

The Insolvency Act 1986

Notice of move from administration to dissolution

R2.48(1)

Pursuant to paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 and
Rule 2.48(1) of the Insolvency (Scotland) Rules 1986

Name of Company FM Property and Leisure Limited	Company number SC173328
--	--------------------------------

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

We (a) F J Gray & E G Mackay
Zolfo Cooper
Cornerstone
107 West Regent Street
Glasgow
G2 2BA

A C O'Keefe
Zolfo Cooper
The Zenith Building
26 Spring Gardens
Manchester
M2 1AB

ii) Insert name and
address of
registered office of
company

having been appointed administrator(s) of (b) FM Property and Leisure Limited, Cornerstone, 107
West Regent Street, Glasgow G2 2BA

iii) Insert date of
appointment

on (c) 23 February, 2009 by (d) Court of Session

iv) Insert name of
applicant/appointor

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986
apply.

We attach a copy of the final progress report

Signed

A C O'Keefe
Joint / Administrator(s)

Dated

22 December 2011

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

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DX Exchange



SCT 24/12/2011 #324
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

SATURDAY

**Joint Administrators'
Final Progress Report for
the period
23 August 2011 to
19 December 2011**

**FM Property & Leisure Limited
In Administration**

22 December 2011

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1 Statutory information

- 1.1 I was appointed Joint Administrator of FM Property & Leisure Limited (the Company) together with Fraser Gray and Anne O'Keefe on 23 February 2009 by the Court of Session, Edinburgh. The application for the appointment of Joint Administrators was made by the Governor and Company of the Bank of Scotland plc (the Bank), The Mound, Edinburgh, EH1 1YZ.
- 1.2 This Administration is being handled by Zolfo Cooper's Manchester office, situated at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.
- 1.3 The Administration is registered in the Court of Session, Edinburgh. No reference number was assigned.
- 1.4 The trading address of the Company was 9 Great Stuart Street, Edinburgh, Midlothian, EH3 7TP.
- 1.5 The registered office of the Company has been changed to c/o Zolfo Cooper, Cornerstone, 107 West Regent Street, Glasgow, G2 2BA and its registered number is SC173328.
- 1.6 In accordance with paragraph 100(2) of schedule B1 to the Insolvency Act 1986 (the Act), all functions of the Joint Administrators are to be exercised by any or all of the Joint Administrators.

2 Joint Administrators' proposals

- 2.1 As advised in the proposals previously sent to creditors, the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:
 - rescuing the Company as a going concern; or
 - achieving 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
 - realising property in order to make a distribution to one or more secured or preferential creditors.
- 2.2 The second objective of achieving 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) was pursued and met during the Administration.

3 Progress of the Administration

- 3.1 Attached at Appendix A is the Joint Administrators' Receipts and Payments Account for the period 23 August 2011 to 19 December 2011, together with a Cumulative Receipts and Payments Account for the period 23 February 2009 to 19 December 2011.

- 3.2 As advised in the last progress report the Company owned a property within the Ury Estate, an asset of FM Developments Limited - in Administration. A sale of the Ury Estate completed on 1 July 2011 for £5 million. Included within this consideration was £150,000 attributable to the property owned by the Company, which was in line with the Joint Administrators' agent's valuation.
- 3.3 In accordance with Statement of Insolvency Practice 13 (Scotland), please note that the property was purchased by John Forbes, a director of the Company.
- 3.4 A utility refund totalling £1,566 has been received during this period.

4 Unrealised assets

- 4.1 All assets have now been realised and the Receipts and Payments Account at Appendix A reflects the final position on both realisations achieved and payments discharged during the course of the Administration.

5 Joint Administrators' remuneration

- 5.1 The Joint Administrators' time costs for the period 23 August 2011 to 19 December 2011 are £9,372. This represents 44 hours at an average rate of £214 per hour. Attached at Appendix B is a Time Analysis which provides details of the activity costs incurred by staff grade during this period.
- 5.2 Approval of the Joint Administrators' remuneration has been obtained in accordance with rule 2.39 of the Insolvency (Scotland) Rules 1986 as amended.
- 5.3 Fees of £28,000 plus VAT have been drawn during the Administration.
- 5.4 Principal areas of activity during the period are discussed in further detail below.
- **Administration and planning** - Time has been incurred complying with statutory duties during the period. Time charged to this category also includes a number of hours spent performing general administrative work. Case related treasury and support time is also recorded here.
 - **Creditors** - Time has been incurred preparing formal reports to the creditors of the Company.
- 5.5 Attached at Appendix C is a Cumulative Time Analysis for the period 23 February 2009 to 19 December 2011 which provides details of the activity costs incurred by staff grade since the Joint Administrators' appointment.
- 5.6 Attached at Appendix D is additional information in relation to the Joint Administrators' policy on staffing, the use of sub-contractors, disbursements and the details of their current charge-out rates by staff grade.

6 Outcome for creditors

Secured creditor - Bank of Scotland plc

- 6.1 The Company's indebtedness to the Bank at the date of the Joint Administrators' appointment was in excess of £41 million under a cross collateralised revolving security facility with the other group companies also in Administration. Credit balances in several bank accounts totalling approximately £4 million have been offset against this debt; however interest and charges continue to accrue. Realisations from the assets held by the insolvent companies will not be sufficient to repay the Bank in full.
- 6.2 Distributions totalling £377,327 have been made to the Bank during the Administration, representing a significant shortfall on its lending.

Preferential creditors

- 6.3 There are no preferential creditors of the Company.

Unsecured Creditors' Fund

- 6.4 Pursuant to section 176A of the Act, where there is a floating charge created after 15 September 2003, the Joint Administrators are required to create a fund from the Company's available net property, for the benefit of unsecured creditors (Unsecured Creditors Fund).
- 6.5 As the Company granted a floating charge to the Bank before 15 September 2003, there is no requirement to create an Unsecured Creditors Fund.

7 Ending the Administration

- 7.1 The Administration is now finalised and Form 2.26B(Scot) will be filed at the Registrar of Companies, following which the Company will be dissolved.
- 7.2 The Joint Administrators will be discharged from liability under paragraph 98 of schedule B1 to the Act immediately after their appointment as Joint Administrators ceases to have effect.

For and on behalf of
FM Property & Leisure Limited


Elizabeth Mackay
Joint Administrator

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**Receipts and Payments Account for the period
23 August 2011 to 19 December 2011 and a
Cumulative Account for the period 23 February 2009
to 19 December 2011**

Appendix A

Statement of affairs		23/08/2011 - 19/12/2011	23/02/2009 - 19/12/2011
£		£	£
	Floating charge assets		
	Receipts		
4,500,000	Freehold property	150,000	231,000
4,980	Plant and machinery	-	-
	Motor vehicles	-	690
	Utility refund	1,566	1,566
1,005	Patents and trademarks	-	-
	Bank interest	-	1,931
	Sundry refunds	-	1,572
255	Loans and advances	-	-
	European farming commodity	-	198,347
	Land management	-	4,550
		<u>151,566</u>	<u>439,656</u>
	Payments		
	Joint Administrators' fees	-	28,000
	Professional fees	-	1,495
	Agent's/valuer's fees	-	21,760
	Rates	4,574	4,574
	Registers of Scotland fee	3	18
	Insurance of assets	1,844	1,844
	Landlord registration fees	-	88
	Auctioneer's costs	-	3,967
	Category 1 disbursements:		
	Bordereau costs	-	30
	Stationery and postage	28	252
	Re-direction of mail	-	102
	Statutory advertising	-	104
	Storage costs	70	70
	Bank charges	-	25
		<u>(6,519)</u>	<u>(62,329)</u>
	Distributions		
	Paid to Bank	<u>377,327</u>	<u>377,327</u>
		<u>(377,327)</u>	<u>(377,327)</u>
	Balance		<u>-</u>

**Time Analysis for the period 23 August 2011 to
19 December 2011**
Appendix B

	Employee grade (hours)				Total hours	£	
	Partner/ director	Senior associate	Associate/ analyst	Jnr analyst/ support		Total cost	Average rate p/h
Administration and planning							
Accounting and treasury	4.2	3.6	1.1	4.0	12.9	3,400.50	264
Case administration	-	0.2	0.4	-	0.6	155.00	258
Internal documentation	-	-	0.2	1.0	1.2	159.00	132
Statutory duties	-	0.1	1.4	2.5	4.0	645.00	161
Strategy	-	0.2	2.8	-	3.0	707.00	236
Realisation of assets - fixed charge							
Asset accounting and administration	-	-	-	2.3	2.3	264.50	115
Asset identification and valuation	-	-	-	0.2	0.2	23.00	115
Realisation of assets - floating charge							
Asset accounting and administration	-	-	-	0.2	0.2	23.00	115
Trading							
Accounting and administration	-	0.6	-	0.6	1.2	244.00	203
Trading activities	-	0.1	-	0.2	0.3	54.50	182
Creditors							
Reporting to creditors	0.6	2.4	7.3	7.0	17.3	3,507.00	203
Unsecured creditors	-	0.6	-	-	0.6	189.00	315
Totals	4.8	7.8	13.2	18.0	43.8	9,371.50	214

Cumulative Time Analysis for the period 23 February 2009 to 19 December 2011

Appendix C

	Employee grade (hours)				Total hours	£	
	Partner/ director	Senior Associate/ associate	Jnr analyst/ analyst	support		Total cost	Average rate p/h
Administration and planning							
Accounting and treasury	4.4	7.6	13.7	25.0	50.7	9,559.00	189
Case administration	0.1	14.1	17.5	31.6	63.3	11,370.00	180
Internal documentation	-	-	20.0	1.8	21.8	4,577.00	210
Statutory duties	0.1	1.1	6.5	7.7	15.4	2,672.50	174
Strategy	2.9	23.0	63.2	10.3	99.4	22,900.50	230
Travel and waiting time	-	-	7.1	-	7.1	1,562.00	220
Investigations							
Directors' conduct reports	1.5	0.8	4.9	1.0	8.2	2,044.50	249
Internal documentation	-	-	2.9	-	2.9	642.00	221
Realisation of assets - fixed charge							
Asset accounting and administration	-	-	2.7	3.1	5.8	927.50	160
Asset identification and valuation	1.0	1.1	28.8	0.5	31.4	7,152.50	228
Sale of assets	1.0	0.6	12.1	-	13.7	3,236.00	236
Realisation of assets - floating charge							
Asset accounting and administration	-	-	2.2	0.2	2.4	516.00	215
Asset identification and valuation	-	1.1	11.1	-	12.2	2,770.00	227
Dealing with third party assets	-	0.5	0.3	-	0.8	213.00	266
Sale of assets	-	8.0	16.5	-	24.5	6,035.00	246
Trading							
Accounting and administration	-	1.0	3.7	2.5	7.2	1,386.50	193
Trading activities	0.2	0.5	11.5	6.5	18.7	3,406.00	182
Creditors							
Creditors' claims	-	0.3	-	0.2	0.5	117.50	235
Creditors' meetings	-	0.7	5.5	2.7	8.9	1,698.00	191
Reporting to creditors	4.2	17.4	72.6	27.8	122.0	25,982.50	213
Secured creditors	-	-	0.4	-	0.4	88.00	220
Unsecured creditors	-	0.8	0.8	-	1.6	436.00	272
Realisation of assets - debtors							
Crown debtors	-	-	0.1	0.1	0.2	32.50	162
Debt collections	-	-	3.4	-	3.4	741.00	218
Internal and external documentation	-	-	0.5	-	0.5	105.00	210
Totals	15.4	78.6	308.0	121.0	523.0	110,170.50	211

Additional information in relation to the Joint Administrators' remuneration pursuant to Statement of Insolvency Practice 9 (Scotland)

Appendix D

1 Policy

Detailed below is Zolfo Cooper's policy in relation to:

- staff allocation and the use of sub-contractors;
- professional advisors; and
- disbursements.

1.1 Staff allocation and the use of sub-contractors

The Joint Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The case team will usually consist of a partner, a senior associate, an associate and an analyst. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Joint Administrators' charge-out rate schedule below provides details of all grades of staff and their experience level.

With regard to support staff, the Joint Administrators would advise that time spent by treasury in relation to specific tasks on an assignment is charged. The Joint Administrators only seek to charge and recover secretarial time if a large block of time is incurred, eg report compilation and distribution.

The Joint Administrators have not utilised the services of any sub-contractors in this case.

1.2 Professional advisors

On this assignment the Joint Administrators have used the professional advisors listed below. The Joint Administrators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Dundas & Wilson CS LLP (legal advice)	Hourly rate and disbursements
Anderson Strathern LLP (agricultural legal advice)	Hourly rate and disbursements
Jardine Lloyd Thompson (Insurance)	Risk based premium
Savills (L&P) Limited (land and property management)	Hourly rate and disbursements
Savills (L&P) Limited (valuation and disposal advice)	Percentage of realisations

The Joint Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.

1.3 Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case, eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by the Joint Administrators and their staff.

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the Joint Administrators' Proposals.

2 Charge out rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 January 2011 is detailed below.

Description	£
Partner/director:	
Partner 1*	445
Partner 2*	395
Director	340
Senior associate:	
Senior associate 1*	315
Senior associate 2*	265
Associate/analyst:	
Associate	230
Analyst*	220
Junior analyst and support staff:	
Junior analyst*	115
Senior treasury associate	155
Treasury associate	105
Treasury analyst	80
Support	75

***Key**

Partner 1 - partners with three or more years experience at partner level

Partner 2 - partners with less than three years experience at partner level

Senior associate 1 - staff who have been senior associates for over two years

Senior associate 2 - staff who have been senior associates for less than two years

Analyst - staff who have been analysts for more than one year

Junior analyst - first year analysts