In accordance with Rule 3.93(1) of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018.

AM10 (Scot)

Notice of administrator's progress report

Companies House

FRIDAY

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SCT 29/05/2020 #116

COMPANIES HOUSE

For further information, please refer to our guidance at www.gov.uk/companieshouse

1 Company details

Company number	S C 4 8 5 1 0 3
Company name in full	Ferguson Marine Engineering (Holdings) Limited

→ Filling in this form
Please complete in typescript or in bold black capitals.

2 Administrator's name

Full forename(s)	Michael John
Surname	Magnay

3 Administrator's address

Building name/number	PO Box 500
Street	2 Hardman Street
Post town	Manchester
County/Region	
Postcode	M 6 0 2 A T
Country	

4 Administrator's name ●

Full forename(s)	Robert James
Surname	Harding

● Other administrator
Use this section to tell us about another administrator.

5 Administrator's address ●

Building name/number	1 New Street Square
Street	London
Post town	EC4A 3HQ
County/Region	
Postcode	
Country	

● Other administrator
Use this section to tell us about another administrator.

AM10 (Scot)
Notice of administrator's progress report

6 Period of progress report

From date	22 10 2019
To date	21 04 2020

7 Progress report

☑ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X X
Signature date	29 05 2020

AM10 (Scot)

Notice of administrator's progress report

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Emily Thorne
Company name	Deloitte LLP
Address	Four Brindleyplace
	Birmingham
Post town	B1 2HZ
County/Region	
Postcode	
Country	
DX	
Telephone	+44 121 632 6000

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Deloitte.

Ferguson Marine Engineering (Holdings) Limited ("FMEHL") and Mackellar Sub-Sea Limited ("MSSL") (both in Administration)

("the Companies")

Progress report for the period 22 October 2019 to 21 April 2020 pursuant to rules 3.93 to 3.94 inclusive of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018 ("the Rules")

FMEHL:
Court Case No. P950 of 2019
MSSL:
Court Case No. P951 of 2019

Court of Session, Edinburgh

Company Numbers:
SC485103 and SC486910

Registered Office:
c/o Deloitte LLP,
Saltire Court,
20 Castle Terrace,
Edinburgh,
EH1 1DB

Michael John Magnay and Robert James Harding ("the Joint Administrators") were appointed Joint Administrators of the Companies on 22 October 2019 by the Directors. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies 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 100(2) 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 (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

29 May 2020

Key messages

Key messages

Joint Administrators of the Companies

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

Robert James Harding
Deloitte LLP
One New Street Square
London
EC4A 3BZ

Contact details

Email: ethorne@deloitte.co.uk
Website: www.ips-docs.com
Tel: +44 (0)121 696 8569

	Commentary
Purpose of administrations	• The purpose of the administrations will be to achieve a better result for the Companies' creditors as a whole than liquidation.
Progress of administrations	• FMEHL is a holding company of Ferguson Marine Engineering Limited (in Administration) ("FMEL") and MSSL ("the Group"). • FMEHL did not trade and MSSL ceased trading in April 2019. • During the period we have received cash from the pre appointment bank accounts held by the Companies, we are now working to realise any residual assets, as detailed on page 5.
Costs	• We will be seeking approval from the secured creditors to fix the basis of our remuneration as a set amount of £34,000 for FMEHL and £50,000 for MSSL plus VAT thereon. Please see page 13 for further details. • We have incurred outlays of £460 in the report period. Please see page 14 for further details. • Third party costs and expenses of £1,038 have been incurred in FMEHL and £1,519 in MSSL during the report period. Please see page 6 for further details.
Outstanding matters	• Realisation of shareholdings held by FMEHL. • Finalise taxation and VAT matters for the Companies. • Prepare for and make distributions to the secured creditors of the Companies, and the unsecured creditors of MSSL. • Statutory closing procedures.
Dividend prospects	• Secured creditors – The secured creditors will not be repaid in full in FMEHL or MSSL. • Preferential creditors – There are no preferential creditors in FMEHL or MSSL as they did not have any employees. • Unsecured creditors – It is likely that there will be a distribution for unsecured creditors via the Prescribed Part in MSSL only. There will be no funds available for distribution to unsecured creditors in FMEHL.
Extension to administration periods	• We do not anticipate that it will be necessary to extend the period of the administrations which are due to end on or before 22 October 2020.

Progress of the administrations

Progress of the administrations
Summary

Work done during the report period

Cash & Cash Equivalents

At the date of appointment FMEHL held c.£39k cash at bank and MSSL held £464k. These funds have been received into the administration estates.

Shareholdings

FMEHL holds shares in the following companies:

- Ferguson Marine Engineering (Services) Limited
- Ferguson Shipbuilders Limited
- Ferguson-Ailsa Limited
- FMEL

Only FMEL was trading, the other three companies were dormant. We do not expect there to be any value in the shareholdings. To date there has been no interest in purchasing the 'Ferguson' name of these entities.

Creditors

No distributions have been made to date in FMEHL or MSSL.

Director Conduct Reports

We have complied with our statutory duty to report on the conduct of the Companies' directors and submitted our confidential reports to the Insolvency Service on 20 January 2020.

Investigations

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 Companies.

To date 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 3.

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 set-up and management actions, including updating the creditor portal for the case, filing and regular diary reviews to ensure compliance matters are dealt with accordingly;
- Statutory reporting, including the preparation of the Proposals;
- Appointment notifications, including notifying the relevant parties of the appointment; and
- Cashiering functions, including the preparation of monthly bank account reconciliations and various payments and receipts.

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.

Progress of the administration

Summary

Third party costs incurred during the report period

The following third party expenses have been incurred during the report period:

- Shepherd and Wedderburn LLP ("S&W") have advised on legal matters as part of the administration for which they have billed £1,038 plus VAT in respect of their fees and expenses on FMEHL and £1,519 plus VAT in respect of their fees and expenses in MSSL.

All costs have been paid, as shown in the receipts and payments accounts on page 7.

All professional costs were reviewed and analysed in detail before payment was approved.

Progress of the administration

Receipts and payments

Receipts and payments accounts are provided below, detailing the transactions during the report period.

Notes to receipts and payments accounts

A - All funds were held in an interest bearing account. The associated corporation tax on interest received has been/will be accounted for to HM Revenue & Customs.

B - All sums are shown net of VAT, which is recoverable and has been and will continue to be accounted for to HM Revenue & Customs in due course.

C - Invoices received are logged, recorded and posted to the cash book on an accruals basis, the balance noted represents invoices received and posted to the cash book but not yet paid from the bank accounts.

Rounding note

In preparing this report, figures have been rounded (for presentational purposes only). There may therefore appear to be rounding errors.

Mackellar Sub-Sea Limited
Joint Administrators' receipts and payments account
22 October 2019 to 21 April 2020

£	SoA values	Notes	Period	To date
Receipts				
Cash at Bank	*464,000*		463,843	463,843
Bank Interest Gross	*-*	*A*	105	105
Total receipts	*464,000*		**463,948**	**463,948**
Payments				
Legal Fees			1,211	1,211
Legal Expenses			308	308
Statutory Advertising			87	87
Total payments			**1,607**	**1,607**
Balance				**462,341**
Made up of:				
VAT Receivable		B		260
IB Current A/C		A		463,843
Trade Creditors		C		(1,762)
Balance in hand				**462,341**

Ferguson Marine Engineering (Holdings) Limited
Joint Administrators' receipts and payments account
22 October 2019 to 21 April 2020

£	SoA values	Notes	Period	To date
Receipts				
Cash at Bank	*39,000*		38,907	38,907
Bank Interest Gross	*-*	*A*	9	9
Total receipts	*39,000*		**38,916**	**38,916**
Payments				
Legal Fees			950	950
Legal Expenses			88	88
Statutory Advertising			87	87
Total payments			**1,125**	**1,125**
Balance				**37,791**
Made up of:				
VAT Receivable		B		207
Interest Bearing Current Account		A		38,811
Trade Creditors		C		(1,228)
Balance in hand				**37,791**

Progress of the administration
Pre-administration costs

Pre administration costs

We included the following statement of pre administration costs in our Proposals.

During planning for the administration, we were assisted by S&W on matters including:

- reviewing the draft appointment paperwork provided by Brodies;
- liaising with Brodies and the proposed administrators regarding comments on the draft appointment documents; and
- timing of the appointment.

In respect of this work, S&W incurred time costs of £5,622.50 excluding VAT, split between both Companies.

Brodies undertook work on behalf of the Companies including:

- preparing appointment documents
- advising on timings
- serving notices; and
- filing the appointment documents at Court

In respect of this work, Brodies incurred £12,000 of time costs and £752.74 of expenses, plus VAT.

These costs are in the process of being approved or otherwise by Scottish Ministers and Clyde Blowers Capital III LP ("the Secured Creditors").

Information for creditors

Information for creditors
Outcome

Outcome for creditors

Secured creditors

The Companies' records and the Directors' statements of affairs ("SOA") show that, at the date of our appointment, the following amounts were owed to Secured Creditors via cross guarantees:

- Scottish Ministers – c.£30m
- Clyde Blowers Capital III LP – c.£3m

These amounts are secured by way of floating charges granted by the Companies on 25 June 2018 and 1 February 2019, respectively. The final amounts due to the Secured Creditors will depend on the level of distributions made by FMEL as this will reduce what the Secured Creditors are owed.

Based on currently available information, we do not expect there will be sufficient asset realisations to repay the Secured Creditors in full from FMEL, MSSL or FMEHL.

Prescribed Part

As detailed in the Proposals, we anticipate that there will be a prescribed part fund available for distribution to unsecured creditors of c.£84k in MSSL.

Please note that in accordance with Rule 3.50 the costs associated with the prescribed part (which would chiefly comprise our costs incurred in adjudicating and processing claims) must be paid out of the prescribed part fund.

Unsecured creditors

The SOA shows there are no unsecured creditors in FMEHL and c.£16k of unsecured creditors in MSSL.

On present information, the creditors of MSSL will be paid a dividend of 100p in the £ plus statutory interest.

Information for creditors
Outcome

Claims process

MSSL

Creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed is £1,000 or less.

We will notify you if funds become available for dividend purposes. Your claim will be admitted in the amount shown in the Company's records/statement of affairs. If you disagree with that amount you will be provided with an opportunity to notify us of the correct amount.

Claims process – creditors with debts of more than £1,000

Unsecured creditors of MSSL with claims of more than £1,000 are invited to submit their claims to us either directly via the case website at www.ips-docs.com , or by completing a statement of claim form which is available on the case website and which should be sent to the address on page 3, marked for the attention of Emily Thorne.

FMEHL

As there is no prospect of a distribution for unsecured creditors of FMEHL, we do not intend to undertake any work to agree any creditor claims received. This work will be performed by any subsequently appointed liquidator only once the dividend prospects are certain.

Extensions to the administration

We do not anticipate that it will be necessary to extend the period of the administrations, which are is due to end on or before 22 October 2020.

Exit

As detailed in our Proposals, we consider dissolution to be the most appropriate exit route from the administrations.

Remuneration and expenses

Remuneration and expenses

Joint Administrators' remuneration

Joint Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.deloitte-insolvencies.co.uk/related-documents/sip9-(scotland).aspx

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

Basis of remuneration

We are seeking approval from the Secured Creditors to fix the basis of our remuneration as a set amount of:

£34,000 for FMEHL; and

£50,000 for MSSL plus VAT thereon.

Fees drawn to date

No fees have been drawn to date.

Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2019 national charge out rates as summarised below.

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.

Restructuring Services charge out rates (£/hour)

Grade	From 1 June 2019
Partners & Directors	995 - 1,160
Assistant Directors	775 - 875
Managers	610 - 790
Assistant Managers	480 - 630
Assistants & Support	215 - 370

Remuneration and expenses
Detailed information

Category 1 Disbursements

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

Category 2 Disbursements

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.

Joint Administrators' Disbursements

Details of all disbursements are given below and from which it can be seen that we have not yet recovered any disbursements.

Category 1 Outlays

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

Category 2 Outlays

Specific approval is required before these costs and expenses can to be drawn from the administration estates. No such costs have been incurred during the report period.

FMEHL - Category 1 disbursements

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Bond	230	230	-	230
Total disbursements	**230**	**230**	**-**	**230**

MSSL - Category 1 disbursements

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Bond	230	230	-	230
Total disbursements	**230**	**230**	**-**	**230**

Creditors' right to challenge remuneration and/or expenses

Any creditor, or creditors of the Companies 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 16 June 2020) detailing the remuneration and/or expenses being complained of, in accordance with Rule 3.100 of the Rules.

Deloitte.

In accordance with Rule 3.93(1) of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018.

AM10 (Scot)

Notice of administrator's progress report

Companies House

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1 Company details

Company number	S C 4 8 6 9 1 0
Company name in full	Mackellar Sub-Sea Limited

→ Filling in this form
Please complete in typescript or in bold black capitals.

2 Administrator's name

Full forename(s)	Michael John
Surname	Magnay

3 Administrator's address

Building name/number	PO Box 500
Street	2 Hardman Street
Post town	Manchester
County/Region	
Postcode	M 6 0 2 A T
Country	

4 Administrator's name ●

Full forename(s)	Robert James
Surname	Harding

● Other administrator
Use this section to tell us about another administrator.

5 Administrator's address ●

Building name/number	1 New Street Square
Street	London
Post town	EC4A 3HQ
County/Region	
Postcode	
Country	

● Other administrator
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AM10 (Scot)
Notice of administrator's progress report

6	**Period of progress report**
From date	d2 d2 m1 m0 y2 y0 y1 y9
To date	d2 d1 m0 m4 y2 y0 y2 y0

7	**Progress report**
	☐ I attach a copy of the progress report

8	**Sign and date**
Administrator's signature	Signature X X
Signature date	d2 d9 m0 m5 y2 y0 y2 y0

AM10 (Scot)
Notice of administrator's progress report

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name: Emily Thorne

Company name: Deloitte LLP

Address: Four Brindleyplace

Birmingham

Post town: B1 2HZ

County/Region:

Postcode:

Country:

DX:

Telephone: +44 121 632 6000

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Deloitte.

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Court Case No. P950 of 2019
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Court Case No. P951 of 2019

Court of Session, Edinburgh

Company Numbers:
SC485103 and SC486910

Registered Office:
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Council Regulation (EU) No 2015/848 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

29 May 2020

Key messages

Key messages

Joint Administrators of the Companies

Michael John Magnay

Deloitte LLP

Saltire Court

20 Castle Terrace

Edinburgh

EH1 2DB

Robert James Harding

Deloitte LLP

One New Street Square

London

EC4A 3BZ

Contact details

Email: ethorne@deloitte.co.uk

Website: www.ips-docs.com

Tel: +44 (0)121 696 8569

	Commentary
Purpose of administrations	• The purpose of the administrations will be to achieve a better result for the Companies' creditors as a whole than liquidation.
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Progress of the administrations

Progress of the administrations
Summary

Work done during the report period

Cash & Cash Equivalents

At the date of appointment FMEHL held c.£39k cash at bank and MSSL held £464k. These funds have been received into the administration estates.

Shareholdings

FMEHL holds shares in the following companies:

- Ferguson Marine Engineering (Services) Limited
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We have complied with our statutory duty to report on the conduct of the Companies' directors and submitted our confidential reports to the Insolvency Service on 20 January 2020.

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All professional costs were reviewed and analysed in detail before payment was approved.

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Receipts and payments

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Notes to receipts and payments accounts

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Interest Bearing Current Account		A		38,811
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Progress of the administration

Pre-administration costs

Pre administration costs

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- reviewing the draft appointment paperwork provided by Brodies;
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Information for creditors

Information for creditors
Outcome

Outcome for creditors

Secured creditors

The Companies' records and the Directors' statements of affairs ("SOA") show that, at the date of our appointment, the following amounts were owed to Secured Creditors via cross guarantees:

- Scottish Ministers – c.£30m
- Clyde Blowers Capital III LP – c.£3m

These amounts are secured by way of floating charges granted by the Companies on 25 June 2018 and 1 February 2019, respectively. The final amounts due to the Secured Creditors will depend on the level of distributions made by FMEL as this will reduce what the Secured Creditors are owed.

Based on currently available information, we do not expect there will be sufficient asset realisations to repay the Secured Creditors in full from FMEL, MSSL or FMEHL.

Prescribed Part

As detailed in the Proposals, we anticipate that there will be a prescribed part fund available for distribution to unsecured creditors of c.£84k in MSSL.

Please note that in accordance with Rule 3.50 the costs associated with the prescribed part (which would chiefly comprise our costs incurred in adjudicating and processing claims) must be paid out of the prescribed part fund.

Unsecured creditors

The SOA shows there are no unsecured creditors in FMEHL and c.£16k of unsecured creditors in MSSL.

On present information, the creditors of MSSL will be paid a dividend of 100p in the £ plus statutory interest.

Information for creditors
Outcome

Claims process

MSSL

Creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed is £1,000 or less.

We will notify you if funds become available for dividend purposes. Your claim will be admitted in the amount shown in the Company's records/statement of affairs. If you disagree with that amount you will be provided with an opportunity to notify us of the correct amount.

Claims process – creditors with debts of more than £1,000

Unsecured creditors of MSSL with claims of more than £1,000 are invited to submit their claims to us either directly via the case website at www.ips-docs.com , or by completing a statement of claim form which is available on the case website and which should be sent to the address on page 3, marked for the attention of Emily Thorne.

FMEHL

As there is no prospect of a distribution for unsecured creditors of FMEHL, we do not intend to undertake any work to agree any creditor claims received. This work will be performed by any subsequently appointed liquidator only once the dividend prospects are certain.

Extensions to the administration

We do not anticipate that it will be necessary to extend the period of the administrations, which are ~~is~~ due to end on or before 22 October 2020.

Exit

As detailed in our Proposals, we consider dissolution to be the most appropriate exit route from the administrations.

Remuneration and expenses

Remuneration and expenses

Joint Administrators' remuneration

Joint Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.deloitte-insolvencies.co.uk/related-documents/sip9-(scotland).aspx

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

Basis of remuneration

We are seeking approval from the Secured Creditors to fix the basis of our remuneration as a set amount of:

£34,000 for FMEHL; and

£50,000 for MSSL plus VAT thereon.

Fees drawn to date

No fees have been drawn to date.

Charge out rates

The range of charge out rates for the separate categories of staff is based on our 2019 national charge out rates as summarised below.

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.

Restructuring Services charge out rates (£/hour)

Grade	From 1 June 2019
Partners & Directors	995 - 1,160
Assistant Directors	775 - 875
Managers	610 - 790
Assistant Managers	480 - 630
Assistants & Support	215 - 370

Remuneration and expenses

Detailed information

Category 1 Disbursements

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

Category 2 Disbursements

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.

Joint Administrators' Disbursements

Details of all disbursements are given below and from which it can be seen that we have not yet recovered any disbursements.

Category 1 Outlays

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

Category 2 Outlays

Specific approval is required before these costs and expenses can to be drawn from the administration estates. No such costs have been incurred during the report period.

FMEHL - Category 1 disbursements

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Bond	230	230	-	230
Total disbursements	**230**	**230**	**-**	**230**

MSSL - Category 1 disbursements

£ (net)	Estimated per Proposals	Incurred in report period	Paid	Unpaid
Bond	230	230	-	230
Total disbursements	**230**	**230**	**-**	**230**

Creditors' right to challenge remuneration and/or expenses

Any creditor, or creditors of the Companies 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 16 June 2020) detailing the remuneration and/or expenses being complained of, in accordance with Rule 3.100 of the Rules.