

The Insolvency Act 1986

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

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

Name of Company

Action Building Contracts Limited

Company number

SC295118

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

We (a)
Matthew Purdon Henderson
Johnston Carmichael LLP
7-11 Melville Street
Edinburgh
EH3 7PE

Gordon Malcolm MacLure
Johnston Carmichael LLP
Bishops Court
29 Albyn Place
Aberdeen
AB10 1YL

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

from

to

(b) Insert date(s)

(b) 11 November 2011

(b) 10 May 2012

Signed



Joint / Administrator(s)

Dated

18 June 2012

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 p

Matthew Purdon Henderson
Johnston Carmichael LLP
7-11 Melville Street
Edinburgh
EH3 7PE

DX Number

0131 220 2203
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at:-
Companies House, 37 Castle Terrace, Edinburgh EH1 2EB
DX 235 Edinburgh / LP 4 Edinburgh-2

SATURDAY



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16/06/2012

#392

COMPANIES HOUSE



**JOHNSTON
CARMICHAEL**

CHARTERED ACCOUNTANTS & BUSINESS ADVISERS

7-11 Melville Street
Edinburgh
EH3 7PE

T : 0131 220 2203
F : 0131 220 1080
E : info@jcca.co.uk
W : www.jcca.co.uk
DX: ED14 Edinburgh 1

TO WHOM IT MAY CONCERN

Our Ref: 10/MPH/SJW/ACTB01

18 June 2012

Dear Sir

ACTION BUILDING CONTRACTS LIMITED (IN ADMINISTRATION)

I am writing to you pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986 in your capacity as a creditor of Action Building Contracts Limited (In Administration) ("the company"), to provide you with information relating to the progress of the Administration from 11 November 2011 to 10 May 2012.

I enclose a copy of the Joint Administrators' Receipts and Payments account for the period from 11 November 2011 to 10 May 2012. I would comment further as follows:

1 Statutory Information

- 1.1 The Notice of Appointment was lodged at the Court of Session, Edinburgh. The company was placed into Administration on 11 November 2010.
- 1.2 The company's registered number is SC295118 and it was incorporated on 6 January 2006. The company is registered in Scotland.
- 1.3 The company's registered office was at 2A New Mart Road, Edinburgh, EH14 1RL and has subsequently been changed to 7-11 Melville Street, Edinburgh, EH3 7PE.
- 1.4 The term in office of the Joint Administrators was extended to 10 November 2012 by virtue of an order of the Court of Session dated 9 November 2011.

2 Assets

- 2.1 The company's only significant assets are the property at 2A New Mart Road, Edinburgh, EH14 1RL, and sums due from completed and part-completed contracts.
- 2.2 The sale of the property at 2A New Mart Road, Edinburgh concluded on 17 June 2011 for £225,000.

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18 June 2012

Action Building Contracts Limited (in Administration) (Continued – 2)

- 2.3 A business rates refund has been ingathered in the sum of £3,380.33 before costs.
- 2.4 The Joint Administrators have engaged the services of Ian Gracie of Construction Recovery Solutions to review the contracts and recover outstanding sums due to the company.
- 2.5 The sum projected as recoverable from the company's sales ledger balances, based on a report from Ian Gracie, is in the region of £150,000. Unfortunately the timescales for recovery remain unclear as the vast majority of the company's contracts were with The City of Edinburgh Council. As has been widely publicised, the Council departments responsible for the allocation and payment of the contracts are currently under investigation by Lothian & Borders Police Specialist Fraud Unit. A meeting was held with the Council at their offices on 9 February 2012, with both Ian Gracie and the Joint Administrator in attendance, however subsequent staffing changes at the Council have unfortunately meant that little progress has been made. Ian Gracie continues to pursue this matter.

3 Creditors

- 3.1 The secured creditor, The Royal Bank of Scotland plc, is due approximately £257,100. Their liability is secured by a Bond and Floating Charge created on 24 July 2008 and a Standard Security over the property at 2A New Mart Road, Edinburgh.
- 3.2 The secured creditor has received a distribution of £175,000 from the property sale proceeds. Based on the projected recovery figure of £150,000 from the monies due to the company, a dividend is anticipated to become payable to preferential and ordinary creditors. This will, of course, be entirely dependent upon the successful collection of sums due to the company.
- 3.3 I can advise that, to the best of my knowledge and belief, the estimated value of the company's net property will be £84,810.15 based on projected realisations. The estimated value of the prescribed part available for distribution to the unsecured creditors is therefore £19,962.03. I can confirm that I do not, at this stage, propose to make an application to Court under section 176A(5) of the Insolvency Act 1986 for an order waiving the requirement to distribute the prescribed part to the unsecured creditors on the grounds that making such a distribution would be disproportionate to the benefits.

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18 June 2012

Action Building Contracts Limited (in Administration) (Continued – 3)

4 Statutory Matters

4.1 The various statutory matters which have been dealt with during the period have included:

- Circularising the creditors with a report on the progress of the administration.
- Preparing and submitting Corporation Tax Return.

5 Other Matters

5.1 Some of the other matters dealt with during the period have been:

- Discussions, correspondence and meeting with our agent Ian Gracie regarding the collection of sums due to the company.
- Correspondence and meeting with the City of Edinburgh Council in connection with the sums due.
- Reporting to the secured creditor regarding the progress of the Administration.
- Recovery of previously overpaid Business Rates.
- Dealing with all insurance matters to ensure adequate cover is in place.
- Acknowledging creditors' claims and responding to their queries.
- Recording administration receipts and payments.

6 Joint Administrators' Remuneration

6.1 The Joint Administrators will, in accordance with the legislation, agree their fee and disbursements with the secured, preferential and unsecured creditors as appropriate.

6.2 To date I have drawn a total of £16,000.00 plus VAT on account of my time costs incurred.

6.3 I enclose a time and charge out summary covering the period from 11 November 2011 to 10 May 2012. This summary provides details of the time spent on the various aspects of the administration during the period.

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18 June 2012

Action Building Contracts Limited (in Administration) (Continued – 4)

7 Outstanding Matters

7.1 The principal outstanding matters in the administration are as follows:

- Ongoing action to recover monies due to the company.
- Distribution to the secured creditor.
- Dividend to the preferential and unsecured creditors (if appropriate)
- Settlement of administration costs and expenses.
- Closing administration procedures.

8 Extension to Time

- 8.1 Due to the ongoing recovery of funds due to the company, it is likely that the Joint Administrators will require to seek to extend the Administration for a further period of one year from 11 November 2012.
- 8.2 Prior to seeking an extension from the Court of Session ("the Court"), pursuant to paragraph 76(2)(a) of Schedule B1 to the Insolvency Act 1986, the Joint Administrators are required to notify the company's creditors of their intention.
- 8.3 Creditors are able to object to the proposed extension to the Administration. Any creditor who wishes to object should provide written notice along with their reason for objecting to the Joint Administrator at the above address within 21 days of the date of this letter.
- 8.4 It is the Joint Administrators' intention to apply to the Court for an extension following the lapse of the given time period. However, due consideration will be given to any objection received within that time period and details thereof will be provided to the Court as part of the extension process.

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18 June 2012

Action Building Contracts Limited (in Administration) (Continued – 5)

9 Next Report

- 9.1 The next progress report will be issued within 6 weeks of the end of the accounting period ending on 10 November 2012 or earlier in the event that the administration has been finalised.

Please do not hesitate to contact me if you require any further information or wish to discuss any matter covered in this report.

Yours faithfully

For and on behalf of
Action Building Contracts Ltd (In Administration)



M P Henderson
Joint Administrator

e-mail: matt.henderson@jcca.co.uk

The affairs, business and property of the company are being managed by the Joint Administrators who contract only as agents of the company and without any personal liability.

Gordon MacLure is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants of Scotland.
Matt Henderson is authorised to act as an insolvency practitioner in the UK by the Institute of Chartered Accountants of Scotland.

Action Building Contracts Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 11/11/2011 To 10/05/2012	From 11/11/2010 To 10/05/2012
SECURED ASSETS		
Heritable Property	NIL	225,000.00
	NIL	225,000.00
COSTS OF REALISATION		
Property Marketing Costs	NIL	4,357.04
Legal Fees	NIL	2,489.42
Other Property Expenses	NIL	3,168.35
Insurance of Assets	NIL	3,100.65
	NIL	(13,115.46)
SECURED CREDITORS		
The Royal Bank of Scotland plc	NIL	175,000.00
	NIL	(175,000.00)
ASSET REALISATIONS		
VAT Refund	NIL	1,225.00
Insurance Refund	3,380.33	3,380.33
Cash held on appointment	NIL	3.32
Bank Interest Gross	92.38	300.97
	3,472.71	4,909.62
COST OF REALISATIONS		
Registers of Scotland	NIL	15.00
Specific Bond	NIL	295.00
Office Holders Fees	16,000.00	16,000.00
Office Holders Expenses	8.75	17.23
Debt Recovery Agent	3,500.00	3,500.00
Agents/Valuers Fees (1)	845.08	845.08
Legal Fees (1)	732.00	1,937.00
Travel	NIL	98.53
Stationery & Postage	NIL	11.35
Re-Direction of Mail	NIL	25.96
Statutory Advertising	NIL	657.90
Rents Payable	NIL	NIL
	(21,085.83)	(23,403.05)
	(17,613.12)	18,391.11
REPRESENTED BY		
VAT Receivable		6,593.45
Bank 1 - Current		11,797.66
		18,391.11

ACTION BUILDING CONTRACTS LIMITED
SIP 9 TIME COST ANALYSIS
PERIOD 11 NOVEMBER 2011 TO 10 MAY 2012

Classification of work function	Partner Hours	Manager Hours	Assistant Manager Hours	Staff Hours	Other Professional Hours	Total Hours	Time Cost	Average Hourly Rate
Administration and Planning-incl Statutory Work	1.25	0.00	0.00	4.75	0.00	6.00	£762.00	£127.00
Property Matters and Realisation of Assets	2.70	0.00	0.00	9.00	0.00	11.70	£1,750.50	£149.62
Correspondence	0.00	0.00	0.00	0.25	0.00	0.25	£25.00	£100.00
Creditors	0.00	0.00	0.00	0.25	0.00	0.25	£25.00	£100.00
Bank & Cash	0.50	0.00	0.00	2.25	0.00	2.75	£271.85	£98.85
Bank Reports	0.45	0.00	0.00	1.00	0.00	1.45	£241.75	£166.72
Review & Supervision	0.25	0.10	0.00	1.00	0.00	1.35	£202.15	£149.74
Employee Matters	0.00	0.00	0.00	0.35	0.00	0.35	£35.00	£100.00
Tax/VAT	0.20	0.55	0.00	1.70	0.00	2.45	£226.40	£92.41
	5.35	0.65	0.00	20.55	0.00	26.55	£3,539.65	£133.32
Amount	£1,675.25	£91.60	£0.00	£1,772.80	£0.00			
Total Fee Claimed							£3,539.65	

Net Disbursements:

	£
Legal Fees - Gateley (Scotland) LLP	732.00
Exacta plc - Agent's fee for obtaining rates refund	845.08
Debt Recovery Agent - Construction Recovery Solutions	3,500.00
Travel Expenses	8.75
	<u>5,085.83</u>