

AM23 (Scot)

Notice of move from administration to dissolution



Companies House

FRIDAY



S86NTMGX

SCT 31/05/2019 #177

COMPANIES HOUSE

1 Company details

Company number S C 2 6 0 4 1 6

Company name in full POWER DEVELOPMENTS LIMITED - IN ADMINISTRATION

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Court details

Court name COURT OF SESSION, EDINBURGH

NO COURT NUMBER ASSIGNED

Court number

N

/

A

3 Administrator's name

Full forename(s) STUART

Surname PRESTON

4 Administrator's address

Building name/number C/O GRANT THORNTON UK LLP

Street LEVEL 8

110 QUEEN STREET

Post town GLASGOW

County/Region

Postcode

G

1

3

B

X

Country

AM23 (Scot)

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5	Administrator's name ①	
Full forename(s)		① Other administrator Use this section to tell us about another administrator.
Surname		
6	Administrator's address ②	
Building name/number		② Other administrator Use this section to tell us about another administrator.
Street		
Post town		
County/Region		
Postcode	<div style="display: flex; justify-content: space-between; width: 100%;"> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> <div style="border: 1px solid black; width: 20px; height: 20px;"></div> </div>	
Country		
7	Final progress report	
<input checked="" type="checkbox"/> I have attached a copy of the final progress report.		
8	Sign and date	
Administrator's signature	Signature <div style="display: flex; align-items: center; justify-content: space-between;"> X X </div>	
Signature date	<div style="display: flex; justify-content: space-between; width: 100%;"> <div style="border: 1px solid black; padding: 2px;">25</div> <div style="border: 1px solid black; padding: 2px;">05</div> <div style="border: 1px solid black; padding: 2px;">20</div> <div style="border: 1px solid black; padding: 2px;">19</div> </div>	

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name LUCY DALE

Company name GRANT THORNTON UK LLP

Address LEVEL 8

110 QUEEN STREET

Post town GLASGOW

County/Region

Postcode G 1 3 B X

Country

DX

Telephone 0141 223 0820



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

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

To the creditors

Grant Thornton UK LLP
Level 8
110 Queen Street
Glasgow
G1 3BX
T +44 (0)141 223 0000
F +44 (0)141 223 0001

24 May 2019

Dear Sirs

Power Developments Limited - In Administration (the Company)
Court of Session, Edinburgh

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 24 May 2019.
- 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 3.94(2) of the Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018, I enclose an account of my receipts and payments for the period 20 December 2019 to 24 May 2019 (**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 Dunckley was appointed as joint administrator. Subsequently, on 21 January 2019, David Dunckley resigned as joint administrator and I continued in office as sole administrator.
- 1.5 In accordance with Paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 until 21 January 2019 the functions of the joint administrators were exercised by any or all of them.
- 1.6 The administrator is licenced to act as an insolvency practitioner 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 Receipts and payments account

- 3.1 An abstract of my receipts and payments for the Period together with the cumulative position to date is attached at Appendix B.
- 3.2 You will note that £25,787.10 has been paid to the unsecured creditors by virtue of the application of Section 176A of the Insolvency Act 1986, the prescribed part.

4 Report and outcome of administration

- 4.1 The objective of the administration, as approved by the joint administrators' statement of proposals dated 9 August 2016 was 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).
- 4.2 There have been no major amendments to or deviations from the original proposals.
- 4.3 The administrator's statement of proposals were deemed to have been approved on 19 August 2016.
- 4.4 As at the date of appointment the Company owned the following assets (together defined as **the Properties**):

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

- 4.5 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.
- 4.6 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)

- 4.7 As previously reported the Company owned development land in Dunfermline, Fife.
- 4.8 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.
- 4.9 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, an offer was accepted (with the consent of the Secured Creditor) and the Dunfermline land was subsequently sold on 15 November 2018, realising gross sale proceeds of £775,000.

Other matters

- 4.10 All statutory matters have been adhered to in the Period
- 4.11 As detailed in the joint administrators' statement of proposals, the rescue of the Company was not achievable and therefore, the administrators pursued the objective of 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).
- 4.12 This was achieved through the sale of the Properties and I consider that this objective has now been achieved and accordingly, the Company will move from administration to dissolution. I have notified the Registrar of Companies to this end, having submitted Form AM23 (Scot).
- 4.13 In accordance with Paragraph 98 of Schedule B1 to the Insolvency Act 1986, the administrator will be discharged from liability with effect from 14 days after the final progress report is sent to creditors.

5 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 £1,395,896.94 has been paid to the Secured Creditor from assets realised in the administration, including a distribution made in the Period of £ 54,896.94.
- 5.4 Due to the final level of asset realisations, the Secured Creditor suffered 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 that was created on 21 December 2007 and registered on 8 January 2008. The directors of the Company 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 Unsecured creditor claims of £615,306.46 were received and formally adjudicated for dividend purposes.
- 5.10 The prescribed part was calculated at £25,787.10 and a first and final dividend was paid to the unsecured creditors on 26 April 2019.

6 Administrator's remuneration and expenses

- 6.1 In accordance with Statement of Insolvency Practice (SIP 9), I attach at Appendix C a summary of my final time costs for the administration by grade of staff and type of work. This shows time costs for the Period of £6,784.75, representing 31.80 hours spent at an average of £213.36 per hour. Total time costs for the administration amount to £86,438.75, representing 331.85 hours at an average of £260.48 per hour.
- 6.2 Details of any matters which have had a significant impact on the time costs are included in the appendix, together with details of any disbursements charged.

- 6.3 Fees of £41,700.51 have been approved by the Secured Creditor only, on the basis that there are no preferential creditors. No further fees will be drawn in the administration.
- 6.4 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-Renumeration-ICAS.pdf. Alternatively, we will supply this information by post on request free of charge. Time is charged in 6 minute units.

7 Data protection

Any personal information held by the Company will continue to be processed in accordance with completing the administration of the Company and in accordance with meeting our requirements under applicable Data Protection Legislation/law in the United Kingdom.

8 The next report

- 8.1 The administrator is not required to submit any further progress reports due to the administration being finalised.
- 8.2 Should you wish to discuss this report in further detail, please do not hesitate to contact Lucy Dale on 0141 223 00820.

Yours faithfully
For and on behalf of
Power Developments Limited



Stuart Preston
Administrator

The affairs, business and property of the Company is being managed by Stuart Preston, appointed as administrator on 20 June 2016. The administrator contracts as agent of the Company and without personal liability.

Stuart Preston is licensed to act as Insolvency Practitioner 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
Administrator	Stuart Preston c/o Grant Thornton UK LLP Level 8 110 Queen Street Glasgow G1 3BX
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 – Abstract of the administrator's receipts and payments

Statement of Affairs £	From 21.12.2018 To 24.05.2019 (£)	From 20.06.2018 To 24.05.2019 (£)
SECURED ASSETS		
Freehold Land & Property	-	1,375,000.00
	-	1,375,000.00
COSTS OF REALISATION		
Administrators Fees	-	(9,000.00)
Legal Fees	-	(8,670.80)
Agents/Valuers Fees	-	(13,750.00)
Other Property Expenses	-	(330.00)
Insurance	101.26	(15,825.26)
Managing agent fees	-	(566.44)
Advertising	-	(1,450.00)
	101.26	(49,592.50)
SECURED CREDITORS		
(1,479,880.00) Promontoria (Henrico)	(54,896.94)	(1,395,896.94)
(1,479,880.00)	(54,896.94)	(1,395,896.94)
ASSET REALISATIONS		
1,000,000.00 Freehold Land & Property	-	-
9,862.00 Related party loans	-	-
3,180.16 Book Debts	-	-
- VAT Refund	-	365.03
66,064.00 Cash at Bank	-	64,317.02
- Rent	-	78,672.57
1,079,106.16	-	143,354.62
COST OF REALISATIONS		
Preparation of S. of A.	-	(361.00)
Administrators Fees	-	(32,700.51)
Misc Float Payments	-	(15.00)
Agents/Valuers Fees (1)	-	(8,358.95)
Court fees	-	(326.00)
Legal Fees (1)	-	(1,831.00)
Corporation Tax	-	(2,925.40)
Storage Costs	(70.22)	(70.22)
Statutory Advertising	-	(175.00)
Other Property Expenses	-	(300.00)
Bank Charges	-	(15.00)
	(70.22)	(47,078.08)
UNSECURED CREDITORS		
(620,151.71) Unsecured Creditors (All)	(25,787.10)	(25,787.10)
(620,151.71)	(25,787.10)	(25,787.10)
DISTRIBUTIONS		
(547,417.00) Ordinary Shareholders	-	-
(547,417.00)	-	-
(1,568,342.55)	(80,653.00)	-
REPRESENTED BY		
	-	-

Appendix C – SIP 9 Time and Charge Out Summary

Charge Out Rates

Remuneration is charged on the basis of the time costs of the Insolvency Practitioner and his 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:

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
Partner / Director	425 to 475	430 to 485	430 to 485	430 to 485
Manager / Associate Director	300 to 350	300 to 355	300 to 355	300 to 355
Executive / Assistant Manager	200 to 245	195 to 245	195 to 250	195 to 250
Support Staff / Administrator	100 to 170	100 to 185	100 to 185	100 to 185

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 the time costs are set out below:

	Partner / Director			Manager / Associate Director			Executive / Assistant Manager			Support Staff / Administrator			Total		
	hrs	Ave Hourly Rate	Cost	hrs	Ave Hourly Rate	Cost	hrs	Ave Hourly Rate	Cost	hrs	Ave Hourly Rate	Cost	hrs	Ave Hourly Rate	Cost
Administration and Planning	0.30	129.00	430.00	0.90	319.50	355.00	2.15	387.00	180.00	7.40	1,137.00	153.65	10.75	1,972.50	183.49
Creditors	-	-	-	3.70	1,313.50	355.00	-	-	-	6.30	945.00	150.00	10.00	2,258.50	225.85
Investigations	-	-	-	0.70	248.50	355.00	-	-	-	-	-	-	0.70	248.50	355.00
Pensions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Realisation of Assets	-	-	-	-	-	-	-	-	-	2.40	360.00	150.00	2.40	360.00	150.00
Taxation	-	-	-	3.55	1,251.25	352.46	-	-	-	4.40	694.00	157.73	7.95	1,945.25	244.69
Total for the Period	0.30	129.00	430.00	8.85	3,132.75	353.98	2.15	387.00	180.00	20.50	3,136.00	152.98	31.80	6,784.75	213.36
Bff time	4.25	1,913.25	450.18	137.10	47,031.75	343.05	102.80	21,875.00	212.79	55.90	8,834.00	158.03	300.05	79,654.00	265.47
Total	4.55	2,042.25	448.85	145.95	50,164.50	343.71	104.95	22,262.00	212.12	76.40	11,970.00	156.68	331.85	86,438.75	260.48

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.