Rule 2.38 The Insolvency Act 1986 Form 2.20B(Scot)

Administrator's progress report R2.38

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

Name of Company	Company number
RGB Services Realisations Limited (formerly Stable Services Limited)	SC080026

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

I/We (a)
Laurie K Manson and J Bruce Cartwright of
PricewaterhouseCoopers LLP
32 Albyn Place
Aberdeen
AB10 1YL

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

(b) Insert date(s)

from	to
(b) 3 August 2010	(b) 2 February 2011

Signed LK Manson
Joint ~~/~~ Administrator(~~s~~)

Dated 15|03|11.

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

Richard Bathgate
PricewaterhouseCoopers LLP, 32 Albyn Place, Aberdeen, AB10 1YL
Tel 01224 253125
DX Number
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at:

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RGB Services Realisations Limited (formerly Stable Services Limited) (in Administration)
Case No. P1011 of 2009

Joint Administrators' progress report for the six months ended 2 February 2011

15 March 2011

Contact details for queries

Contact	Address	Direct line	E-mail	Fax
Richard Bathgate	PricewaterhouseCoopers LLP, 32 Albyn Place, Aberdeen, AB10 1YL	01224 253125	richard.g.bathgate@uk.pwc.com	01224 253125

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1. Joint Administrators' progress report for the six months ended 2 February 2011

Introduction

In accordance with Rule 2.38 of the Insolvency (Scotland) Rules 1986 ("ISR86"), the Joint Administrators ("the Administrators") write to provide creditors with details of the progress of the Administration of RGB Services Realisations Limited (formerly Stable Services Limited) ("the Company") in the six months since the Administrators' second progress report dated 2 August 2010.

Background information and initial actions taken by the Administrators

The position of the Company at the date of the Administrators' appointment was summarised in the Administrators' proposals dated 9 September 2009.

Following an initial review, the Administrators concluded that the most appropriate strategy was to obtain an overdraft facility from one of the Company's secured creditors which allowed trade to continue on a limited basis for a short period whilst a sale of the Company's business and assets was pursued.

Immediately following their appointment, the Administrators took steps to protect and preserve the assets of the Company and of third parties under the Company's control. Assets comprised:

- book debts;
- stock and work in progress;
- plant and equipment;
- furniture and fittings;
- intellectual property; and
- investments.

Trading

The Company was not generating sufficient income to cover its ongoing costs and it was necessary to make 33 redundancies on the date of the Administrators' appointment. 35 staff were initially retained to allow outstanding manufacturing orders to be completed and to provide continued service to rental and repair customers.

Following a short period of trading, further staff cutbacks were necessary to reduce costs. By 22 October 2009 when the Company's business and assets was sold to Paradigm Oilfield Services Limited ("Paradigm"), only 5 employees had been retained.

A cumulative trading loss of £168,401.08 has been incurred in the period 3 August 2009 to 2 February 2011. The trading loss has been fully funded by a secured creditor to enable it to realise greater value for its assets.

The Administrators are working to finalise the accounting for their share of Company's October 2009 trading sales with Paradigm. This is likely to result in a further trading asset realisation in the region of £10k exclusive of VAT.

Sale of business and assets

The Company's business and assets were sold to Paradigm on 22 October 2009. Further details of the Administrators' marketing process were detailed in the proposals.

Realisation of other assets

Plant and machinery

Proceeds from unencumbered plant & machinery from the Paradigm sale totalled £118,678.08 as at 2 February 2010, being the date to which accounts were made up in the Administrators' first progress report. On 5 March 2010 an allocation of £800.00 was paid to RGB Hol Realisations Limited (formerly Holsco Limited) (in Administration) to account for its plant & machinery that was sold to Paradigm and on 7 May 2010 an import duty refund totalling £16,178.41 was received by the Company, which related to import duty paid to return plant & machinery to the UK from Norway. The import duty had been paid by the Administrators using funds held in an Escrow account in relation to the sale of plant & machinery to Paradigm. The refund represented the final balance of the plant & machinery sales proceeds. The Company's plant & machinery realisations now total £134,056.49. No further realisations in relation to plant & machinery are expected.

Intangible assets

The Company's intellectual property was sold to Paradigm on 22 October 2009 for £10,000. The intellectual property that was sold on 22 October 2009 represented all of the Company's intellectual property and, accordingly, there were no further intellectual property realisations in this period.

Investments other than marketable securities

The Company's investment in Stable Services AS was sold to Stable Services AS' management on 18 November 2009. Local management had initially offered £1 for the Company's shareholding on the basis that they would need to place Stable Services AS into Norwegian insolvency proceedings unless they provided the business with further equity. Following negotiations, local management purchased the investment in Stable Services AS for £22,500.

The Company's investment in ODS Inc, a Canadian joint venture, was sold on 13 October 2009.

The sale of the investments above represented all of the Company's investments and, accordingly, there were no investment realisations in this period.

Stock and work in progress

The Company's stock and work in progress was sold to Paradigm on 22 October 2009 along with the Company's unencumbered plant and machinery. No separate allocation was made to this category of asset.

As the sale on 22 October 2009 represented all of the Company's stock and work in progress, there were no further realisations for stock or work in progress in this period.

Book debts

As noted in the Administrators' proposals, title to the Company's entire debtor book was held by Royal Bank of Scotland Invoice Finance Limited ("RBSIF").

The Company's director estimated in his statement of affairs that book debts totalling £1,866,059 could be recoverable from a sales ledger totalling £2,769,260 as at 3 August 2009.

From 3 August 2009, the date of Administration, to 2 February 2011 total book debt collections of £1,087,635.29 have been made resulting in the full repayment of RBSIF's exposure and a surplus of £86,455.04 being realised by the Administrators.

A review of the sales ledger on appointment identified a number of issues with the realisability of the full ledger at the level estimated by the director, including credit notes that required to be raised. Collection work has now ceased and no further book debt realisations are expected.

Intercompany debtors

The sum of £17,414.05 was realised from ODS Inc, the Company's joint venture in Canada on 13 October 2009. No further realisations were made in the period 3 August 2010 to 25 January 2011 and none are expected in future given that the other intercompany debtors are also in Administration.

Circulation of the Administrators' proposals

On 9 September 2009 the Administrators circulated their proposals for achieving the purpose of administration to creditors.

The Administrators stated in their proposals that they had formed the view that the Company had insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the presribed part as defined by Section 176A of the Insolvency Act 1986 ("IA86").

Adoption of the Administrators' proposals

The Administrators' proposals were deemed approved in accordance with Rule 2.25(3), a meeting of creditors not having been requisitioned by creditors in the prescribed manner.

Extension of the period of Administration

On 13 July 2010 the Administrators obtained the approval of the Company's secured creditors to extend the period of the Administration by six months to 2 February 2011.

The extension was requested pending the Administrators' ongoing efforts to realise all pre-appointment book debts and to finalise the accounting for October 2009 trading sales, which are to be shared equally with Paradigm pursuant to the sale concluded on 22 October 2009.

In addition, the extension ensured that any efforts to recover assets in the related Administrations which required the powers of the Company's Administrators would not be lost through the automatic end of the Administration.

A further extension, this time by order of the Court, was made on 1 March 2011 extending the period of the Administration to 2 August 2011 to allow the Administrators to finalise amounts due from Paradigm and to reclaim input VAT due to the Company.

Receipts and payments account

An account of the receipts and payments in the Administration for the period 3 August 2010 to 2 February 2011 is set out in section 3 to this report.

Receipts in the period comprise:

- third party funds totalling £10,783.34, being the balance of one of the Company's secured creditor's funds that were held in the related Administration of RGB Hol Realisations Limited (formerly Holsco Limited) (in Administration); and
- interest received gross totalling £61.71.

Payments totalling £76,743.14 were made to third parties in the period 3 August 2010 to 2 February 2011. As noted above, one of the Company's secured creditors agreed to fund the costs of the Administration in order to realise greater value for its assets than on a forced sale basis. The balance of all funds under the control of the Administrators, totalling £93,406.18, as shown in the receipts and payments account, represents the balance of that secured creditor's funds.

Payments made using the secured creditor's funds in this period included:

- a refund of rental income totalling £12,500.00 to a former subtenant of the Company;
- payment of a final electricity bill totalling £5.00;
- settlement of final water rates totalling £495.83;
- payment of a final non-domestic rates invoice totalling £5,653.90;

- agents' fees totalling £800.00; and
- legal fees and outlays totalling £57,288.41.

For the avoidance of doubt, the balance of £93,406.18 under the control of the Administrators will be returned to the secured creditor and is not available to any other class of creditor.

Outcome for creditors

One of the Company's secured creditors has funded the cost of the Administration and has suffered a shortfall on its security.

All of the funds currently held by the Company and under the Administrators' control were provided by the secured creditor to meet the expenses of the Administration. The balance of these funds, totalling £93,406.18, after settling any further expenses of the Administration, will be returned to the secured creditor and, as such, there will be no funds available for a dividend to preferential creditors.

There will be no funds available to allow a distribution to unsecured creditors.

End of Administration

The Administrators are considering the most appropriate strategy to bring the Administration to an end.

After realising any remaining assets and settling any further expenses of the Administration, the Administrators propose to seek secured creditor approval for their discharge from liability in terms of Paragraph 98(2)(c) of Schedule B1 of IA86. Following the receipt of that approval, the Administrators will end the Administration and apply for the dissolution of the Company.

Administrators' remuneration

The Administrators' remuneration is approved by the secured creditor.

In the period 3 August 2009 to 2 February 2010 the Administrators received approval for and deducted from third party funds held to the account of the secured creditor, remuneration totalling £120,000 and outlays totalling £6,107.51, both exclusive of VAT.

In the period 3 February 2010 to 2 August 2010, the Administrators received approval for and deducted from third party funds held to the account of the secured creditor, remuneration totalling £110,000 exclusive of VAT.

In this period, 3 August 2010 to 2 February 2011, the Administrators have received no remuneration or outlays.

The Administrators' remuneration and outlays have not been drawn from Company funds and an analysis of the Administrators' time in the format set out in Statement of Insolvency Practice 9 (Scotland) is not required.

Next report

The Adminstrators' next report to creditors will be at the earlier of the conclusion of the Administration or in approximately six months.

For and on behalf of RGB Services Realisations Limited
(formerly Stable Services Limited)

LK Manson

Laurie K Manson
Joint Administrator

Laurie K Manson and J Bruce Cartwright have been appointed as Joint Administrators of RGB Services Realisations Limited (formerly Stable Services Limited) to manage its affairs, business and property as its agents. As such they contract without personal liability. Both Laurie K Manson and J Bruce Cartwright are licensed to act as insolvency practitioners in the United Kingdom by The Institute of Chartered Accountants of Scotland.

2. Statutory and other information

Court details for the Administration:	Court of Session Case No. P1011 of 2009
Full name:	RGB Services Realisations Limited (formerly Stable Services Limited)
Trading name:	As above
Registered number:	SC080026
Registered address:	c/o PricewaterhouseCoopers LLP, 32 Albyn Place, Aberdeen, AB10 1YL (formerly Commercial House, 2 Rubislaw Terrace, Aberdeen, AB10 1XE)
Company directors:	Rodney Shearer Coffey
Company secretary:	CLP Secretaries Limited
Shareholdings held by the directors and secretary:	None
Date of the Administration appointment:	3 August 2009
Administrators' names and addresses:	Laurie K Manson and J Bruce Cartwright, PricewaterhouseCoopers LLP, 32 Albyn Place, Aberdeen, AB10 1YL
Changes in office holder:	Not applicable.
Appointor's / applicant's name and address:	The director, Commercial House, 2 Rubislaw Terrace, Aberdeen, AB10 1XE
Objective being pursued by the Administrators:	Objective (b) 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), failing which objective (c) realising property in order to make a distribution to one or more secured or preferential creditors.
Division of the Administrators' responsibilities:	Pursuant to paragraph 100(2) Schedule B1 of the Insolvency Act 1986 it is specified that; (a) the functions to be exercised by the Joint Administrators are all functions which the Joint Administrators will require to exercise in relation to their appointment; and (b) the functions which require to be exercised by the Joint Administrators in relation to their appointment will be exercised by whichever Joint Administrator is more available and/or better qualified to exercise such function, and in certain cases by both.
Details of any extensions to the initial period of appointment:	Extended by six months to 2 February 2011 with the consent of the secured creditors and by six months to 2 August 2011 by order of the Court.
Proposed end of the Administration:	Dissolution
Estimated dividend for unsecured creditors:	Nil
Estimated values of the prescribed part and the Company's net property:	Nil
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	Not applicable
The European Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings.

3. Receipts and payments for the six months ended 2 February 2011

Administration
of RGB Services Realisations Limited

TRADING ACCOUNT

Statement of Affairs £		Period From: 03/08/2010 To: 02/02/2011 £	Cumulative From: 03/08/2009 To: 02/02/2011 £
	Post-Appointment Sales		
nil	Post appointment trading sales	0.00	196,927.12
nil	Rental income	(12,500.00)	0.00
		(12,500.00)	196,927.12
	Cost of Sales		
nil	Purchases	0.00	(2,535.00)
		0.00	(2,535.00)
	Trading Overheads		
nil	Agents' Fees	0.00	(4,579.20)
nil	Insurance	0.00	(5,127.40)
nil	Security costs	0.00	(13,332.75)
nil	Cleaning and site clearance	0.00	(1,693.46)
nil	Gross wages & salaries	0.00	(122,568.96)
nil	Employers NIC	0.00	(18,594.70)
nil	Employer's Pension Costs	0.00	(2,439.99)
nil	Employee-related Costs	0.00	(14,579.18)
nil	Heat, Light & Power	(5.00)	(5,731.56)
nil	Water Rates	(455.83)	(4,017.49)
nil	Rent	0.00	(31,682.26)
nil	Rates	(5,653.50)	(30,133.22)
nil	Motor & travel expenses	0.00	(59.57)
nil	IT costs	0.00	(2,053.00)
nil	Postage & Stationery & Printing	0.00	(14.34)
nil	Duress Payments	0.00	(135,763.64)
nil	Consultancy Fees	0.00	(2,434.30)
nil	General expenses	0.00	(22.71)
		(6,154.73)	(362,754.37)
	Interest and Finance Charges		
nil	Currency gains/losses	0.00	302.17
nil	Bank charges	0.00	(241.00)
		0.00	61.17
	Surplus/(Deficit)	(18,654.73)	(168,431.33)

Administration
of RGB Services Realisations Limited

REALISATION ACCOUNT

Statement of Affairs £		Period From: 03/08/2010 To: 02/02/2011 £	Cumulative From: 03/08/2009 To: 02/02/2011 £
	RELATING TO FLOATING CHARGE/UNSECURED ASSETS		
	Realisations		
	Surplus/Deficit from Trading	(18,654.73)	(168,431.33)
250,000.00	Plant & Machinery	0.00	134,056.49
nil	Intangible assets	0.00	15,000.00
10,000.00	Investments other than marketable securities	0.00	22,501.00
nil	Third Party Funds	13,753.34	116,537.38
nil	Insurance claims and refunds	0.00	3,685.00
150,000.00	Stock	0.00	0.00
53,000.00	Work in Progress	0.00	0.00
1,866,055.00	Book debts	0.00	86,465.34
nil	Deposits Received	0.00	62.39
nil	Intercompany debtors	0.00	17,414.05
nil	Cash in hand	0.00	0.41
nil	Refunds	0.00	4,679.60
nil	Interest received gross	61.71	409.73
nil	Interest received net	0.00	3.35
		(7,805.66)	227,722.27
	Costs of realisation		
nil	Agents' Fees	(800.00)	(42,242.26)
nil	Insurance Premiums	0.00	(565.00)
nil	Legal Fees	0.00	(3,135.00)
		(800.00)	(45,942.26)
	Administration and appointment-related costs		
nil	Rent	0.00	(12,939.12)
nil	Duress Payments	0.00	(15,139.36)
nil	Professional Fees	0.00	(1,843.00)
nil	Statutory advertising	0.00	(40.42)
nil	Mail re-direction	0.00	(234.30)
nil	Legal Fees & Expenses	(57,238.41)	(57,235.41)
nil	Import Duty	0.00	(233.51)
nil	Interest on overdraft	0.00	(431.95)
nil	Bank charges	0.00	(134.00)
		(57,238.41)	[illegible]
	Balance	(61,858.09)	93,406.18

REPRESENTED BY:

General sterling - current bank account	62,839.72
Input VAT - General	30,029.51
Output VAT - General	537.95
	93,406.18

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Laurie Katherine Manson
Administrator