

The Insolvency Act 1986

**R2.25****Statement of administrator's proposals**

Pursuant to paragraph 49 of Schedule B1 to the Insolvency Act 1986  
and Rule 2.25 of the Insolvency (Scotland) Rules 1986

Name of Company

Gemini Corrosion Services Limited

Company number

SC101799

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

We (a)  
Gordon Malcolm MacLure  
Johnston Carmichael LLP  
Bishop's Court  
29 Albyn Place  
Aberdeen  
AB10 1YL

Ewen R Alexander  
Johnston Carmichael LLP  
Bishop's Court  
29 Albyn Place  
Aberdeen  
AB10 1YL


attach a copy of our proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 11 August 2016

Signed

  
Joint Administrator

Dated

11 August 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

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

DX Number

01224 212222  
DX Exchange

TUESDAY



\*S5DH7GDU\*

SCT

16/08/2016

#143

COMPANIES HOUSE

e

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 / LP4 Edinburgh-2**



## **Gemini Corrosion Services Limited (In Administration)**

### **Joint Administrators' Report and Statement of Proposals**

**11 August 2016**

This report has been prepared for the sole purpose of updating creditors and members pursuant to the Insolvency Act 1986 (as amended). The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than informing them, or by any other person for any purpose whatsoever.

The Joint Administrators act as agents of the Company without any personal liability.

This report contains the information required by Rule 2.34 of the Insolvency (Scotland) Rules 1986.

# Gemini Corrosion Services Limited (In Administration)



## Contents

Section 1:	Purpose of Report and Statement of Proposals	Section 10:	Company Directors Disqualification Act 1986
Section 2:	Statutory and General Information	Section 11:	Initial Meeting of Creditors
Section 3:	Background and Events Leading to the Administration	Section 12:	Joint Administrators' Receipts and Payments Account
Section 4:	Purpose of the Administration	Section 13:	Pre-administration Costs
Section 5:	Joint Administrators' Actions following their Appointment	Section 14:	Joint Administrators' Remuneration and Outlays and Disbursements
Section 6:	Financial Position	Section 15:	Progress Reports to Creditors
Section 7:	Estimated Outcome for Creditors		
Section 8:	Summary of Joint Administrator's Proposals		
Section 9:	Exit Routes to End the Administration		

# Gemini Corrosion Services Limited (In Administration)



## Appendices

Appendix I:	Statutory and Other Information	Appendix VI:	Joint Administrators SIP 9 Time and Charge-out Summary for the period from 17 June 2016 to 7 August 2016
Appendix II:	Company Balance Sheets as at 31 December 2013 and 31 December 2014	Appendix VII:	Joint Administrators SIP 9 Time and Charge-out Summary – Additional Information on Work Undertaken during the period from 17 June 2016 to 7 August 2016
Appendix III:	Joint Administrators' Estimated Statement of Affairs as at 17 June 2016	Appendix VIII:	Joint Administrators SIP 9 Time and Charge-out Summary for Pre-administration Costs
Appendix IV:	Schedule of Unsecured Creditors	Appendix IX:	Additional Information in relation to Joint Administrators' Remuneration pursuant to SIP 9
Appendix V:	Joint Administrators Receipts and Payments Account for the period from 17 June 2016 to 7 August 2016		

# Gemini Corrosion Services Limited (In Administration)



## Section 1: Purpose of Report and Statement of Proposals

1.1 This Report and Statement of Proposals is made in accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 and with Rule 2.25 of the Insolvency (Scotland) Rules 1986.

1.2 Gordon Malcolm Maclure and Ewen Ross Alexander of Johnston Carmichael LLP, Bishop's Court, 29 Albyn Place, Aberdeen AB10 1YL were appointed as Joint Administrators of Gemini Corrosion Services Limited ("the Company") on 17 June 2016 by the directors of the Company who are as follows:

Ian McKenzie Guthrie  
Yvonne Niven  
Steven Colin McGilvray

1.3 Gordon Malcolm Maclure and Ewen Ross Alexander are both licensed by the Institute of Chartered Accountants of Scotland to act as Insolvency Practitioners in the UK.

1.4 The extent of any prior relationship between the Company and Gordon Malcolm Maclure and Ewen Ross Alexander was disclosed within the documentation accompanying Form 2.8B (Scot) - Notice of Intention to Appoint which was submitted to the Court of Session on 17 June 2016.

1.5 The Joint Administrators act jointly and severally, so that all functions may be exercised by either of the Joint Administrators.

1.6 The EC Regulations on Insolvency Procedures 2000 apply to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

1.7 The purpose of the Report and Statement of Proposals is for the Joint Administrators of the Company to provide the Company's creditors with details of the Joint Administrators' proposals to achieve the purpose of the Administration.

## Section 2: Statutory and General Information

2.1 The statutory information relating to the Company is shown at Appendix I.

2.2 The last accounts for the Company lodged with Companies House were for the year ended 31 December 2014 and the balance sheet at that date is shown at Appendix II.

# Gemini Corrosion Services Limited (In Administration)

JOHNSTON  
CARMICHAEL 

## Section 3: Background and Events Leading to the Administration

- 3.1 The Company was incorporated on 11 November 1986 and its principal activity since then was the provision of painting and speciality coatings to equipment used mainly in the oil and gas industry. The Company initially traded from premises in Stonehaven but later transferred to owned premises at Brent Avenue, Montrose.
- 3.2 The Company traded successfully for a long number of years but from 2009 started to suffer from a steady fall in turnover. The reduction in sales was further exacerbated after the Company experienced a workplace fatality in September 2014 as a number of larger customers began to place orders with the Company's competitors.
- 3.3 Shortly after the workplace fatality Steven McGilvray was appointed as managing director of the Company and implemented a widescale restructuring of the Company's business operations and work practices including health and safety certifications.
- 3.4 The Company was able to achieve many operational efficiencies but the effect of the recent substantial drop in the oil price meant sales orders from oil and gas customers were further depressed.
- As a result the Company continued to suffer severe cashflow difficulties and was obliged to negotiate repayment plans with several major creditors.
- 3.5 In September 2015 the Company reduced its indebtedness to its bankers, the Royal Bank of Scotland ("RBS"), through the sale of part of its Montrose property.
- 3.6 The Company subsequently explored the possibility of obtaining additional finance from asset based lenders but also then considered a sale of the Company's business and assets.
- 3.7 There was interest expressed in the business and assets by a number of parties but due to sales levels remaining depressed, increasing creditor pressure and the imminent prospect of a substantial fine on the Company arising from the 2014 workplace fatality, the directors took the decision that the Company should enter administration with the possibility of then progressing a sale of the Company's business and assets as part of an Administration process.
- 3.8 Gordon MacLure and Ewen Ross Alexander of Johnston Carmichael LLP were appointed as Joint Administrators of the Company on 17 June 2016 with the formal notice of their appointment being lodged with the Court of Session on that date.

# Gemini Corrosion Services Limited (In Administration)

JOHNSTON  
CARMICHAEL 

## Section 4: Purpose of Administration

4.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:

- Rescuing the Company as a going concern
- 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): or
- Realising property in order to make a distribution to one or more secured or preferential creditors.

4.2 The purpose of the administration of Caley Oils is, pursuant to paragraph 3(1) of Schedule B1 of the Insolvency Act 1986 (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).

## Section 5: Joint Administrators' Actions following their Appointment

5.1 On appointment the Joint Administrators considered the extent of the interest expressed by parties acquiring the Company's business and assets as a going concern and, after discussions with Steve McGilvray and other key staff members on the extent of existing and potential customer orders, decided that the Company should continue trading under the Joint Administrators' supervision while an accelerated sale process was implemented.

5.2 The Joint Administrators subsequently contacted the Company's customers and suppliers to seek their support during a short period of Administration trading while trying to achieve the sale of the business as a going concern and, overall, the Joint Administrators were encouraged by the response from the customers and suppliers who were contacted.

5.3 The Joint Administrators subsequently prepared a detailed sales memorandum which was issued to a large number of potential purchasers of the Company's business and assets and seven of the interested parties subsequently visited the Company's premises at Montrose to view the assets and obtain further information on its trading operations.

5.4 The Joint Administrators instructed Shepherds, Surveyors to undertake a valuation of the Company's property at Montrose and also Thainstone Specialist Auctions ("TSA") to prepare an inventory and valuation of the Company's plant, equipment, vehicles and stock at the date of the Joint Administrators' appointment.

5.5 A closing date for offers for the business was fixed for 6 July 2016 but, while five interested parties submitted offers, the highest offer received for all the Company's assets was only £387,000 and, therefore, all offers were rejected. However, further discussions took place with two of the interested parties and, after a further closing date was fixed for 22 July 2016, an offer for the Company's property and plant, equipment and vehicles which was accepted by the Joint Administrators after taking advice from both Shepherds and TSA. The Joint Administrators legal agents are now progressing the completion of the required

## Gemini Corrosion Services Limited (In Administration)

JOHNSTON  
CARMICHAEL 

sale documentation and with the sale expected to complete by 31 August 2016.

5.6 The Joint Administrators decided that trading should cease on 29 July 2016. All remaining employees were made redundant on that date with guidance then being offered to employees on making a claim for their entitlements to the Redundancy Payments Office.

5.7 The Joint Administrators have also dealt with a number of other issues, including the following:

- Making arrangements with customers and suppliers for continued Administration trading and review and supervision of all trading related activities;
- Opening administration bank account and arranging overdraft facility for the period of Administration of trading;
- Consideration of supplier retention of title claims and other claims to ownership of equipment located on the Company's premises;
- Correspondence with finance company concerned regarding hire agreements for forklifts and arranging uplift;
- Correspondence and discussions with Royal Bank of Scotland Invoice Finance Limited ("RBSIF"), with whom the Company holds an invoice factoring agreement, regarding their outstanding debt at the date of administration and the arrangements for the collection of the assigned debts;

- Arranging insurance for Company's assets and ongoing trading activities;

- Notification to creditors of the Joint Administrators appointment and dealing with all creditor queries;
- Completion of relevant statutory tasks and submissions.

### Section 6: Financial Position

6.1 Steven McGilvray was formally requested by the Joint Administrators to complete and return Form 2.13B (Scot) – Statement of Affairs and this was received by the Joint Administrators on 30 June 2016.

6.2 The Company's other two directors, Ian Guthrie and Yvonne Niven, were sent a copy of the completed Form 2.13B (Scot) – Statement of Affairs and were requested by the Joint Administrators to complete Forms 2.14B (Scot) – Statement of Concurrence. These forms were also subsequently received subject to a qualification as regards the extent of a director loan account balance shown in the Company's accounting records to be due by Ian Guthrie to the Company.



# Gemini Corrosion Services Limited (In Administration)

  
JOHNSTON  
CARMICHAEL

## Section 7: Estimated Outcome for Creditors

7.1 The Estimated Statement of Affairs of the Company is shown at Appendix III but, because the sale of the Company's property and plant, equipment and vehicles is ongoing it is not appropriate that the sale price of these assets is disclosed.

7.2 It is, however, expected that the Royal Bank of Scotland as holders of a standard security over the property at Brent Avenue, Montrose and also a prior floating charge, will make full recovery of their outstanding debt following the sale of the property at Brent Avenue, Montrose.

7.3 It is expected that all preferential creditor claims in respect of employee claims for arrears of wages and holiday pay will be paid in full.

7.4 It is currently expected that the second floating charge holder, Royal Bank of Scotland Invoice Finance ("RBSIF"), will make a full recovery of their outstanding debt from their ongoing collection of the Company's assigned book debts at the date of administration. It should also be noted that RBSIF's floating charge extends to the Company's book debts only.

7.5 As it is currently expected that both floating charge holders will make a full recovery from other securities held, there is no requirement to calculate the Prescribed Part to be set aside for the unsecured creditors in terms of section 176A of the Insolvency Act 1986.

7.6 It is expected that the Joint Administrators will require to place the Company into Creditors' Voluntary Liquidation to pay a dividend to unsecured creditors.

7.7 The estimated total value of unsecured creditor claims received or yet to be submitted is currently estimated at £1,206,810 as shown at Appendix IV, but until all asset realisations are complete it is not yet possible to provide an estimate of the dividend payable to unsecured creditors.

## Section 8: Summary of Joint Administrators' Proposals

8.1 The Joint Administrators propose that:

- the affairs of the Company will continue to be managed in order to achieve 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) and to maximise realisations for creditors;
- the accepted offer for the Company's heritable property and plant, equipment and motor vehicles will be progressed to completion;
- the recovery of amounts due to the Company will be progressed as appropriate;
- all matters relating to the period of administration trading will be finalised including the collection of post administration sales invoices;

## Gemini Corrosion Services Limited (In Administration)

JOHNSTON  
CARMICHAEL 

- a review of Company's accounting records and other documentation will be undertaken and the statutory submission on director conduct made to the Insolvency Service;
- an adjudication of preferential creditor claims will be undertaken and distributions made to the preferential creditors;
- they should do all other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986 which they consider desirable or expedient to achieve the statutory purpose of the Administration;
- if, at any time, it would be beneficial for maximising the recovery for creditors to have the Company placed into liquidation then they will place the Company into Creditors' Voluntary Liquidation;
- the Joint Administrators remuneration be fixed on the basis of time properly spent by them and their staff in dealing with all matters arising from the administration.
- if, in the event the administration will not be completed within one year, to seek an extension of the administration by consent of the relevant creditors or by application to the Court in accordance with paragraph 78 of Schedule B1 of the Insolvency Act 1986, whichever is appropriate.

- they will be discharged from liability under Paragraph 98 of Schedule B1 of the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

### Section 9: Exit Routes to End the Administration

9.1 The Joint Administrators have a number of options as regards the exit route to end the administration:-

- **Termination of the Administration where the objective has been achieved:** if the Joint Administrators consider that the purpose of the administration has been achieved, they may file a notice to this effect in the prescribed manner and their appointment will cease to have effect.

- **Creditors Voluntary Liquidation:** the Joint Administrators may seek to place the Company into Creditors' Voluntary Liquidation to enable a dividend to be paid to the unsecured creditors prior to the conclusion of the liquidation. In these circumstances it is proposed that Gordon Malcolm MacLure and Ewen Ross Alexander be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment may be taken by the Joint Liquidators individually or together. The creditors may nominate different persons to act as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved.

# Gemini Corrosion Services Limited (In Administration)

JOHNSTON  
CARMICHAEL 

- **Automatic end of the Administration:** the Joint Administrators may allow the administration to end automatically after the expiry of the term of the administration, being either after the end of the period of one year after the date of appointment or, if later, the expiry of the extension period allowed either by the consent of the creditors or by the court.

## Section 10: Company Directors Disqualification Act 1986

10.1 In accordance with the Company Directors Disqualification Act 1986, the Joint Administrators are required to prepare a submission to the Insolvency Service on any individuals who were directors of the Company in the three year period prior to the date of their appointment.

10.2 If any creditor is aware of any matter which should be brought to the Joint Administrators' attention then they should write to the Joint Administrators providing appropriate details.

## Section 11: Meeting of Creditors

11.1 The Joint Administrators intend to hold a Meeting of Creditors to consider and vote on their Proposals to achieve the purpose of the administration of the Company. A Statement of Claim Form is enclosed with this report which should be completed and returned to the Joint Administrators with copy invoices or other documentation in support of your claim. The relevant date for claims is 17 June 2016 and creditors should note that their claims must be submitted by 10 am on 25 August 2016 for their votes as regards the Joint Administrators' Proposals, and the other

resolutions to be considered, to be counted. Creditors are not required to vote at the meeting by correspondence and, if they choose not to vote, this will not affect their entitlement to claim against the Company.

11.2 Although the Joint Administrators have decided to hold this meeting by correspondence, creditors whose debts amount to at least 10% of the total debts of the company may require the Joint Administrators to convene an actual meeting of creditors. Such a request must be made to me within 5 business days of the date of these proposals.

## Section 12: Joint Administrators' Receipts and Payments Account

12.1 A summary of the Joint Administrators receipts and payments account for the Administration period from 17 June 2016 to 7 August 2016 is shown in Appendix V.

12.2 The receipts and payments account includes amounts relating to the period of administration trading. It should be noted, however, that no provision is made for trading costs which have yet to be settled.

# Gemini Corrosion Services Limited (In Administration)



## Section 13: Pre – Administration Costs

13.1 Prior to a company entering any insolvency proceedings, professional costs are necessarily incurred to ensure that the most appropriate form of insolvency proceedings is selected for the benefit of creditors and the process of appointing an insolvency practitioner is correctly followed in terms of the insolvency legislation.

13.2 The basis on which these costs are to be paid can vary but, as regards an administration, the Joint Administrators require to provide a Statement of Pre-administration costs and seek creditor approval for these to be settled from the assets of the Company. In this case the Joint Administrators' Statement of Pre-administration costs is shown at Appendix VIII.

13.3 A separately resolution regarding payment of the Joint Administrators pre-administration costs is detailed on Form 2.25B but it should be noted that this resolution is not part of the Joint Administrators proposals.

## Section 14: Joint Administrators' Remuneration and Outlays and Disbursements

14.1 The basis for fixing the amount of the remuneration payable to the Joint Administrators will be time costs reasonably incurred by them and their staff having regard to all the work undertaken in the discharge of their responsibilities in administering the Company's assets.

14.2 The Joint Administrators' time costs for the period from 17 June 2016 to 7 August 2016 total £55,948.60 which represents 260.30 hours at an average rate of £214.93 per hour.

14.3 In accordance with Statement of Insolvency Practice 9 the Joint Administrators' Time and Charge-out Summary covering the period from 17 June 2016 to 7 August 2016 is shown as Appendix VI.

14.4 Additional information on the work undertaken by the Joint Administrators' during the period from 17 June 2016 to 7 August 2016 is shown as Appendix VII.

14.5 In accordance with Statement of Insolvency Practice 9 additional information regarding the Joint Administrators' policy on staffing, the use of sub-contractors and disbursements is shown as Appendix VIII.

14.6 A copy of "A Creditors' Guide to Administrators' Remuneration: Scotland" can be downloaded from the Johnston Carmichael LLP Website (<http://www.jcca.co.uk/services/restructuring/guides-for-creditors-and-other-stakeholders/>). If any creditor would prefer to receive a hard copy of the guide they should contact the Joint Administrators who will arrange for a copy to be sent free of charge.

# Gemini Corrosion Services Limited (In Administration)



## Section 15: Section 15: Progress Reports to Creditors

15.1 The Joint Administrators are required to provide a progress report to creditors within six weeks of 16 December 2016 being the date of the end of the first six month period of the administration.

**For and on behalf of  
Gemini Corrosion Services Limited**

**Signed:.....**

**Gordon Maclure  
Joint Administrator**

# Gemini Corrosion Services Limited (In Administration) – Appendix I



## Statutory and General Information

**Registered Number:** SC101799

**Date of incorporation:** 11 November 1986

**Registered office:** Bishop's Court  
29 Albyn Place  
Aberdeen AB10 1YL

**Former registered office  
and trading address:**

Brent Avenue  
Montrose  
Angus DD10 9PB

**Directors:**

Ian McKenzie Guthrie  
Yvonne Niven  
Steven Colin McGilvray

**Company Secretary:**

Mackinnons

**Authorised and issued  
share capital:**

5,000 Ordinary £1 shares

**Shareholders:**

Ian McKenzie Guthrie – 3,000 shares  
Sheila Guthrie (Deceased) – 2,000 shares

**Bankers:**

The Royal Bank of Scotland

**Securities granted:**

The Royal Bank of Scotland ("RBS")  
Royal Bank of Scotland Invoice Finance  
Limited ("RBSIF").

	Created	Registered
Standard security (RBSIF)	14 September 2004	29 September 2004
Floating charge (RBS)	22 November 2004	2 December 2004
Standard security (RBS)	3 December 2004	17 December 2004

# Gemini Corrosion Services Limited (In Administration) -- Appendix II

## Company Balance Sheets

	Year ended 31 December 2014	Year ended 31 December 2013
	£	£
<b>FIXED ASSETS</b>		
Intangible assets	11,529	8,278
Tangible assets	<u>1,927,986</u>	<u>2,050,211</u>
	1,938,986	2,058,489
<b>CURRENT ASSETS</b>		
Stock	39,814	58,492
Debtors	690,033	890,092
Cash at bank	<u>58,778</u>	<u>246</u>
	788,625	948,830
<b>CREDITORS:</b>		
Amounts falling due within one year	<u>(1,630,743)</u>	<u>(1,615,458)</u>
<b>NET CURRENT LIABILITIES</b>	<u>(842,118)</u>	<u>(866,628)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	1,096,868	1,615,458
Deferred taxation	<u>(93,445)</u>	<u>(96,200)</u>
<b>CAPITAL AND RESERVES</b>	<u>751,936</u>	<u>934,170</u>
Called up share capital	5,000	5,000
Profit and loss account	<u>746,936</u>	<u>929,170</u>
	<u>751,936</u>	<u>934,170</u>

# Gemini Corrosion Services Limited (In Administration) – Appendix III

JOHNSTON  
CARMICHAEL



## Estimated Statement of Affairs as at 17 June 2016

	Not e	Estimated to realise
	£	£
<b>ASSETS</b>		
Heritable Property	1	Not disclosed
Plant, equipment and motor vehicles	1	Not disclosed
Assigned Book debts:		
Sales ledger balance	339,443	
Less: due to RBSIF	(259,833)	
Less: provision for against recovery	<u>(39,610)</u>	40,000
Other debtors		<u>2,074</u>
<b>TOTAL ASSETS</b>		42,074
<b>LIABILITIES</b>		
<b>Preferential creditors:</b>	2	
Employee claims – arrears of wages and holiday pay		<u>11,800</u>
<b>Unsecured creditors:</b>		
Trade and expense creditors		<u>30,274</u>
Employee claims: estimated redundancy and notice pay		<u>1,206,810</u>
		<u>122,000</u>
<b>Estimated Deficiency as regards unsecured creditors</b>		<u>1,328,810</u>
<b>Issued and called up capital:</b>		<u>(1,298,536)</u>
Shareholders		5,000
<b>TOTAL ESTIMATED DEFICIENCY</b>		<u>(1,303,536)</u>



## **Gemini Corrosion Services Limited (In Administration) – Appendix III**



---

### **Notes to the Estimated Statement of Affairs as at 17 June 2016**

1. An offer for the Company's heritable property and plant and equipment and motor vehicles has been accepted by the Joint Administrators but the sale documentation has yet to be finalised. As a result the offer amounts have not been disclosed in this report but will be advised to creditors once the sale has completed.
2. All creditor claims will be subject to adjudication in due course.
3. The estimated statement of affairs takes no account of administration costs and expenses including administration trading.

# Gemini Corrosion Services Limited (In Administration) – Appendix IV

## Schedule of Unsecured Creditors Creditors with Claims

£

CB09	British Telecom	c/o Baker Tilly Creditor Services LLP	6 <sup>th</sup> Floor, Salisbury House, 31 Finsbury Circus	London	EC2M 5SQ	353.45
CD07	Dong Energy Sales (UK) Ltd	c/o Baker Tilly Creditor Services LLP	6 <sup>th</sup> Floor, Salisbury House, 31 Finsbury Circus	London	EC2M 5SQ	21,592.40
CC04	Coastline	43 Ramsden Road	Southfield Industrial Estate, Glenrothes	Fife	KY6 2SN	3,023.73
CF05	Fuel Card Services Limited	Kingsway House	Kingsway	Burnley	BB11 1BJ	249.05
CJ02	Jewson Ltd	c/o Begbies Traynor LLP	Kendall House, 41 Scotland Street	Sheffield	S3 7BS	207.77
CN03	North East Telecommunications Ltd	133 & 133A Victoria Street	Dyce	Aberdeen	AB21 7BJ	624.00
CR06	R.S Machinery Ltd	Denmore Place	Denmore Industrial Estate, Bridge of Don	Aberdeen	AB23 8JS	1,636.03
CS03	SEPA	Erskine Court	The Castle Business Park	Stirling	FK9 4TR	1,261.21
CT01	Taylor's Industrial Services Ltd	Hareness Circle	Altens Industrial Estate	Aberdeen	AB12 3LY	1,734.23
						<u>£30,681.87</u>

# Gemini Corrosion Services Limited (In Administration) – Appendix IV

## Creditors With Outstanding Proofs

							£
CA00	Airblast Eurospray Ltd	26 King Street Industrial Estate	Langtoft, Peterborough	Cambridgeshire	PE6 9NF		2,894.84
CA04	Angus Council	Neighbourhood Services	William Wallace House, Orchard Loan, Orchard Business Park	Forfar	DD8 1WH		43,605.00
CA05	Alliance Electrical Services Ltd	Auld Craichie Inn	Craichie	Forfar	DD8 2LU		1,646.64
CA06	Astute	Caxton House	Slivie Way, Orchardbank Business Park	Forfar	DD8 1BF		161.68
CA07	Arco	Blackness Road	Altens Industrial Estate	Aberdeen	AB12 3LH		772.16
CA08	Arnold Clark Car & Van Rental Ltd	Renault Complex	Kerse Road	Stirling	FK7 7RU		1,398.24
CA09	Andersons Packing (Aberdeen) Ltd	Unit 11 Hareness Park	Hareness Circle	Aberdeen	AB12 3QY		1,339.86
CB01	Briggs Equipment UK Limited	PO Box 3777, Orbital 7	Orbital Way, Cannock	Staffordshire	WS11 8XW		702.18
CB06	BME UK Ltd	Unit 1, Nevis Business Park	Balgownie Road, Bridge of Don	Aberdeen	AB22 8NT		3,600.00
CB07	BOC Ltd	Customer Service Centre, PO Box 12	Priestly Road	Worsely	M28 2UT		1,302.77
CB08	Business Stream	PO Box 17381		Edinburgh	EH12 1GT		168.37
CC00	Carboline UK	23 Rubislaw Den North		Aberdeen	AB15 4AL		606.32
CC03	Contract Natural Gas	CNG House	5 Victoria Avenue, Hargroate	North Yorkshire	HG1 1EQ		134.42
CC06	Cromadex Scotland	Unit 1 Kinning Parkway Industrial Estate	43 Macdellan Street	Glasgow	G41 1RR		247.97
CC08	Cammach Recruitment Aberdeen	Greenbank Business Centre	Greenbank Road	Aberdeen	AB12 3BN		660.00
CD01	D2 Corporate Solutions	Pavilion 4, Westpoint Business Park	6 Marchfield Drive	Paisley	PA3 2RB		32,409.45
CD02	De Lage Landen Leasing Ltd	PO Box 430	Watford	Herts	WD18 8EZ		15,933.24
CD03	D.F. Caldicott Ltd	Woodend, Inglismaldie	Luthermuir, Laurencekirk	Aberdeenshire	AB30 1QD		5,000.00
CD05	Dingbro Ltd	7 Whitemyres Avenue	Mastrick Industrial Estate	Aberdeen	AB16 6HQ		2,361.30
CD06	DISAB UK Ltd	Alma House	Alma Road	Reigate	RH2 0AX		1,404.00
CD08	Donside Safety Ltd	Hareburn Terrace	Blackdog	Aberdeen	AB23 8BE		700.36
CD09	Drain Blitz Ltd	33 Linttraten Gardens		Dundee	DD3 8EJ		1,640.00
CE01	EDF Energy Ltd	Gadeon House		Exeter	EX1 3UT		6,984.37
CE04	European Management & Marine Corp Ltd	Howe Moss Place		Aberdeen	AB21 0GS		783.00
CE05	EQ Chartered Accountants	Westby	Kirkhill Industrial Estate, Dyce	Forfar	DD8 1BJ		2,836.00
CE08	Emco Services Ltd	Lower Bodachra	64 West High Street	Aberdeen	AB21 7AP		1,353.60
CE09	Evolve Training Ltd	Wellheads Crescent	Whitestripes Road, Dyce	Aberdeen	AB21 7GA		507.90
			Wellheads Industrial Estate, Dyce	Aberdeen			

# Gemini Corrosion Services Limited (In Administration) – Appendix IV

CF00	Ferrari Packaging Ltd	26 Peel Park Place		Glasgow	G74 5LW	588.00
CF01	Fluid Technologies Ltd	Unit 5 Apex Business Park	Walsall Road, Norton Canes	Staffordshire	WS11 9PU	4,403.12
CF04	Friends Life Group Protection	2 <sup>nd</sup> Floor Anchorage 1	Anchorage Quay	Salford Quays	M50 3YL	1,096.77
CG00	Groundwater Lift Trucks Ltd	Spurryhillock Industrial Estate		Stonehaven	AB39 2NH	1,970.10
CG05	Greenwell Equipment	Greenwell Road	East Tullos Industrial Estate	Aberdeen	AB12 3AX	2,160.00
CG07	Sheila Guthrie (Deceased)					80,393.37
CH01	HMRC - VAT	National Insolvency Unit, 5 <sup>th</sup> Floor Enforcement & Insolvency Services (EIS) Worthing	Regian House, James Street	Liverpool	L75 1AD	55,234.41
CH02	HMRC – PAYE/ NIC		Durrington Bridge House, Barrington Road	Worthing	BN12 4SE	131,000.00
CH03	Hempel Paints Ltd	Berwyn House, The Pavillions	Llantarnam Park	Cwmbran	NP44 3FD	803.20
CH05	HSS Hire Aberdeen Ltd	Cairnrobin	Portlithen	Aberdeen	AB14 4SB	1,675.64
CH06	Hodge Clemco Ltd	Orgreave Drive	Sheffield	South Yorkshire	S13 9NR	4,092.96
CH07	Health & Safety Executive	SSCL Accounts Redeveable	Room 6105, Tomlinson House, Norcross	Blackpool	FV5 3TA	19,244.80
CI00	International Paint Ltd	Stonegate Lane	Felling, Gateshead	Tyre & Wear	NE10 0UY	39,561.30
CI00	JB Corrie & Co Ltd	Frenchmans Road	Petersfield	Hampshire	GU32 3AP	3,650.68
CI01	Jotun Paint (Europe) Ltd	Stather Road	Fixborough, Scunthorpe	North Lincolnshire	DN15 8RR	2,917.32
CI04	J&E Shepherd	Chartered Surveyors	35 Queens Road	Aberdeen	AB15 4ZN	19,800.00
CK00	K&M Resourcing Ltd	First Floor	7 West High Street	Forfar	DD8 1BD	12,858.30
CK01	Key Abrasives Ltd	Unit 2 Station Yard	Station Road, Bawtry	Doncaster	DN10 6QD	4,500.00
CK02	Kerr Compressors Ltd	35 Fairfield Place	College Milton	East Kilbride	G74 5LP	842.52
CK03	Key Industrial Equipment Ltd	Edblake Industrial Estate	Blackmoor Road, Verwood	Dorset	BH31 6AT	250.68
CK04	Kinellar Risk Consultants Ltd	7 Main Road	Blackburn	Aberdeen	AB21 0XN	3,920.00
CK05	KWIKPAC	Randolph Court	Randolph Industrial Estate	Kirkcaldy	KY1 2YY	265.50
CL01	LightBulbs Direct Ltd	Unit 4 Leeds West	Gelder Lane	Leeds	LS12 6AL	213.44
CM01	Harry Maiden Ltd	Lowfield, Croft Road	Rossie Island	Montrose	DD10 9NL	1,224.48
CM02	Metabrasive Ltd	Ironmasters Way	Stillington	Stockton on Tees	TS21 1LE	3,904.20
CM03	Metallisation Ltd	Peartree Lane	Dudley	West Midlands	DY2 0XH	3,577.24
CM04	MSL Quality Chemicals Ltd	101 Smithycraft Road	Riddrie	Glasgow	G33 2RH	271.54
CN01	NCB Marking Equipment Ltd	Brook Office	Evesbatch	Worcestershire	WR6 5BE	712.80

# Gemini Corrosion Services Limited (In Administration) – Appendix IV

CN04	Npower	PO Box 8201	Oldbury	West Midlands	B69 2RH	23,424.63
CN05	Yvonne Niven	18 Moray Place	Millshaw, Park Lane	Aberdeen	AB15 4AG	174,394.34
CO00	O2 (UK) Ltd	Arlington Business Centre	Team Valley	Leeds	LS11 0NE	132.08
CP00	Protect the Cap Company Ltd	Princes Park, Princesway North	Regent Quay	Tyne & Wear	NE11 0NF	115.20
CP01	PCL Group Ltd	Regent Mews	Kettering	Aberdeen	AB11 5BE	10,277.03
CP02	Percy Hawkins & Sons Ltd	Carey Street	2 Cheetham Hill Road	Northants	NN16 0JL	7,723.20
CP03	Peninsula Business Services Ltd	The Peninsula	Western Industrial Estate	Manchester	M4 4FB	18,418.48
CP04	PHS Group Ltd	Block B	St Cyrus, Montrose	Caerphilly	CF83 1XH	48.00
CR02	Ross Agri Services Ltd	Invergarry	Montrose	Angus	DD10 0DE	2,744.10
CR04	RK Services Ltd	67 Northesk Road	South Esplanade Est	Angus		1,286.75
CR05	A J Robson	Unit 1A Deemouth Centre	Bridge of Earn	Aberdeen	AB11 9PB	49,318.49
CR08	RC Air Systems Ltd	9 Heatherlea Drive	Inverkeilor	Perth	PH2 9RF	654.00
CR09	R T McEwan Ltd	Myreside Farm	50 Waterloo Street	Arbroath	DD11 5RL	220.50
CS02	Scottish Enterprise	Atrium Court		Glasgow	G2 6HQ	182,880.00
CS04	Sage Group Ltd	North Park		Newcastle Upon Tyne	NE13 9AA	149.95
CS06	SIGMA Coatings Ltd (PPG) Ltd	Unit 3, Maisies Way	The Village, Carter Lane, South Normanton	Derbyshire	DE55 2DS	32,482.44
CS07	SNAPCO Ltd	50 Marlow Street	Kinning Park Trading Estate	Glasgow	G41 1LR	290.89
CS09	Stenson Laurencekirk Ltd	Station Road	Laurencekirk	Aberdeenshire	AB30 1BE	5,613.23
CS0A	Safety Kleen UK Limited	Unit 5B	Broomfield Industrial Estate	Montrose	DD10 8SY	4,013.14
CS0B	Sherwin-Williams Protective & Marine Coatings	Tower Works	Kestor Street	Bolton	BL2 2AL	2,249.58
CS0D	Scottish Courts & Tribunals Service	PO Box 23	PO Box 902, 15 Dalkeith Road	Glasgow	G5 9DA	120,000.00
CS0E	Scottish Widows	Corporate Stakeholder Pensions	Banbury	Edinburgh	EH16 5BU	4,281.40
CT00	Terex MHPs Ltd	Beaumont Road	South College Street	Oxfordsire	OX16 1QZ	533.27
CT02	Travelstock Packaging Ltd	20-22 Arches	Tickhill Road	Aberdeen	AB11 6JX	907.23
CU00	Ultrimax Coatings Ltd	Clayfield Industrial Estate	Marwell	Doncaster	DN4 8QG	862.93
CX00	Xerotec Scotland Ltd	Stonehaven Road		Aberdeen	AB12 4LQ	821.15

## Total of Claims Received and Claims Outstanding

£1,176,128.05  
£1,206,809.92

# Gemini Corrosion Services Limited (In Administration) – Appendix V

JOHNSTON  
CARMICHAEL 

## Joint Administrators Receipts and Payments Account as at 7 August 2016 Trading Account

	17 June 2016 To 7 August 2016 £
<b>POST APPOINTMENT SALES</b>	
Sales	<u>107,168.09</u>
	107,168.09
<b>PURCHASES</b>	
Purchases	<u>2,395.33</u>
	(2,395.33)
<b>OTHER DIRECT COSTS</b>	
Wages	<u>57,213.13</u>
	(57,213.13)
<b>TRADING EXPENDITURE</b>	
Employee Travel and Accommodation	347.50
Contracted Labour	12,240.00
Utilities	824.52
Broadband / IT Services	139.06
Repairs & Maintenance	985.55
Health & Safety Certification	2,985.00
Petty Cash	<u>1,360.00</u>
	(18,881.63)
<b>TRADING SURPLUS / (DEFICIT)</b>	<u><b>28,678.00</b></u>

# Gemini Corrosion Services Limited (In Administration) – Appendix V

JOHNSTON  
CARMICHAEL 

## Joint Administrators Receipts and Payments Account as at 7 August 2016 (continued)

	17 June 2016	To	7 August 2016
		£	
<b>ASSET REALISATIONS</b>			
Plant & Machinery		1,584.38	
Trading Surplus / (Deficit) – from trading account		28,678.00	
		<u>30,262.38</u>	
<b>COST OF REALISATIONS</b>			
Security and Maintenance		1,024.58	
Specific Bond		210.00	
Registers of Scotland Fee		15.00	
Valuation Fee – Property		1,250.00	
Re-direction of Mail		175.00	
Statutory Advertising		374.60	
Bank charges		<u>1,020.00</u>	
		(4,069.18)	
<b>PREFERENTIAL CREDITORS</b>			
Preferential Creditors		<u>22,539.70</u>	
		(22,539.70)	
		<u><b>3,653.50</b></u>	
<b>REPRESENTED BY:</b>			
Trade Debtors	128,601.71		
VAT Receivable	2,389.46		
Bank 1 – Current	(75,803.79)		
Bank 2 – Deposit	1,901.26		
General Clients Account	(210.00)		
Misc Insol Account	(575.00)		
Pension	(6,987.02)		
VAT Payable	(21,750.50)		
PAYE & National Insurance	(23,912.62)		
	<u><b>3,653.50</b></u>		

# Gemini Corrosion Services Limited (In Administration) – Appendix VI

## Joint Administrators SIP 9 Time and Charge-out Summary for the period from 17 June 2016 to 7 August 2016

Classification of Work Function	Partners	Managers	Administrator	Administrator	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration and Planning	12.90	21.30	5.65	23.45	63.30	11,109.40	175.50
Creditors	5.10	35.45	2.50	10.10	53.15	9,726.25	183.00
Trading	18.70	34.10		0.25	53.05	13,499.75	254.47
Realisation of Assets	18.00	64.40	6.30		88.70	21,205.80	239.07
Investigations		2.10			2.10	407.40	194.00
Total Hours	54.70	157.35	14.45	33.80	260.30	55,948.60	214.93
Average Hourly Charge Out Rates (£)	368.00	189.53	234.83	77.00			



## **Gemini Corrosion Services Limited (In Administration) – Appendix VII**

 JOHNSTON  
CARMICHAEL

**Joint Administrators' SIP 9 Time and Charge-out Summary – Additional Information on Work Undertaken during the period from 17 June 2016 to 7 August 2016:**

### **Administration and Planning**

- Formulating, monitoring and reviewing the administration strategy;
- Liaising with legal advisors in connection with appointment documentation
- Correspondence and discussions with former directors;
- Briefing of staff on the administration strategy and matters;
- Regular case management and reviewing of progress including update meetings and discussions;
- Dealing with queries arising during the appointment;
- Collating initial information including creditor and debtor information and details of assets;
- Instructing advertising of appointment;
- Arranging bonding and complying with statutory requirements;
- Ensuring compliance with all statutory obligations;
- Submitting relevant initial notifications to H M Revenue & Customs;
- Reviewing the Company's pre-appointment VAT and PAYE/NIC position;
- Setting up administration bank accounts and dealing with the Company's pre-appointment accounts;
- Preparing and processing vouchers for post-appointment receipts and payments;
- Reconciling post-appointment bank accounts;
- Requesting delivery of relevant Company statutory and accounting records and arranging for their delivery;
- Arranging ongoing insurance cover for the Company's business and assets;
- Liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place;
- Company and director searches;
- Reviewing the Statement of Affairs, Statements of Concurrence and questionnaires submitted by the directors of the Company;
- Initial review of pre-appointment transactions.

## **Gemini Corrosion Services Limited (In Administration) – Appendix VII**



### **Joint Administrators' SIP 9 Time and Charge-out Summary – Additional Information on Work Undertaken during the period from 17 June 2016 to 7 August 2016:**

#### **Creditors**

- Dealing with employee queries regarding various matters relating to the administration;
- Meetings and correspondence with employees, assistance with claims and making submissions to the Redundancy Payments Office;
- Communicating and corresponding with HM Revenue & Customs;
- Creating and updating the list of unsecured creditors;
- Responding to enquiries from creditors regarding the administration and submission of their claims;
- Reviewing finance agreements and the claims of creditors with assets supplied on finance;
- Generally reviewing documentation submitted by creditors in connection with their claims;
- Dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging stock inspection visits.
- Preparation of detailed Report and Statement of Proposals.

#### **Trading**

- Discussions with director regarding the decision to continue trading and trading strategy;
- Correspondence and discussions with customers regarding orders to be carried out during the trading period;
- Arranging overdraft facility for the administration bank accounts;
- Instructing recording and maintenance of stock, including stock subject to retention of title claims;
- Correspondence and discussions with suppliers regarding continued supplies to company during trading period, including utility and IT services;
- Setting up purchase order approval process;
- Meetings with staff regarding trading period;
- Instructing payment of wages and the maintaining of PAYE/ NIC and pension records;
- Instructing repairs required to plant and equipment in use during trading period as required;
- Recording sales and purchases and other trading income/ expenses.

# **Gemini Corrosion Services Limited (In Administration) – Appendix VII**



**Joint Administrators' SIP 9 Time and Charge-out Summary – Additional Information on Work Undertaken during the period from 17 June 2016 to 7 August 2016:**

## **Realisation of Assets**

- Planning the strategy for and progressing the sale of the Company's assets, including arranging valuations and supervising site visits;
- Instructing agents to prepare valuations of the Company's heritable property and plant and machinery and motor vehicles;
- Collating relevant information and preparation of sales information memorandum for the sale of the Company's business and assets;
- All meetings, discussions and correspondence with interested parties;
- Review of offers received at closing date and all subsequent negotiations with preferred bidder
- Liaising with agents regarding offers received for the Company's heritable property and plant and machinery and motor vehicles;
- Instructing legal agents on the preparation of a Sale and Purchase Agreement;
- Correspondence and discussions with RBSIF regarding arrangements for the collection of assigned book debts.

## **Investigations**

- Initial review of Company accounting records and other documentation;
- Correspondence with Company's former accountants and legal agents;

# Gemini Corrosion Services Limited (In Administration) – Appendix VIII



## Joint Administrators SIP 9 Time and Charge-out Summary Pre-administration Costs

Classification of Work Function	Partners	Managers	Administrator	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Administration and Planning	9.10	5.55	1.40	16.05	4,533.30	282.45
Total Hours	9.10	5.55	1.40	16.05	4,533.30	282.45
Average Hourly Charge Out Rates (£)	368.00	194.00	77.00			

### Administration and Planning

- Meetings and discussions with directors to discuss options for Company and the administration process;
- Preparation of proposed administration strategy document;
- Correspondence and discussions with qualifying floating charge holders, RBS and RBSIF, regarding proposed administration appointment;
- Liaison with directors, legal agents and RBS and RBSIF regarding the completion of required appointment documentation.

# Gemini Corrosion Services Limited (In Administration) – Appendix IV



## Additional Information in relation to the Joint Administrators' Remuneration pursuant to SIP 9

### 1. Policy

- Detailed below is Johnston Carmichael LLP's policy in relation to:
- Staff allocation and the use of sub-contractors;
- Professional advisors;
- Disbursements; and
- Charge-out Rates

#### 1.1 Staff allocation and the use of sub-contractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meeting specific requirements of the case. The constitution of the case team will depend on the anticipated size and complexity of the assignment and the various requirements of the assignment. With regards support staff, we should advise that time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team will we seek to charge and recover our time in this regard.

#### 1.2 Professional Advisors

On this assignment we have engaged the professional advisors listed below with our choice being based on our perception on their experience and ability to perform this type of work, the location and nature of the assignment and the basis of the fee arrangement with them.

Professional Advisor	Services Provided
HBJ Gateley J & E Shepherd, Surveyors Thainstone Specialist Auctions	Legal advice Property valuation Moveable asset valuation

## Gemini Corrosion Services Limited (In Administration) – Appendix IV

JOHNSTON  
CARMICHAEL 

### 1.3 Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursements to a case generally comprise of external supplies of incidental services specifically identifiable to the case including statutory advertising and specific penalty bond.

Category 2 disbursements are costs that are directly referable to the appointment in question but not paid to a third party and they include costs that can be allocated to the case on a proper basis such as car mileage.

### 1.4 Charge-out Rates

Time is charged for work carried out using a minimum time unit of six minutes with the hourly charge-out rates for the grades of staff involved being as follows:

Grade	From 1 June 2016 £ per hour
Partner	368
Associate Director	183
Senior Manager	194
Senior Administrator	90
Administrator	77