

The Insolvency Act 1986

Administrator's progress report

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

Name of Company

Moray Timber Ltd

Company number

SC161601

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

I/We (a) Geoffrey Isaac Jacobs
KPMG LLP
191 West George Street
Glasgow
G2 2LJ

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

to

(b) Insert date(s)

(b) 16 September 2014

(b) 15 March 2015

Signed



Joint Administrator

Dated

20 April 2015

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

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Moray Timber Ltd - in Administration

Joint Administrators' progress report for
the period 16 September 2014 to 15
March 2015

20 April 2015



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+ME917C2925.html>. We hope this is helpful to you.

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



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1 Executive summary

- The Directors resolved on 16 September 2014 to appoint us as Joint Administrators. The notice of appointment was lodged at Court of Session on 16 September 2014 and we were duly appointed.
- This progress report covers the period from the date of our appointment to 15 March 2015.
- We circulated our statement of proposals ('proposals') to all known creditors on 10 November 2014. They were deemed approved without modification on 20 November 2014.
- We reviewed the Company's financial position immediately on appointment and it was clear that the Company could not continue to trade. Accordingly, since the date of appointment, our efforts have focussed on maximising realisations from the Company's assets together with progressing all statutory and administrative matters in the Administration (Section 2 - Progress to date).
- There may be sufficient funds to enable a distribution to the secured creditor under their bond and floating charge (Section 3 - Dividend prospects).
- We anticipate that there will be sufficient funds to enable a distribution to preferential creditors (Section 3 - Dividend prospects).
- It is uncertain if there will be sufficient funds available to facilitate any distribution to the unsecured creditors (Section 3 - Dividend prospects).
- The administration is currently due to end on 15 September 2015. However, this progress report accompanies a request to secured and preferential creditors to consider a six month extension to 16 March 2016 (Section 5 – Future strategy).
- Please note: you should read this progress report in conjunction with our proposals which were issued to the Company's creditors and can be found at <http://www.insolvency-kpmg.co.uk/case+KPMG+ME917C2925.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.

Geoffrey Jacobs
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 proposals.

2.1 Strategy and progress to date

Strategy

Immediately following our appointment, we met with the Directors to establish the Company's financial position.

Due to insufficient levels of profitable work-in-progress and a lack of funding, continuing to trade the business was not a viable option. Accordingly, the Company ceased trading and all 13 employees were made redundant with immediate effect.

Our focus since this time has been to maximise realisations from the Company's assets.

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.

Leasehold property – Forres

As you will note from our proposals, the Company operated a sawmill facility in Forres. The property was subject to a long-term lease with The Moray Council ("the Landlord") which was due to expire in 2100. The property is subject to a standard security with the Royal Bank of Scotland plc (the "Bank").

Shortly after our appointment, we investigated the possibility of realising the Company's leasehold interest in the property. To assist with this process, we instructed legal agents to review the terms of the lease and made initial contact with the Landlord to establish the liabilities attaching to the property under the lease.

We instructed local property agents to provide a valuation and market report on the property. The report identified a number of issues with the property which were deemed to have a negative impact on the property's realisable value. There was a low market appetite for commercial properties of its size and condition in the area.

In addition to the issues identified above, our legal agents identified certain aspects of the lease which were considered prohibitive to the marketing of the property.

The Landlord would not consent to providing the Company a rent-free period for marketing. This considerable outlay for rent, along with the estimated costs of security, insurance and site clear up meant that holding costs associated with the property were very high in comparison with the potential realisable value.

Our property agents advised that there was no guarantee that anyone would be willing to pay a premium to take assignment of the lease given the condition of the property and certain onerous conditions within the lease relating to dilapidations and rent arrears.



It was therefore necessary to terminate the lease with immediate effect and formally hand the property back to the Landlord.

Consequently, there will be no recoveries from the Company's leasehold interest from the property in Forres.

Debtors

The Company's principal asset is its debtors' ledger, which totalled c.£213,000 at the date of appointment.

Immediately following our appointment, we took steps to secure all debtor-related information and documentation located at the Company's trading premises in Elgin and Forres.

As noted in our Proposals, the Company's book debts were subject to a confidential invoice discounting facility with The Royal Bank of Scotland Commercial Services Limited ("RBSCS") who were owed c.£106,000 under the agreement. This amount has been recovered in full and the remaining outstanding balances are now being pursued by the Company.

We are pleased to report that to date we have collected surplus funds of c.£73,000 from the debts passed back to the Company. There remain a number of debtor balances which are subject to dispute and we are liaising with the appointed debt-recovery solicitors to pursue these balances.

We will continue to pursue all remaining debtor balances, via the legal process, as appropriate, whilst it remains cost effective to do so.

Physical assets

Since the date of appointment, we have recovered c.£42,000 from the disposal of vehicles subject to hire purchase and other items of company owned plant and machinery, vehicles and stock. A net recovery of c.£18,000 has been generated after deduction of the costs of asset realisation and settling the hire purchase liability.

Marketable Securities

As noted in our proposals, the Company has small investment interests in marketable securities of c.£1,000. Our investigations indicate that the recoverable value of these investments will be insignificant after the costs of disposal are considered.

Investigations

We are reviewing the affairs of the Company to find out if there are any actions which can be taken against third parties to increase recoveries for creditors.

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).



3 Dividend prospects

3.1 Secured creditors

The table below illustrates the assets over which the Company has granted security:

Figure 1: Security

Company	Charge	Date of charge	Date charge registered
The Royal Bank of Scotland plc	Bond & floating charge	28 October 2003	4 November 2003
The Royal Bank of Scotland plc	Standard security	19 November 2003	27 November 2003
The Royal Bank of Scotland Commercial Services Ltd	Floating charge	24 November 2003	3 December 2003

Source: Companies House

The Bank's claim under the standard security at the date of the appointment has been confirmed at c.£232,000. Interest will continue to accrue on this balance until repaid in full and the Bank will be entitled to claim for any shortfall against its bond and floating charge.

As noted previously, the Company had an invoice financing agreement with RBSCS who hold a fixed charge over the Company's book debts through an invoice discounting facility. RBSCS's principal indebtedness has been repaid in full and as such there will be no further amounts due to RBSCS under their floating charge.

3.2 Preferential creditors

We estimate the amount of preferential claims to be c£16,000.

Based on current estimates, we anticipate that preferential creditors should receive a dividend. We have yet to determine the amount of this, but we will do so when we have completed the realisation of assets and payment of associated costs.



3.3 Unsecured creditors

Based on current estimates, it is uncertain whether the unsecured creditors may receive a dividend under the provisions of the Prescribed Part. The quantum and timing of any dividend will be subject to sufficient funds being available after the debt collection exercise is concluded and all other costs of the Administration have been considered.

4 Joint Administrators' remuneration and outlays and disbursements

4.1 Joint Administrators' remuneration, outlays and disbursements

The Joint Administrators' fees require to be approved by each secured creditor and preferential creditors whose debts amount to more than 50% of the preferential debts of the Company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval.

From the date of our appointment to 15 March 2015, we have incurred time costs of £103,112.50. These represent 335.4 hours at an average rate of £307.43 per hour.

For information purposes only, we have not requested any remuneration or outlays since our appointment and will follow the approval process above at the appropriate time.

Time costs

From the date of our appointment to 15 March 2015, we have incurred time costs of £103,112.50. These represent 335.4 hours at an average rate of £307.43 per hour.

Disbursements

During the period, we have incurred disbursements of £2,177. None of these have yet been paid.

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 our appointment to 15 March 2015. We have also attached our charging and disbursements policy.

5 Future strategy

5.1 Future conduct of the administration

We will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the administration. This will include but not be limited to:

- Liaising with our appointed debt-recovery solicitors regarding strategy, and steps to recover, the remaining debtor balances outstanding;
- Seeking to realise the Company's marketable securities, where cost effective to do so;



- Attending to creditor correspondence;
- Accounting for all VAT receivable and payable;
- Accounting for all Corporation Tax;
- Settling all outstanding legal and agents fees;
- Finalising the remaining Administration matters;
- Seeking agreement of the Joint Administrators' remuneration; and
- Attending to all statutory matters as and when they fall due.

5.2 Extension of the administration

The duration of an administration is restricted to 12 months from the date of commencement unless it is extended with the permission of creditors or the Court.

The administration is currently due to end on 15 September 2015.

Whilst we will aim to finalise the remaining matters in the Administration as soon as possible, it is unlikely to be by 16 September 2015 and we expect to require an extension to the period of the administration by six months to 16 March 2016. Pursuant to Paragraph 78 (2) (6) of Schedule B1 to the Insolvency Act 1986, this initial six month extension can be granted by the secured lender and preferential creditors. Should the extension be required, we will seek approval as noted.

If you object to such an extension please write to us at KPMG LLP, 191 West George Street, Glasgow, G2 2LJ by no later than 8 May 2015. If we do not hear from creditors by this date, we will assume that there are no objections to the extension and will make an application if and when necessary.

This progress report accompanies a request to preferential creditors to consider a six month extension to 16 March 2016 to allow sufficient time to complete the debt collection exercise and all closing matters associated with the Administration.

5.3 Future reporting

We will provide a further progress report within six weeks of 16 September 2015.



Appendix 1 Statutory information

Company information

Company name	Moray Timber Ltd
Date of incorporation	15 November 1995
Company registration number	SC161601
Present registered office	KPMG LLP, 191 West George Street, Glasgow, G2 2LJ

Administration information

Administration appointment	The administration appointment granted in Court of Session,
Appointor	Directors
Date of appointment	16 September 2014
Joint Administrators' details	Geoff Jacobs and Blair Nimmo
Prescribed Part	The Prescribed Part has been taken into account when determining the dividend prospects for unsecured creditors (Section 3).
Prescribed Part distribution	If funds do become available for a distribution under the Prescribed Part, the Joint Administrators may apply to Court for the authority to make a distribution to the unsecured creditors; or if appropriate, may apply to the Court to obtain an order that the Prescribed Part shall not apply on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits.
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	15 September 2015



Appendix 2 Joint Administrators' receipts and payments account

Statement of affairs (£)		From 16/09/2014 To 15/03/2015 (£)	From 16/09/2014 To 15/03/2015 (£)
FIXED CHARGE ASSETS			
200,000.00	Leasehold property	NIL	NIL
106,000.00	Book debts - RBSCS	NIL	NIL
		NIL	NIL
FIXED CHARGE COSTS			
	Insurance of assets	(1,791.29)	(1,791.29)
	Rates	(3,381.92)	(3,381.92)
		(5,173.21)	(5,173.21)
FIXED CHARGE CREDITORS			
(200,000.00)	Fixed charge creditor- RBS	NIL	NIL
(106,000.00)	Fixed charge creditor - RBSCS	NIL	NIL
		NIL	NIL
HP/LEASING			
21,000.00	HP - motor vehicles - Lombard	11,000.00	11,000.00
(13,000.00)	HP - motor vehicles - Lombard	(2,522.00)	(2,522.00)
		8,478.00	8,478.00
ASSET REALISATIONS			
20,000.00	Plant & machinery	20,010.00	20,010.00
7,000.00	Motor vehicles	8,400.00	8,400.00
25,000.00	Stock	2,609.00	2,609.00
107,000.00	Book debt surplus	72,783.52	72,783.52
1,000.00	Shares and investments	NIL	NIL
		103,802.52	103,802.52
OTHER REALISATIONS			
	Bank interest, gross	10.30	10.30
	Sundry refunds	108.33	108.33
		118.63	118.63
COST OF REALISATIONS			
	Agents' fees - debt collection costs	(200.00)	(200.00)
	Agents'/Valuers' fees (2)	(21,876.85)	(21,876.85)
	Legal fees	(5,216.00)	(5,216.00)
	Statement of affairs costs	(2,000.00)	(2,000.00)
	Storage costs	(378.02)	(378.02)
	Re-direction of mail	(390.00)	(390.00)
	Rates	(1,335.58)	(1,335.58)
	Other property expenses	(770.96)	(770.96)

Statement of affairs (£)		From 16/09/2014 To 15/03/2015 (£)	From 16/09/2014 To 15/03/2015 (£)
	Insurance of assets	(1,064.16)	(1,064.16)
	Payroll Bureau Fee	(95.00)	(95.00)
	Bank charges	(20.00)	(20.00)
		(33,346.57)	(33,346.57)
	PREFERENTIAL CREDITORS		
(12,000.00)	Employees' wage arrears	NIL	NIL
		NIL	NIL
	FLOATING CHARGE CREDITORS		
(32,000.00)	Floating charge	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(177,000.00)	Trade & expense	NIL	NIL
(148,000.00)	Employees	NIL	NIL
(64,000.00)	HM Revenue & Customs	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(56,000.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(321,000.00)		73,879.37	73,879.37
	REPRESENTED BY		
	Floating ch. VAT rec'able		112.00
	Floating charge current		73,767.37
		73,879.37	73,879.37

Appendix 3 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

As mentioned previously, the Joint Administrators are not seeking approval for remuneration or outlays at this time. However for information purposes only, 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 Joint 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

If you are unable to access this guide and would like a copy, please contact Martin Cairns on 0141 3005840.

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 2013 £/hr	From 01 Oct 2014 £/hr
Partner	565	595
Director	485	535
Senior Manager	475	485
Manager	385	405
Senior Administrator	265	280
Administrator	195	205
Support	120	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 incurred the following disbursements from the date of our appointment to 15 March 2015.

Disbursements	Category 1		Category 2		Totals (£)
	Paid (£)	Unpaid (£)	Paid (£)	Unpaid (£)	
Accommodation	703.50		NIL		703.50
Meals	133.54		NIL		133.54
Mileage	NIL		947.65		947.65
Bordereau	270.00		NIL		270.00
Professional and legal fees	116.52		NIL		116.52
Travel	6.67		NIL		6.67
Total	1,230.23		947.65		2,177.88

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 14 days of receiving the 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 Martin Cairns at KPMG LLP, 191 West George Street, Glasgow, G2 2LJ, United Kingdom.

Narrative of work carried out for the period 16 September 2014 to 15 March 2015

The key areas of work have been:

Statutory and compliance	<ul style="list-style-type: none"> ■ collating initial information to enable us to carry out our statutory duties, including creditor information, details of assets and information relating to the licences; ■ providing initial statutory notifications of our appointment to the Registrar of Companies, the Register of Inhibitions and Adjudications, creditors and other stakeholders, and advertising our appointment; ■ posting information on a dedicated web page; ■ preparing statutory receipts and payments accounts; ■ arranging bonding and complying with statutory requirements; ■ ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	<ul style="list-style-type: none"> ■ formulating, monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same; ■ briefing of our staff on the administration strategy and matters in relation to various work-streams; ■ regular case management and reviewing of progress, including regular team update meetings and calls; ■ meeting with management to review and update strategy and monitor progress; ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration; ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters; ■ complying with internal filing and information recording practices, including documenting strategy decisions.
Reports to secured creditors	<ul style="list-style-type: none"> ■ providing written and oral updates to representatives of the Bank regarding the progress of the administration and case strategy.
Cashiering	<ul style="list-style-type: none"> ■ setting up administration bank accounts and dealing with the Company's pre-appointment accounts; ■ preparing and processing vouchers for the payment of post-appointment invoices; ■ creating remittances and sending payments to settle post-appointment invoices; ■ preparing payroll payments for retained staff, dealing with salary related queries and confirming payments with the employee's banks; ■ reviewing and processing employee expense requests; ■ reconciling post-appointment bank accounts to internal systems; ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	<ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company; ■ submitting relevant initial notifications to HM Revenue and Customs; ■ reviewing the Company's pre-appointment corporation tax and VAT position; ■ analysing VAT related transactions; ■ reviewing the Company's duty position to ensure compliance with duty requirements; ■ dealing with post appointment tax compliance.
General	<ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; ■ liaising with the joint appointee in relation to strategy for the leasehold premises inForres; and; ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage.
Asset realisations	<ul style="list-style-type: none"> ■ collating information from the Company's records regarding the assets; ■ liaising with finance companies in respect of assets subject to finance agreements; ■ liaising with agents regarding the sale of assets; ■ dealing with issues associated with the sale of stock; ■ reviewing outstanding debtors and management of debt collection strategy; ■ liaising with RBSCS over the funding agreement; ■ liaising with Company credit control staff and communicating with debtors; ■ seeking legal advice (Shoosmiths LLP) in relation to book debt collections; ■ liaising with Shoosmiths LLP regarding debtor recoveries;

Property matters	<ul style="list-style-type: none"> ■ reviewing the Company's leasehold properties, including review of leases; ■ communicating with landlords regarding rent, property occupation and other issues; ■ performing land registry searches; and ■ reporting to the standard security holder and agreeing on disposal strategy.
Health and safety	<ul style="list-style-type: none"> ■ liaising with internal health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with; ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance.
Open cover insurance	<ul style="list-style-type: none"> ■ 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; ■ assessing the level of insurance premiums.
Employees	<ul style="list-style-type: none"> ■ dealing with queries from employees regarding various matters relating to the administration and their employment; ■ dealing with statutory employment related matters, including statutory notices to employees and making statutory submissions to the relevant government departments; ■ administering the Company's payroll, including associated taxation and other deductions, and preparing PAYE and NIC returns; ■ communicating and corresponding with HM Revenue and Customs; ■ dealing with issues arising from employee redundancies, including statutory notifications and liaising with the Redundancy Payments Office; ■ managing claims from employees; ■ ensuring security of assets held by employees.
Pensions	<ul style="list-style-type: none"> ■ collating information and reviewing the Company's pension schemes; ■ calculating employee pension contributions and review of pre-appointment unpaid contributions; ■ ensuring compliance with our duties to issue statutory notices; ■ liaising with the trustees of the defined benefit pension scheme, the Pensions Regulator and the Pensions Protection Fund concerning the changes caused to the pension scheme as a result of our appointment; ■ ensuring death-in-service cover for employees remains in place; ■ communicating with employees representatives concerning the effect of the administration on pensions and dealing with employee queries.
Creditors and claims	<ul style="list-style-type: none"> ■ drafting and circulating our proposals; ■ creating and updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of their claims; ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; ■ dealing with suppliers with retention of title claims, including reviewing supporting documentation and arranging and carrying out stock inspection visits; ■ drafting our progress report.
Investigations/ directors	<ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration; ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies; ■ arranging for the redirection of the Company's mail; ■ reviewing the questionnaires submitted by the Directors of the Company; ■ reviewing pre-appointment transactions; ■ drafting the statutory report and submitting to the relevant authority.

Time costs

	Hours				Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support		
Trading						
Employees						
Correspondence		0.60	2.10		787.50	291.67
Administration & planning						
Bankrupt/Director/Member						
Notification of appointment		0.70			269.50	385.00
Cashiering						
General (Cashiering)			2.70	2.30	1,040.50	208.10
Reconciliations (& IPS accounting reviews)			0.20		56.00	280.00
General						
Books and records		7.40	11.40		5,112.00	271.91
Fees and WIP			0.20		53.00	265.00
Statutory and compliance						
Advising directors		4.00			1,540.00	385.00
Appointment and related formalities	1.25	2.40	5.80		2,663.25	281.83
Bonding and bordereau		0.30			115.50	385.00
Reports to debenture holders	4.15	13.90			7,795.75	431.90
Strategy documents	2.10		1.80		1,375.50	352.69
Tax						
Initial reviews - CT and VAT		3.75	2.55		2,232.75	354.40
Post appointment corporation tax		0.50			202.50	405.00
Post appointment VAT		1.40	2.00		977.00	287.35
Creditors						
Creditors and claims						
General correspondence		1.40	13.85	12.50	4,900.75	176.60
Pre-appointment VAT / PAYE / CT			1.00		205.00	205.00
ROT Claims		3.90	21.80		5,806.50	225.93
Statutory reports	3.20	10.50	12.40	1.80	8,797.50	315.32
Employees						
Correspondence			20.50		5,558.50	271.15
DTI redundancy payments service			0.40		112.00	280.00
Pension funds			0.60		168.00	280.00
Pensions reviews			9.15		2,012.25	219.92



	Hours					Time Cost (£)	Average Hourly Rate (£)
	Partner / Director	Manager	Administrator	Support	Total		
Investigation							
Directors							
Correspondence with directors	0.50	0.40			0.90	404.50	449.44
D form drafting and submission		1.00	7.00		8.00	1,840.00	230.00
Statement of affairs		2.30			2.30	931.50	405.00
Investigations							
Mail redirection			0.60		0.60	123.00	205.00
Realisation of assets							
Asset Realisation							
Debtors	0.70	21.00	6.80		28.50	9,990.50	350.54
Freehold property		29.90			29.90	11,851.50	396.37
Health & safety	0.60	0.80	1.05		2.45	892.00	364.08
Leasehold property	2.85	28.10	14.30		45.25	15,765.25	348.40
Open cover insurance		5.20	4.40		9.60	2,996.00	312.08
Other assets			1.40		1.40	287.00	205.00
Plant and machinery		7.70	4.00		11.70	3,860.50	329.96
Sale of business		2.70			2.70	1,039.50	385.00
Stock and WIP		0.80	1.40		2.20	581.00	264.09
Vehicles		0.40	3.00		3.40	769.00	226.18
Total in period	15.35	151.05	152.40	16.60	335.40	103,112.50	307.43

Brought forward time (appointment date to SIP 9 period start date) 0.00 0.00

SIP 9 period time (SIP 9 period start date to SIP 9 period end date) 335.40 103,112.50

Carry forward time (appointment date to SIP 9 period end date) 335.40 103,112.50

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

Bank	The Royal Bank of Scotland plc
Company	Moray Timber Ltd - in Administration
Joint Administrators/we/our/us	Geoff Jacobs and Blair Nimmo
KPMG	KPMG LLP
Secured creditor	The Royal Bank of Scotland plc

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 Geoff Jacobs and Blair Nimmo, the Joint Administrators of Moray Timber Ltd – 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.

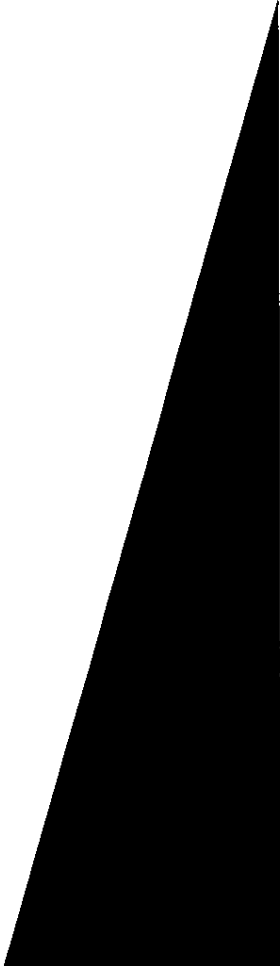
Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

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.

Geoffrey Isaac Jacobs and Blair Carnegie Nimmo are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland.

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.





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