

**Rule 2.38**

Form 2.20B(Scot)

The Insolvency Act 1986

**Administrator's progress report****R2.38**

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

Name of Company

Power Developments Limited

Company number

SC260416

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

We (a)  
Stuart Preston  
Grant Thornton UK LLP  
Level 8  
110 Queen Street  
Glasgow  
G1 3BX

David J Dunckley  
Grant Thornton UK LLP  
30 Finsbury Square  
London  
EC2A 1AG

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

from

to

(b) Insert date(s)

(b) 20 June 2018

(b) 19 December 2018

Signed

18/1/19  
Joint Administrator

Dated

**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

Lucy Dale  
Grant Thornton UK LLP  
Level 8  
110 Queen Street  
Glasgow  
G1 3BX

DX Number

0141 223 0000  
DX Exchange

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

Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139  
Fountainbridge, Edinburgh, EH3 9FF  
DXED235 Edinburgh 1 / LP-4 Edinburgh 2

SATURDAY



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19/01/2019

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COMPANIES HOUSE



Our ref: SWP/PMB/LND/TXA/P20597028/7  
Your ref:

To the Creditors

Grant Thornton UK LLP  
Level 8  
110 Queen Street  
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G1 3BX

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18 January 2018

Dear Sirs

**Power Developments Limited - In Administration (the Company)**

**1 INTRODUCTION**

- 1.1 *Following the appointment of Robert Caven and I, Stuart Preston, as joint administrators of the Company by a qualifying floating charge holder, Promontoria (Henrico) Limited, having its registered office at 1 Grant's Row, Lower Mount Street, Dublin 2, Ireland (the Secured Creditor), on 20 June 2016, I now report on the progress of the administration to 19 December 2018.*
- 1.2 Notice of the joint administrators' appointment was lodged in the Court of Session, Edinburgh. No court reference number was assigned.
- 1.3 In accordance with Rule 2.38 of the Insolvency (Scotland) Rules 1986, I enclose Form 2.20B(Scot) together with an account of our receipts and payments for the six months ended 19 December 2018 (the Period).
- 1.4 Please note that Rob Caven vacated the office of Joint Administrator on 14 June 2017. I continued in office as sole administrator until 3 August 2017 when David Duncley was appointed as joint administrator.
- 1.5 Please note that shortly after the end of the Period David Duncley notified both the Secured Creditor and I of his intention to resign as joint administrator. This will take effect from 21 January 2019 and I intend to continue in office as sole administrator.
- 1.6 In accordance with Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 the functions of the joint administrators are to be exercised by any or all of them.
- 1.7 The joint administrators are licenced to act as Insolvency practitioners by the Insolvency Practitioners Association.

**2 STATUTORY INFORMATION**

- 2.1 The Company's statutory details are contained in Appendix A.
- 2.2 The administration constitutes "main proceedings" under the EC Regulation on Insolvency Proceedings.

### **3 PROGRESS REPORT**

#### **Property Assets**

- 3.1 The Company owned the following assets at the time of my appointment (together defined as the **Properties**):

##### **Unit 1 and Unit 2 Dunsdalehaugh, Selkirk (Selkirk Units)**

- 3.2 Both of these properties were retail units that were tenanted at the time of our appointment. Total annual rent from both tenants was £111,250.
- 3.3 As previously advised, the Selkirk Units were sold on 20 March 2017 realising gross sale proceeds of £600,000. The two tenants paid rent for each unit from appointment to the date of sale.

##### **Land at Q3 Dunlin Drive, Dunfermline (Dunfermline Land)**

- 3.4 As previously reported the Company owned development land in Dunfermline, Fife.
- 3.5 The Company's intention for the development of this land was to construct residential properties however the initial planning application was rejected by Fife Council. Alternative consent was subsequently obtained for the erection of a local centre, including neighbourhood shopping centre, care home and community centre.
- 3.6 Our agents received a number of offers which could not be progressed due to planning conditions attached to the offers or difficulties securing funding. However, in the Period, an offer was accepted (with the consent of the Secured Creditor). The Dunfermline land was subsequently sold on 15 November 2018, realising gross sale proceeds of £775,000.

#### **Other Matters**

- 3.7 All assets have now been realised. Therefore, we are currently adjudicating claims in order to pay a first and final dividend to unsecured creditors once tax clearance has been obtained. We will then seek to bring the administration to a close.
- 3.8 All statutory matters have been adhered to in the Period.

### **4 JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS**

- 4.1 An abstract of my receipts and payments for the Period together with the cumulative position to date is attached at Appendix B.
- 4.2 This shows funds in hand of £80,853.

### **5 ESTIMATED OUTCOME FOR CREDITORS**

#### **Secured Creditor**

- 5.1 The Company was previously indebted to Clydesdale Bank Plc (**Clydesdale**) however, this debt was included within a portfolio that the Secured Creditor acquired from Clydesdale. The associated security was also assigned to the Secured Creditor at the date of acquisition of the debt.
- 5.2 At the date of appointment the Secured Creditor was owed c.£1.5 million by the Company secured against the following:
- 5.2.1 a floating charge over the undertaking and all property and assets present and future of the Company including uncalled capital that was created on 27 November 2006 and registered on 6 December 2006 ; and
  - 5.2.2 standard security charges over:
    - Unit 1 Dunsdalehaugh that was created on 30 November 2006 and registered on 4 December 2006;
    - Unit 2 Dunsdalehaugh that was created on 19 December 2006 and registered on 28 December 2006; and

Dunfermline Land that was created on 21 December 2007 and registered on 9 January 2008

- 5.3 To date £1,341,000 has been paid to the Secured Creditor from assets realised in the administration, including a distribution made in the Period of £700,000.
- 5.4 Due to the final level of asset realisations, the Secured Creditor will suffer a shortfall on the level of debt owed by the Company.
- 5.5 As outlined in the joint administrators' statement of proposals, Companies House lists a standard security granted in favour of Taylor Wimpey Developments Limited (Taylor Wimpey) that was created on 21 December 2007 and registered on 8 January 2008. The directors of the Company have advised that this charge is no longer valid.

#### **Preferential Creditors**

- 5.6 There were no employees in the Company at the date of our appointment and therefore there are no preferential creditors.

#### **Unsecured Creditors**

- 5.7 The floating charge granted to the Secured Creditor post-dates the commencement of the Enterprise Act 2002.
- 5.8 Section 176A of the Insolvency Act 1986 provides that, in these circumstances, a prescribed part be set aside for payment to the unsecured creditors. This entitles unsecured creditors to a percentage share of realisations from floating charge assets, after deducting any costs of realisation and settling any preferential claims.
- 5.9 The prescribed part is based on asset realisations, net of the costs of the administration process. Accordingly, until all costs have been finalised, it is unclear the exact amount available for the prescribed part distribution to the unsecured creditors.
- 5.10 Unsecured creditor claims of £815,308.46 have been received to date. These are now being formally adjudicated for dividend purposes.

#### **6 JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS**

- 6.1 The basis of the joint administrators' remuneration is to be fixed by the creditors. As no creditors committee has been appointed and the Company has insufficient property to enable any distribution to be made to the unsecured creditors, other than by way of the prescribed part, approval of the joint administrators' fees and outlays will be obtained from the Secured Creditor only in accordance with Rule 2.39(8) of the Insolvency (Scotland) Rules 1986 (on the basis that there are no preferential creditors).
- 6.2 I have requested our fee be calculated on a fixed fee basis for secured asset realisations (and on a percentage realisations basis for floating charge assets), as agreed with the Secured Creditor.
- 6.3 In accordance with Statement of Insolvency Practice (SIP 9), I attach as Appendix C a summary of my time costs by grade of staff and type of work. This shows time costs for the Period of £13,510.75, representing 49.65 hours at an average of £272.12 per hour. Total time incurred in the administration amounts to £79,654.00, representing 300.05 hours at an average of £265.47 per hour. Details of any matters which have had a significant impact on the time costs are included in this report.
- 6.4 Fees of £41,700.51 have been drawn to date. I will seek further approval of our fees from the creditors once the adjudication process is completed and the available net property has been confirmed.
- 6.5 Background information regarding the fees of administrators can be found at [https://www.icas.com/\\_data/assets/pdf\\_file/0015/2265/Creditors-Guide-to-Administrators-Remuneration-ICAS.pdf](https://www.icas.com/_data/assets/pdf_file/0015/2265/Creditors-Guide-to-Administrators-Remuneration-ICAS.pdf). Alternatively, we will supply this information by post on request free of charge. Time is charged in 6 minute units.

**7 EXTENSION**

- 7.1 Creditor adjudications are now underway and once complete and the tax position is confirmed, it is my intention to make a first and final distribution to unsecured creditors and bring the administration to a close.
- 7.2 I will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon my appointment as administrator ceasing to have effect.
- 7.3 Therefore, at this time it is not anticipated that a further extension to the administration will be required.

**8 DATA PROTECTION**

- 8.1 Personal information held about you will continue to be held and processed for the purpose of completing the administration of the Company and in accordance with meeting our requirements under applicable Data Protection Legislation/law in the UK.

**9 NEXT REPORT**

- 9.1 Our next report will be for the period ended 19 June 2019, or earlier if the administration has been finalised.
- 9.2 Should you have any queries, please contact Lucy Dale of this office on 0141 223 0820.

Yours faithfully  
For and on behalf of  
Power Developments Limited



Stuart Preston  
Joint Administrator

The affairs, business and property of Power Developments Limited are being managed by Stuart Preston, appointed as joint administrator on 20 June 2016 and David Dunkley, appointed as joint administrator on 3 August 2017. The administrators contract as agents of the Company and without personal liability.

Stuart Preston and David Dunkley are licensed to act as Insolvency Practitioners by the Insolvency Practitioners Association.

# APPENDIX A – STATUTORY INFORMATION

Registered number	SC260416
Date of incorporation	8 December 2003
Registered office	c/o Grant Thornton UK LLP Level 8 110 Queen Street Glasgow G1 3BX
Previous registered office (until 6 July 2016)	37 One 37 George Street Edinburgh EH2 2HN
Authorised and issued share capital	£547,417
Joint Administrators	Stuart Preston c/o Grant Thornton UK LLP Level 8 110 Queen Street Glasgow G1 3BX David Duncley c/o Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU
Appointer	Promontoria (Henrico) Limited 1 Grants Row Mount Street Lower Dublin 2 Dublin Ireland IE-D D02 HX96
Directors	Mr Alasdair Derek Coates (resigned 27 February 2018) Mr Bruce Calder Weir (resigned 31 December 2017)
Secretary	Mr Bruce Calder Weir (resigned 31 December 2017)

# **APPENDIX B – JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS**

Statement of Affairs (£)	From 20/06/2018 To 19/12/2018 (£)	From 20/06/2016 To 19/12/2018 (£)
<b>SECURED ASSETS</b>		
Freehold Land & Property	775,000.00	1,375,000.00
	775,000.00	1,375,000.00
<b>COSTS OF REALISATION</b>		
Administrators Fees	-	(9,000.00)
Legal Fees	(4,268.00)	(8,870.80)
Agents/Valuers Fees	(7,750.00)	(13,750.00)
Other Property Expenses	-	(330.00)
Insurance	(560.00)	(15,928.52)
Managing agent fees	-	(566.44)
Advertising	-	(1,460.00)
	(12,578.00)	(49,693.76)
<b>SECURED CREDITORS</b>		
Promontoria (Henrico)	(700,000.00)	(1,341,000.00)
	(700,000.00)	(1,341,000.00)
<b>ASSET REALISATIONS</b>		
Freehold Land & Property	-	-
Related party loans	-	-
Book Debts	-	-
VAT Refund	-	365.03
Cash at Bank	-	64,317.02
Rent	-	78,672.57
	-	143,354.62
<b>COST OF REALISATIONS</b>		
Preparation of S. of A.	-	(361.00)
Administrators Fees	(16,621.26)	(32,700.51)
Misc Float Payments	-	(15.00)
Agents/Valuers Fees (1)	-	(8,358.95)
Court fees	(326.00)	(326.00)
Legal Fees (1)	(1,131.00)	(1,831.00)
Corporation Tax	-	(2,925.40)
Statutory Advertising	-	(175.00)
Other Property Expenses	-	(300.00)
Bank Charges	-	(15.00)
	(18,078.26)	(47,007.86)
<b>UNSECURED CREDITORS</b>		
Unsecured Creditors (All)	-	-
<b>DISTRIBUTIONS</b>		
Ordinary Shareholders	-	-
	-	-
	44,343.74	80,853.00
<b>REPRESENTED BY</b>		
VAT on Purchases		3,324.25
Floating Current Account NIB		229,939.15
Fixed Charge VAT on Purchases		2,389.60
Fixed Charge VAT on Sales		(155,000.00)
		80,653.00

## APPENDIX C – JOINT ADMINISTRATORS' TIME ANALYSIS

### Charge Out Rates

Remuneration is charged on the basis of the time costs of the Insolvency Practitioners and their staff. Standard filing and secretarial costs are not charged or recovered from the case.

We set out below our firm's current charge out rates for the period from 1 July 2015 to 30 June 2019:

Staff Category	Ave Hourly Rate (£) from 01/07/2015 to 30/06/2016	Ave Hourly Rate (£) from 01/07/2016 to 30/06/2017	Ave Hourly Rate (£) from 01/07/2017 to 30/06/2018	Ave Hourly Rate (£) from 01/07/2018 to 30/06/2019
Director / Partner	425 to 475	430 to 485	430 to 485	430 to 485
Manager / Associate Director	300 to 350	430 to 485	430 to 485	430 to 485
Executive / Assistant Manager	200 to 245	430 to 485	430 to 485	430 to 485
Support Staff / Administrator	100 to 170	430 to 485	430 to 485	430 to 485

Work is allocated to staff members based upon their experience, grade and the complexity of the task involved.

### Summary of Time Costs Incurred

A summary of our time costs are set out below:

	Executive Director			Associate Director / Manager			Assistant Manager / Executive / Practitioner / Support Staff			Total		
	hrs	£	Avg Hourly Rate	hrs	£	Avg Hourly Rate	hrs	£	Avg Hourly Rate	hrs	£	Avg Hourly Rate
Administration and Planning	0.25	107.50	430.00	4.15	1,473.25	355.00	3.05	549.00	180.00	8.30	1,272.00	153.25
Creditors	-	-	-	8.85	3,141.75	355.00	-	-	-	4.10	615.00	150.00
Investigations	-	-	-	0.10	35.50	355.00	-	-	-	0.30	45.00	150.00
Pensions	-	-	-	-	-	-	-	-	-	-	-	-
Realisation of Assets	-	-	-	5.80	2,059.00	355.00	-	-	-	1.50	225.00	150.00
Taxation	-	-	-	4.55	1,728.75	380.18	6.30	1,890.00	300.00	2.40	368.00	153.33
<b>Total for the Period</b>	<b>0.25</b>	<b>107.50</b>	<b>430.00</b>	<b>23.45</b>	<b>8,439.25</b>	<b>359.88</b>	<b>9.35</b>	<b>2,439.00</b>	<b>280.88</b>	<b>16.80</b>	<b>2,525.00</b>	<b>152.11</b>
<b>Biff time</b>	<b>4.00</b>	<b>1,805.75</b>	<b>451.44</b>	<b>113.85</b>	<b>38,592.50</b>	<b>339.57</b>	<b>93.45</b>	<b>19,436.00</b>	<b>207.98</b>	<b>39.30</b>	<b>6,309.00</b>	<b>160.53</b>
<b>Total</b>	<b>4.25</b>	<b>1,913.25</b>	<b>450.18</b>	<b>137.4</b>	<b>47,031.75</b>	<b>343.05</b>	<b>102.80</b>	<b>21,875.00</b>	<b>212.79</b>	<b>55.90</b>	<b>8,834.00</b>	<b>158.03</b>

The time costs are split into six standard categories. A guide as to what might be included in each category is as follows:

**Administration and planning:** this includes work such as case planning, case reviewing, administrative set-up, appointment notification, maintenance of records, statutory reporting and compliance.

**Creditors:** this includes work such as communication and meetings with creditors, reviewing and adjudicating on creditors preferential and ordinary unsecured claims, corresponding with secured creditors, reviewing security documentation issues and preparing, recording, reviewing and adjudicating on employee preferential and unsecured claims.

**Investigations:** this includes work such as investigating the directors conduct and investigating antecedent transactions.

**Pensions:** this includes work such as searching for and identifying pension schemes and complying with all statutory requirements in relation to any pension schemes identified.

**Realisation of assets:** this includes work such as identifying, securing and insuring assets, administering retention of title claims, debt collection, property, business and asset sales for property covered by both fixed and floating charges.

**Taxation:** this includes work such as identifying outstanding pre-appointment tax and VAT returns, obtaining relevant information to allow the pre-appointment tax and VAT returns to be prepared and submitted and submission of tax and VAT returns for the liquidation period.

## **Classification of Disbursements**

**Category 1 disbursements:** these generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising, invoiced travel and properly reimbursed expenses (excluding business mileage) incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and storage.

Where Category 1 disbursements are paid by the insolvency practitioners' firm these are reimbursed as and when funds are available.

**Category 2 disbursements:** these comprise cost allocations which may arise on some Category 1 disbursements where supplied internally: typically, items such as room hire and document storage. Also typically included will be routine or more specialist copying or printing, and allocated communication costs provided by the insolvency practitioners or their firm. Business mileage is also classed as a Category 2 disbursement.

Category 2 disbursements are paid as and when approval is obtained.

## **Use of Agents and Subcontractors**

Agents and subcontractors are utilised where there is the need for specialist knowledge. Only agents and subcontractors with the appropriate qualifications are employed. Where possible their fees and expenses are agreed in advance.