

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

Mardon Project Services Limited

Company number

SC283815

We
Elizabeth Mackay
Zolfo Cooper
Cornerstone
107 West Regent Street
Glasgow
G2 1AB

Fraser Gray
Zolfo Cooper
Cornerstone
107 West Regent Street
Glasgow
G2 1AB

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

having been appointed Joint Administrators of Mardon Project Services Limited
Cornerstone 107 West Regent Street Glasgow G2 2BA

on 8 May, 2012 by Bank of Scotland plc

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

Joint Administrator

Dated

13.12.13

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.

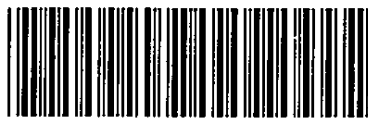
The contact information that you give
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public record

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SATURDAY



SCT 14/12/2013 #572
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 8 November 2013 to 13 December 2013

Mardon Project Services Limited
In Administration

13 December 2013

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1 Statutory information

- 1.1 Anne O'Keefe of Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB was appointed Joint Administrator of Mardon Project Services Limited (the Company) together with Elizabeth Mackay and Fraser Gray of Zolfo Cooper, Cornertone, 107 West Regent Street, Glasgow, G2 1AB on 8 May 2012 by Bank of Scotland plc (the Bank), 4th Floor, City Mark, 150 Fountainbridge, EH3 9PE.
- 1.2 The 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 had been extended for a period of 12 months to 7 November 2014 by court approval which was granted on 23 October 2013.
- 1.4 The Administration is registered in the Court of Session, however no reference number was provided.
- 1.5 The trading address of the Company was Unit 1-3 Whiteside Industrial Estate, Bathgate, EH48 2RX.
- 1.6 The registered office of the Company has been changed to Zolfo Cooper, Cornerstone, 107 West Regent Street, Glasgow, G2 2BA and its registered number is SC283815.
- 1.7 In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, 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 first objective under the new Administration regime is based on the survival of the Company through a Company Voluntary Arrangement (CVA) or Scheme of Arrangement under part 26 of the Companies Act 2006. These options were not deemed viable as each would have required significant cash injection and no funding was available.
- 2.3 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 also deemed not viable. This was due to the Company having insufficient funds to enable a distribution to be made to the unsecured creditors.
- 2.4 Therefore, the Joint Administrators pursued the third objective by realising property in order to make a distribution to one or more secured or preferential creditors. This was achieved through the realisation of assets which enabled payment in full to the preferential creditors and a small dividend to be paid to the Bank. Please see section 6 for more details.

3 Progress of the Administration

- 3.1 Attached at Appendix A is the Joint Administrators' Receipts and Payments Account for the period 8 November 2013 to 13 December 2013, together with a Cumulative Account for the period 8 May 2012 to 13 December 2013.

Plant and machinery

- 3.2 Thainstone Specialist Auctioneers Limited were instructed on appointment by the Joint Administrators to value the Company's plant and machinery. The valuation included assets at two separate sites, totalling approximately £20,000.
- 3.3 The assets were sold at a public auction held on 7 July 2012 and realised a total sum of £19,500.

Book debts

- 3.4 The Statement of Affairs prepared by the directors of the Company indicated that the Company's debtor ledger was estimated to realise £21,189 against a book value of £211,888.
- 3.5 The Joint Administrators instructed a specialist agent, Ian Gracie Associates Limited (IGA) to ascertain the position with regard to the value and collectability of the various debtors and to confirm which company within the Group the debtors were due to.
- 3.6 During the Administration book debt collections have totalled £114,127.

Sundry refunds

- 3.7 A total of £12,880 was received on 3 April 2013 from B&CE Benefits.

Bank interest

- 3.8 During the Administration, bank interest totalling £1,224 has been received.

4 Joint Administrators' remuneration

- 4.1 The secured and preferential creditors approved that the basis of the Joint Administrators' remuneration be fixed by reference to the time properly spent by the Joint Administrators and their staff on matters arising in the Administration in accordance with rule 2.39 Insolvency rules (Scotland) 1986.
- 4.2 The Joint Administrators' time costs for the period 8 November 2013 to 13 December 2013 are £4,854. This represents 21 hours at an average rate of £232 per hour. Attached at Appendix B is a Time Analysis for the period which provides details of the costs incurred by activity and by staff grade.
- 4.3 Principal areas of activity during the period are discussed in further detail below.

- **Administration and planning** - time has been incurred monitoring and finalising the case closure strategy, complying with statutory duties and performing general administrative work. Case related treasury and support time is also recorded here.
 - **Realisation of assets - floating charge** - time recorded within this category includes liaising with the agents to advise them of the closure of the Administration, requesting clearance to close the case and paying all final bills.
 - **Creditors** - time has been incurred preparing the statutory reports. Time has also been spent reporting to the secured creditor and dealing with queries from unsecured creditors.
- 4.4 A copy of 'A Creditors' Guide to Administrators' Fees' can be downloaded from Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>) - click on **Creditors' Guide to Fees** in the menu on the left side of the screen. If you would prefer this to be sent to you in hard copy please contact Katie Wells on 0161 838 4541, or by email at kwells@zolfocooper.eu, or by post to the registered office of the Company.
- 4.5 Also attached at Appendix C is a Cumulative Time Analysis for the period 8 May 2012 to 13 December 2013 which provides details of the costs incurred by activity and staff grade since the Joint Administrators' appointment.
- 4.6 Fees totalling £66,455 plus disbursements of £3,440 plus VAT have been drawn on account. No further fees will be drawn and no fees in respect of trading have been drawn.
- 4.7 Information in relation to the Joint Administrators' policy on staffing, the use of sub-contractors, disbursements and details of their current charge-out rates by staff grade is provided in Appendix D.

5 Unrealised assets

- 5.1 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.

6 Outcome for Creditors

Secured Creditor - Bank of Scotland plc

- 6.1 The Company granted a bond and a floating charge to the Bank on 19 March 2008. The Bank holds a cross guarantee for UBC Group Limited, Wyvis Roofing Limited, Wyvis Building Services Limited and the Company (the Group) and, as at the date of the Joint Administrators' appointment, the Group's indebtedness totalled £4 million (excluding interest and charges).
- 6.2 The Company has distributed a total of £19,164 to the Bank bringing total distributions to £1.04 million across the Group. It is anticipated that the Bank will suffered a shortfall under its security.

Preferential Creditors

- 6.3 The Company's preferential creditors totalled £41,576 and were paid in full on 6 November 2013.

Unsecured Creditors' Fund

- 6.4 Pursuant to Section 176A of the Insolvency Act 1986, where there is a floating charge which post-dates 15 September 2003, the Joint Administrators are required to create a prescribed part from the Company's net property available for the benefit of unsecured creditors (Unsecured Creditors' Fund).
- 6.5 As the Company granted a floating charge to the secured creditor after 15 September 2003, the Joint Administrators were required to create an Unsecured Creditors Fund.
- 6.6 As detailed in the previous progress report dated 3 December 2013, as the costs of agreeing and distributing the Unsecured Creditors' Fund were deemed to be disproportionate to the benefit to the Company's unsecured creditors, the Joint Administrators applied to court to dis-apply the requirement to set aside the fund. An order was granted on 8 November 2013 confirming the request.
- 6.7 Therefore no distribution has been made to the unsecured creditors of the Company.

7 Ending the Administration

Dissolution of the Company

- 7.1 The Joint Administrators have filed a notice together with this report at Court and with the Registrar of Companies for the dissolution of the Company. The Joint Administrators have sent copies of these documents to the Company and its creditors. The Joint Administrators' appointment will end following the registration of the notices by the Registrar of Companies.

Discharge of liability

- 7.2 The Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately after their appointment as Joint Administrators ceases to have effect.

8 Creditors' rights

- 8.1 Within 21 days of the receipt of the report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% of the value of the unsecured creditors) may request in writing that the Joint Administrators provide further information about their remuneration or expenses (other than pre-Administration costs) which have been itemised in this progress report.

- 8.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% of the value of unsecured creditors), may, within eight weeks of receipt of this progress report, make an application to court on the grounds that the basis fixed for the Joint Administrators' remuneration is inappropriate, or that the remuneration or the expenses incurred by the Joint Administrators as set out in the progress report are excessive.

For and on behalf of
Mardon Project Services Limited

Anne O'Keefe
Joint Administrator

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**Receipts and Payments Account for the period
8 November 2013 to 13 December 2013 and a
Cumulative Account for the period 8 May 2012 to
13 December 2013**

Appendix A

Statement of Affairs £	Period £	Cumulative £
Floating charge assets		
Receipts		
40,624 Plant and machinery	-	19,500
21,189 Book debts	66	114,127
Sundry refunds	-	12,880
Bank interest	-	1,224
	<u>66</u>	<u>147,731</u>
Payments		
Joint Administrators' fees	66,455	66,455
Agent's/valuer's fees	-	3,320
Wages and salaries	-	3,763
Payroll agent's fees	1,000	3,665
Legal fees and disbursements	3,581	5,903
IT recovery	-	430
Sundry expenses	-	15
Category 1 disbursements:		
Stationery and postage	381	1,263
Re-direction of mail	-	420
Storage	1,027	1,337
Travel and subsistence	209	209
Telephone	1	1
Specific bond	210	210
	<u>(72,864)</u>	<u>(86,991)</u>
Distributions		
Preferential creditors:		
100p/£, 06/11/2013	-	41,576
Floating charge creditor	19,164	19,164
	<u>(19,164)</u>	<u>(60,740)</u>
Total balance	<u><u>(91,962)</u></u>	<u><u>-</u></u>

Time Analysis for the period 8 November 2013 to 13 December 2013

Appendix B

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control	0.5	-	2.2	-	2.7	678.00	251
Statutory duties	0.3	-	2.3	-	2.6	614.00	236
Case administration	0.1	-	1.1	-	1.2	280.00	233
Accounting and treasury	0.3	0.1	0.9	1.2	2.5	483.50	193
Internal documentation	-	-	0.6	-	0.6	132.00	220
Realisation of assets - floating charge							
Asset accounting and administration	0.2	-	-	0.9	1.1	171.00	155
Creditors							
Reporting to creditors	1.4	-	8.3	-	9.7	2,365.00	244
Secured creditors	0.1	-	0.3	-	0.4	102.00	255
Unsecured creditors	-	0.1	-	-	0.1	28.00	280
Totals	2.9	0.2	15.7	2.1	20.9	4,853.50	232

Cumulative Time Analysis for the period 8 May 2012 to 13 December 2013

Appendix C

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Planning	-	0.3	-	-	0.3	79.50	265
Strategy and control	1.3	3.9	9.1	0.1	14.4	3,701.50	257
Statutory duties	1.1	3.1	12.0	4.1	20.3	4,549.00	224
Case administration	0.6	4.1	23.9	2.2	30.8	6,989.00	227
Accounting and treasury	1.3	3.4	3.9	20.8	29.4	4,315.50	147
Travel and waiting time	-	5.2	-	-	5.2	1,378.00	265
Internal documentation	0.3	8.5	3.0	0.2	12.0	3,051.50	254
Investigations							
Director conduct reports	0.2	1.3	1.8	1.4	4.7	990.50	211
Internal documentation	-	4.9	0.8	-	5.7	1,474.50	259
Realisation of assets - standard security							
Asset identification and valuation	-	0.3	-	-	0.3	79.50	265
Asset accounting and administration	-	0.1	-	-	0.1	26.50	265
Realisation of assets - debtors							
Debt collection	-	2.3	8.9	-	11.2	2,730.50	244
Internal and external documentation	-	2.2	0.6	-	2.8	724.00	259
Realisation of assets - floating charge							
Asset realisation strategy	-	5.2	-	-	5.2	1,378.00	265
Asset identification and valuation	-	7.4	0.3	-	7.7	2,027.00	263
Sale of assets	-	3.0	-	-	3.0	945.00	315
Recovery of assets	-	-	-	1.1	1.1	131.50	120
Dealing with third party assets	-	-	2.3	0.1	2.4	539.50	225
Asset accounting and administration	0.3	0.8	1.2	2.1	4.4	830.00	189
Trading							
Trading activities	-	0.5	3.1	0.3	3.9	859.00	220
Accounting and administration	-	-	-	1.7	1.7	151.50	89
Creditors							
Creditor claims	-	-	2.5	2.0	4.5	830.00	184
Internal documentation	-	0.1	-	0.2	0.3	55.00	183
Creditor strategy	-	0.3	0.5	-	0.8	194.50	243
Reporting to creditors	2.9	3.1	45.7	4.5	56.2	12,762.00	227
Secured creditors	0.1	5.5	1.2	-	6.8	2,063.00	303
Preferential creditors	0.8	0.4	20.1	0.5	21.8	4,891.00	224
Unsecured creditors	0.8	3.4	9.0	8.0	21.2	4,116.00	194
Employees	-	7.6	28.8	5.5	41.9	9,090.50	217
Shareholders and other stakeholders	-	0.2	-	-	0.2	53.00	265
Totals	9.7	77.1	178.7	54.8	320.3	71,006.00	222

Additional information in relation to 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 director, a senior associate, an associate and an analyst. The exact 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, time spent by treasury in relation to specific tasks on an assignment is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The following services have been provided on this assignment by external sub-contractors.

Service type	Service provider	Basis of fee arrangement	Cost to date £
Employee claim processing	Insol Group plc	Rate per employee	3,665

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 and Wilson CS LLP (legal advice)	Hourly rate and disbursements
JLT Speciality Limited (insurance)	Risk based premium
Thainstone Specialist Auctioneers Limited (valuation and disposal advice)	Percentage of realisations
Ian Gracie Associates Limited (book debt collections)	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. No category 2 disbursements have been drawn in this case.

2. Charge-out rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 April 2013 is detailed below, together with those applicable prior to that date. Time is charged by partners and case staff in units of six minutes.

Rates from 1 April 2013		Rates pre 1 April 2013	
Description	£	Description	£
Partner 1*	445	Partner 1*	445
Partner 2*	415	Partner 2*	395
Director	360	Director	340
Associate director*	320	Senior associate 1*	315
Senior associate	280	Senior associate 2*	265
Associate	240	Associate	230
Analyst	220	Analyst	220
Junior analyst	125	Junior analyst	115
Senior treasury associate	170	Senior treasury associate	155
Treasury associate	110	Treasury associate	105
Treasury analyst	85	Treasury analyst	80
Support	79	Support	75

***Key**

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

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

Promotion from senior associate to associate director from 1 April 2013 is on the basis of performance and experience. Prior to that, the distinction from senior associate 2 to senior associate 1 was made for staff with two or more years' experience at senior associate level