

The Insolvency Act 1986

Administrator's progress report

Name of Company

Palacecraig Street Coatbridge Limited

Company number

SC286972

(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
Simon Thomas
Moorfields
88 Wood Street
London
EC2V 7QFArron Kendall
Moorfields
88 Wood Street
London
EC2V 7QF

administrator(s) of the above company attach a progress report for the period

From

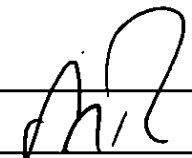
To

(b) Insert date

(b) 30 September 2016

(b) 29 March 2017

Signed


Joint / Administrator(s)

Dated

3/5/17

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.

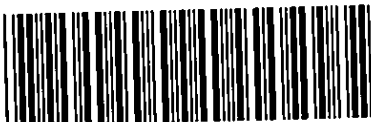
The contact information that you give will be visible to searchers of the public record

Tom Anderson
Moorfields
88 Wood Street
London
EC2V 7QF

DX Number

0207 186 1163
DX Exchange

SATURDAY



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SCT

06/05/2017

#236

COMPANIES HOUSE

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

Companies House, 139 Fountainbridge, Edinburgh, EH3 9FF
DX 235 Edinburgh / LP 4 Edinburgh-2

Palacecraig Street Coatbridge Limited (In Administration)

Joint Administrators' First Progress Report

in accordance with

Rule 2.38 of the Insolvency (Scotland) Rules 1986

2 May 2017

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Disclaimer:

This report has been prepared for the sole purpose of updating creditors for information purposes. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.

Palacecraig Street Coatbridge Limited – In Administration (“The Company”)

1. Background and Statutory Information

This is the Joint Administrators' first progress report on the conduct of the administration from 30 September 2016 to 29 March 2017 in accordance with the requirements of Rule 2.38 of the Insolvency (Scotland) Rules 1986.

This report should be read in conjunction with the Joint Administrators' Statement of Proposals (“the Proposals”) circulated to all known creditors on 11 November 2016. The Proposals were approved as circulated in accordance with Rule 2.38 of the Insolvency (Scotland) Rules 1986. There has been no major deviation from the strategy as proposed.

The Company entered administration on 30 September 2016 and Simon Thomas and Arron Kendall, both licensed insolvency practitioners of Moorfields Advisory (“Moorfields”), 88 Wood Street, London EC2V 7QF, were appointed Joint Administrators (“the Joint Administrators”)

To date no fees have been drawn in respect of the Administration. Further information regarding fees is given in section 4.

Based on current information, the prescribed part element of the floating charge will allow for a distribution to the unsecured creditors. I have explained the prescribed part element in more detail in section 6 of this report.

On the basis that there remain unrealised assets on 29 September 2017 it is the Joint Administrators' intention to apply for an extension of time for the Administration.

Statutory information relating to the Company and the Joint Administrators' appointment is attached at Appendix I.

2. Progress of the Administration

The affairs, business and property of the Company are managed by the Joint Administrators who act as agents of the Company and contract without personal liability.

The Joint Administrators' receipts and payments account for the period 30 September 2016 to 29 March 2017 is attached at Appendix II.

I would comment specifically as follows:

2.1 Realisation of assets

2.1.1 Heritable Property

The Company's property at Palacecraig Street (“the Property”) is occupied by one tenant paying annual rent of £250,000.

Rental income totalling £125,000 has been received during the reporting period.

Colliers have been appointed to market the Property for sale with a view to maximising realisations.

2.1.2 Cash at Bank

The balance at the bank at the date of our appointment was £177,206.99 and this sum has been received.

2.1.3 Bank Interest

£19.44 has been received in respect of bank interest during the period.

2.2 *Assets still to be realised*

The Property detailed in section 2.1.1 remains to be realised. On the basis that there remain unrealised assets on 29 September 2017 it is the Joint Administrators' intention to apply for an extension of time for the Administration.

2.3 *Sale of assets to a connected party*

In accordance with Statement of Insolvency Practice 13 ("SIP 13"), the Joint Administrators confirm there have been no transactions with connected parties in the period or in the two years preceding the Administration Order.

2.4 Joint Administrators' Expenses

The expenses paid by the Joint Administrators in the period of this report are reflected in the receipts and payments account at Appendix II. The following expenses have been incurred by the Joint Administrators' in the period but not paid:

	Total expenses outstanding as at 29/03/2017
Expenses	£
Statutory Advertising	42.30
Bond	512.00
Postage	144.99
Land Registry search	18.00
Accommodation and sustenance	33.77
Travel	111.53
Creditors Portal setup	50.00
VAT	
	<u>912.59</u>

The statement excludes any potential tax liabilities that may be payable as an expense of the administration in due course because amounts due will depend upon the position at the end of the tax accounting period.

2.5 Professional Advisers

The Joint Administrators have used the professional advisers listed below:

Name of Adviser	Brief description of services provided	Basis of fee arrangement	Costs incurred to date	Costs paid to date	Amount unpaid £
Pinsent Masons LLP	Validity of appointment	Fixed fee	£500	£500	Nil
Deloitte LLP	Preparation of Statement of Affairs	Time charges	£1,750	£1,750	Nil

Pinsent Masons LLP were instructed due to their knowledge and expertise in insolvency matters.

Deloitte LLP were instructed by the directors to assist in the preparation of the Statement of Affairs and their reasonable costs have been met.

The Joint Administrators' choice was based upon their perception of the advisers' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them. The Joint Administrators have reviewed the fees charged and are satisfied that they are reasonable in the circumstances of the case.

3. Pre-administration Costs

All pre-administration costs incurred have been written off.

4 Joint Administrators' Remuneration

- 4.1 The statutory provisions relating to remuneration are set out in Rule 2.39 of the Insolvency (Scotland) Rules 1986. Further information is given in the 'Institute of Chartered Accountants in England and Wales' ("the ICAEW") publication 'A Creditors' Guide to Administrators' Remuneration Scotland', a copy of which may be accessed from the web site of the ICAEW at the link provided below or is available in hard copy upon written request to the Joint Administrators offices.

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-to-administrators-remuneration-scotland-feb-10.pdf>

- 4.2 In accordance with the Proposals, and pursuant to Rule 2.39 of the Rules, approval for remuneration has been sought from the secured creditor on the basis that the Joint Administrators' remuneration be fixed by reference to time properly spent by the Joint Administrators and their staff in attending to matters arising in the Administration.

- 4.3 The Joint Administrators are working to realise the assets subject to a fixed charge on behalf of the secured creditor and will receive a fee in respect of work undertaken as detailed above.
- 4.4 Attached at Appendix III is a SIP 9 time and cost analysis which provides details of the activity costs incurred by staff grade by reference to time properly spent by the Joint Administrators in managing the Administration during this period. Time costs for the period from 30 September 2016 to the date of this report are £26,788.22. This represents 98.05 hours at an average hourly rate of £273.22 per hour. No fees have been drawn during the reporting period.

Time costs to date have been incurred in respect of the following activities:

- Case strategy and reviews
- Statutory reporting to creditors
- Dealing with all routine emails and correspondence
- Correspondence with Pinsent Masons regarding the validity of our appointment
- Corresponding with Deloitte regarding the preparation of the Company's Statement of Affairs
- Updating the secured creditor in respect of the Property position
- Liaising with insurers and contractors to ensure all assets are secure
- Liaising with Colliers in respect of marketing
- Managing the Property and collecting rental income
- Cashiering functions including third party payments and receipt of rental income

It is the Joint Administrators' policy to delegate the routine administration tasks to less senior staff in order to maximise the cost effectiveness of the work performed. These staff are supervised by senior staff and the Joint Administrators. Any matter of complexity or significance is dealt with by the senior staff on team and the Joint Administrators.

- 4.5 Attached at Appendix IV is a schedule detailing activities undertaken together with supporting information in accordance with the Association of Business Recovery Professionals' Statement of Insolvency Practice 9. This also contains additional information in relation to this firm's policy on staffing, disbursements and details of our current charge-out rates by staff grade.
- 4.6 The Joint Administrators have drawn no fees to date.

5. Joint Administrators' Disbursements

In accordance with Statement of Insolvency Practice No. 9, where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into two categories.

5.1 Category 1 Disbursements

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling, postage, photocopying (if external provider), statutory advertising and other expenses made on behalf of the assignment.

Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

The Joint Administrators' have incurred disbursements of £862.59 during the period. No disbursements have been drawn in this respect. Disbursements incurred in the period but not yet drawn are detailed in section 2.4.

5.2 Category 2 Disbursements

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Moorfields for the provision of services which include an element of recharged overhead, for example, room hire or document storage. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration. Accordingly, at the aforementioned meeting, creditors passed a resolution authorising the Joint Administrators to recover Category 2 expenses and disbursements. It is our policy, in line with the Statement, to advise of any Category 2 disbursements before they are drawn.

The following Category 2 disbursements are currently charged by this firm:

- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost
- A set-up charge of £50 per case for online creditor reporting where applicable
- Mileage allowances are paid at HM Revenue & Customs approved rates. For personnel using their own vehicles, these are currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter.
- A charge of £10 for identification searches per director to comply with Money Laundering Regulations.

The Joint Administrators' have incurred category two disbursements of £50 during the reporting period. The Joint Administrators intend to seek the authority of the secured creditors to drawing these disbursements in due course.

6. Prescribed Part

- 6.1 Under the provisions of Section 176A of the Insolvency Act 1986 the Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003.

- 6.2 A floating charge was granted in favour of The Co-operative Bank Plc on 13 December 2005, which was subsequently assigned to Promontoria (Ram 2) Limited ("the Secured Creditor"). The prescribed part provisions will therefore apply.

The Prescribed Part (section 176A of the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs and preferential claims (the 'net property'), to be set aside for unsecured creditors. This equates to:

- 50% of net property up to £10,000
- Plus, 20% of net property in excess of £10,000
- Subject to a maximum of £600,000.

The Company's net property is the amount of its property subject to any floating charges created by the Company after allowing for costs and claims of preferential creditors.

- 6.3 The Statement of Affairs shows that the net property of the Company is £178,532, and I estimate that the prescribed part of the net property for unsecured creditors is £38,706. However, these estimates have not been verified and do not take into account the costs of the administration which will reduce the amount of the Company's net property.
- 6.4 Please note that the net property and prescribed part calculation can only be estimated at this stage. The value of any prescribed part may be subject to change once creditor claims and the Joint Administrators' costs and expenses have been finalised.
- 6.5 At this time, the Joint Administrators do not intend to make an application to the court under section 176A (5) of the Insolvency Act 1986 for an Order not to distribute the prescribed part.

7. Estimated outcome for creditors

7.1 Secured Creditors

The Secured Creditor holds a floating charge securing all sums due and to become due by the Company to the Lender. At the date of the Administration the indebtedness was estimated at £2,325,693.82.

Distributions of £160,000 have been made to the secured creditor to date.

As detailed in Section 6 a floating charge was granted in favour of the Secured Creditor and the prescribed part would therefore ordinarily apply.

7.2 Preferential Creditors

The company had no employees and as such there are no known preferential creditors.

7.3 Unsecured Creditors

The Joint Administrators have received no claims to date. I have yet to receive claims from seven creditors whose debts total £729,959.67 as per the directors' statement of affairs.

No defined clarification of creditors' claims has been undertaken. Based on current information, and in accordance with information available at the time of the Joint Administrators' proposals, the Joint Administrators anticipate there being sufficient funds to enable a distribution to be paid to the unsecured creditors of the Company by virtue of the prescribed part.

The Joint Administrators currently anticipate that there will be a surplus available for unsecured creditors but it is difficult to estimate the amount of any distribution until the remaining assets are realised.

8. Investigations

In accordance with the Company Directors Disqualification Act 1986 I would confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills. As this is a confidential report, I am not able to disclose the contents.

To complete this report a review of the Company's financial accounts, bank statements and directors' questionnaires was undertaken regarding the period leading up to the Administration to ascertain whether or not there had been any misconduct by the director in the form of any preference payments, transactions at an undervalue or wrongful trading.

If creditors wish to bring any matters they believe to be relevant to the attention of the Joint Administrators, they are invited to do so in writing to either Arron Kendall or Simon Thomas at Moorfields, 88 Wood Street, London EC2V 7QF.

9. Exit from Administration

As outlined in the initial report to creditors it is the Joint Administrators' intention to exit the Administration into Creditors Voluntary Liquidation should there be funds available to enable a distribution to the unsecured creditors by way of dissolution should there be no funds available to distribute.

An extension to the prescribed time limit will be sought should it become apparent that all assets will not be realised before 29 September 2017.

The Joint Administrators will seek to be discharged from liability under Paragraph 98(3) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

10. Creditors' rights

- 10.1 Any secured creditor, or an unsecured creditor (with the concurrence of at least 25% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Joint Administrators' remuneration, the remuneration charged or the expenses incurred by the Joint Administrators as set out in the progress report are excessive. (Rule 2.39A)

If you have any queries regarding this report please contact Tom Anderson of this office in the first instance. I will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

For and on behalf of
Palacecraig Street Coatbridge Limited



S R Thomas
Joint Administrator

DDI 020 7186 1163
Fax 020 7186 1177
Email tanderson@moorfieldscr.com

Simon Thomas and Arron Kendall of Moorfields, 88 Wood Street, London, EC2V 7QF were appointed Joint Administrators on 30 September, 2016. The Administrators now manage the affairs, business and property of the Company. The Joint Administrators act as agents only and without personal liability.

**Palacecraig Street Coatbridge Limited
Statutory Information**

Company Information

Company Number: SC286972
Registered Office: c/o Moorfields, 101 Rose Street South Lane, Edinburgh, EH2 3JG
Trading Address: Palacecraig Street, Coatbridge, Glasgow, ML5 4TF
Principal Activity: Buying and selling of real estate

Appointment details

Joint Administrators: Simon Thomas and Arron Kendall (IP number's: 8920 & 16050)

Joint Administrators' address: Moorfields, 88 Wood Street London EC2V 7QF

Date of appointment: 30 September 2016

Court name and reference: N/a – Qualifying Floating Charge Holder appointment

Appointed by: Promontoria (Ram 2) Limited

Functions: Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Joint Administrators acting jointly or alone.

EC Regulations: The Company's registered office is from where the Company carries on its business. Therefore, in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom and as such these proceedings will be the main proceedings as defined in article 3 of the EC regulation.

Extensions: The Joint Administrators have not sought an extension to the period defined by Paragraph 76(1) of Schedule B1 of the Act that provides for the automatic end of the Administration after 12 months from the date of appointment.

Palacecraig Street Coatbridge Limited
(In Administration)

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 30/09/2016 To 28/03/2017 £	From 30/09/2016 To 28/03/2017 £
RECEIPTS			
Freehold Land & Property	1,500,000.00	0.00	0.00
Cash at Bank	178,532.00	177,206.99	177,206.99
Rent		125,000.00	125,000.00
Bank Interest Gross		19.44	19.44
		<u>302,226.43</u>	<u>302,226.43</u>
PAYMENTS			
Preparation of S. of A.		1,750.00	1,750.00
Legal fees		500.00	500.00
Insurance of Assets		500.00	500.00
Floating Charge Creditor		160,000.00	160,000.00
		<u>162,750.00</u>	<u>162,750.00</u>
Net Receipts/(Payments)		<u>139,476.43</u>	<u>139,476.43</u>

MADE UP AS FOLLOWS

Bank 2 Current	163,926.43	163,926.43
VAT Receivable / (Payable)	(24,450.00)	(24,450.00)
	<u>139,476.43</u>	<u>139,476.43</u>


Simon Thomas
Joint Administrator

Palacecraig Street Coatbridge Limited (In Administration)
From 30 September 2016 to 29 March 2017

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	0.60	8.70	23.16	5.50	37.96	9,838.50	259.18
Asset Realisation	1.00	12.30	17.60	0.00	30.90	9,282.50	- 300.40
Case Specific Matters	0.00	0.00	5.10	0.00	5.10	1,300.50	255.00
Creditors	0.00	0.00	8.00	0.00	8.00	2,040.00	255.00
Investigations	0.30	3.25	12.34	0.00	15.88	4,281.72	269.54
Trading	0.00	0.00	0.20	0.00	0.20	45.00	225.00
Total Hours	1.90	24.25	66.40	5.50	98.05	26,788.22	273.22
Total Fees Claimed						0.00	
Total Disbursements Claimed						0.00	

Palacecraig Street Coatbridge Limited

2. Explanation of office-holders charging and disbursement recovery policies

In accordance with best practice we provide below details of policies of Moorfields, in respect of fees and disbursements for work in relation to insolvency estates.

This summary outlines the activities undertaken during this matter to date together with details of charge out rates for time costs incurred and the basis of disbursements incurred and recharged.

The activities are summarised as follows:

2.1. Administration and planning

The following activities have been undertaken:

- Statutory duties associated with the appointment including the filing of relevant notices;
- Notification of the appointment to creditors, members, employees and other interested parties;
- Setting up of case files
- Reviewing available information to determine the appropriate strategy;
- Setting up and maintaining bank accounts;
- Implementing the strategy for the Administration;
- 6 monthly progress review of the case;
- Completion of statutory returns to the Insolvency Compliance Unit of the Department for Business Innovation and Skills

Staff of different levels were involved in the above activities depending upon the experience required.

2.2. Realisation of assets

Appendix II shows the realisations made for the benefit of the creditors. In this case the assets belonging to the Company were as follows;

- Cash at Bank
- Palacecraig Street

The time spent includes the following matters:

- Liaising with tenant;
- Corresponding with agents in relation to valuation and realisation of assets.

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2.3. Creditors

The time spent includes the following matters:

- Recording and maintaining the list of creditors;
- Recording creditor claims;
- Dealing with specific creditor calls and correspondence;
- Reporting to creditors;
- Meetings of creditors;
- Dealing with creditor queries;
- Reviewing and evaluating creditor claims to date.

2.4. Investigations and communications

The time spent includes the following matters:

- Corresponding with Company directors for purposes of conduct report;
- Issuing questionnaires and requests for Statement of Affairs;
- Reviewing Company records and questionnaires and preparing the statutory return in accordance with the requirements of the Department for Business Innovation and Skills.

2.0 Time recording

The Partners will engage managers and other staff to work on the insolvent estate and statutory compliance diaries. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the estate's bank accounts. Work carried out by all staff is subject to the overall supervision of the Partners.

All time spent by staff working directly on case related matters is charged to a time code established for the case. Each member of staff has a specific hourly rate, which is subject to change over time.

The current charge out rates per hour of staff within the firm who may be involved in working on the insolvency follows, this in no way implies that staff at all such grades will work on the case:

Palacecraig Street Coatbridge Limited: Joint Administrators' First Progress Report

GRADE	£
Partner	530
Director/ Senior Manager	450
Manager	355
Assistant Manager	300
Senior Administrator	255
Administrator	225
Cashier/ Support	195

The rates charged by Moorfields are reviewed periodically in January & July each year and are adjusted to take account of inflation and the firm's overheads.

Our rates increased on 1 January 2016. The charge out rates per hour for the period from 1 January 2015 to 31 December 2015 were:

GRADE	£
Partner	515
Director/ Senior Manager	425
Manager	355
Assistant Manager	280
Senior Administrator	245
Administrator	195-225
Cashier/ Support	195

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time in units of 6 minutes.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time cost basis the time invoiced will be provided to any committee appointed by the creditors or in the absence of a committee to the creditors, the report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by the fee request.

Approved remuneration will be drawn at such times that sufficient funds are available.

For your information, A Creditor's Guide to Administrators' Fees can be obtained at <http://www.insolvency-practitioners.org.uk/uploads/Admin.pdf>.

3.0 Disbursement recovery

Category 1 Disbursements

Separate charges are made in respect of directly attributable expenses (Category 1 disbursements) such as travelling, postage, photocopying if external provider, statutory advertising and other expenses made on behalf of the assignment.

Such disbursements can be paid from the insolvent's assets without approval from the Creditors' Committee or the general body of creditors. In line with Statement of Insolvency Practice No. 9, it is our policy to disclose Category 1 disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the disbursements drawn.

Category 2 Disbursements

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred by Moorfields for the provision of services which include an element of recharged overhead, for example, room hire or document storage. Statement of Insolvency Practice No. 9 provides that such disbursements are subject to approval as if they were remuneration. It is our policy, in line with the Statement, to seek approval for Category 2 disbursements before they are drawn.

The following Category 2 disbursements may be charged by this firm

- Stationery and postage charge for sending out circulars – 5 pence per sheet plus postage at cost.
- A set-up charge of £50 per case for online creditor reporting where applicable
- Mileage allowances are paid at HM Revenue & Customs approved rates. For personnel using their own vehicles, these are currently 45 pence per mile for the first 10,000 miles and 25 pence per mile thereafter.
- A charge of £10 for identification searches per director to comply with Money Laundering Regulations.

It should be noted that disbursements costs might increase from time to time, however, increases would only be in line with inflation or increases from our supplier.