

The Insolvency Act 1986

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

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

Name of Company

Oban Marina Limited

Company number

SC298493

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

We (a)
James Bernard Stephen
BDO LLP
4 Atlantic Quay
70 York Street
Glasgow
G2 8JX

David John Hill
BDO LLP
4 Atlantic Quay
70 York Street
Glasgow
G2 8JX

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

from

to

(b) Insert date(s)

(b) 8 May 2012

(b) 21 August 2012

Signed

Joint / Administrator(s)

Dated

22/8/12

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

James Bernard Stephen
BDO LLP
4 Atlantic Quay
70 York Street
Glasgow
G2 8JX

DX Number

0141 248 3761
DX Exchange

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





Tel: +44 (0)141 248 3761
Fax: +44 (0)141 248 1653
LP 55 Glasgow - 6
www.bdo.co.uk

4 Atlantic Quay
70 York Street
Glasgow G2 8JX

Private & Confidential

21 August 2012

Your Ref
Our Ref SADM930/C6

Please ask for: Craig Fisher
Direct Dial :0141 249 5229

Email: craig.fisher@bdo.co.uk

Dear Sirs,

Oban Marina Limited (In Administration) ("the Company")
Company Number: SC298493

It is now nine months since my appointment in respect of the Company. In accordance with Rule 2.38 of the Insolvency (Scotland) Rules 1986 we are now reporting the progress made in implementing the approved proposals and achieving the statutory purpose of the Administration.

The administrators' did not convene a meeting of creditors to consider the proposals due to the fact there will be insufficient assets to enable a dividend to be paid to unsecured ordinary creditors beyond the prescribed part. The Administrators' proposals being deemed as approved on 28 December 2011.

1 Statutory Information

The Joint Administrators are James Bernard Stephen and David John Hill of BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX and they were appointed in respect of the above company on 8 November 2011. Under the provisions of paragraph 100(2) of schedule B1 of the Insolvency Act 1986 the administrators carry out their functions jointly and severally and neither administrator has exclusive power to exercise any function.

The Joint Administrators were appointed by John McCoach, c/o Oban Marina, Isle of Kerrera, PA34 4SX, being director of the Company, pursuant to Paragraph 22 of schedule B1 of the Insolvency Act 1986. The administration proceedings are dealt with in the Court of Session and the court case number is unknown.

The company's registered office is situated at 4 Atlantic Quay, 70 York Street, Glasgow G2 8JX and the registered number is SC298493. (Previously at 80 George Street, Edinburgh, EH2 3BU.)

We enclose at Appendix A, a summary of our receipts and payments to date showing a balance in hand of £219,098.37, together with a copy of our abstract account covering the last six month period, and report as follows:



2 Receipts

The receipts shown are largely self-explanatory, although we would comment specifically on:

Heritable Property

The Company owned properties at Oban Marina; the Log Cabin, the Boathouse, and the marina itself. Graham & Sibbald was instructed to proceed with marketing the site. Following a period of marketing, we received a high number of expressions of interest and five offers. Our Legal agents, Maclay, Murray and Spens LLP, were instructed to progress the highest offer, and we concluded a sale of the business and assets on 9 February 2012.

The consideration for all the properties was £579,000.

Plant & Machinery

Included in the sale of the business was the Company's plant and machinery, for a consideration of £348,493.

Work in Progress

Also included in the sale of the business was the work in progress as at the date of the sale. £2,295.01 was ingathered in this respect.

Sales

A total of £25,400.43 has been ingathered from the marina sales, which included mooring fees, labour costs for maintenance of boats, use of electricity and shop sales.

Book Debts

We have collected a total of £28,760.11 to date, and continue to pursue a small number of pre-appointment debts.

3 Trading

Having reviewed the business, we concluded that the trading would be beneficial to creditors in order that we could sell the business as a going concern. The trading was funded by an overdraft facility.

4 Actions during the Period

The proposals that were deemed as approved are as follows:

- a. The Joint Administrators continue to manage the Company's business and realise assets in accordance with objectives 2 & 3 of the statutory purpose of the Administration;
- b. The Joint Administrators may investigate and, if appropriate, pursue any claims the Company may have under the Companies Act 1985 and 2006 or Insolvency Act 1986 or otherwise. In addition, the Joint Administrators shall do all such other things and generally exercise all their powers as Joint Administrators as they in

their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals;

- c. The Joint Administrators make payments to secured and preferential creditors and if necessary, they apply to Court under P65 of Schedule B1 of the Insolvency Act 1986 in order to distribute funds to ordinary creditors;
- d. The Joint Administrators exit the Administration by way of dissolving the Company under paragraph 84 of Schedule B1 of the Insolvency Act 1986, but in any event, may use any or a combination of 'exit route' strategies in order to bring the Administration to an end;
- e. Creditors approve the remuneration of the Joint Administrators on a time cost basis,
- f. The Joint Administrators be discharged from liability under the Administration per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 14 days after the Joint Administrators' filing their final report with the Registrar of Companies and sending it to creditors.

We appointed Graham & Sibbald as agents to assist in the marketing of business, their fees being based on % of realisations.

We appointed Maclay, Murray & Spens LLP as legal agents. Their fees being bases on a time cost basis. During the period they assisted on the sale of the business and licencing issues and fees of £41,416.51 have been paid.

We concluded a sale of the business, heritable property and assets on 9 February 2012, for a consideration of £927,500.

We have collected both pre-appointment and post-appointment book debts from the Company's berth-holders. There are a small number of book debts yet to be ingathered.

We have submitted our confidential report on the conduct of all persons who were directors or shadow directors of the Company in the three year period prior to the Administration appointment to the Insolvency Service, in accordance with the provisions of the Company Directors Disqualification Act 1986.

5 Matters Outstanding

As mentioned above, there are a small number of book debts yet to be ingathered.

6 Extension of the Administration

The administrators would be obliged if creditors could indicate their agreement to a 6 month extension of the administration to allow the completion of matters detailed in section 5, and also to allow for the following:

- Finalisation of trading related matters and finalisation of book debts;
- Formal adjudication of unsecured creditors claims;

- Distribution to unsecured creditors via the prescribed part if permission is granted by the Court; and
- Finalisation of remaining statutory matters once all other outstanding matters have been dealt with.

As noted above, the Joint Administrators also intend to apply to Court for permission to make a prescribed part distribution to the unsecured creditors via the prescribed part.

Should any creditor wish to object to the Joint Administrators applying to Court for an extension of the Administration, please advise me in writing, together with your reasons for the objection, within fourteen days of the date of this letter.

A response form is attached at Appendix C.

Should an extension beyond six months be required to complete the administration an application will have to be made to Court.

7 Prospects for Creditors

I confirm that the likely returns to the various classes of creditors are the same as those stated in my progress report of 25 May 2012.

Under Section 176A of the Insolvency Act 1986 where after 15 September 2003 the company has granted to a creditor a floating charge a proportion of the net property of the company must be made available purely for the unsecured creditors.

Based on present information the Joint Administrators estimate that after allowing for costs the value of the company's net property, after payment of preferential claims will be £293k and this means that the prescribed part should be £61k.

8 Administrators' Remuneration

The Joint Administrators are obliged to fix their remuneration in accordance with Rule 2.39 of the Insolvency (Scotland) Rules 1986. This permits remuneration to be fixed either as a percentage of the value of the property with which the joint administrators have to deal or alternatively by reference to the time the joint administrators and their staff have spent attending to matters in this administration. The creditors have already approved the administrators' remuneration on a time cost basis. In respect of this administration we wish to advise that as there will be no distribution to unsecured creditors, other than by the prescribed part, the remuneration and outlays will be approved by the secured creditor and 50% of the preferential creditors should a dividend be payable to preferential creditors.

To date the sum of £85,000 has been drawn in respect of remuneration as shown on the attached receipts and payments account.

We attach a SIP 9 schedule which summarises the time costs accrued to date and indicates the work undertaken in that respect from the date of appointment.

Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. I therefore report that since my last report the sum of £966.11 has been drawn in respect of category 1 disbursements.

Some administrators recharge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP is not to charge any category 2 disbursements.

9 Postal Resolutions

Postal resolutions that may be dealt with in this circular are conducted in terms of rule 2.28 of the Insolvency (Scotland) Rules 1986. The closing date for responses to any resolution attached being 14 days from the date of this letter. For the conduct of the business to proceed one response must be received.

Should no responses be received I am obliged to convene a meeting which will add to the cost of the Administration. Would therefore be obliged if you could respond to any resolution that may be attached to this report.

Yours faithfully

For and on behalf of Oban Marina Limited



James B Stephen
Joint Administrator

James Bernard Stephen is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of England & Wales. Office holder number 9273.

David J Hill is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland. Office holder number 6161.

The Joint Administrators act as agents of the company, without personal liability.

Appendices

- A- Administrators' Statutory Receipts and Payments.
- B- Summary of Administrators' Time Costs to date.
- C- Creditor Response Form for Postal Resolutions.

APPENDIX A - Administrators Statutory Receipts & Payments

Oban Marina Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs	From 08/05/2012 To 21/08/2012	From 08/11/2011 To 21/08/2012
POST APPOINTMENT SALES		
Sales	NIL	24,944.20
Bar/Shop Sales	NIL	456.23
Diesel	NIL	(682.24)
	<u>NIL</u>	<u>24,718.19</u>
COST OF SALES		
Materials Purchases	458.00	11,043.82
Repairs & Renewals	NIL	8,329.20
Light and Power	109.47	19,086.12
Other Direct Costs	NIL	45.00
Food Purchases	NIL	113.15
Diesel	NIL	1,375.00
	<u>(567.47)</u>	<u>(39,992.29)</u>
TRADING EXPENSES		
Wages	NIL	39,974.37
Sub Contractors	NIL	12,345.22
Berthing Costs	NIL	300.00
Telephone	NIL	639.25
Rates	(223.05)	1,717.82
Rent	NIL	(300.00)
Insurance	NIL	6,350.72
Hire of Equipment	NIL	430.00
Maintenance	134.63	165.63
Stationery, Postage & Misc	NIL	318.38
Consultancy Fees	NIL	3,986.38
Security Expenses	NIL	500.00
Ransom Payment	NIL	39,003.56
	<u>88.42</u>	<u>(105,431.33)</u>
TRADING SURPLUS/(DEFICIT)	<u><u>(479.05)</u></u>	<u><u>(120,705.43)</u></u>

Oban Marina Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 08/05/2012 To 21/08/2012	From 08/11/2011 To 21/08/2012	
FIXED CHARGE ASSETS			
Uncertain	Oban Marina - Heritable	NIL	404,000.00
(469,490.00)	Bank of Scotland	NIL	(400,000.00)
		NIL	4,000.00
FIXED CHARGE COSTS			
	Administrators' Fees	20,000.00	20,000.00
	Legal Fees & Disbs	NIL	25,799.51
	Bank of Scotland - Additional Pontoons	NIL	14,350.42
	Agents' Fees & Disbs	NIL	15,760.58
	Insurance & Service Chgs	NIL	174.90
		(20,000.00)	(76,085.41)
HP ASSETS			
50,000.00	Pontoons	NIL	NIL
(10,000.00)	Bank of Scotland Asset Finance	NIL	NIL
	Loch Ness Cruises - Nessie Hunter	NIL	(1,500.00)
50,000.00	50 Ton Hoist	NIL	NIL
(35,000.00)	Bank of Scotland Asset Finance	NIL	NIL
		NIL	(1,500.00)
ASSET REALISATIONS			
	The Boathouse	NIL	175,000.00
133,000.00	Plant & Machinery	NIL	348,493.00
2,000.00	Furniture & Equipment	NIL	NIL
NIL	Prepayments	NIL	NIL
5,706.00	Stock In Trade	NIL	NIL
38,467.29	Book debts	524.49	28,760.11
1,000.00	Stock	NIL	1.00
NIL	Goodwill / Intellectual Property	NIL	2.00
	Leasehold Property	NIL	1.00
	Customer Records / IT	NIL	2.00
	Cash in Hand	NIL	315.68
	Rates Refund	NIL	537.39
	Interest Gross	NIL	767.15
	Bank Interest Net of Tax	NIL	10.02
	Insurance Claim	NIL	1.00
	Trading Surplus/(Deficit)	(479.05)	(120,705.43)
	Work in Progress	NIL	2,295.01
		45.44	435,479.93
COST OF REALISATIONS			
	Debit Interest	NIL	219.79
	Specific Bond	NIL	60.00
	Registers of Scotland	NIL	87.50
	Preparation of S.of A.	NIL	950.00
	Administrators' Fees	NIL	65,000.00
	Administrators' Disbursements	253.21	966.11
	Press - Blue Rubicon	NIL	193.75
	Agents' Fees & Disbs	NIL	1,200.00
	Legal Fees & Disbs	NIL	15,617.00
	Statutory Advertising	NIL	325.44
	Bank Charges	NIL	10.00

Oban Marina Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 08/05/2012 To 21/08/2012	From 08/11/2011 To 21/08/2012
Licences	NIL	600.00
Equipment	NIL	585.84
	(253.21)	(85,815.43)
UNSECURED CREDITORS		
(141,937.59) Trade & Expense Creditors	NIL	NIL
Uncertain Unsecured Employees	NIL	NIL
Uncertain Unsecured E.P.A.	NIL	NIL
(41,488.00) Unsecured Directors	NIL	NIL
(109,622.00) Customers - Amounts Billed	NIL	NIL
(61,296.00) Unsecured Crown - VAT	NIL	NIL
(26,017.00) Unsecured Crown Debts - PAYE	NIL	NIL
(23,000.00) Crown Estate Lease Charges	NIL	NIL
(44,271.00) Unsecured Crown Debts - Fuel Duty	NIL	NIL
	NIL	NIL
DISTRIBUTIONS		
(600,010.00) Ordinary Shareholders	NIL	NIL
(375,990.00) Share Premium Account	NIL	NIL
	NIL	NIL
(1,657,948.30)	(20,207.77)	276,079.09
REPRESENTED BY		
Trade Debtors		3,664.38
Input VAT		38,648.85
Bank of Scotland - 50k overdraft		219,098.37
Client		(5.00)
Trade Creditors		(320.62)
Output VAT		(4,813.36)
Oban Control Account - Old Bank Acco		0.01
FDMS Control Account		(5,193.54)
Funding to Shawhead Developments		25,000.00
		276,079.09

The Company is registered for VAT and figures are net of VAT.

APPENDIX B - Summary of Administrators' Time Costs to 17 August 2012

Name of Assignment: Oban Marina Limited 00174816
Summary of Time Charged and Rates Applicable for the Period From 29/10/2011 to 17/08/2012

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AVG
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	
A. Pre Appointment Matters															
			5.00	1,400.00									5.00	1,400.00	294.00
B. Steps in Appointment	3.00	1,650.00	59.25	11,016.25			15.00	1,700.00					57.25	11,781.25	240.79
C. General Administration	0.75	320.25	2.75	614.75	15.45	2,621.55	188.00	21,912.40	1.50	192.00	1.25	90.00	210.00	21,792.95	173.32
D. Assets Reformation/Defining	25.00	8,625.00	155.50	44,653.50			3.20	371.20					183.70	63,449.70	292.96
E. Trading Related Matters	4.75	1,782.25	57.25	11,656.25									62.00	11,637.50	245.99
F. Reporting	7.00	2,415.00	12.50	3,400.50									24.50	5,764.50	256.42
G. Work			0.50	310.40									0.50	310.40	332.69
	48.50	14,177.50	272.00	74,883.65	15.45	2,621.55	297.20	24,023.60	1.50	192.00	1.25	90.00	538.25	115,933.30	
											Net Total				
											Secretarial Expense		538.25	115,933.30	
											Other Disbursements			944.11	

APPENDIX C - Postal Resolutions to Creditors - Rule 2.28

Oban Marina Limited (In Administration) ("the Company")

To Be Returned Within 14 Days

Please Return To:

**Craig Fisher
BDO LLP
4 Atlantic Quay
70 York Street
Glasgow
G2 8JX**

Creditor:

Reference:

1. Do you agree to the proposed extension to the Administration till 8 May 2013

***I Agree**

***I Disagree**

• ***Delete as appropriate.**

•

Should you disagree please narrate reasons why below.

Signed : _____

On behalf of

Dated: _____

Please complete the above and return as indicated