Rule 2.38 **Form 2.20B(Scot)**

The Insolvency Act 1986

Administrator's progress report

R2.38

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company	Company number
AB Leith Limited	SC277781

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

I/We (a)

Michael John Magnay
Deloitte LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2DB

William Kenneth Dawson
Deloitte LLP
2 Hardman Street
Manchester
M60 2AT

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

(b) Insert date(s)

from	to
(b) 17 June 2016	(b) 1 December 2016

Signed ____________________

Joint / Administrator(s)

Dated 20 December 2016

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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B1 2HZ

DX Number DX:

+44 121 695 5260
DX Exchange

THURSDAY

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SCT 22/12/2016 #923

COMPANIES HOUSE

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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

Deloitte.

Court Case No. P1334 of 2015
Court of Session, Edinburgh
Company Number: SC277781

AB Leith Limited (in administration) ("the Company")

Registered Office: c/o Deloitte LLP, 110 Queen Street, Glasgow, G1 3BX

Progress report to the creditors for the period 17 June 2016 to 1 December 2016 pursuant to Rule 2.44 of the Insolvency (Scotland) Rules 1986 (as amended) ("the Rules").

John Charles Reid and William Kenneth Dawson ("the Joint Administrators") were appointed Joint Administrators of AB Leith Limited on 17 December 2015 by the Court of Session, Edinburgh. The affairs, business and property of the Company are managed by the Joint Administrators. The Joint Administrators act as agents of the Company and contract without personal liability. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of paragraph of Schedule B1 of the Insolvency Act 1986 (as amended) ("the Act"), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

12 December 2016

Contacts

Joint Administrators of the Company

John Charles Reid

William Kenneth Dawson

Deloitte LLP

110 Queen Street

Glasgow

G1 3BX

Contact details

Email: dcriscione@deloitte.co.uk

Website:

www.deloitte.com/uk/ableithlimited

Tel: 0121 695 5260

Key messages

	Commentary
Purpose of administration	• The purpose of the administration is to realise the secured assets and to make a distribution to one, or more of the secured creditors.
Progress of Administration	• The Company holds three development plots of land at Western Harbour in Leith, Edinburgh. • One of the secured creditors, Sharp Boom Limited ("Sharp Boom"), has advised of its intentions to call up its security in respect of the development land.
Costs	• The basis of our remuneration has been fixed by the secured creditor by reference to time costs. • We have incurred time costs during the reporting period of £25,001.50 as detailed on Page 10. • To date, we have drawn fees of £12,000.
Outstanding matters	• Deal with submission of final corporation tax and VAT returns and obtaining necessary clearance prior to closure. • Closure of the case.
Dividend prospects	• Sharp Boom will not be paid in full but intends to exercise its right to call up its standard security. • There are no preferential creditors in this case. • There will be no funds available for distribution to unsecured creditors.
Extension to administration period	• This report has been prepared in support of our request for consent of the secured creditors to extend the period of the administration by six months. Further details are provided at page 6.

Progress of the administration

Progress of the administration
Summary

Progress of the administration

Asset Realisations

Sharp Boom were in contact with various professional advisors to determine whether the development land should be built out, whilst in Administration, or held for a period of time and sold.

Sharp Boom have since given notice of their intention to call up its security in respect of the development land, which removes the remaining asset from the administration.

Previously, it was considered that the land may be developed, with work commencing during 2017.

Statutory tasks

During the period we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- case management;
- statutory reporting to creditors – the Joint Administrators' statement of proposals and the first six monthly report to creditors;
- Preparation of tax computations;
- correspondence with the secured creditor;
- case reviews; and
- cashiering functions.

Investigations

We have complied with our statutory duty to report on the conduct of the Company's directors and submitted our confidential report to the Insolvency Service on 10 June 2016.

We have reviewed the information available to assess whether there are any matters that might lead to a recovery for the benefit of creditors, such as potential claims that may be brought against parties either connected to or who have had past dealings with the Company.

Having completed this review no further avenues of recovery have been identified.

If you have any information that you feel should be brought to our attention, please contact us in writing using the Contact details on Page 1 above.

Progress of the administration
Receipts and payments

Joint Administrators' receipts and payments account
17 June 2016 to 1 December 2016

£	*SoA values*	*Notes*	Period	To date
Receipts				
Land at Western Harbour	*1,800,000*		-	-
Funding from secured creditor	-		-	27,500
Bank Interest Gross	-		2	9
Total receipts	**1,800,000**		**2**	**27,509**
Payments				
Professional Services - Property Advice			-	3,000
Joint Administrators' Fees			-	12,000
Joint Administrators' Expenses			-	10
Specific Bond			-	705
Mileage			-	14
Website costs			-	500
Legal Fees			-	6,783
Legal Disbursements			-	210
Statutory Advertising			-	85
Insurance of Assets			-	246
Total payments			**-**	**23,552**
Balance				**3,956**
Made up of:				
Fixed Interest Bearing Current Account		*1*		3,956
Balance in hand				**3,956**

A receipts and payments account is provided opposite, detailing the transactions in the administration to 1 December 2016, and all transactions since the date of our appointment.

Notes to receipts and payments account

Note 1 – All funds are held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.

Progress of the administration
Extension to the administration

Extension to the administration

This report has been prepared in support of our request for consent of the secured creditors to extend the period of the administration by six months to enable the final corporation tax and VAT matters to be concluded.

Information for creditors

Information for creditors
Outcome

Secured creditors

Sharp Boom hold standard security over the land situated at Western Harbour and, in addition, a floating charge dated 25 January 2007 and registered at Companies House on 2 February 2007.

Forth Property Developments Limited hold a standard security dated 31 January 2005 and registered at Companies House on 14 February 2005, secured against deferred payment of the missives regarding the sites situated within Western harbour.

Amounts owed to Sharp Boom at the date of our appointment totalled c.£7.3m.

Forth Property Developments Limited have not confirmed the total of their debt owed by the Company.

Based on currently available information, we do not expect that there will be sufficient asset realisations to repay the secured creditors in full.

As noted previously, Sharp Boom has intimated that it intents to call up its standard security.

Preferential creditors

The Company has no preferential creditors.

Unsecured creditors and the Prescribed Part

It is not anticipated that there will be any unsecured creditors in this case.

In the event that we become aware of any unsecured creditors, it should be noted that we do not anticipate any funds to be available for distribution to this class of creditor either via the prescribed part fund per section 176A of the Act (as there are no floating charge assets), or through the normal course of the administration due to the lack of fixed charge surplus.

Claims process

As there is no prospect of a distribution for unsecured creditors, we do not intend to undertake any work to agree any creditor claims received.

Exit

As it is unlikely any funds will be available to distribute to unsecured creditors we consider dissolution to be the most appropriate exit route from administration.

Remuneration and expenses

Remuneration and expenses

Joint Administrators' remuneration

Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.deloitte.com/uk/ableithlimited.

Should you require a paper copy, please send your request in writing to us at the address on Page 1 of this report and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed on 24 May 2016 by Sharp Boom in its capacity as secured creditor, by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration, calculated at the prevailing standard hourly charge out rates used by Deloitte LLP at the time when the work is performed, plus VAT thereon. Also, that the Joint Administrators be authorised to draw their remuneration from the administration estate, together with outlays incurred which relate specifically to the case, as and when funds allow.

Time costs incurred

Our time costs for the period are £25,001.50 made up of 59.81 hours at an average charge out rate of £418.02/hour across all grades of staff.

Since the date of our appointment to 1 December 2016, we have incurred total time costs of £66,419.25 made up of 153.66 of hours at an average charge out rate of £432.25/hour across all grades of staff.

We have drawn remuneration of £12,000 to date, as shown in the receipts and payments account on page 5. Please note that we do not intend to draw the full value of time costs incurred over the course of the administration.

Details of the time costs incurred and charge out rates is provided on the following pages. Time is charged in six minute increments.

Remuneration and expenses Joint Administrators' time costs for the period 17 June 2016 to 1 December 2016

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	-	-	0.15	105.00	0.40	218.00	2.40	1,029.00	0.10	22.00	3.05	1,374.00	450.49
Case Management and Closure	-	-	5.50	2,802.50	1.90	831.50	6.10	2,141.50	8.76	1,911.50	22.26	7,687.00	345.33
Initial Actions	-	-	0.50	257.50	-	-	0.50	162.50	-	-	1.00	420.00	420.00
General Reporting	-	-	1.00	500.00	-	-	1.50	502.50	12.10	2,674.50	14.60	3,677.00	251.85
	-	-	7.15	3,665.00	2.30	1,049.50	10.50	3,835.50	20.96	4,608.00	40.91	13,158.00	321.63
Case Specific Matters													
VAT	-	-	-	-	-	-	1.40	469.00	-	-	1.40	469.00	335.00
Tax	-	-	2.90	2,341.50	10.20	7,395.00	1.90	940.50	2.50	697.50	17.50	11,374.50	649.97
	-	-	2.90	2,341.50	10.20	7,395.00	3.30	1,409.50	2.50	697.50	18.90	11,843.50	626.64
TOTAL HOURS & COST	-	-	10.05	6,006.50	12.50	8,444.50	13.80	5,245.00	23.46	5,305.50	59.81	25,001.50	418.02
AVERAGE RATE/HOUR PER GRADE		-		£ 597.66		£ 675.56		£ 380.07		£ 226.15			

Remuneration and expenses Joint Administrators' time costs for the period 17 December 2015 to 1 December 2016

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	-	-	0.50	317.00	1.30	665.00	4.40	1,859.00	0.10	22.00	6.30	2,863.00	454.44
Case Management and Closure	4.00	3,040.00	17.30	8,702.50	8.80	3,798.50	14.30	4,856.50	10.16	2,202.00	54.56	22,599.50	414.21
Initial Actions	-	-	2.00	1,007.50	5.20	2,236.00	5.00	1,660.00	-	-	12.20	4,903.50	401.93
General Reporting	2.50	1,900.00	2.50	1,250.00	-	-	22.10	7,197.50	12.10	2,674.50	39.20	13,022.00	332.19
	6.50	4,940.00	22.30	11,277.00	15.30	6,699.50	45.80	15,573.00	22.36	4,898.50	112.26	43,388.00	386.50
Investigations													
Investigations	-	-	-	-	1.05	450.25	1.00	325.00	-	-	2.05	775.25	378.17
Reports on Directors' Conduct	-	-	-	-	4.10	1,763.00	-	-	3.00	637.50	7.10	2,400.50	338.10
	-	-	-	-	5.15	2,213.25	1.00	325.00	3.00	637.50	9.15	3,175.75	347.08
Realisation of Assets													
Property - Freehold and Leasehold	5.00	3,800.00	1.50	750.00	0.30	129.00	-	-	-	-	6.80	4,679.00	688.09
	5.00	3,800.00	1.50	750.00	0.30	129.00	-	-	-	-	6.80	4,679.00	688.09
Case Specific Matters													
VAT	-	-	-	-	-	-	2.90	956.50	0.50	107.50	3.40	1,064.00	312.94
Tax	-	-	4.90	3,786.50	10.50	7,608.00	4.15	2,020.50	2.50	697.50	22.05	14,112.50	640.02
	-	-	4.90	3,786.50	10.50	7,608.00	7.05	2,977.00	3.00	805.00	25.45	15,176.50	596.33
TOTAL HOURS & COST	11.50	8,740.00	28.70	15,813.50	31.25	16,649.75	53.86	18,875.00	28.36	6,341.00	153.66	66,419.25	432.25
AVERAGE RATE/HOUR PER GRADE		£ 760.00		£ 550.99		£ 532.79		£ 350.51		£ 223.59			
FEES DRAWN												12,000.00	

Remuneration and expenses

Joint Administrators' expenses

Restructuring Services charge out rates (£/hour)

Grade	From 1 Sept 2015	From 1 Sept 2016
Partners & Directors	645 - 1,020	660 - 1,045
Assistant Directors	500 - 770	515 - 790
Managers	430 - 695	440 - 710
Assistant Managers	325 - 550	335 - 565
Assistants & Support	80 - 325	80 - 335

Charge out rates

The average charge out rates applicable to this case are provided in the final column of the table in the preceding page.

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Financial Advisory or Deloitte Real Estate may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

Charge out rates last increased on 1 September 2016.

Remuneration and expenses
Detailed information

Disbursements

Category 1

These are payments made by us direct to third parties and for which no approval is required.

Category 2

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs. Specific approval is required before these costs and expenses can to be drawn from the administration estate and was given by the secured creditor on 24 May 2016.

No expenses have been incurred in the period and details of our total disbursements since our appointment are given below:

Category 1 expenses

£ (net)	Value	Paid	Unpaid
Statutory Bonding	20	10	10
Travel	705	705	-
Total expenses	**725**	**715**	**10**

Category 2 expenses

£ (net)	Value	Paid	Unpaid
Mileage	14	14	-
Website set up	500	500	-
Total expenses	**514**	**514**	-

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred.

Our disbursements have been recovered in full except for £10 relating to statutory bonding.

Creditors' right to challenge remuneration and/or expenses

Any creditor, or creditors of the Company representing in value at least 25% of the total creditors, may apply to the Court to make an order fixing the remuneration and/or expenses at a reduced amount or rate.

Such applications must be made not later than 8 weeks after the period end of this report (being 1 December 2016) detailing the remuneration and/or expenses being complained of, in accordance with Rule 2.39A(5) of the Rules.

Deloitte.