to (b) 5 July 2009
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Signed   
Joint/administrator(s)

Dated 5 August 2009

**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

BDO Stoy Hayward LLP, 2 City Place, Beehive Ring Road,	
Gatwick, West Sussex, RH6 0PA.	
Our Ref 2844/SL/0139447/A6	Tel 01293 591 000
DX Number	DX Exchange



A40 12/08/2009 175  
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



**BDO Stoy Hayward LLP**  
Chartered Accountants

2 City Place Beehive Ring Road  
Gatwick West Sussex RH6 0PA  
Telephone: +44 (0)1293 591000  
Facsimile: +44 (0)1293 591001  
Website: www.bdo.co.uk

10 August 2009

Our Ref 002844/KTW/ADM931 6  
monthly report/A6

Please ask for Sarah Lotz on  
01293 591000

## TO ALL KNOWN CREDITORS

Dear Sirs

### **Coastal Bulk Shipping Limited - In Administration ("CBS / the Company")**

It is now six months since my appointment in respect of the Company. In accordance with Rule 2.47 of The Insolvency Rules 1986 I am now reporting the progress made in implementing the approved proposals and achieving the statutory purpose of the Administration.

#### **1 Statutory Information**

- 1.1 The Joint Administrators are William Matthew Humphries Tait and David Harry Gilbert of BDO Stoy Hayward LLP, 2 City Place, Beehive Ring Road, West Sussex, RH6 0PA and they were appointed in respect of the Company on 6 January 2009. Under the provisions of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, the Administrators carry out their functions jointly and severally and neither Administrator has exclusive power to exercise any function.
- 1.2 The Administrators were appointed by the Directors, pursuant to Paragraph 22 of Schedule B1 of the Insolvency Act 1986. The administration proceedings are dealt with in the High Court and the Court case number is 134 of 2009.
- 1.3 The Company's registered office is situated at 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA and the registered number is 00540448.
- 1.4 Attached at Appendix I is a summary of the statutory information held at Companies House.



**COMPANIES HOUSE**

Registered office:  
55 Baker Street London W1U 7EU  
Registered number: OC305127  
Registered in England and Wales



## **2 Receipts and Payments**

- 2.1 I attach at Appendix II an abstract of my receipts and payments for the six month period to 5 July 2009, showing a balance in hand of £181,677, and report as follows:

### **Receipts**

- 2.2 The receipts shown are largely self-explanatory, although I would comment specifically on the following:

### **Ship management fees**

- 2.3 Prior to the appointment of Administrators, the Company leased 3 vessels from a third party. The leases associated with these vessels were terminated, in line with contract terms, on the appointment of Administrators. On appointment, the Administrators approached the owners of the vessels to offer the ongoing provision of technical services, whilst the potential for selling the business and assets of CBS as a going concern was fully explored.
- 2.4 In addition, prior to the appointment, the Company had provided crew and technical services for a vessel owned by an associated company, which was operating under a bareboat charter. Immediately upon appointment, the Administrators renegotiated the terms of the ship management agreement to ensure that pricing reflected total costs of the provision of ship management services.
- 2.5 By the end of February 2009, it had become apparent that the sale of the business as a going concern would not be successful. Accordingly, the ship management agreements were terminated. The agreements ran from the date of appointment to the end of February and the middle of March respectively. Management fees represent the full amount received for these periods.

### **Costs recharged to connected companies**

- 2.6 Prior to appointment, CBS managed vessels owned by River Bulk Shipping Limited ("RBS") and Ardent Shipping Limited ("Ardent"), both of which are subsidiaries of Fourwind Holdings Limited (in Liquidation), and which also entered administration on 6 January 2009.
- 2.7 As mentioned in my report of 3 March 2009, in order to reduce the associated costs of trading, including crewing requirements and mooring costs, vessels belonging to CBS, RBS and Ardent were laid up in 'nests' of three or more.
- 2.8 A result of this 'nesting' was that some shared costs were paid from funds held by the Administrators of CBS. Recharges were then raised by the Company in

administration to reapportion these 'nesting' costs to properly reflect the charges associated with the vessels belonging to RBS and Ardent. These are reflected in the receipts and payments account.

#### **Vessel sale proceeds**

- 2.9 Once it had become apparent that a sale of the business as a going concern was not achievable, the Joint Administrators considered alternative disposal methods for the vessels.
- 2.10 Following advice from the Administrators' agents and solicitors, the Administrators concluded that the vessels should be passed to the Admiralty Marshal, a division of Her Majesty's Court Service, for sale.
- 2.11 For this strategy to be implemented, it was first necessary for the Bank of Scotland Plc ("the Bank"), as secured charge holder, to seek a Court Order for the arrest of the vessels. This required the consent of the Administrators, which was duly given.
- 2.12 Advice received confirmed that sale by the Admiralty Marshal would provide a greater degree of certainty that a purchaser would receive title to the vessels free of liens and other encumbrances. In the absence of such assurances, purchasers were likely to make considerably reduced offers.
- 2.13 All vessels owned by the Company have now been sold through this process, but not all funds have been received from Her Majesty's Court Service. A further £287,000, less certain costs, is expected at the time of this report.

#### **Chattel assets**

- 2.14 Plant and machinery, marine spares, motor vehicles and office equipment have been fully realised, and the values achieved are in accordance with our agent's recommendations.

#### **Trading**

- 2.15 In order to comply with insurance requirements regarding the provision of technical services, it was necessary to retain a number of office-based staff. Accordingly, cash flow forecasts were prepared in order to understand the Company's immediate cash requirements and necessary undertakings were provided in respect of essential services, including key staff.
- 2.16 Staff redundancies were made at the end of February 2009, following the withdrawal of the only remaining party interested in the business as a going concern.

- 2.17 Following full cessation of trade and as a means of further reducing costs, the management of the owned vessels was transferred to a third-party ship management company. The costs of ship management services from this date were borne directly by the Bank.
- 2.18 The final staff member was made redundant on 15 March 2009, following the termination of the Company's remaining ship management contract.

#### **Payments**

- 2.19 The payments shown are largely self-explanatory, and for the purpose of this report I would not propose to comment in detail on individual payments made in the period.
- 2.20 Should creditors require further explanation on any individual item, the Administrators are content to provide more detail.

### **3 Future of the Administration**

- 3.1 As of the end of February, the first objective of the statutory purpose of administration, being that of "rescuing the Company as a going concern", was considered to be unachievable. As a result, the focus of the administration turned to the second and third objectives. I would refer creditors to the Administrators' first report and proposals to creditors, prepared pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986, for further commentary.
- 3.2 Considerable progress has been made in this regard, the vessels having all been sold through the Admiralty Marshal sale process and all chattel assets having been sold by private sale.
- 3.3 The only remaining asset for which a sale was not concluded during the period under review is the freehold property that served as the Company's head office and the warehouse at Buttercrook Wharf, Hoo. The property has been marketed by Edward Symmons LLP as two separate properties, and at the time of this report, an offer has been accepted on each of these.

### **4 Prospects for Creditors**

- 4.1 The Bank, as secured creditor, will suffer a shortfall on recoveries under its fixed charge.
- 4.2 Under the provisions of Section 176A of the Insolvency Act 1986, the Joint Administrators must state the amount of funds available to non-preferential unsecured creditors in respect of the prescribed part. This provision only applies

where the Company has granted a floating charge to a creditor after 15 September 2003.

4.3 It is apparent that after defraying the costs associated with the realisation of assets under the floating charge, there will be insufficient funds to discharge the claims of preferential creditors in full, if at all. Accordingly, there will be no net property available for distribution under the prescribed part.

4.4 There will not be funds available to enable a distribution to be made to the Company's non-preferential unsecured creditors.

## **5 Administrators' Remuneration**

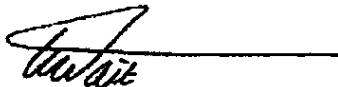
5.1 The creditors have already approved the Administrators' remuneration on a time costs basis. To date, I have drawn £25,000 in respect of remuneration as shown on the attached receipts and payments account.

5.2 I attach at Appendix III a schedule which summarises the time costs accrued to date, and which indicates the work undertaken in that respect. The Joint Administrators have also sought the approval of the Bank, as secured creditor, in respect of our remuneration pursuant to Rule 2.106 (5a) of The Insolvency Rules 1986.

## **6 Disbursements**

6.1 Where disbursements are recovered in respect of precise sums expended to third parties, there is no necessity for these costs to be authorised. These are known as category 1 disbursements. Since my last report, the sum of £408.85 has been drawn in respect of category 1 disbursements. Some Administrators recharge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO Stoy Hayward LLP is not to charge any category 2 disbursements.

Yours faithfully  
for and on behalf of Coastal Bulk Shipping Limited



W M H Tait

**Joint Administrator**

Authorised by the Insolvency Practitioners Association

Enc.

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**Coastal Bulk Shipping Limited**  
Statutory Information

# COASTAL BULK SHIPPING LIMITED

## STATUTORY INFORMATION SHEET

**Date of Incorporation** 11/11/1954

**Company Number** 00540448

**Trading Name** Coastal Bulk Shipping Limited

**Previous Company Names** Laphorn Shipping Limited until 27/10/2006  
R. Laphorn and Company Limited until 01/12/2003

**Country of Incorporation** United Kingdom

**Registered Office** 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA  
Formerly at Buttercrook Wharf, Hoo, Rochester, Kent.B52, ME3 9LQ

**Trading Address** As per registered office

Directors	Appointed	Resigned
Timothy Robert Lowry	17/11/2003	To Date
John Foster Yeoman	25/07/2006	To Date
Richard John Laphorn	Unknown	31/05/2006
Christopher John Laphorn	Unknown	31/05/2006

Company Secretary		
Terence John Beak	Unknown	17/04/2007
David Thoebald	17/04/2007	To Date

### Authorised Share Capital

	£
15,000 Ordinary shares of £1 each	15,000
9,000,000 Redeemable preference A shares of £1 each	9,000,000
252,000 Redeemable preference B shares of £1 each	252,000
	<u>9,267,000</u>

### Issued and Paid Up Share Capital

	£
15,000 Ordinary shares of £1 each	15,000
9,000,000 Redeemable preference A shares of £1 each	9,000,000
252,000 Redeemable preference B shares of £1 each	252,000
	<u>9,267,000</u>

### Shareholders

	Ordinary Shares	Preference A Shares	Preference B Shares
Fourwind Holdings Limited	15,000	9,000,000	252,000
	<u>15,000</u>	<u>9,000,000</u>	<u>252,000</u>



## Mortgage Report

Chargeholder	Date of Creation	Date of Registration	Nature of Charge
BRACKEN (AIRCRAFT) LIMITED	01/12/2008	03/12/2008	ACCOUNT ASSIGNMENT
BRACKEN (AIRCRAFT) LIMITED	01/12/2008	03/12/2008	ACCOUNT ASSIGNMENT
BRACKEN (AIRCRAFT) LIMITED	19/11/2008	25/11/2008	INSURANCE ASSIGNMENT
BRACKEN (AIRCRAFT) LIMITED	19/11/2008	25/11/2008	INSURANCE ASSIGNMENT
BANK OF SCOTLAND PLC	14/01/2008	19/01/2008	DEED OF ASSIGNMENT
BANK OF SCOTLAND PLC	14/01/2008	19/01/2008	MORTGAGE OF A SHIP
BANK OF SCOTLAND PLC	14/01/2008	19/01/2008	DEED OF COVENANT
BANK OF SCOTLAND PLC	29/12/2006	16/01/2007	DEED OF COVENANT
BANK OF SCOTLAND PLC	29/12/2006	12/01/2007	DEED OF MORTGAGE
BANK OF SCOTLAND PLC	29/12/2006	16/01/2007	DEED OF COVENANT
BANK OF SCOTLAND PLC	29/12/2006	16/01/2007	DEED OF COVENANT
BANK OF SCOTLAND PLC	29/12/2006	16/01/2007	DEED OF COVENANT
BANK OF SCOTLAND PLC	29/12/2006	16/01/2007	DEED OF COVENANT
BANK OF SCOTLAND PLC	29/12/2006	12/01/2007	DEED OF MORTGAGE
BANK OF SCOTLAND PLC	29/12/2006	12/01/2007	DEED OF MORTGAGE
BANK OF SCOTLAND PLC	29/12/2006	12/01/2007	DEED OF MORTGAGE
CAPITAL BANK PLC	14/12/2006	23/12/2006	DEED OF MORTGAGE
CAPITAL BANK PLC	15/12/2005	22/12/2005	DEED OF MORTGAGE
BANK OF SCOTLAND PLC	14/10/2005	20/10/2005	DEBENTURE
CAPITAL BANK PLC	16/09/2005	24/09/2005	DEED OF MORTGAGE
CAPITAL BANK PLC	16/09/2005	21/09/2005	DEED OF MORTGAGE
CAPITAL BANK PLC	16/09/2005	21/09/2005	DEED OF MORTGAGE
CAPITAL BANK PLC	16/09/2005	21/09/2005	DEED OF MORTGAGE
CAPITAL BANK PLC	16/09/2005	21/09/2005	DEED OF MORTGAGE
CAPITAL BANK PLC	16/09/2005	21/09/2005	DEED OF MORTGAGE
BANK OF SCOTLAND PLC	16/09/2005	20/09/2005	LEGAL CHARGE
CAPITAL BANK PLC	16/09/2005	21/09/2005	DEED OF MORTGAGE
CAPITAL BANK PLC	16/09/2005	21/09/2005	DEED OF MORTGAGE
CAPITAL BANK PLC	16/09/2005	21/09/2005	DEED OF MORTGAGE
CAPITAL BANK PLC	16/09/2005	21/09/2005	DEED OF MORTGAGE
CAPITAL BANK PLC	16/09/2005	21/09/2005	DEED OF MORTGAGE



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**Coastal Bulk Shipping Limited**  
Abstract Receipts & Payments Account

**Coastal Bulk Shipping Limited**  
**(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments**  
**To 05 July 2009**

<b>RECEIPTS</b>	<b>Total (£)</b>
Sale of Vessels	190,500.00
Plant and machinery	9,443.48
Fuel Bunkers	4,058.94
Motor Vehicles	5,100.00
Marine spares	51,236.00
Book Debts	35,844.78
Cash at Bank	29,479.89
Rates	398.21
Costs recharged to River Bulk Shipping	23,922.91
Interest Gross	552.28
Costs recharged to Ardent Shipping	9,981.87
Ship management fees	54,200.00
Output VAT & Refunds HMCE	15,493.33
	<hr/>
	430,211.69
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<b>PAYMENTS</b>	
Vessel security	225.00
Ransom in respect of leased assets	3,350.00
Sundry Vessel Costs	1,720.56
P&M repair costs	4,142.73
Repatriation expenses	6,135.48
Mooring	2,180.00
Vessel repairs	1,196.97
Administrator's Fees	25,000.00
Administrator's Expenses	408.85
Court Fees	1,938.50
Filipino crew [Contrator payments]	18,398.98
Celtic Officers [Contractor payments]	57,657.04
Agents Floating Charge Fees	9,778.00
Agents Fixed Charge Fees	1,750.00
Employee and crew business expenses	9,582.19
Brokers Commission	13,500.00
Telephone & Internet	596.05
Stationery & Postage	4.95
Storage Costs	3,814.93
Costs recharged by River Bulk	33,567.37
Statutory Advertising	1,355.88
Rates	2,624.85
Other Property Expenses	2,374.90
Insurance of Assets	2,779.53
Wages & Salaries	29,636.98
Bank Charges	56.43
Agents Disbursements	1,016.98
Car lease payments	604.54
Input VAT and Paid HMCE	13,136.09
	<hr/>
	248,533.78
Balances in Hand	181,677.91
	<hr/>
	430,211.69
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**Coastal Bulk Shipping Limited**  
Time Cost Analysis

**Coastal Bulk Shipping Limited**

**Summary of Time Charged and Rates Applicable for the Period From 6 January 2009 (Date of Appointment) to 31 August 2009**

Description	PARTNER		MANAGER		ASSISTANT MANAGER		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AVERAGE RATE £
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
Steps on Appointment							33.95	6,426.80			33.95	6,426.80	189.30
Planning and Strategy			23.50	8,930.00			12.70	2,603.50			36.20	11,533.50	318.60
General Administration			1.85	615.30	1.30	418.60	87.95	17,658.65	8.15	603.10	99.25	19,295.65	194.41
Assets Realisation/Dealing			34.50	13,023.00	1.70	547.40	128.65	26,290.80			164.85	39,861.20	241.80
Trading Related Matters					0.75	241.50	19.55	4,007.75			20.30	4,249.25	209.32
Employee Matters					2.00	644.00	44.65	9,135.65			46.65	9,779.65	209.64
Creditor Claims					1.05	338.10	54.60	10,692.80			55.65	11,030.90	198.22
Reporting			8.25	3,135.00			55.20	10,999.65			63.45	14,134.65	222.77
Distribution and Closure							1.10	225.50			1.10	225.50	205.00
	0.00	0.00	68.10	£25,703.30	6.80	£2,189.60	438.35	88,041.10	8.15	£603.10	521.40	£116,537.10	£223.51