

The Insolvency Act 1986

Statement of administrator's proposals**R2.25****Pursuant to paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.25 of the Insolvency (Scotland) Rules 1986**

Name of Company

Buckie Shipyard Limited

Company number

SC158728

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

We (a)
Alexander Iain Fraser
Apex Restructuring LLP
214 Union Street
Aberdeen
AB10 1TL

Thomas Campbell MacLennan
Apex Restructuring LLP
214 Union Street
Aberdeen
AB10 1TL

attach a copy of our proposals in respect of the Administration of the above company.

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 17 October 2013

Signed


Joint Administrator

Dated

17 October 2013

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

Alexander Iain Fraser
Apex Restructuring LLP
214 Union Street
Aberdeen
AB10 1TL

DX Number

DX Exchange

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

Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF
DXED235 Edinburgh 1 / LP- 4 Edinburgh 2

SATURDAY



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S2JBAMAR
19/10/2013
COMPANIES HOUSE

#389

Joint Administrators' Proposals relating to
Buckie Shipyard Limited (the "Company")
– In Administration

Issued on: 17 October 2013

Restructuring services are provided through Apex Restructuring LLP and our Insolvency Practitioners are authorised to act in this capacity by their respective individual licensing bodies. Partners and staff acting as Administrative Receivers, Receivers and Administrators act as agents of the company over which they are appointed and contract without personal liability.

Apex Restructuring LLP is incorporated in England & Wales under the Limited Liability Partnerships Act 2000 as a Limited Liability Partnership. Partnership Number: OC385187. Registered Office: Broadgate Tower, 20 Primrose Street, London, EC2A 2EW. A list of Members is open to inspection at the Registered Office.

Alexander Iain Fraser and Thomas Campbell MacLennan of Apex Restructuring LLP are the Joint Administrators of the Company and these are the Joint Administrators' statutory proposals relating to the Company. All reference to "I" or "my" within this document refers to both Joint Administrators.

Please note that Alexander Iain Fraser and Thomas Campbell MacLennan, together with the senior Restructuring & Insolvency team of their staff, have now left RSM Tenon Ltd. A new Restructuring & Insolvency business has been created and is called Apex Restructuring LLP. Given that their appointments as Joint Administrators are personal to Alexander Iain Fraser and Thomas Campbell MacLennan, the case continues to be handled by them and their staff. Please refer to the covering letter sent with these Proposals for updated contact details.

1. Statutory Information

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

2. Circumstances Leading to the Appointment of the Joint Administrators

The Company was incorporated in 1995 and is located in Buckie, Banffshire. It offered a wide range of operations to the marine industry, including construction, refit and repair of fishing vessels, RNLI lifeboats, ferries, tugs, workboats, yachts and pleasure vessels, pilot boats and MOD vessels. In recent years it has also constructed aluminium vessels ranging from 15metres to 24metres which are used in offshore wind farm servicing.

The Company's trade has contracted considerably over recent years due to a decline in the local fishing fleet and centralisation by the RNLI of lifeboat building and repairs at its headquarters in Poole. There is also intense competition to construct off shore wind farm servicing vessels, leading to lower margins and profitability.

The Company struggled to retain core staff due to extreme wage competition from the oil and gas sector based in the North East of Scotland, which caused extensive continuity issues on contracts and consequent delays in vessel construction.

The Company was financially supported by its parent entity and following a review of the financial position which confirmed that further substantial losses were likely, support was withdrawn.

On 23 August 2013, Thomas Campbell MacLennan and I were appointed Joint Administrators of the Company by the Company's directors. The appointment permits the Joint Administrators to take any actions required either jointly or alone.

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

PROFIT AND LOSS ACCOUNT	Management accounts for the period ended 31-Jul-2013 £'000	Draft statutory accounts for the year ended 31-Dec-2012 £'000	Statutory audited accounts for the year ended 31-Dec-2011 £'000	Statutory audited accounts for the year ended 31-Dec-2010 £'000
Turnover	242 *	1,961	2,386	2,987
Cost of sales	(424)	(2,424)	(2,136)	(2,631)
Gross (loss) / profit	(182)	(463)	250	356
Administrative expenses	(330)	(299)	(328)	(368)
Interest and other income	(17)	9	2	2
Loss before tax	(529)	(753)	(76)	(10)
Tax	-	-	-	-
Loss after tax	(529)	(753)	(76)	(10)

Note: management accounts and draft statutory accounts have not been subjected to a full audit

BALANCE SHEET	Management accounts for the period ended 31-Jul-2013 £'000	Draft statutory accounts for the year ended 31-Dec-2012 £'000	Statutory audited accounts for the year ended 31-Dec-2011 £'000	Statutory audited accounts for the year ended 31-Dec-2010 £'000
Fixed Assets				
Freehold & leasehold property	1,035	524	537	547
Machinery, plant and vehicles	330	373	440	517
	<u>1,365</u>	<u>897</u>	<u>977</u>	<u>1,064</u>
Current Assets				
Stock & WIP	(157)	18	90	6
Debtors and prepayments	360	256	378	783
Cash at bank	-	6	1	-
	<u>203</u>	<u>280</u>	<u>469</u>	<u>789</u>
Creditors < 1 year				
Loans and overdrafts	(602)	-	-	(343)
Trade creditors	(527)	(260)	(190)	(220)
Taxes and social security costs	1	(29)	(34)	(42)
Other creditors, deferred income	(263)	(502)	(136)	(171)
	<u>(1,391)</u>	<u>(791)</u>	<u>(360)</u>	<u>(776)</u>
Net current (liabilities) / assets	(1,188)	(511)	109	13
Creditors > 1 year				
Due to group undertakings	-	(626)	(559)	(1,954)
Other creditors and deferred grants	-	(42)	(56)	(76)
	<u>-</u>	<u>(668)</u>	<u>(615)</u>	<u>(2,030)</u>
Net assets / (liabilities)	177	(282)	471	(953)
Capital and reserves				
Share capital	1,600	1,600	1,600	100
Reserves	(1,423)	(1,882)	(1,129)	(1,053)
Shareholder's funds / (deficit)	177	(282)	471	(953)

Note, management accounts and draft statutory accounts have not been subjected to a full audit

3. Objectives of the Administration of the Company and the Joint Administrators' Strategy

The purpose of an Administration is to achieve one of the three hierarchical objectives set out in the insolvency legislation, which is 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) cannot be achieved since no purchaser can be found for the shares of the Company and the nature of the Company's trading and its financial circumstances meant that a Company Voluntary Arrangement is not appropriate.

As a result, I am seeking to achieve objective (b) for the Company, and will do this by initially seeking a sale of the business and assets as a going concern in conjunction with completing contracts which were substantially complete at the time of my appointment. If this is unsuccessful then I will proceed to a sale of the assets on a break-up basis.

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.

4. Actions of the Joint Administrators following appointment

At the date of appointment, the Company had several ship building and repair contracts ongoing. Due to the working capital constraints of the Company and lack of certainty regarding staffing, it was apparent that trading could not continue. As a result, 56 staff were made redundant with immediate effect, leaving a skeleton staff of 9 to enable completion of certain contracts.

Negotiations were entered into with all customers with a view to maximise the recovery of work-in-progress and minimise disruption to customers. One refit contract, one repair contract and two ship building contracts were substantially completed at the date of appointment and these formed the basis of negotiations:

Refit customers

- Works were completed and settlement reached with majority of sums due now ingathered. The remaining skeleton staff were made redundant at conclusion of these works.

Repair customers

- Settlement was reached with the customer for works completed and their vessel was then released.

Ship building customers

- Settlement has been reached with one customer regarding work-in-progress and a licence has been granted for them to partially occupy one property of the shipyard buildings to enable completion of their vessel using their own staff and subcontractors.
- Negotiations with the second ship building customer are ongoing.

Two other ship building contracts were underway at the date of appointment, however these vessels were in kit or shell form and no works were undertaken on them following my

appointment. The customers have been advised of the position and instructed to make other arrangements regarding their completion.

Extensive discussions have taken place with The Moray Council as landlord for the main shipyard and Highlands & Islands Enterprise as secured lender for the Company's heritable property.

Thainstone Specialist Auctions were instructed to carry out an inventory of the Company's moveable assets.

Ryden LLP were instructed to carry out a valuation of the Company's heritable property.

The business and assets were formally marketed for a period of 2 weeks with an information memorandum sales pack distributed to 30 parties who expressed an interest. Several parties made site visits prior to the closing date for offers of 12noon on Friday 13 September. 7 offers were received, primarily for the heritable property and assets of the Company. A preferred bidder has since been selected, with the disposal being progressed.

All statutory matters relating to my appointment have been dealt with.

5. Financial Position of the Company

A summary of the Company's estimated financial position as at 23 August 2013, which is known as a Statement of Affairs, is attached at **Appendix II**. This was prepared by the Company's directors. The full version has been filed at Companies House but only the pertinent pages are included with these Proposals. A full copy can be obtained by requesting this to me in writing. Please note that it does not take into account the costs of the Administration (including legal, property agent and other professional fees). Inclusion of creditor balances does not imply admission of balances due or their classifications.

Joint Administrators' comments on the Statement of Affairs

5.1. Heritable property and leasehold property

Ryden LLP were instructed to carry out a valuation of the Company's heritable property on an open market basis, although for reasons of commercial sensitivity I am unable to disclose the valuation figure advised by them. The Company borrowed money against its heritable property and a Standard Security created on 18 January 2013 is held by Highlands & Islands Enterprise. The preferred bidder included the heritable property within their offer and the disposal is being progressed.

The Company leased the main shipyard and slipway to the north of Commercial Road, Buckie, from The Moray Council as well as a second slipway and two sheds on the piers at Buckie Harbour. The lease for the main shipyard carries a significant level of tenant liability and accordingly no suitable offers were received to take an assignation of that lease. The lease for the second slipway will be assigned to the preferred bidder and the remainder will be renounced.

5.2. Plant and Machinery

The majority of the Company's plant, tools, equipment and machinery (the "moveable assets") were owned outright. An inventory of these was taken by Thainstone Specialist Auctions on the date of appointment. These assets are free from encumbrance and form part of the offer made by the preferred bidder.

5.3. Work-in-progress

The work-in-progress contained within the directors' Statement of Affairs of £405,711 will not be recovered in full. The majority of customers disputed the balances due and lodged

counter claims disputing works completed and for failure to deliver on time. As detailed in Section 4 above, three out of four customers have now agreed settlements regarding work-in-progress and monies have either been ingathered already or will be shortly. Discussions and possible legal action is ongoing regarding a fourth customer.

5.4. Book Debts and VAT refund

Book debts at the date of appointment amounted to £121,497. Of this, £88,565 relates to the ongoing legal action with one of the customers and the Company has provided for bad debts of £2,219. The remaining £30,713 has been ingathered in full.

Due to the nature of its trade, the Company was in a VAT refund position at the date of appointment. The VAT records have been brought up to date and a refund claim of £34,247 has been submitted to HM Revenue & Customs. This is subject to set off for unpaid payroll taxes, duties and other amounts by HM Revenue & Customs and as such the final refund figure is unknown.

5.5. Amounts due from related undertaking

The Company records show a balance of £100,813 due from Buckie Fabrications Ltd, a related company. Due to the financial position of that company the balance is not considered to be recoverable.

5.6. Preferential creditors

The only known preferential creditors are former employees of the Company for unpaid wages and holiday pay. Their claims are subject to a maximum limit set by legislation.

5.7. Prescribed Part

There are provisions of the insolvency legislation that require an administrator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a valid "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A Company's net property is left after paying the preferential creditors and the costs and expenses of the administration, but before paying the lender who holds a floating charge. An Administrator has to set aside:

- > 50% of the first £10,000 of the net property plus
- > 20% of the remaining net property up to a maximum prescribed part of £600,000

The Company granted a standard security to Highlands & Islands Enterprise and this was created on 18 January 2013. Based on the offer being progressed, the money due to Highlands & Islands Enterprise is expected to be substantially repaid from the Standard Security they hold over the Company's heritable property.

The Company granted a floating charge to Lithgows Ltd, its parent undertaking, on 19 July 2013. The net property of the Company available to unsecured creditors is unknown at this stage since the total costs of the Administration are not yet known, disposal to the preferred bidder remains ongoing, a landlord's hypothec claim is yet to be resolved and the level of preferential creditors is yet to be finalised.

6. Joint Administrators' Receipts and Payments Account

I attach a summary of my receipts and payments relating to the Company for the period from the date of appointment, 23 August 2013, to the date of these proposals at **Appendix IV**.

Settlements received to date from customers in respect of work-in-progress amount to £168,048. Book debts of £30,713 have been ingathered, with £10,722 received directly to the Administration and the balance remitted to the pre-appointment bank account. This balance will be ingathered to the Administration in due course.

Disposal of the Company's assets to the preferred bidder remains ongoing. £20,000 has been received as a holding deposit.

Professional advisors used are detailed in the table below. The choice of professionals and the Administrators' fee arrangement with them was based on perception of their experience and ability to perform this type of work, the complexity and nature of the assignment.

<i>Professional Advisor</i>	<i>Nature of Work</i>	<i>Fee Arrangement</i>
Maclay Murray & Spens LLP	Solicitors: commercial disputes, property matters and sale agreement	Time costs. To be agreed.
Thainstone Specialist Auctions – ANM Group Ltd	Asset inventory and valuation	Fixed fee and commission.
Ryden LLP	Heritable property valuation	Fixed fee: £4,000 (exclusive of VAT)
Objective (Scotland) Ltd	Property: Energy Performance Certification	Fixed fee: £750 (excluding VAT) per property
Spinney & Partners	Press and media enquiries	Time costs. £2,200 (exclusive of VAT)

7. Proposed Future Actions of the Joint Administrators to Achieve the Objective of the Administration

In order to achieve the objective of the Administration of the Company I propose to conclude a sale of the business and assets to the preferred bidder, ingather the remaining book and trade debts and reach a settlement with the final customer against whom legal action remains ongoing.

I will finalise VAT matters with HM Revenue & Customs.

I will liaise with The Moray Council regarding their landlord's hypothec claim and renunciation of certain leases.

I will liaise with the Redundancy Payments Service regarding the employee claims and finalise the preferential creditor claim, making a distribution from available funds.

At this stage it is uncertain whether there will be funds available to allow a dividend to be paid to any other class of creditor.

Upon conclusion of all outstanding matters, I will seek to bring the case to a close by one of the ways detailed in Section 13.

8. Meeting of Creditors

I intend to hold a meeting of creditors by correspondence to consider and vote on my formal proposals to achieve the objective of the Administration of the Company. I enclose formal notice of conduct of business by correspondence and a proof of debt form (Form 4.7 Scot). You can only vote at the meeting by correspondence if you complete and return the claim

form and complete the voting section of the notice of conduct by correspondence. I must receive your completed forms by no later than noon on 4 November 2013. You are not required to vote at the meeting by correspondence, and if you do not do so then this will not affect your rights against the company. Creditors whose claims are wholly secured are not entitled to vote at this meeting.

Whilst I have decided to hold a meeting by correspondence, creditors whose debts amount to at least 10% of the total debts of the Company can require me to convene an actual meeting of creditors. Such a request must be made to me within 5 business days of the date of these proposals.

9. Joint Administrators' Remuneration and Expenses

I propose that my fees will be charged by reference to the time properly spent by me and my staff in dealing with the matters relating to the administration of the Company. This time will be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken. Information about current charge out rates is set out in **Appendix III**. I also propose that I am permitted to charge what are known as category 2 expenses. Information about category 2 expenses is also set out in **Appendix III**.

The approval of my remuneration and category 2 expenses forms part of these proposals for which approval is being sought.

In the period up until the date this report is prepared, my time costs amount to £113,161, representing 464.8 hours work, at an average charge out rate of £243.46. **Appendix III** contains information about remuneration and expenses, including the total time spent on the affairs of the Company for the period from when it entered administration, 23 August 2013, to the date of these proposals, and the cost of that time based on the charge out rates of the staff undertaking the work.

Please go to http://www.r3.org.uk/media/documents/publications/professional/A_Scot_A4.pdf if you require further information relating to Administrator's Remuneration in Scotland. The Guide also gives important information about Creditors' Rights. Alternatively a copy is available free of charge upon request from the address shown in the covering letter enclosing these proposals.

10. Discharge from Liability

We are, in accordance with legislation, seeking a resolution from the creditors for discharge from liability in respect of any action of ours as Administrators to take effect 14 days following cessation to act as Administrators.

The resolution will be as follows:

If the Administration ends by the Administrators filing notice that the objective has been sufficiently achieved or by the Company moving into Liquidation or being dissolved, the Joint Administrators shall be discharged from liability 14 days following either the Company entering into Liquidation or filing the notice of moving from Administration to Dissolution.

11. Joint Administrators' Investigations

I have a duty to consider the conduct of those who have been directors of the Company at any time in the three years preceding the administration. I am also required to investigate the affairs of the Company in general in order to consider whether any civil proceedings should be taken on its behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress that this request for information forms part of my normal investigation procedure.

12. EC Regulation on Insolvency Proceedings

I consider that the EC Regulation on Insolvency Proceedings applies to the Administration of the Company. I also consider that they are "main" proceedings since the Company's registered office and its trading address are in the United Kingdom.

13. Joint Administrators' Proposals

In order to achieve the objective Alexander Iain Fraser and Thomas Campbell MacLennan of Apex Restructuring LLP, the Joint Administrators, formally propose to creditors that:

- (a) they continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration. In particular that they:
 - (i) sell the Company's assets at such times and on such terms as they consider appropriate;
 - (ii) investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company; and
 - (iii) do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) The Administration shall end where any of the following shall occur:
 - (i) If the Joint Administrators think that there are funds available to be distributed to the unsecured creditors, the Company may exit the administration by way of a Creditors Voluntary Liquidation, and that Alexander Iain Fraser and Thomas Campbell MacLennan are appointed the Joint Liquidators of the Company, without any further recourse to creditors and that they will act jointly and severally in their duties. In accordance with Paragraph 83(7) to schedule B1 to the Insolvency Act 1986 and with Rule 2.47 of the Insolvency (Scotland) Rules 1986, creditors may nominate a different person(s) as the proposed liquidator(s), but must make the nomination(s) at any time after receipt of these proposals, but before they are approved. Information about the approval of the proposals is set out at Section 13.
 - (ii) If the Joint Administrators think that there are no funds available for distribution to the unsecured creditors, the Company may exit administration by way of dissolution.
 - (iii) on the making of a Winding up Order against the Company by the court (or thereafter as the court otherwise directs) the Joint Administrators further propose that Alexander Iain Fraser and Thomas Campbell MacLennan be appointed the liquidators of the Company by the court.
 - (iv) the administration of the Company will end on the making of a court order (or thereafter as the court otherwise directs) following the making of an application to court for an order that the administration ceases.

- (v) the administration of the Company will end by giving notice to the court, creditors and Registrar of Companies that the objective of the administration has been sufficiently achieved.
- (c) they shall be authorised to draw their remuneration by reference to time properly spent by them and their staff in dealing with matters relating to the administration of the Company, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken. Details of the current charge out rates for the Joint Administrators and their staff are outlined in **Appendix III** of these proposals.
- (d) they be authorised to draw category 2 expenses as outlined in **Appendix III** of these proposals.

14. Further Information

Should you require any further information relating to these proposals or the administration of the Company please do not hesitate to contact Alastair Spiers on the telephone number shown in the covering letter enclosing these proposals.



A I Fraser
Joint Administrator

*Licensed in the United Kingdom to act as an insolvency practitioner by the Insolvency Practitioners Association
The affairs, business and property of the Company are being managed by the Administrators*

Appendix I

Statutory Information

Appendix I

Company information

Company Name: Buckie Shipyard Limited
Company Number: SC158728
Date of Incorporation: 19 June 1995
Trading Address: Commercial Road, Buckie, Banffshire, AB56 1UR
Current Registered Office: 160 Dundee Street, Edinburgh, EH11 1DQ (changed following appointment)
Former Registered Office: Netherton, Langbank, Renfrewshire, PA14 6YG
Principal Trading Activity: Building and repairing of ships and boats

Appointment details

Date of Appointment: 23 August 2013
Appointment made by: Directors
Court Name and Reference: Court of Session /2013
Administrators Appointed: Alexander Iain Fraser IP Number: 9218
Thomas Campbell MacLennan IP Number: 8209

Officers of the company

Directors:	Name:	Shareholding
	Mr James Farquhar	Nil
	Mr Frank James Lithgow	Nil
	Mr Colin Peter Taylor	Nil
	Mr Alastair William Chisolm Wishart	Nil

Company Secretary: Mr Alastair William Chisolm Wishart

Share Capital

Authorised	Allotted, called up and fully paid
1,600,000 Ordinary shares £1 each	1,600,000 Ordinary shares of £1 each

Charges

Standard Security created 18 January 2013 in favour of Highlands & Islands Enterprise over subjects to the North of Commercial Road, Buckie and obligations under Clause 5 of an Assignment.

Standard Security created 25 January 2013 in favour of Highlands & Islands Enterprise over subjects to the South of Commercial Road, Buckie.

Floating Charge created 19 July 2013 in favour of Lithgows Ltd over all the property or undertaking of the Company.

Appendix II

Statement of Affairs as at 23 August 2013, prepared by the Company's directors

1. The Statement of Affairs should be read in conjunction with the Joint Administrators' commentary at Section 5 of these Proposals.
2. The Statement of Affairs does not take into account the costs of the Administration.
3. The figures contained in the Statement of Affairs reflect information obtained from the Company's records and the knowledge of the directors only.
4. Inclusion of creditor balances does not imply admission of balances due or their classifications.

Statement of Affairs

Pursuant to paragraph 47 of Schedule B1 to the Insolvency Act 1986
and Rule 2.21(1) of the Insolvency (Scotland) Rules 1986

Insert name of the
company

Statement as to the affairs of Buckie Shipyard Ltd

as at the 23 August 2013, the date that the company entered administration.

Statutory Declaration

I solemnly and sincerely declare that the information provided in this statement and the lists A to G annexed and signed as relative hereto is, to the best of my knowledge and belief, true and complete,

AND I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at Guthrie

Signed [Signature]

This 12th day of September 2013

Before me Kimberley Goh

A Notary Public or Justice of the Peace or Solicitor

STATEMENT as to the affairs of the Company on the 23 August 2013

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

		Estimated Realisable Values £
ASSETS		
Assets not specifically secured (as per List "A")		751,942
Assets specifically secured (as per List "B")		
Estimated realisable value	£ 500,000	
Less: Amount due to secured creditors	(535,964)	
Estimated Surplus	(35,964)	
Estimated Total Assets available for preferential creditors, holders of floating charges and unsecured creditors		
LIABILITIES		
Preferential creditors (as per List "C")		(277,779)
Estimated balance of assets available for holders of floating charges and unsecured creditors		474,163
Estimated prescribed part of net property where applicable (to carry forward)		
Holders of floating charges (as per List "D")		(1319,793)
Estimated surplus/deficiency as regards holders of floating charges		(845,630)
Estimated prescribed part of net property where applicable (brought down)		
Unsecured Creditors		
Trade accounts (as per List "E")	£ (696,877)	
Bills payable (as per List "F")		
Contingent or other liabilities (as per List "G")		
Total unsecured creditors (excluding any shortfall to floating charge holders)		(696,877)
Estimated Surplus/Deficiency as regards creditors unsecured creditors (excluding any shortfall to floating charge holders)		(1,542,507)
Estimated deficiency after floating charge where applicable (brought down)		(35,964)
Estimated Surplus/Deficiency as regards creditors		(1578,471)
Issued and Called-up Capital		(1,600,000)
Estimated Surplus/Deficiency as regards members		(3,178,471)

These figures must be read subject to the following:-

*delete as appropriate

*[(a) There is no unpaid capital liable to be called up]

*[(b) The nominal amount of unpaid capital liable to be called up is £
is/is not charged in favour of the holder of the floating charges(s)]

estimated to produce

which

The estimates are subject to the expenses of the liquidation and to any surplus or deficiency on trading pending realisation of the Assets.

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

Statement of affairs LIST 'A' Assets not specifically secured

Particulars of assets	Book value £	Estimated to produce £
Balance at bank	1,706	1,706
Cash in hand	NIL	NIL
Marketable securities (as per Schedule I)	NIL	NIL
Bills receivable (as per Schedule II)	NIL	NIL
Trade debtors (as per Schedule III)	150,580	153,525
Loans and advances (as per Schedule IV)	100,813	NIL
Unpaid calls (as per Schedule V)	NIL	NIL
Stock in trade	11,053	6,000
Work in progress	406,260	405,711
Heritable property	NIL	NIL
Leasehold property	104,301	35,000
Plant, machinery and vehicles	319,750	145,000
Furniture and fittings, etc	10,568	5,000
Patents, trade marks, etc	NIL	NIL
Investments other than marketable securities	2	NIL
Other property	NIL	NIL
Total	1,105,033	751,942

Signed



Date 12 September 2013

Appendix III

**Information relating to
Joint Administrators' Remuneration
and Expenses**

Information relating to the Joint Administrators' Fees and Expenses

1. Overview of Case

1.1. Appointment

Alexander Iain Fraser and Thomas Campbell MacLennan were appointed Joint Administrators of Buckie Shipyard Ltd on 23 August 2013 following an application by the directors of the Company.

1.2. Strategy

The Joint Administrators intend to market and sell the heritable property and assets of the Company.

Value will be realised from the work-in-progress and book debts will be ingathered.

Creditor claims, including preferential claims from employees, will be dealt with in due course.

Liaise with leasehold landlord regarding shipyard and slipway.

1.3. Staffing

Day to day matters with the case will be dealt with by the Joint Administrators, Case Director, Case Managers or Support Staff commensurate with the experience and skills required.

1.4. Anticipated return to creditors

The ongoing asset disposal and uncertainty over the final level of realisations means that I am unable to indicate whether a dividend will be paid to any class of creditor at this stage.

2. Explanation of office-holders charging and disbursement recovery policies

2.1. Time recording

Work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. The current hourly charge out rates are:

	Rate since 1 February 2013 £
Partner and licensed Insolvency Practitioner	425
Director	325
Senior Manager	220 – 280
Manager	175 – 240
Senior Administrator	175
Administrator	145-175
Secretarial and support staff	95 – 105
Cashier	50 – 100

2.2. Disbursement recovery

Disbursements are categorised as either Category 1 or Category 2.

Category 1 disbursements:

External supplies of incidental services specifically identifiable to the case. Where these have initially been paid by RSM Tenon Ltd or Apex Restructuring LLP and then recharged to the estate, approval from creditors is not required.

Examples of category 1 disbursements include postage, case advertising, specific bond insurance, company search fees, external room hire, storage, case management software system, invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case (including business mileage up to HMRC approved rate for cases commenced before 1 November 2011).

Category 2 disbursements:

These include elements of shared or allocated costs incurred by RSM Tenon Ltd or Apex Restructuring LLP and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full, subject to the basis of the disbursement charge being approved by creditors in advance.

Category 2 disbursements charged by RSM Tenon Ltd or Apex Restructuring LLP are as follows:

Disbursement charge	Rate
Company searches (Tracker)	£10 per case
File set up	£7 per file
Photocopying, scanning and faxes	10p per side of paper
Mileage	45p per mile
Room hire (internal) - London	£150 per hour
Room hire (internal) - outside London	£100 per hour
Reports to creditors and members - posted	50p per report
Reports to creditors and members - published on line	25p per report

3. Description of work carried out

Section 4 of this appendix outlines the time costs to date in relation to activities undertaken during this matter. These matters can be summarised as follows:

3.1. Administration and planning

The following activities have been undertaken:

- > Statutory duties associated with the appointment including the filing of relevant notices
- > Notification of the appointment to creditors, members, employees and other interested parties
- > Setting up case files
- > Reviewing available information to determine appropriate strategy
- > Setting up and maintaining bank accounts

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake.

3.2. Investigations

The time spent comprises:

- > Corresponding with the former directors and management
- > Review of questionnaires and comments provided by directors and creditors
- > Review of company documentation

Due to the complex nature and importance of the investigations, experienced members of staff were utilised to conduct the work involved.

3.3. Realisation of assets

Please refer to the main body of the report but in summary the time spent includes:

- > Liaising with agents and solicitors
- > Correspondence and meetings with interested parties

- > Identifying, securing and insuring of assets
- > Debt collection
- > Agreement of contracts

Section 4 of the report provide commentary on asset realisations.

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake.

(i) Sale of heritable property and assets

This will be handled by the Case Managers with support from the Case Director as required.

(ii) Land and Buildings

This will be handled by the Case Managers with support from the Case Director as required.

(iii) Book debts

This will be handled by the Support Staff with support from the Case Managers as required.

3.4. Trading

Negotiations were entered into with the customers who had contracts which were substantially close to completion at the date of appointment with a view to maximising realisations from work-in-progress.

Trading activities included:

- > Negotiations with customers
- > Liaison with skeleton staff retained to carry out completion works
- > Dealing with suppliers
- > Review of trading position
- > Paying suppliers

Trading matters were particularly complex and required extensive negotiation with customers and the involvement of senior staff. The Case Director was extensively involved in negotiations with customers regarding existing contracts.

3.5. Creditors

The time spent includes the following matters

- > Recording and maintaining the list of creditors
- > Dealing with employee related matters
- > Dealing with retention of title claims
- > Recording creditor claims
- > Reporting to creditors
- > Dealing with creditor queries
- > Reviewing and evaluating creditor claims

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake.

4. Time and charge-out summary

To date a total of 464.8 hours have been spent at an average charge out rate of £243.46 bringing the total cost to date to £113,160.75.

A summary table is shown below:

Classification of work function	Insolvency Practitioner/ Partner/ Director	Senior Manager/ Manager/ Assistant Manager	Hours Other senior professionals	Assistants and support staff	Total	Time cost £	Average Hourly rate £
Administration and Planning	26.5	40.0	0.0	28.8	95.3	19,291	202.42
Investigations	0.0	2.0	0.0	0.0	2.0	350	175.00
Realisation of assets	42.4	94.3	0.5	0.0	137.2	34,840	253.94
Trading	49.0	39.2	0.0	0.6	88.8	23,511	264.76
Creditors	26.3	113.7	0.0	1.5	141.5	35,169	248.54
Total hours	144.2	289.2	0.5	30.9	464.8		
Total fees claimed £	50,195	60,649	88	2,229	113,161	113,161	243.46

The above costs exclude VAT.

5. Disbursements

5.1. Category 1

Category 1 disbursements incurred are outlined below:

	Incurred £	Paid £
Statutory advertising	382	Nil
Security	923	Nil
Travel	54	Nil
Total	<u>1,359</u>	<u>Nil</u>

The above costs exclude VAT.

5.2. Category 2 disbursements

Details of the Category 2 disbursements (amounts payable or paid to RSM Tenon Ltd or Apex Restructuring LLP or to any party in which the officeholder or RSM Tenon Ltd or Apex Restructuring LLP has an interest) are as follows:

Description/explanation	Incurred £	Paid £
Mileage	1,785	Nil
Other	22	Nil
Total	<u>1,807</u>	<u>Nil</u>

Appendix IV

Joint Administrators' Receipts and Payments Account

Buckie Shipyard Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs	From 23/08/2013 To 17/10/2013	From 23/08/2013 To 17/10/2013
POST APPOINTMENT SALES		
Payments on acc / contract settlement	168,048.40	168,048.40
	<u>168,048.40</u>	<u>168,048.40</u>
OTHER DIRECT COSTS.		
Sub Contractors	5,218.00	5,218.00
Direct Labour	17,903.58	17,903.58
Employee Expenses	1,144.94	1,144.94
	<u>(24,266.52)</u>	<u>(24,266.52)</u>
 TRADING SURPLUS/(DEFICIT)	 <u>143,781.88</u>	 <u>143,781.88</u>

Buckie Shipyard Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 23/08/2013 To 17/10/2013	From 23/08/2013 To 17/10/2013
SECURED ASSETS		
Heritable Property	20,000.00	20,000.00
	<u>20,000.00</u>	<u>20,000.00</u>
ASSET REALISATIONS		
Book Debts	10,721.94	10,721.94
Trading Surplus/(Deficit)	143,781.88	143,781.88
	<u>154,503.82</u>	<u>154,503.82</u>
COST OF REALISATIONS		
Registers of Scotland	15.00	15.00
Vehicle Hire	387.57	387.57
Agents/Valuers Fees	6,200.00	6,200.00
Legal Fees	629.00	629.00
Security Costs	184.21	184.21
Statutory Advertising	318.75	318.75
Other Property Expenses	584.24	584.24
	<u>(8,318.77)</u>	<u>(8,318.77)</u>
	<u>166,185.05</u>	<u>166,185.05</u>
REPRESENTED BY		
Vat Receivable		2,635.70
Interest Bearing Current Account		170,758.28
Office		(1,304.39)
Vat Payable		(2,320.00)
PAYE & NI		(3,584.54)
		<u>166,185.05</u>



Alexander Iain Fraser
Joint Administrator