

The Insolvency Act 1986

**Administrator's progress report**

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

Name of Company Andrew Weir Shipping Limited	Company number SC005991
---	----------------------------

H/We (a) Brian Green  
KPMG LLP  
1 St Peter's Square  
Manchester  
M2 3AE

David James Costley-Wood  
KPMG LLP  
1 St Peter's Square  
Manchester  
M2 3AE

Blair Carnegie Nimmo  
KPMG LLP  
191 West George Street  
Glasgow  
G2 2LJ

administrators of the above company attach a progress report for the period

from (b) 20 November 2015	to (b) 19 May 2015
------------------------------	-----------------------

Signed



Joint Administrator

Dated

14 June 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

Brian Green  
KPMG LLP  
1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

Tel +44 (0) 113 231 3575

When you have completed and signed this form, please send it to the Registrar of Companies at:-  
Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge,  
Edinburgh, EH3 9FF  
DXED235 Edinburgh 1 / LP- 4 Edinburgh 2

THURSDAY



\*S598MQ5T\*

SCT

16/06/2016

#391

COMPANIES HOUSE



*cutting through complexity™*

## **Andrew Weir Shipping Limited - in Administration**

Joint Administrators' progress report for the  
period 20 November 2015 to 19 May 2016

---

14 June 2016

# Notice to creditors

This progress report provides an update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 4).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+AEB21C3422.html>. We hope this is helpful to you.

**Please also note that an important legal notice about this progress report is attached (Appendix 5).**

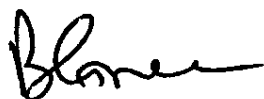
# Contents

<b>1</b>	<b>Executive summary</b>	<b>2</b>
<b>2</b>	<b>Progress to date</b>	<b>3</b>
<b>3</b>	<b>Dividend prospects and dividends paid</b>	<b>4</b>
<b>4</b>	<b>Joint Administrators' remuneration, outlays and disbursements</b>	<b>4</b>
<b>5</b>	<b>Future strategy</b>	<b>5</b>
<b>Appendix 1</b>	<b>Statutory information</b>	<b>6</b>
<b>Appendix 2</b>	<b>Joint Administrators' receipts and payments account</b>	<b>7</b>
<b>Appendix 3</b>	<b>Joint Administrators' charging and disbursements policy</b>	<b>9</b>
<b>Appendix 4</b>	<b>Glossary</b>	<b>13</b>
<b>Appendix 5</b>	<b>Notice: About this report</b>	<b>14</b>



# 1 Executive summary

- This progress report covers the period from 20 November 2015 to 19 May 2016.
- Asset realisations have now been completed. A total of £9,897,403 has been realised since the outset of the administration. (Section 2 - Progress to date).
- There are no known secured creditors. There was one preferential claim that was paid in full in a previous period. (Section 3 - Dividend prospects and dividends paid).
- Shortly after the end of the Period, a first and final distribution to unsecured creditors was paid. (Section 3 - Dividend prospects and dividends paid).
- The administration is currently due to end on 19 November 2016. It is expected that the administration will be concluded prior to this date.
- Please note: you should read this progress report in conjunction with our previous progress reports and proposals which were issued to the Company's creditors and can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+AEB21C3422.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



Brian Green  
Joint Administrator

## 2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our previous progress report.

### 2.1 Strategy and progress to date

#### Strategy

Asset realisations have now been completed. A total of £9,897,403 has been realised since the outset of the administration. During the Period, we have taken steps to settle remaining costs and also to prepare a first and final distribution to unsecured creditors.

Whilst it falls outside the Period, it should be noted that a total dividend of £9,729,067 was declared on 24 May 2016 and paid to the unsecured creditors.

We now consider that the purpose of the administration has been completed and we will now take the necessary steps to bring the administration to a close.

### 2.2 Asset realisations

Realisations during the Period are set out in the attached receipts and payments account (Appendix 2). Summaries of the most significant realisations during the Period are provided below.

#### Bank interest

Bank interest of £14,060 has been received in the Period.

#### Book Debts

Book debts of £18,834 have been collected in the Period and relates to a proportion of an aged contract debt.

#### Investigations

We have complied with the relevant statutory requirements to provide information on the conduct of the Company's directors and any shadow directors to the Department for Business, Innovation and Skills. The contents of our submission are confidential.

### 2.3 Costs

Payments made in this Period are set out in the attached receipts and payments account (Appendix 2).

#### Administrators' fees and disbursements

Administrators' fees of £88,051 and disbursements of £733 were paid during the Period.

#### Solicitors' fees

Legal fees of £3,650 and disbursements of £73 were paid during the Period in respect of advice regarding creditor claims.

#### Statutory advertising

Statutory advertising costs of £67 were also paid in the Period.



## **3 Dividend prospects and dividends paid**

### **3.1 Secured creditors**

We are not aware of any secured claims against the Company.

### **3.2 Preferential creditors**

The preferential claims have totalled £3,426 and were repaid in full in a prior period.

### **3.3 Unsecured creditors**

Whilst it falls outside the Period, it should be noted that a first and final dividend was declared on 24 May 2016 and paid to the unsecured creditors of the Company.

The agreed claims totalled £97,610,298 with the distribution totalling £9,728,067. This represented a 9.97 pence in the £ payment. This is not included in the attached receipts and payments account as the distribution was made after the Period end. However, the distribution will be reflected in our next receipts and payment account.

Due to the nature of the claims and the significant sums involved, we sought advice from pension specialists to confirm the validity of certain claims.

## **4 Joint Administrators' remuneration, outlays and disbursements**

### **Time costs**

From 20 November 2015 to 19 May 2016, we have incurred time costs of £35,702. These represent 117 hours at an average rate of £305 per hour.

A detailed analysis of the time spent is provided at Appendix 3.

### **Remuneration**

During the Period we have drawn remuneration of £88,051.

### **Disbursements**

During the Period, we have drawn disbursements totalling £733.

### **Additional information**

We have attached (Appendix 3) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 20 November 2015 to 19 May 2016. We have also attached our charging and disbursements policy.



## **5 Future strategy**

### **5.1 Future conduct of the administration**

Following the payment of the unsecured dividend, we consider that the purpose of the administration has been completed and will now take the necessary steps to close the administration.

A final report will be circulated to all relevant parties along with Form 2.26B Scot – Notice of move from administration to dissolution. Following the filing of this form at Companies House the administration will cease. The Company will be dissolved three months after the filing of this form.

### **5.2 Future reporting**

The administration is due to automatically end on 19 November 2016. However, it is expected that we will conclude the administration prior to that date and will circulate a final progress report to creditors upon doing so.





## Appendix 1 Statutory information

### Company information

Company name	Andrew Weir Shipping Limited
Date of incorporation	20 October 1905
Company registration number	SC005991
Present registered office	191 West George Street, Glasgow, G2 2LJ

### Administration information

Administration appointment	The administration appointment granted in Edinburgh Sheriff Court, No. B1714 of 2014.
Appointor	Directors
Date of appointment	20 November 2014
Joint Administrators' details	Brian Green, David Costley-Wood and Blair Nimmo
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	19 November 2016



## Appendix 2 Joint Administrators' receipts and payments account

### Andrew Weir Shipping Limited - in Administration

#### Abstract of receipts & payments

Statement of affairs (£)	From 20/11/2015 To 19/05/2016 (£)	From 20/11/2014 To 19/05/2016 (£)
<b>ASSET REALISATIONS</b>		
5,000.00 Furniture & equipment	NIL	5,000.00
20,000.00 Book debts	18,834.28	103,586.86
50,000.00 Shares and investments	NIL	50,000.00
Goodwill	NIL	1.00
15,000.00 Cash at bank	NIL	12,111.59
9,666,698.00 Proceeds from Joint Venture Sale	NIL	9,666,697.81
	<b>18,834.28</b>	<b>9,837,397.26</b>
<b>OTHER REALISATIONS</b>		
Bank interest, gross	14,060.49	51,409.96
Contribution to employee costs	NIL	3,054.78
Sundry refunds	NIL	541.08
Deferred Consideration	NIL	5,000.00
	<b>14,060.49</b>	<b>60,005.82</b>
<b>COST OF REALISATIONS</b>		
Meeting Room Hire	NIL	(450.00)
Filing Costs	NIL	(15.00)
Administrators' fees	(88,051.18)	(88,051.18)
Administrators' disbursements	(732.91)	(732.91)
Legal fees	(3,650.00)	(35,386.00)
Legal Disbursements	(73.00)	(3,754.80)
Statutory advertising	(67.00)	(236.20)
Insurance of assets	NIL	(265.00)
Wages & salaries	NIL	(4,777.92)
Bank charges	NIL	(111.41)
	<b>(92,574.09)</b>	<b>(133,780.42)</b>
<b>PREFERENTIAL CREDITORS</b>		
Subrogated EP(C)A claim	NIL	(1,435.77)
Employees' wage arrears / holiday pay	NIL	(1,990.46)
	<b>NIL</b>	<b>(3,426.23)</b>
<b>9,756,698.00</b>	<b>(59,679.32)</b>	<b>9,760,196.43</b>



Andrew Weir Shipping Limited - in Administration

Abstract of receipts & payments

Statement of affairs (£)	From 20/11/2015 To 19/05/2016 (£)	From 20/11/2014 To 19/05/2016 (£)
--------------------------	--------------------------------------	--------------------------------------

REPRESENTED BY

Floating ch. VAT rec'able		31,948.82
Floating charge current		9,728,247.61
		<u>9,760,196.43</u>



## Appendix 3 Joint Administrators' charging and disbursements policy

### Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Administrators' Remuneration Scotland" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

[https://www.r3.org.uk/media/documents/technical\\_library/SIPS/Creditors' Guide to Administrators' Remuneration Scotland.pdf](https://www.r3.org.uk/media/documents/technical_library/SIPS/Creditors' Guide to Administrators' Remuneration Scotland.pdf)

If you are unable to access this guide and would like a copy, please contact Ruth Pearson on 0161 246 4708.

### Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

### Charge-out rates (£) for: Restructuring

Grade	From 01 Oct 2015 £/hr
Partner	595
Director	535
Senior Manager	485
Manager	405
Senior Administrator	280
Administrator	205
Support	125

The charge-out rates used by us might periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.



## Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

*Category 1 disbursements:* These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

*Category 2 disbursements:* These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have not incurred any disbursements during the period.

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

The Category 2 disbursements have not been approved.

## Creditors' right to challenge our remuneration and outlays

If you wish to challenge the basis of our remuneration, the remuneration approved, or the outlays approved during the period covered by this progress report, you must do so by making an application to Court within eight weeks of the accounting period and no later than or within 14 days of receiving this progress report.

Applications by any creditor must be made with concurrence of at least 25% in value of unsecured creditors (including the creditor making the challenge).

The full text of the relevant rules can be provided on request by writing to Ruth Pearson at KPMG LLP, 1 St Peter's Square, Manchester, M2 3AE, United Kingdom .

## Narrative of work carried out for the period 20 November 2015 to 19 May 2016

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"><li>■ preparing statutory receipts and payments accounts;</li><li>■ ensuring compliance with all statutory obligations within the relevant timescales.</li></ul>
Strategy	<ul style="list-style-type: none"><li>■ formulating, monitoring and reviewing the administration strategy;</li><li>■ briefing of our staff on the administration strategy and matters in relation to various work-</li></ul>



documents, Checklist and reviews	<ul style="list-style-type: none"> <li>streams;</li> <li>regular case management and reviewing of progress, including regular team update meetings and calls;</li> <li>meeting with management to review and update strategy and monitor progress;</li> <li>reviewing and authorising junior staff correspondence and other work;</li> <li>dealing with queries arising during the appointment;</li> <li>reviewing matters affecting the outcome of the administration;</li> <li>allocating and managing staff/case resourcing and budgeting exercises and reviews;</li> <li>liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters;</li> <li>complying with internal filing and information recording practices, including documenting strategy decisions.</li> </ul>
Cashiering	<ul style="list-style-type: none"> <li>setting up administration bank accounts and dealing with the Company's pre-appointment accounts;</li> <li>preparing and processing vouchers for the payment of post-appointment invoices;</li> <li>creating remittances and sending payments to settle post-appointment invoices;</li> <li>reconciling post-appointment bank accounts to internal systems;</li> <li>ensuring compliance with appropriate risk management procedures in respect of receipts and payments.</li> </ul>
Tax	<ul style="list-style-type: none"> <li>working initially on tax returns relating to the periods affected by the administration;</li> <li>reviewing the Company's duty position to ensure compliance with duty requirements;</li> <li>dealing with post appointment tax compliance.</li> </ul>
General	<ul style="list-style-type: none"> <li>reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9;</li> <li>drawing remuneration in accordance with the basis and amount which has been approved together with outlays including disbursements as determined by unsecured creditors.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>dealing with queries from employees regarding various matters relating to the administration and their employment.</li> </ul>
Creditors and claims	<ul style="list-style-type: none"> <li>creating and updating the list of unsecured creditors;</li> <li>responding to enquiries from creditors regarding the administration and submission of their claims;</li> <li>reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records;</li> <li>agreeing unsecured claims;</li> <li>drafting our progress report.</li> </ul>

#### Time costs

#### SIP 9 – Time costs analysis (20/11/2015 to 19/05/2016)

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
<b>Administration &amp; planning</b>							
Cashiering							
General (Cashiering)	0.10		11.40		11.50	2,428.00	211.13
Reconciliations (& IPS accounting reviews)			0.20		0.20	56.00	280.00
General							
Fees and WIP		1.50	1.50	0.50	3.50	1,057.50	302.14
Statutory and compliance							
Checklist & reviews			2.00		2.00	410.00	205.00
Statutory advertising			0.20		0.20	41.00	205.00
Statutory receipts and payments accounts	0.50				0.50	297.50	595.00
Strategy documents		3.00	1.50		4.50	1,642.50	365.00



**SIP 9 – Time costs analysis (20/11/2015 to 19/05/2016)**

	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
<b>Tax</b>							
Initial reviews - CT and VAT		0.20			<b>0.20</b>	97.00	485.00
Post appointment corporation tax		5.30		7.00	<b>12.30</b>	3,958.00	321.79
Post appointment PAYE	0.50				<b>0.50</b>	297.50	595.00
Post appointment VAT	0.50				<b>0.50</b>	297.50	595.00
<b>Creditors</b>							
Creditors and claims							
Agreement of claims		1.30			<b>1.30</b>	630.50	485.00
Agreement of unsecured claims		9.60		8.30	<b>17.90</b>	6,277.50	350.70
General correspondence	0.50	13.70		9.20	<b>23.40</b>	8,348.00	356.75
Payment of dividends	1.00				<b>1.00</b>	595.00	595.00
Statutory reports	1.50	1.90		31.50	<b>34.90</b>	8,151.50	233.57
<b>Employees</b>							
Correspondence		1.80			<b>1.80</b>	729.00	405.00
<b>Investigation</b>							
Directors							
Correspondence with directors		0.80			<b>0.80</b>	388.00	485.00
<b>Total in period</b>	<b>4.60</b>	<b>39.10</b>	<b>72.80</b>	<b>0.50</b>	<b>117.00</b>	<b>35,702.00</b>	<b>305.15</b>

Brought forward time (appointment date to SIP 9 period start date)	322.25	119,306.50
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	117.00	35,702.00
Carry forward time (appointment date to SIP 9 period end date)	439.25	155,008.50

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.



## Appendix 4      Glossary

<b>Company</b>	Andrew Weir Shipping Limited - in Administration
<b>Joint Administrators/we/our/us</b>	Brian Green, David Costley-Wood and Blair Nimmo
<b>KPMG</b>	KPMG LLP
<b>Period</b>	20 November 2015 to 19 May 2016
<b>Solicitors</b>	Bond Dickinson LLP

Any references in this progress report to sections, paragraphs or rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (Scotland) Rules 1986 respectively.





## Appendix 5      Notice: About this report

This report has been prepared by Brian Green, David Costley-Wood and Blair Nimmo, the Joint Administrators of Andrew Weir Shipping Limited – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency (Scotland) Rules 1986 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency (Scotland) Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

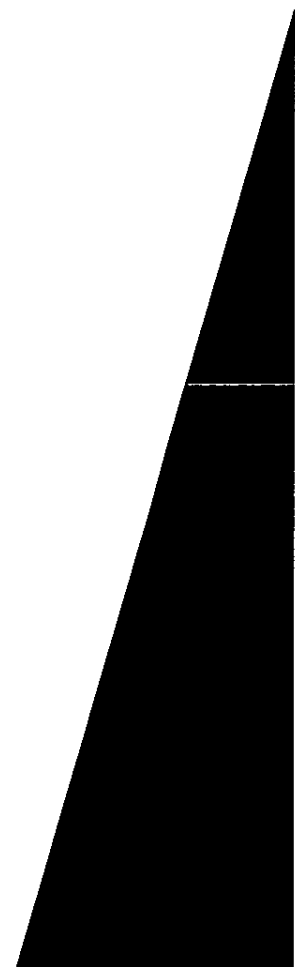
Brian Green and David James Costley-Wood are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

Blair Carnegie Nimmo is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland.

We are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.





© 2016 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity. All rights reserved.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name, logo and "cutting through complexity" are registered trademarks or trademarks of KPMG International Cooperative ("KPMG International").

