

The Insolvency Act 1986

**Administrator's progress report****R2.38**

Pursuant to Rule 2.38 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  
FRP Advisory LLP  
Suite 2B  
Johnstone House  
52-54 Rose Street  
Aberdeen  
AB10 1UD

Thomas Campbell MacLennan  
FRP Advisory LLP  
Apex 3  
95 Haymarket Terrace  
Edinburgh  
EH12 5HD

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

from

to

(b) Insert date(s)

(b) 23 February 2014

(b) 22 August 2014

Signed

  
Joint Administrator

Dated

29 September 2014

**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

Thomas Campbell MacLennan  
FRP Advisory LLP  
Apex 3, 95 Haymarket Terrace, Edinburgh, EH12 5HD

DX Number

+44 (0)330 055 5455  
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at:-  
**Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF**  
**DXED235 Edinburgh 1 / LP- 4 Edinburgh 2**

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COMPANIES HOUSE

**Joint Administrators' Progress Report  
for the period from 23 February 2014 to 22 August 2014**

**relating to**

**Buckle Shipyard Limited ("the Company") – In Administration**

**Issued on: 29 September 2014**

Alexander Iain Fraser and Thomas Campbell MacLennan of FRP Advisory LLP are the Joint Administrators of the Company and this is their report on the progress of the Administration of the Company for the period from 23 February 2014 to 22 August 2014.

#### **1. Statutory Information**

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

#### **2. Action taken by the Joint Administrators Since Their Last Report**

We have finalised matters with utility providers in relation to the Company's heritable property used in the course of the Administration.

We have completed our necessary Investigations and have concluded that there are no matters arising which require further consideration.

All assets have now been realised.

The period of administration has been extended to 22 February 2015 with the consent of the creditors.

All statutory matters have been dealt with.

#### **3. Joint Administrators' Receipts and Payment Account**

A summary of Receipts and Payments relating to the Company for the period from 23 February 2014 to 22 August 2014 is attached at Appendix II.

I would comment about this account as follows:

All amounts shown have been received or paid and there are no contingent balances due to the Administration.

#### **4. Future Actions of the Joint Administrators**

The outcome of the administration is that there will be a partial distribution to preferential creditors only. We will adjudicate preferential claims and finalise the distribution.

There are insufficient assets to pay a dividend to unsecured creditors and we anticipate exiting Administration by way of filing notice that the objective of the administration has been achieved, as detailed in our Proposals.

All other statutory matters will be dealt with.

#### **5. Joint Administrators' Remuneration and Expenses**

The secured creditor and preferential creditors have approved my fees on the basis of the time properly spent by me and my 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.

To the date this report is prepared, my time costs amount to £179,367, representing 767.80 hours work at an average charge out rate of £233.61. Disbursements amount to £5,738.96. I have drawn remuneration of £173,874 to date. Appendix III contains more information about my remuneration and expenses, including an analysis of the hours worked.

BUCKIE SHIPYARD LTD - IN ADMINISTRATION

If you require further information relating to Administrator's Remuneration 'A Creditor's Guide to Administrators' Fees' can be accessed at the website of the Insolvency Practitioners' Association ([www.insolvency-practitioners.org.uk](http://www.insolvency-practitioners.org.uk) > Regulation and Guidance" > Creditors Guides to Fees). The Guide also gives important information about Creditors' Rights. Alternatively a copy is available free of charge upon request from the address above.



**Alexander Iain Fraser**  
**Joint Administrator**

Licensed in the United Kingdom to act as an Insolvency practitioner by the Insolvency Practitioners Association

**The Joint Administrators act as agents of the Company and without personal liability.**

**The affairs, business and property of the Company are being managed by Alexander Iain Fraser and Thomas Campbell MacLennan who were appointed Joint Administrators on 23 August 2013.**

BUCKIE SHIPYARD LTD - IN ADMINISTRATION

**Appendix I**  
**Statutory Information**

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**Appendix I**

**Company Information**

Company Name:	Buckle Shipyard Limited
Company Number:	SC158728
Date of Incorporation:	19 June 1995
Trading Address:	Commercial Road, Buckie, Banffshire, AB56 1UR
Current Registered Office:	c/o FRP Advisory LLP, Apex 3, 95 Haymarket Terrace, Edinburgh, EH12 5HD
Former Registered Office:	c/o Lithgows Ltd, Netherton, Langbank, Renfrewshire, PA14 6YG
Principal Trading Activity:	Ship building, maintenance and repairs

**Appointment details**

Joint Administrators	Alexander Iain Fraser and Thomas Campbell MacLennan of FRP Advisory LLP
Joint Administrators' address	Apex 3, 95 Haymarket Terrace, Edinburgh, EH12 5HD
Date of appointment	23 August 2013
Court Name and Reference	Court of Session /2013
Appointment made by:	Directors
Actions of Joint Administrators:	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone.

BUCKIE SHIPYARD LTD – IN ADMINISTRATION

**Appendix II**

**Joint Administrators' Abstract of  
Receipts and Payments**

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

<b>Statement of Affairs</b>	<b>From 23/08/2013 To 22/08/2014</b>	<b>From 23/08/2013 To 22/08/2014</b>
<b>POST APPOINTMENT SALES</b>		
Payments on acc / contract settlement	<u>240,548.40</u>	<u>240,548.40</u>
	240,548.40	240,548.40
<b>OTHER DIRECT COSTS</b>		
Sub Contractors	5,218.00	5,218.00
Direct Labour	19,686.08	19,686.08
Employee Expenses	1,151.69	1,151.69
Other costs	<u>671.66</u>	<u>671.66</u>
	(26,727.43)	(26,727.43)
<b>TRADING EXPENDITURE</b>		
Rents	2,152.99	2,152.99
Heat & Light	6,199.42	6,199.42
Legal fees	49,912.12	49,912.12
Bank Charges	<u>22.00</u>	<u>22.00</u>
	(58,286.53)	(58,286.53)
<b>TRADING SURPLUS/(DEFICIT)</b>	<u><u>155,534.44</u></u>	<u><u>155,534.44</u></u>

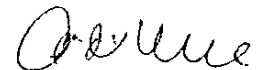


**Buckie Shipyard Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 23/08/2013 To 22/08/2014	From 23/08/2013 To 22/08/2014
500,000.00	SECURED ASSETS		
NIL	Heritable Property	555,000.00	555,000.00
	Leasehold Land & Property	NIL	NIL
		<u>555,000.00</u>	<u>555,000.00</u>
	COSTS OF REALISATION		
	Office Holders Fees	15,000.00	15,000.00
	Legal Fees	13,200.00	13,200.00
	Agents/Valuers Fees	4,000.00	4,000.00
	Other Property Fees	750.00	750.00
	Insurance	2,000.00	2,000.00
		<u>(34,950.00)</u>	<u>(34,950.00)</u>
(535,964.00)	SECURED CREDITORS		
	Highlands & Islands Enterprise	520,050.00	520,050.00
		<u>(520,050.00)</u>	<u>(520,050.00)</u>
	ASSET REALISATIONS		
35,000.00	Leasehold Property	NIL	NIL
150,000.00	Plant & Machinery	42,000.00	42,000.00
NIL	Models and paintings	3,840.00	3,840.00
411,711.00	Stock/WIP	NIL	NIL
119,278.00	Book Debts	30,713.03	30,713.03
34,247.00	VAT Refund (estimated)	NIL	NIL
1,706.00	Cash at Bank	376.93	376.93
	Bank Interest Gross	83.76	83.76
	Trading Surplus/(Deficit)	155,534.44	155,534.44
		<u>232,548.16</u>	<u>232,548.16</u>
	COST OF REALISATIONS		
	Specific Bond	125.00	125.00
	Office Holders Fees	158,873.90	158,873.90
	Registers of Scotland	15.00	15.00
	Miscellaneous costs	1,208.80	1,208.80
	Agents/Valuers Fees	5,616.52	5,616.52
	Legal Fees	8,605.35	8,605.35
	Other professional fees	4,450.00	4,450.00
	Security Costs	184.21	184.21
	Storage Costs	150.00	150.00
	Statutory Advertising	318.75	318.75
	Landlord's hypothec	5,062.24	5,062.24
	Insurance of Assets	9,109.76	9,109.76
	Bank Charges	73.00	73.00
		<u>(193,792.53)</u>	<u>(193,792.53)</u>
	PREFERENTIAL CREDITORS		
(259,082.00)	Employee Arrears/Hol Pay	NIL	NIL
(15,943.00)	Advances of Wages	NIL	NIL
(2,754.00)	Pension Schemes	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	FLOATING CHARGE CREDITORS		
(1,319,793.00)	Lithgows Ltd	NIL	NIL

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

Statement of Affairs	From 23/08/2013 To 22/08/2014	From 23/08/2013 To 22/08/2014
	NIL	NIL
(696,877.00) UNSECURED CREDITORS		
Trade & Expense Creditors	NIL	NIL
	NIL	NIL
(1,600,000.00) DISTRIBUTIONS		
Ordinary Shareholders	NIL	NIL
	NIL	NIL
<b>(3,178,471.00)</b>	<b>38,755.63</b>	<b>38,755.63</b>
REPRESENTED BY		
Vat Receivable		758.50
Interest Bearing Current Account		37,997.13
		<b>38,755.63</b>



Alexander Iain Fraser  
Joint Administrator

BUCKLE SHIPYARD LTD -- IN ADMINISTRATION

**Appendix III**  
**Information relating to**  
**Joint Administrators' Fees**  
**and Expenses**

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## **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 objective of the administration is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up.

Extensive discussions took place with The Moray Council as landlord for the main shipyard and Highlands & Islands Enterprise as secured lender for the Company's heritable property. The Joint Administrators marketed and sold the heritable property and moveable assets of the Company. An assignment of certain leased property was completed.

Work-in-progress has been realised following discussions with customers, with settlements reached.

All recoverable book debts have been ingathered.

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

#### **1.3. Staffing**

Day to day matters have been 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**

From the information available to me, a partial dividend to preferential creditors will be paid. There will be no return to any other class of creditor.

### **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 detailed on the enclosed SIP9 report.

#### **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 FRP Advisory LLP and then recharged to the estate, approval from creditors is not required.

## BUCKIE SHIPYARD LTD – IN ADMINISTRATION

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 FRP Advisory 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 FRP Advisory 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
- Preparation of Administration proposals and distribution to creditors
- Meeting of business by correspondence
- Preparation of Progress Report for first 6 month period and distribution to creditors

Staff of different levels were involved in the above activities depending upon the experience required.

#### 3.2. Investigations

The time spent comprises:

- Corresponding with the former directors and management
- Review of questionnaires and comments provided by interested parties
- Review of company documentation
- Completion of statutory returns to the government's Disqualification Unit

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 2 of the Progress Report provides commentary on asset realisations.

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

#### **(i) Land and Buildings**

This was handled by Case Managers with support from the Case Director.

#### **(ii) Plant, equipment etc**

This was handled by Case Managers with support from the Case Director.

#### **(iii) Work-in-progress**

These matters were particularly complex and involved extensive discussions with each customer and liaising with the skeleton staff who were retained. In one instance legal action was required before settlement was reached. These matters were handled primarily by the Case Director with support from the Case Managers.

#### **(iv) Book debts**

This was handled by Case Managers with support from the Case Director

### **3.4. Creditors including retention of title matters**

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

### **4. Time and charge-out summary, including disbursements**

To date a total of 767.8 hours have been spent at an average charge out rate of £233.61 bringing the total cost to date to £179,367. Disbursements amount to £5,738.96. A summary table is shown below.

Details of the fees to date are included within Section 5 of my report.



# **Buckie Shipyard Limited (In Administration)**

Time charged for the period 01 January 2000 to 29 September 2014

	Partner	Manager	Professional	Other	Support	Total Hours	Total Cost £	Average Hly Rate £
Administration and Planning	11.90	66.40	15.93	32.45		126.68	22,709.17	179.26
Asset Realisation	23.05	226.60	2.10	0.20		251.95	63,341.75	251.41
Creditors	7.00	103.25	8.92			119.17	27,884.33	233.99
Investigation		9.70				9.70	1,817.50	187.37
Statutory Compliance		38.50				38.50	7,247.50	188.25
Unknown	4.00	27.50				31.50	8,495.00	269.68
Employees		75.45	0.15			75.60	18,513.75	244.89
Trading		111.60	0.60	2.50		114.70	29,358.00	255.95
<b>Total Hours</b>	<b>45.95</b>	<b>659.00</b>	<b>27.70</b>	<b>35.15</b>		<b>767.80</b>	<b>179,367.00</b>	<b>233.61</b>
<b>Total Cost £</b>	<b>19,528.75</b>	<b>154,104.50</b>	<b>1,711.75</b>	<b>4,022.00</b>				
<b>Average Hly Rate £</b>	<b>425.00</b>	<b>233.85</b>	<b>61.80</b>	<b>114.42</b>				

## **Disbursements for the period 01 January 2000 to 29 September 2014**

Category 1	Value £
Advertising	382.25
Postage	825.94
Sundries/General	7.33
Travel	1,538.56
Storage	267.34
Legal	15.00
Agents Fees	922.14
Category 2	
Car/Mileage Recharge	1,726.20
Travel	54.20
<b>Grand Total</b>	<b>5,738.96</b>

Mileage is charged at the HMRC rate  
prevailing at the time the cost was incurred

## **FRP Charge out rates**

Grade	At	1 <sup>st</sup> November 2011	1 <sup>st</sup> July 2012	1 <sup>st</sup> July 2013
Partner	300-500	275-495	275-495	275-495
Manager	150-350	225-455	225-455	225-455
Other Professional	85-250	85-275	85-275	85-275
Support	60-250	70-320	70-320	70-320