

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)I/We (a)
Alexander Iain Fraser
FRP Advisory LLP
Suite 2B
Johnstone House
52-54 Rose Street
Aberdeen
AB10 1UDThomas Campbell MacLennan
FRP Advisory LLP
Apex 3
95 Haymarket Terrace
Edinburgh
EH12 5HD

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

from

to

(b) Insert date(s)

(b) 23 August 2014

(b) 22 February 2015

Signed


Joint / Administrator(s)

Dated

1/7/15

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

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DX Exchange

THURSDAY

SCT 02/07/2015 #345
COMPANIES HOUSE

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

**Joint Administrators' Final Progress Report
for the period from 23 August 2014 to 22 February 2015
relating to**

Buckie Shipyard Limited ("the Company") – In Administration

Issued on: 30 June 2015

BUCKIE SHIPYARD LIMITED (IN ADMINISTRATION)

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 August 2014 to 22 February 2015

The secured and preferential creditors consented to the Administration of the Company being extended for a period of six months, such that the Administration will now end on 22 February 2015.

1. Statutory Information

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

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

The Joint Administrators adjudicated on the preferential claims in the Administration and following a period allowed for any objections made a first and final dividend to preferential creditors of 19.13p in the £. The total sum distributed was £22,428.35 on claims which had a total of £117,208.03.

3. Joint Administrators' Receipts and Payment Account

I attach a summary of my receipts and payments relating to the Company for the period from 23 August 2014 to 22 February 2015 at Appendix II.

4. 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 £184,942, representing 795.7 hours work at an average charge out rate of £232.43. Disbursements amount to £6,426.80. I have drawn remuneration of £174,413 to date. No further fee will be drawn and the balance of my time costs will be written off. Appendix III contains more information about my remuneration and expenses, including an analysis of the hours worked.

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 > 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.

BUCKIE SHIPYARD LIMITED (IN ADMINISTRATION)

5. Outcome of the Administration

The purpose of an Administration is to achieve one of the three objectives set out in the insolvency legislation, which are 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.

I was seeking to achieve objective (b) in respect of the Administration of the Company, and to do this by 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. In order to achieve this objective the following proposals were agreed by the creditors, that the Joint Administrators:

- (a) will 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.

BUCKIE SHIPYARD LIMITED (IN ADMINISTRATION)

- (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.

I have achieved the objective of the Administration of the Company by completing certain works which were ongoing at the time of my appointment where it was cost effective to do so and marketing all assets of the company for sale. The assets were sold on 29 November 2013. I have also collected trade debts which were outstanding at the date of administration.

In accordance with the proposals, I am ending the Administration of the Company by arranging for the Company to be dissolved. To do this I have filed a formal notice with the Registrar of Companies. The Company will be deemed dissolved three months after the registration of that notice.



A I 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.

Enclosures:

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:	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.

Appendix II

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


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

Statement of Affairs	From 23/08/2014 To 22/02/2015	From 23/08/2013 To 22/02/2015
POST APPOINTMENT SALES		
Payments on acc / contract settlement	NIL	240,548.40
	NIL	240,548.40
OTHER DIRECT COSTS		
Sub Contractors	NIL	5,218.00
Direct Labour	NIL	19,686.08
Employee Expenses	NIL	1,151.69
Other costs	NIL	671.66
	NIL	(26,727.43)
TRADING EXPENDITURE		
Rents	NIL	2,152.99
Heat & Light	NIL	6,199.42
Legal fees	NIL	49,912.12
Bank Charges	NIL	22.00
	NIL	(58,286.53)
TRADING SURPLUS/(DEFICIT)	NIL	155,534.44

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

Statement of Affairs		From 23/08/2014 To 22/02/2015	From 23/08/2013 To 22/02/2015
	SECURED ASSETS		
500,000.00	Heritable Property	NIL	555,000.00
NIL	Leasehold Land & Property	NIL	NIL
		NIL	555,000.00
	COSTS OF REALISATION		
	Office Holders Fees	NIL	15,000.00
	Legal Fees	NIL	13,200.00
	Agents/Valuers Fees	NIL	4,000.00
	Other Property Fees	NIL	750.00
	Insurance	NIL	2,000.00
		NIL	(34,950.00)
	SECURED CREDITORS		
(535,964.00)	Highlands & Islands Enterprise	NIL	520,050.00
		NIL	(520,050.00)
	ASSET REALISATIONS		
35,000.00	Leasehold Property	NIL	NIL
150,000.00	Plant & Machinery	NIL	42,000.00
NIL	Models and paintings	NIL	3,840.00
411,711.00	Stock/WIP	NIL	NIL
119,278.00	Book Debts	NIL	30,713.03
34,247.00	VAT Refund (estimated)	NIL	NIL
1,706.00	Cash at Bank	NIL	376.93
	Bank Interest Gross	8.70	92.46
	Bank Interest Net of Tax	6.18	6.18
	Trading Surplus/(Deficit)	NIL	155,534.44
		14.88	232,563.04
	COST OF REALISATIONS		
	Specific Bond	NIL	125.00
	Office Holders Fees & Disbursements	15,540.00	174,413.90
	Registers of Scotland	NIL	15.00
	Miscellaneous costs	NIL	1,208.80
	Agents/Valuers Fees	NIL	5,616.52
	Legal Fees	799.00	9,404.35
	Other professional fees	NIL	4,450.00
	Security Costs	NIL	184.21
	Storage Costs	NIL	150.00
	Statutory Advertising	NIL	318.75
	Landlord's hypothec	NIL	5,062.24
	Insurance of Assets	NIL	9,109.76
	Bank Charges	NIL	73.00
		(16,339.00)	(210,131.53)
	PREFERENTIAL CREDITORS		
(259,082.00)	Employee Arrears/Hol Pay	22,428.35	22,428.35
(15,943.00)	Advances of Wages	NIL	NIL
(2,754.00)	Pension Schemes	NIL	NIL
		(22,428.35)	(22,428.35)
	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 23/08/2014 To 22/02/2015	From 23/08/2013 To 22/02/2015
	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
(3,178,471.00)	(38,752.47)	3.16
	REPRESENTED BY Interest Bearing Current Account	
		3.16
		3.16
		3.16
		 Alexander Iain Fraser Joint Administrator

Appendix III

**Information relating to
Joint Administrators' Fees
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 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 assignation 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. Return to creditors

A partial dividend to preferential creditors has been paid. There was 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.

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 795.7 hours have been spent at an average charge out rate of £232.43 bringing the total cost to date to £184,942. Disbursements amount to £6,426.80. I have drawn remuneration of £174,413 to date. No further fee will be drawn and the balance of my time costs will be written off. A summary table is attached.



Buckle Shipyard Limited (In Administration)
Time charged for the period 23 August 2013 to 22 February 2015

	Appointment Takers /				Professional & Support	Total Hours	Total Cost	
	Partners	Managers / Directors	Other Professional	Support			£	Average Hrly Rate £
Administration and Planning	16.80	101.80	16.83	8.35	33.50	177.08	34,690.67	195.34
Asset Realisation	23.05	226.60	2.10		0.20	251.95	83,341.76	261.41
Creditors	7.00	103.96	8.92			119.87	28,052.33	234.02
Investigation		9.70				9.70	1,817.50	187.37
Statutory Compliance		41.10				41.10	7,874.50	191.82
Employees		79.65	0.15			79.80	19,672.76	246.27
Trading		111.60	4.60			116.20	29,696.50	256.56
Total Hours						786.70	184,942.00	232.43
Total Cost £	46.86	674.40	32.40	8.35	33.70			
Average Hrly Rate £	19,911.26	187,877.00	2,721.26	1,136.00	3,296.50			
	425.00	234.10	83.99	136.05	97.82			

Disbursements for the period	
23 August 2013 to 22 February 2015	
Category 1	Value £
Advertising	382.25
Postage	1,366.02
Sundries/General	7.33
Taxis	7.00
Travel	1,538.58
Storage	408.10
Legal	15.00
Agents Fees	922.14
Category 2	
Car/Mileage Recharge	1,726.20
Travel	54.20
Grand Total	6,436.80

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

FRP Charge out rates	
Grade	From
Appointment taker / Partner	1st July 2012
Managers / Directors	1st July 2013
Other Professional	275-495
Junior Professional & Support	225-455
	85-275
	70-320