

AM03

Notice of administrator's proposals



Companies House

SATURDAY



A20 *A6KXM1EB* 09/12/2017 #283
COMPANIES HOUSE

1 Company details

Company number 0 6 4 8 6 4 3 3

Company name in full Meercat Workboats Limited

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

2 Administrator's name

Full forename(s) Nicholas

Surname O'Reilly

3 Administrator's address

Building name/number 88 Wood Street

Street London

Post town EC2V 7QF

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s) Simon

Surname Thomas

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

5 Administrator's address ②

Building name/number 88 Wood Street

Street London

Post town EC2V 7QF

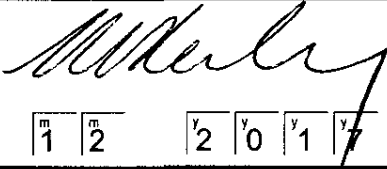
County/Region

Postcode

Country

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

AM03
Notice of Administrator's Proposals

6	Statement of proposals	
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7	Sign and date	
Administrator's Signature	<div>Signature</div> <div>✕  ✕</div>	
Signature date	<div><div><div>d</div><div>0</div><div>d</div><div>8</div></div><div><div>m</div><div>1</div><div>m</div><div>2</div></div><div><div>y</div><div>2</div><div>y</div><div>0</div><div>y</div><div>1</div><div>y</div><div>7</div></div></div>	

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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	Ben Luxford
Company name	Moorfields
Address	88 Wood Street
	London
Post town	EC2V 7QF
County/Region	
Postcode	
Country	
DX	
Telephone	0207 186 1144



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 and dated 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

**JOINT ADMINISTRATOR'S PROPOSALS RELATING TO
MEERCAT WORKBOATS LIMITED ("THE COMPANY") – IN ADMINISTRATION**

**ISSUED ON: 8 DECEMBER 2017
DELIVERED ON: 12 DECEMBER 2017**

Simon Thomas and I are the Joint Administrators of the Company and these are our statutory proposals relating to the Company.

1. STATUTORY INFORMATION

Statutory information relating to the Company is attached at **Appendix 1**.

2. CIRCUMSTANCES LEADING TO THE APPOINTMENT OF THE ADMINISTRATOR(S)

The Company was incorporated in 2008 following an opportunity opening in the new build workboat sector. Originally the Company operated at a site located at Trafalgar Wharf, Portchester with the capability of one workboat build at a time. Following the successful build of 21 vessels, all of which were workboats of various sizes, the Company was sold in August 2014.

In 2015 the Company and its sole shareholder was acquired by another company and later moved to a new purpose-built leasehold premise Units 3A and 3B Hythe Marine Park, Shore Road, Hythe, Southampton, Hampshire where three vessels were built resulting in a total of 31 being built since incorporation.

Details of registered charges with dates of creation: -

- HSBC Bank Plc – Created 02.03.2015, Registered 02.03.2015 (Fixed and floating)
- RJD Partners Limited – Created 20.07.2017, Registered 24.07.2017 (Security Trustee, leasehold)
- Nicholas Warren – Created 26.01.2015, Registered 02.02.2015 (Fixed charge)
- RJD Partners Limited – Created 26.01.2015, Registered 28.01.2015 (Fixed charge)

With two third party owned vessels mid build, the Company was experiencing cash flow difficulties that resulted in an exceeded overdraft facility, and with no external funding available to finish the builds, the directors approached Moorfields Advisory Limited ('MAL') for advice on the options available.

Shortly after approaching MAL, the Company ceased to trade and all employees were made redundant on 30 October 2017.

A summary of the Company's recent trading performance is shown below.

	Mgmt	Mgmt	Mgmt
	Jul-17	Aug-17	Sep-17
INCOME			
Sales Invoiced	2,535	2,471	7,974
Profit Provision	44,183	56,665	65,150
WIP Variance	212,367	255,928	271,561
	259,085	315,064	344,685
EXPENDITURE			
Wages & NI	32,966	27,687	31,910
Purchases	125,197	120,050	132,283
Purchases - Procurement			
Sub-Contract	7,441	67,936	77,497
Labour only Sub-Contract	29,445	28,361	17,858
Direct Hire	508	2,156	1,104
Consumables	4,471	11,506	6,688
Travel, Accom & Subs	-	-	-
	200,028	257,696	267,340
GROSS PROFIT	59,057	57,368	77,345

It should be noted that the management accounts have not been verified for accuracy and therefore may not reflect the Company's true trading position.

Role of the Insolvency Practitioner

I was introduced to the Board of the Company by Nicholas Warren, director, on 20 October 2017. I first met with the Board on 23 October 2017 to discuss the financial affairs of the Company.

The Company's Board of Directors wished to place the Company into Administration and instructed MAL in this regard. A Notice of Intention to Appoint Administrators was filed on 23 October 2017.

Prior to the commencement of the Administration I advised the Board as a whole, acting on behalf of the Company, about the Company's financial difficulties and provided advice about the options available to the Company to help determine an appropriate course of action to take. No advice was given to the individual directors regarding the impact of the insolvency of the Company on their personal financial affairs. Whilst not formally in office at that time, I was still required to act in my dealings with the Company in accordance with the Insolvency Code of Ethics.

Ultimately the Company was placed into Administration and I was appointed Administrator together with Simon Thomas on 3 November 2017. As Administrator, I am an officer of the Court and I have taken over the management of the Company from the Board. The appointment permitted the Joint Administrators to take any actions required either jointly or alone, and I have been the Administrator primarily involved in dealing with the Company's affairs.

As required by the Insolvency Code of Ethics, Simon Thomas and I considered the various threats to our objectivity arising from this prior involvement. We concluded that those threats were at an acceptable level such that we could still act objectively and hence could be appointed Administrators of the Company.

In order to help me achieve the objective I have a wide range of powers, as set out in the insolvency legislation, and I must perform my functions as quickly and efficiently as is

reasonably practicable. I must also act in the interests of the creditors of the Company as a whole other than where objective c) is being pursued I need only ensure that I do not unnecessarily harm the interests of the creditors of the Company as a whole.

3. OBJECTIVES OF THE ADMINISTRATION AND THE ADMINISTRATORS' STRATEGY FOR ACHIEVING THEM

As Administrator of the Company I am an officer of the Court, and I must perform my duties in the interests of the creditors as a whole in order to achieve the purpose of the Administration, which is to achieve one of the three objectives set out in the insolvency legislation, namely to:-

- (a) rescue the Company as a going concern; or
- (b) achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors.

Objective (a) could not be achieved as no purchaser could be found for the shares of the Company and the nature of the Company's trading and having reviewed the Company's accounting records and discussed the ongoing trading prospects, it was evident that the Company was not able to propose an arrangement that was likely to be approved by creditors.

The second objective could not be achieved as the amount due to the Company's charge holders compared to the value of its assets means that there are only sufficient assets to make a distribution to the charge holders and any preferential creditors. As a result, I am seeking to achieve objective (c) for the Company, and will do this by completing a pre-pack sale of the Company assets. Further detail below.

The insolvency legislation has set a 12-month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If I am unable to complete the Administration of the Company within 12 months then I will either apply to the Court, or hold a meeting of creditors, in order to seek approval to extending the duration of the Administration. I do not anticipate the Administration exceeding 12 months.

4. ACTIONS OF THE ADMINISTRATORS FOLLOWING APPOINTMENT

Since I was appointed Administrator I have completed a pre-pack sale of the Company's assets and I repeat below the disclosure I have previously made to creditors about the sale. I was unable to issue my proposals at the time I made the SIP 16 disclosure because I was waiting for an estimated Statement of Affairs to be completed by the directors.

In addition, I have undertaken routine statutory and compliance work, such as filing relevant statutory notices with Companies House, the Court and the Pensions Protection Fund together with the London Gazette. These are tasks that are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

Pre-appointment considerations

Various courses of action were discussed with the Board, which included the following: -

- Doing nothing – MAL confirmed that the Company appeared to be insolvent. The Board were aware that continued trading without taking action to deal with the position could result in personal liability for the Company's debts being payable by the Company's directors personally.

- Company Voluntary Arrangement (CVA) – Having reviewed the Company's accounting records and discussed the ongoing trading prospects, it was evident that the Company was not able to propose an arrangement that was likely to be approved by creditors.
- Compulsory Liquidation – The Board confirmed that no one had petitioned for the Company to be placed into liquidation. The Board considered that it was likely that there will be better realisations for creditors if the Company was first placed into Administration and there may even had been a chance to sell the whole business as a going concern or achieve a partial sale and preserve jobs.
- Creditors' Voluntary Liquidation – The Board considered that placing the Company into voluntary liquidation would be inappropriate. It considered that it was likely that there would be better realisations for creditors if the Company was first placed into Administration and there may even had been a chance to sell the whole business as a going concern or achieve a partial sale and preserve jobs.

Ultimately, Administration was considered the best option as it would result in better realisations for creditors. The value of assets would depreciate significantly in a liquidation scenario resulting in a reduced/nil return to creditors. Please see below for further comparisons.

Contact was made with the Company's major creditors, HSBC Bank Plc and David Warren, who had an unsecured claim of c.£500,000. Discussions also took place with Nick Belson Design, an unsecured creditor, about ongoing strategy and the marketing of the Company's business & assets. No one expressed an objection to the Company being placed into Administration.

It was not appropriate to trade the business and offer it for sale as a going concern during the Administration as there were no immediate funds available, which was essential to pay the employees' wages for October and complete the two mid builds on site. External funding was not considered as the Board had made attempts to obtain further funding prior to MAL's involvement.

As Administrator of the Company the pre-pack sale of the business enables me to achieve the objective set out above as the realisations made will enable me to make a distribution to the secured creditor(s), and preferential creditors. I can also confirm that the outcome achieved as a result of the pre-pack sale was the best available outcome for creditors of the Company as a whole in all the circumstances of the case and that it did not unnecessarily harm the interests of the creditors of the Company as a whole.

Valuation of the business and assets

Professional independent valuation agents, Hilco Global ('Hilco'), were instructed to visit the premises and undertake a formal valuation of the Company's business and assets.

On 24 October 2017, a Managing Director at Hilco, inspected the business and assets located Hythe, Southampton. The inspection resulted in an inventory in a work around order of all the assets, both owned and encumbered.

The Managing Director who undertook the valuation is a registered member of the Royal Institution of Chartered Surveyors and has confirmed that Hilco had not previously acted for the Company and had no material interest in the assets.

Hilco carried out the valuation as independent external valuers and have confirmed that they had requisite PII cover to undertake the valuation.

To ascertain the value of the business and assets, Hilco used three principle methods of assessing market values, which are the cost method, sales comparison method and the income capitalisation method.