

The Insolvency Act 1986

**Statement of administrator's proposals****R2.25****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
Meadowside Residential Limited

Company number
SC266409

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

I/We (a)  
Thomas Campbell MacLennan  
FRP Advisory LLP  
Apex 3  
95 Haymarket Terrace  
Edinburgh  
EH12 5HD

Alexander Iain Fraser  
FRP Advisory LLP  
Suite 2B, 52-54 Rose Street  
Aberdeen  
AB10 1UD

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) 24 May 2017

Signed

Joint / Administrator(s)

Dated

24/5/17

**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

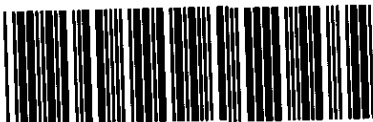
Thomas Campbell MacLennan  
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Apex 3  
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DX Number

+44 (0)330 055 5455  
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**

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COMPANIES HOUSE



# **Meadowside Residential Limited (In Administration) The Administrators' Proposals**

**23 May 2017**

## Contents and abbreviations



<b>Section</b>	<b>Content</b>	<b>The following abbreviations may be used in this report:</b>	
<b>1.</b>	Introduction	<b>FRP</b>	FRP Advisory LLP
<b>2.</b>	Conduct of the administration	<b>The Company</b>	Meadowside Residential Limited (In Administration)
<b>3.</b>	The Administrators' remuneration, disbursements and pre-administration costs	<b>The Administrators</b>	Thomas Campbell MacLennan and Alexander Iain Fraser of FRP Advisory LLP
<b>4.</b>	Estimated outcome for the creditors	<b>CVL</b>	Creditors' Voluntary Liquidation
<b>Appendix</b>	<b>Content</b>	<b>CVA</b>	Company Voluntary Arrangement
<b>A.</b>	Statutory information about the Company and the administration	<b>SIP</b>	Statement of Insolvency Practice
<b>B.</b>	Administrators' Receipts & Payments Account	<b>QFCH</b>	Qualifying floating charge holder
<b>C.</b>	Schedule of Administrators' time costs, disbursements and charge out rates	<b>HMRC</b>	HM Revenue & Customs
<b>D.</b>	Statement of Affairs		

## 1. Introduction

On 24 April 2017, the Company entered administration and Thomas Campbell MacLennan and Alexander Jain Fraser were appointed as Administrators.

This document, together with its appendices, forms the Administrators' statement of proposals to creditors in accordance with Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and the Insolvency Rules.

Certain statutory information about the Company and the administration is provided at **Appendix A**.

### **Background information regarding the Company**

The company had completed the conversion of a steading development in Newburgh into residential properties.

4 of these properties remained unsold :-

- 2 Parkhill Steading, Newburgh
- 4 Parkhill Steading, Newburgh
- 6 Parkhill Steading, Newburgh
- 8 Parkhill Steading, Newburgh

### **Events leading to the appointment of the Administrators**

The QFCH had sought proposals from the directors for repayment of the outstanding loan.

No acceptable proposal was received and the QFCH sought the appointment of Administrators.

### **Appointment of the Administrators**

Accordingly, Tom MacLennan and Jain Fraser were appointed Joint Administrators on 24 April 2017.

## 2. Conduct of the Administration



### **The objective of the administration**

The Administrators think that objective (a) of the administration, as detailed in Paragraph 3(1) of Schedule B1 to the Insolvency Act 1986, being to rescue the Company as a going concern, will not be achieved.

As such, it is envisaged that objective (c) will be achieved, to realise property in order to make a distribution to one or more secured or preferential creditors.

### **The Administrators' actions to date**

The company owns the following properties:-

- 2 Parkhill Steading, Newburgh
- 4 Parkhill Steading, Newburgh
- 6 Parkhill Steading, Newburgh
- 8 Parkhill Steading, Newburgh

2 of the properties are rented and 2 are being marketed for sale.

The strategy is to bring the properties to the market at the appropriate time and to complete sales.

### **Receipts and Payments Account**

A copy of the Joint Administrators' receipts and payment account to date is attached as **Appendix B**.

### **The Directors' Statement of Affairs**

The directors of the Company have been asked to submit a Statement of Affairs under paragraph 47 of Schedule B1 of the Insolvency Act 1986 and this is awaited. Details of the financial position of the Company at the latest practical date, prepared from information available to the Administrators and including a list of creditors' names and

Meadowside Residential Limited (In Administration)  
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addresses is provided at **Appendix D**. As and when the directors' Statement of Affairs is received it will be filed with the Registrar of Companies.

### **Matters requiring investigation**

I am required as part of my duties to establish what assets the Company owns and to consider the way in which the Company's business has been conducted, and am required under the provisions of the Company Directors Disqualification Act 1986 to report to the Secretary of State for Business Energy and Industrial on the conduct of the directors. If you have any information or concerns regarding the way in which the Company's business has been conducted, or have information regarding potential recoveries for the estate please contact me as soon as possible.

### **Matters to be progressed following this report**

The Administrators will continue to manage the affairs, business and property of the Company to achieve the purpose of the administration. In particular they will, inter alia:

- Realise the Company's remaining assets, being the 4 residential properties
- Investigate and, if appropriate, pursue any claims that the Company may have against any person, firms or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company
- Do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals
- Distribute realisations to the secured and preferential creditors where applicable
- Agree the claims of the unsecured creditors and distribute the Prescribed Part
- Ensure all statutory and compliance matters are attended to

## 2. Conduct of the Administration

- Pay all administration expenses and bring the administration to an end when deemed appropriate by the Administrators

### The end of the administration

The administration will end automatically after twelve months from the date of appointment of the Administrators. This period can be extended with consent of the creditors for up to twelve months or longer by application to the Court as required.

If the Administrators think the Company has no property which might permit a distribution to its unsecured creditors, or if they also consider that an exit from the administration into liquidation is not appropriate they will send a notice to the Registrar of Companies in accordance with Paragraph 84 of Schedule B1 to the Insolvency Act 1986 to bring the administration to an end and three months after the filing of the notice the Company will be deemed to be dissolved.

If the Administrators are of the view that a dividend will become available to the unsecured creditors (other than by virtue of the prescribed part) it is appropriate for the Company to move from administration into CVL pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986. If applicable the Administrators will take steps to place the Company into CVL.

Should a dividend not become available to the unsecured creditors but it is still appropriate for the Company to enter liquidation, the Administrators will petition the Court pursuant to Paragraph 79 of Schedule B1 to the Insolvency Act 1986 for an order to bring the administration to an end with a consequential order for the compulsory winding up of the Company.

Pursuant to Paragraph 83 of Schedule B1 to the Insolvency Act 1986, should the creditors not nominate a Liquidator, the proposed Liquidators in a CVL are to be the Administrators or any successor office holder(s). Any act to be done by the Liquidators may be done by all or any one of them. Pursuant to Paragraph 83(7)(a) of Schedule B1 to the Insolvency Act 1986 and the Insolvency Rules, creditors may nominate a

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different person as the proposed liquidator, provided that the nomination is made after the receipt of these proposals and before these proposals are approved.

The Liquidators in a compulsory winding up will be appointed by the Court and may be the Administrators, or any successor office holder(s).

If the Administrators are of the view that it is appropriate for the creditors to consider the approval of a CVA the proposed supervisors are to be the Administrators or any successor office holder(s). Creditors may nominate different supervisors at the meeting of creditors convened to consider the CVA proposals.

### Meeting of creditors

Based on information currently available, the Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors, except from the prescribed part if applicable.

They are therefore not required to call a creditors' meeting pursuant to Paragraph 51 of Schedule B1 to the Insolvency Act 1986. The Administrators must however summon a meeting if requested to do so by a single creditor or group of creditors whose debts amount to at least 10% of the total debts of the Company. The request must be made in writing within 8 business days of the date of this report, in accordance with the Insolvency Rules. The creditor or creditors requesting the meeting will be required to lodge a deposit with the Administrators for the expenses of summoning and holding the meeting, which will be payable by the creditor or creditors unless the meeting resolves they should be paid as an expense of the administration.

In accordance with the Insolvency Rules where the Administrators have not called a creditors' meeting, the proposals set out below will be deemed to have been approved by the creditors unless at least 10% by value of the creditors requisition a meeting of creditors within 8 business days of the date of this report.

### 3. The Administrators' remuneration, disbursements and pre-appointment costs

#### Administrators' remuneration

The Administrators' remuneration after the date of appointment will be drawn from the Company's assets and it is proposed that it will be charged on a time cost basis. The basis of the Administrators' remuneration forms part of these proposals for which approval is being sought.

The Administrators' time costs are based on computerised records of all time spent on the administration of the estate. Matters dealt with during the assignment are dealt with by different members of staff depending on the level of complexity and the experience required. Time is charged to the case in maximum chargeable units of six minutes. Charge-out rates are based on individual expertise, qualification and grade. The costs of the firm's support staff are not directly charged to the estate unless dealing with directly identifiable case specific matters.

Charge out rates are reviewed at least annually, details of FRP's charge out rates are included at **Appendix C**.

As the proposals include a statement that the Administrators think that the company has insufficient property to enable a distribution to be made to unsecured creditors except from the prescribed part if applicable, and in the absence of a creditors' committee, approval of the amounts of fees that the Joint Administrators may draw from the funds of the estate will be sought from each secured creditor, plus, where a dividend has been or is proposed to be paid to preferential creditors, 50% in value of those preferential creditors who respond to an invitation to give or withhold approval. Each request for fees to be fixed will be accompanied by details of the time spent and the work done.

Details of the time charged to this case to date, analysed between the different types of work undertaken, are enclosed at **Appendix C**. Approval to draw these costs as an interim fee will be sought from each secured creditor, plus, where a dividend is proposed to be paid to preferential creditors, 50% in value of those preferential creditors who respond to an invitation to give or withhold approval.

Meadowside Residential Limited (In Administration)  
The Administrators' Proposals

The Administrators' fees for dealing with the assets subject to a fixed charge will be agreed with Clipper Holding II S.a.r.l.

Should the Company subsequently be placed into liquidation and the Administrators appointed as liquidators, the basis agreed for the drawing of the Administrators' remuneration will also be that utilised in determining the liquidators' remuneration,. The amounts of the liquidators' remuneration will be fixed for each accounting period in the liquidation by the liquidation committee, or if there is no committee by the Court.

#### Administrators' disbursements

The Administrators' disbursements are a recharge of actual costs incurred by the Administrators on behalf of the Company. Mileage payments made for expenses relating to the use of private vehicles for business travel, which is directly attributable to the administration of the Company, are paid by FRP at the HMRC approved mileage rate. It is proposed mileage is recharged and drawn at the HMRC approved mileage rate prevailing at the time the mileage was incurred.

## 4. Estimated outcome for the creditors

### **Outcome for Secured Creditor**

It is likely that there will be a shortfall to the secured creditor.

### **Outcome for Preferential Creditors**

No preferential creditors have been identified.

### **Outcome for Unsecured Creditors**

It is currently estimated that there will not be sufficient funds available to make a distribution to unsecured creditors.

### **Prescribed Part**

The prescribed part is a carve out of funds available to the holder of a floating charge which is set aside for the unsecured creditors in accordance with Section 176A of the Insolvency Act 1986. The prescribed part only applies where the floating charge was created after 15 September 2003 and the net property available to the floating charge holder exceeds £10,000 and the cost of making a distribution to unsecured creditors would not be disproportionate to the benefits.

Any prescribed part would be available for all unsecured creditors where there are only sufficient funds to enable a dividend to be paid to unsecured creditors from the prescribed part, this will be paid by the Administrators.



Appendix A



Statutory information about the Company and the Administration

COMPANY INFORMATION:

Date of incorporation: 13 April 2004

Company number: SC266409

Registered office: Apex 3, 95 Haymarket Terrace, Edinburgh, EH12 5HD

Previous registered office: 6B Newhailes Road, Musselburgh, EH21 6RH

Business address: Parkhill Steading, Newburgh, Fife

Director: Natalie Shelagh Garry

Company secretary: John McKenzie

The directors and Company secretary have the following shareholdings in the Company:

Name	Shares	Type	%
Natalie Garry	Nil		
John McKenzie	200,001	Ordinary	99.99%

ADMINISTRATION DETAILS:

Names of Administrators: Thomas Campbell MacLennan and Alexander Iain Fraser

Address of Administrators: FRP Advisory  
Apex 3, 95 Haymarket Terrace, Edinburgh, EH12 5HD

Date of appointment of Administrators: 24 April 2017

Court in which administration proceedings were brought: Court of Session

Date of notice of intention to appoint Administrators presented to Court: 24 April 2017

Administration appointment made by: Qualifying Floating Charge Holder

The appointment of the Administrators included a declaration that they are acting jointly and severally as Administrators of the Company in accordance with Paragraph 100 of Schedule B1 to the Insolvency Act 1986.

The EC Regulation on Insolvency Proceedings will apply in this matter and accordingly the administration will constitute main proceedings.

## Appendix A

### Statutory information about the Company and the Administration



Extracts from the financial statements available are summarised below:

	Draft a/cs Year to 31/12/16 £	Statutory a/cs Year to 30/12/15 £
<b>Fixed Assets</b>		
Tangible assets	340	454
	340	454
<b>Current Assets</b>		
Stocks	1,000,000	1,000,000
Debtors	997	712
Cash at bank	3,547	7,852
	1,004,544	1,008,564
<b>Creditors</b>		
	-2,411,262	-2,092,879
<b>Net assets</b>	<u>-1,406,378</u>	<u>-1,083,861</u>
<b>Capital and reserves</b>		
Called up share capital	200,002	200,002
Profit and loss account	-1,606,380	-1,283,863
<b>Shareholders' funds</b>	<u>-1,406,378</u>	<u>-1,083,861</u>

## **Appendix B**

### **Administrators' Receipts & Payments Account**



**Meadowside Residential Limited  
(In Administration)  
Joint Administrators' Trading Account**

Statement of Affairs £	From 24/04/2017 To 22/05/2017 £	From 24/04/2017 To 22/05/2017 £
POST APPOINTMENT SALES		
Rental Income	730.00	730.00
	730.00	730.00
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>730.00</b>	<b>730.00</b>

**Meadowside Residential Limited**  
**(In Administration)**  
**Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £		From 24/04/2017 To 22/05/2017 £	From 24/04/2017 To 22/05/2017 £
1,000,000.00	SECURED ASSETS Freehold Land & Property	NIL NIL	NIL NIL
(2,400,800.00)	SECURED CREDITORS Clipper Holding II Sarl	NIL NIL	NIL NIL
	ASSET REALISATIONS Trading Surplus/(Deficit)	730.00 730.00	730.00 730.00
	COST OF REALISATIONS Statutory Advertising	79.50 (79.50)	79.50 (79.50)
(4,873.00)	UNSECURED CREDITORS Trade & Expense Creditors	NIL NIL	NIL NIL
<b>(1,405,673.00)</b>		<b>650.50</b>	<b>650.50</b>
	REPRESENTED BY Vat Recoverable - Floating Bank 1 Current		15.90 634.60 <b>650.50</b>

Thomas Campbell MacLennan  
Joint Administrator

## **Appendix C**

### **Schedule of Administrators' time costs, disbursements and charge out rates**





# Meadowside Residential Limited (In Administration)

Time charged for the period 27 April 2017 to 21 May 2017

	Managers / Directors	Other Professional	Junior Professional & Support	Total Hours	Total Cost £ Average Hrly Rate £
Administration and Planning	2.25	0.70	2.50	5.45	1,249.00
Asset Realisation	13.00			13.00	4,810.00
Creditors	0.50			0.50	185.00
Statutory Compliance	7.50			7.50	2,775.00
<b>Total Hours</b>	<b>23.25</b>	<b>0.70</b>	<b>2.50</b>	<b>26.45</b>	<b>9,019.00</b>
<b>Total Cost £</b>	<b>8,602.50</b>	<b>141.50</b>	<b>275.00</b>		
<b>Average Hrly Rate £</b>	<b>370.00</b>	<b>202.14</b>	<b>110.00</b>		

## FRP Charge out rates

Grade	From 1st May 2016
Appointment taker/Partner	370-450
Managers/Directors	280-370
Other Professional	165-230
Junior Professional & Support	80-110

## Disbursements for the period 27 April 2017 to 21 May 2017

Category 2	Value £
Car/Mileage Recharge	51.75
<b>Grand Total</b>	<b>51.75</b>

Mileage is charged at the HMRC rate prevailing at the time the cost was incurred

## **Appendix D**

### **Statement of Affairs**





Insolvency Act 1986

Meadowside Residential Limited  
Estimated Statement Of Affairs as at 24 April 2017

	Book Value £	Estimated to Realise £	£
<b>ASSETS</b>			
Freehold Land & Property	1,000,000.00	1,000,000.00	
Clipper Holding II Sarl		(2,400,800.00)	
			<u>NIL</u>
<b>LIABILITIES</b>			
<b>PREFERENTIAL CREDITORS:-</b>			
			<u>NIL</u>
			<u>NIL</u>
<b>DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003</b>			
<b>OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS</b>			
			<u>NIL</u>
			<u>NIL</u>
Estimated prescribed part of net property where applicable (to carry forward)			<u>NIL</u>
			<u>NIL</u>
<b>DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003</b>			
			<u>NIL</u>
			<u>NIL</u>
Estimated prescribed part of net property where applicable (brought down)			<u>NIL</u>
			<u>NIL</u>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors		4,873.00	
			<u>4,873.00</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			<u>(4,873.00)</u>
			<u>(4,873.00)</u>
Issued and called up capital			
			<u>NIL</u>
<b>TOTAL SURPLUS/(DEFICIENCY)</b>			<u><u>(4,873.00)</u></u>

**FRP Advisory LLP**  
**Meadowside Residential Limited**  
**Creditors with Statement of Affairs Figures**

Key	Name	SofA 1	SofA2	SofA Total
CC00	Clipper Holding II SARL c/o Engage Commercial, Harman House 1 George Street Uxbridge London UB8 1QQ	2,400,800.00	0.00	2,400,800.00
CG00	Steven Garry Lawhill House Dollar FK14 7PN	3,357.00	0.00	3,357.00
CG01	Grant Electrical 14 Troon Avenue Dundee DD2 3FP	716.00	0.00	716.00
CM00	Christies Accountancy & Taxation 6b Newhailes Business Park Newhailes Road Mussleburgh EH21 6RH	500.00	0.00	500.00
CO00	Owens River Court Dundee DD1 3JT	300.00	0.00	300.00
<b>5 Entries Totalling</b>		<b>2,405,673.00</b>	<b>0.00</b>	<b>2,405,673.00</b>

Signature \_\_\_\_\_