

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

Craignapier Ventures Limited

Company number

SC319334

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

We, Blair Carnegie Nimmo, KPMG LLP, 191 West George Street, Glasgow, G2 2LJ and Gary Steven Fraser, KPMG LLP, Saltire Court, 20 Castle Terrace, Edinburgh, EH21 2EG

attach a copy of my / 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) 10 October 2012

Signed

James A. de Saint Robert
Joint Administrator

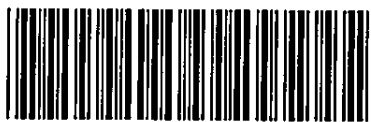
Dated

9/10/12

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

	Tel
DX Number	DX Exchange



SCT

12/10/2012

#208

COMPANIES HOUSE

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

Companies House, 37 Castle Terrace, Edinburgh EH1 2EB
DX 235 Edinburgh / LP 4 Edinburgh-2

FRIDAY



**Craignapier Ventures Limited
(in administration)**

**Statement of Proposals
Pursuant to Paragraph 49 of Schedule B1 of the
Insolvency Act 1986 & Rule 2.25 of the
Insolvency (Scotland) Rules 1986
(both as amended)**

10 October 2012

KPMG LLP

10 October 2012

This report contains 20 Pages

r/awm/ng/cnapier



*Craignapier Ventures Limited
(in administration)
Statement of Proposals
KPMG LLP
10 October 2012*

Notice: About these Proposals

- These Proposals have been prepared by Blair Carnegie Nimmo and Gary Steven Fraser, the Joint Administrators of Craignapier Ventures Limited solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their Proposals for achieving the purposes of the administration order, 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.
- These Proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Craignapier Ventures Limited.
- Any estimated outcomes for creditors included in these Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.
- Any person who chooses to rely on these Proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their 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 these Proposals.
- Blair C Nimmo is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland.
- Gary S Fraser is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland
- The Joint Administrators act as agents for Craignapier Ventures Limited 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 these Proposals or the conduct of the administration.



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Craignapier Ventures Limited
(in administration)
Statement of Proposals
KPMG LLP
10 October 2012

Appendices

- 1 Statutory and other information**
- 2 Estimated Statement of Affairs**
- 3 Receipts and payments account**



1 **Glossary**

Act	The Insolvency Act 1986 (as amended)
Administrators	Blair C Nimmo and Gary S Fraser of KPMG LLP
Bank	The Royal Bank of Scotland plc
Company/Companies	Craignapier Ventures Limited
Court	Court of Session
Directors	Ian Sutherland McCook
Rules	The Insolvency Rules (Scotland) 1986 (as amended)

The references in these Proposals to Sections, Paragraphs or Rules are to be the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (Scotland) Rules 1986 (as amended) respectively.

This document in its entirety constitutes the Administrators' Statement of Proposals. A summary list of the Proposals is shown in section 13.



2 Introduction

We, Blair Carnegie Nimmo and Gary Steven Fraser of KPMG LLP were appointed joint administrators of Craignapier Ventures Limited ('the Company') on 16 August 2012.

We were appointed by the Royal Bank of Scotland plc ('the Bank') following the filing of a notice of appointment lodged at the Court of Session, Edinburgh dated 16 August 2012 and registered on 16 August 2012.

In accordance with paragraph 100 (2) of schedule B1 of the Act the functions of the Administrators may be exercised by either of or both of the Joint Administrators.

In accordance with paragraph 49, schedule B1 of the Act we set out below our report to the creditors of the Company together with our proposals for achieving the purpose of the Administration and for the conduct of the Administration.

The report also includes certain information which is required to be provided to creditors in accordance with Rule 2.25 (1) of the Rules.

As there are unlikely to be sufficient funds available for distribution to the unsecured creditors, the Administrators are not required to convene a creditors' meeting unless requested to do so by 10% in value of the creditors, as explained in section 12.

3 Statement of prior professional relationship

The Administrators have not had a prior relationship with the Company.

4 Statutory and other information

A summary of the statutory and other relevant information relating to the Company is set out in Appendix 1.

5 Background and events leading up to the appointment

5.1 Background

The Company was incorporated on 23 March 2007 and its principal business activity was property investment and development.

We understand from the Company director that the Company did not have trading premises and operated from the director's residential address. The registered office address was the office of the Company's legal agent. We also understand that the Company did not have any employees throughout the period of trading.

The Company purchased and owned a five bedroom property and adjacent plot of land in Nairn, two plots of land in Glenmoriston and a plot of land at Conon Bridge.

5.2 Reasons for insolvency

The Company never had a specific income stream and had generated losses since incorporation.

The Company had been trying to sell the property and plots of land without success. Due to the Company's inability to sell the property and plots of land or provide a proposal to the Bank to repay its indebtedness, the Bank sought the appointment of the Joint Administrators to realise the assets.

6 Purpose of the Administration and proposal for achieving this objective

In accordance with Paragraph 3(1) of Schedule B1 of the Act the Administrators have the following hierarchy of objectives. In order these are:

- a. rescuing the Company as a going concern; or
- b. achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in Administration); or
- c. realising property in order to make a distribution to one or more secured or preferential creditors.

Having assessed the possible strategies, it is considered that the Administration of the Company would achieve objective (b).

7 Events following the appointment and expected future actions

7.1 Freehold Property

Nairn

The Company owns a five bedroom residential property in Nairn, together with an adjacent building plot. Outline planning consent for a separate residential property was granted for the plot, however, this expired in January 2011.

The property and plot were marketed for sale by Macleod and MacCallum (M&M) prior to our appointment. Given M&M's knowledge of the area and their previous involvement with the property and plot, we have instructed them to continue with marketing the property and plot for sale. We will continue to work closely with M&M to ensure that the maximum possible sale price is achieved.

Plots at Glenmoriston and Conon Bridge

The Company owns two 0.3 acres plots of land at Glenmoriston, Invernessshire. Outline planning consent for residential dwelling on each plot was granted, however, expired in March 2011.

The Company owns a 0.2 acre plot of land at Riverbank Road, Conon Bridge. The plot of land has full planning consent for a residential dwelling which expires in January 2013.

We have instructed M&M to market these plots for sale. We will continue to work closely with M&M to ensure that the maximum possible sale price for these plots is achieved.

We will update creditors on the progress of the sales of the aforementioned property and plots in future reports.

7.2 Ending Administration

Once the objective of the Administration has been achieved, if there is insufficient property to facilitate a distribution to the unsecured creditors, it would be the Administrators' intention to file a notice with the Registrar of Companies under paragraph 84(1) of Schedule B1 to the Act. Following registration of which, the Company will be dissolved 3 months later.

Should the Company have sufficient property to enable a distribution (other than the prescribed part) to the unsecured creditors the Administrators envisage that the most cost effective way of paying a dividend to the unsecured creditors will be for the Company to be placed into creditors voluntary liquidation, following which the Company will be dissolved.

8 Amounts payable to secured creditors, preferential creditors and the floating charge holder

8.1 Secured lenders

The Bank holds Standard Securities, as outlined in Appendix 1, Figure 1.

The Bank's claim against the Company as at the date of the appointment amounts to £432,000. It should be noted that interest continues to accrue on this balance.

We understand that there are second ranking Standard Securities over the property in Nairn, the two plots at Glenmoriston and the plot at Conon Bridge, as outlined in Appendix 1, Figure 1. The level of the debt due in respect of these Securities is currently unknown.

8.2 Preferential creditors

We are not aware of any preferential creditors in this case.

8.3 Floating charge/debenture

The Bank also holds a bond and floating charge dated 27 June 2007 over all the business and assets of the Company.

9 Summary of and commentary upon the statement of affairs

The director has failed to submit a statement of affairs. The Administrators have therefore prepared an estimated statement of affairs based upon the available Company records and property marketing particulars. This is summarised at Appendix 2.

Overall the statement of affairs indicates a deficit, the amount of which is currently unknown.

We would comment as follows:-

- The property at Nairn is currently being marketed at offers over £175,000 with the adjacent building plot being marketed at offers over £48,000. The actual amount realised may vary (higher or lower) from this amount depending on the value achievable in the current market.
- The two plots at Glenmoriston and the plot at Canon Bridge are currently being marketed at £30,000 each.
- To date, we have received a claim from HM Revenue & Customs in respect of unpaid tax. We have received no other creditor claims.

It should be noted that the statement of affairs does not include a provision for the costs of asset realisations or the costs of the Administration.

10 Prescribed part of the Company's net property pursuant to Section 176A of the Act

Where the Company has granted a floating charge after 15 September 2003, Section 176A of the Act provides that a percentage share of realisations from net floating charge assets is set aside for unsecured creditors, subject to certain exceptions.

In this case, the floating charge held by the Bank was granted after 15 September 2003. Therefore Section 176A of the Act is applicable and there could be a prescribed part of the Company's net property available for unsecured creditors.

However, the estimated value of the company's net property is less than the prescribed minimum of £10,000. Accordingly, a prescribed part distribution is not likely to be made.

We would draw your attention to our comments in relation to the estimated statement of affairs of the Company.



11 Dividend prospects for creditors

Based upon the statement of affairs and our comments above, it is currently anticipated that a dividend will be paid to the Bank as a secured creditor of the Company. However, the Bank is likely to suffer a shortfall on its indebtedness.

Accordingly, based on the information currently available, there is no prospect of a dividend to the unsecured creditors of the Company.

12 Creditors meetings

Based on the information contained in the estimated statement of affairs and on progress made since the date of Administration, the Administrators estimate that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of Section. 176A(2)(a) of the Act, or

Therefore, in accordance with Paragraph 52(1)(b) of Schedule B1 to the Act the Administrators do not propose to hold an initial creditors' meeting.

In accordance with paragraph 52(2) of Schedule B1 to the Act, the Administrators are, however, required to summon an initial creditors' meeting if it is requested:

- by creditors of the Company whose debts amount to at least 10% of the total debts of the Company;
- in the prescribed manner (detailed below); and
- in the prescribed period (detailed below).

A request for an initial meeting of creditors must be made in writing to the Administrators within 8 business days of the date these proposals were sent and include:

- a list of the creditors concurring with the request, showing the amounts of their respective debts in the Administration;
- from each creditor concurring, written confirmation of his concurrence; and
- a statement of the purpose of the proposed meeting.

In addition, in accordance with Rule 7.6(4) of the Rules, the expenses of summoning and holding the meeting shall be paid by the creditor making the request, who shall be required to deposit with the Administrators security for payment of these expenses.

In accordance with Rule 2.25(3) of the Rules, if the Administrators are not requested to call a meeting within 8 business days of the date of sending this report, the Proposals will be deemed to have been approved by the creditors.

13 Administrators' proposals

In addition to the specific itemised proposals below, this document in its entirety constitutes the Administrators' proposals in accordance with Paragraph 49 of Schedule B1 of the Act.

The Administrators propose the following:

- to continue to do all such things reasonably expedient and generally exercise all powers conferred on them by the Act and the Rules as Administrators, as they, in their discretion, consider desirable in order to maximise realisations from the assets of the Company in accordance with the objective as set out above;
- to investigate and, if appropriate, pursue any claims the Company may have while it remains economical to do so;
- to seek an extension of the administration period if deemed necessary by the Administrators;
- that in the event that no creditors' committee is formed, the secured creditors or the secured creditors and the majority of the preferential creditors who respond (in the event that there is intended to be a distribution to the preferential creditors) be asked to agree the Administrators' remuneration, which will be based upon time costs properly incurred at KPMG LLP hourly charge out rates prevailing at the time the work is performed and outlays both as determined in accordance with Rule 2.39 of the Rules. They be authorised to draw fees and outlays from the assets of the Company;
- that the costs of KPMG LLP in respect of tax, VAT, forensic and pension advice provided to the Administrators be based upon time costs at KPMG LLP hourly charge out rates prevailing at the time the work is performed and shall be paid out of the assets of the Company;
- that the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in the event that there are sufficient funds for a prescribed part dividend, to the unsecured creditors with permission of the Court; or
- alternatively, in the event that there are sufficient funds to make a distribution (including under the prescribed part) to unsecured creditors (or for any other reason), the Administrators be permitted to move the Company from Administration to Creditors' Voluntary Liquidation, and for the appointment of Blair C Nimmo and Gary S Fraser as Joint Liquidators of the Company without further recourse to creditors. In accordance with Paragraph 83 (7) of Schedule B1 to the Act and Rule 2.47 of the Rules, creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of the Proposals and before the Proposals are approved;
- in the event that the Administrators deem that liquidation is not appropriate because no dividend will become available to the creditors, and that there are no other outstanding matters that require to be dealt with in a liquidation, then the

Administrators shall file the appropriate notices at Companies House and the Company will subsequently be dissolved;

- that the Administrators be discharged at the end of the administration from liability in respect of any action of theirs as Administrators pursuant to paragraph 98(1) of Schedule B1 of the Act immediately following the registration of the appropriate notice or with the approval of the secured creditors and preferential creditors (where appropriate).

Costs of realisation

13.1 Administrators' remuneration

In accordance with Rule 2.39 of the Rules, the basis for the Administrators' remuneration is fixed at either a commission calculated by reference to the value of the Company's assets which have been realised or by reference to time properly given by the Administrators and their staff. In the Administration of the Company, the basis requested will be in accordance with the time properly given by the Administrators.

Where a creditors committee has been formed it is for the committee to agree the Administrators' remuneration.

Where a meeting of creditors has been held but no creditors committee has been formed it is for a meeting of the unsecured creditors convened for that purpose to agree the Administrators' remuneration.

Where the Administrators have made a statement under Paragraph 52 (1) (b), that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the Prescribed Part, it is for the secured creditor and a majority of preferential creditors who vote to agree the remuneration.

Further information is given in "*A Creditors Guide to Administrators' Fees*", a copy of which can be found at the following link:

<http://icas.org.uk/WorkArea/DownloadAsset.aspx?id=4294968700>.

If you are unable to access this guide and would like a copy, please contact our colleague, Nicola Graham on 01224 416929.

14 Directors' conduct

We are required by Rules 3 and 4 of the Insolvent Companies (Reports on Conduct of Directors) (Scotland) Rules 1996 to submit a report or a return to the Insolvency Service on the conduct of any person who has been a director or shadow director of the Company at any time in the three years immediately preceding our appointment.



Craignapier Ventures Limited
(in administration)
Statement of Proposals
KPMG LLP
10 October 2012

We would be grateful to receive any comments that unsecured creditors or any other party may wish to make in order to assist in our investigations into the Company's affairs and in our preparation of comments for submission to the Insolvency Service. Such comments, if required, can be treated in the strictest confidence.

Blair C Nimmo
KPMG LLP
191 West George Street
Glasgow
G2 2LJ

Gary S Fraser
KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

10 October 2012

Appendix 1

Statutory and other information

EC Regulation

This Administration is a main proceeding under the EC Regulation on Insolvency Proceedings. Article 3 of the EC Regulation defines main proceedings and the Company is registered in Scotland, has its main centre of interest in Scotland and does not fall within one of the excepted categories. Consequently, the Administration is governed by the Act and not any other European Union Member State's insolvency law.

Relevant court

Notice of the appointment by The Royal Bank of Scotland plc was lodged at the Court of Session, Edinburgh on 16 August 2012.

Secured lenders

The table below details the fixed and floating charge securities.

Figure 1: Security details

Charge and debenture holder	Fixed/Floating Charge	Charge/debenture dated	Charge/debenture registered
The Royal Bank of Scotland plc	Bond and Floating Charge	27 June 2007	30 June 2007
The Royal Bank of Scotland plc	Standard Security – Property at Allasdale, Nairn	15 November 2007	23 November 2007
The Royal Bank of Scotland plc	Standard Security – Land at Conon Bridge	17 July 2007	31 July 2007
The Royal Bank of Scotland plc	Standard Security – Land at Glenmoriston	19 December 2007	28 December 2007
David McAspurn	Standard Security – Property at Allasdale, Nairn	15 November 2007	21 November 2007
Bacat Holdings Limited	Standard Security – Land at Conon Bridge	18 December 2007	19 December 2007
BW and FM Sherritt Limited	Standard Security – Land at Glenmoriston	19 December 2007	28 December 2007



Incorporation

The Company was incorporated on 23 March 2007.

Company number

The Company number is SC319334.

Registered office and trading address

The Company's registered office at the date of administration was situated at:

Commercial House
2 Rubislaw Terrace
Aberdeen
AB10 1XE

As part of the Administration process, the registered office has been changed to:

c/o KPMG LLP
37 Albyn Place
Aberdeen
AB10 1JB

The Company traded from the directors residential premises at:

Napier
Sea Bank Road
Nairn
IV12 4HA

Directors

The director at the date of our appointment was:

Ian Sutherland McCook Appointed 27 March 2007

There were no other directors in the three year period prior to our appointment.

Company secretary

The Company secretary at the date of our appointment was:

CLP Secretaries Limited Appointed 27 March 2007

There were no other Company secretaries in the three year period prior to our appointment.



Share capital

The authorised share capital is 10,000 Ordinary Shares of £1 each.

The issued and called up share capital is 300 Ordinary Shares of £1 each. The principal shareholders are set out in Figure 2, below.

Figure 2: Principal shareholders

	Number
Ian Sutherland McCook	300
	<hr/> 300
	<hr/> <hr/>
<i>Source: Companies House</i>	

Auditors/reporting accountants

The reporting accountants were Morris & Young, Chartered Accountants, 6 Atholl Crescent, Perth, PH1 5JN.

Financial information

Summaries of the Company's most recent available financial information are set out at Figures 3 and 4 below.



*Craignapier Ventures Limited
(in administration)
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KPMG LLP
10 October 2012*

Figure 3: Profit and loss account

	Year to 31 March 2009 £000 (Unaudited)	Year to 31 March 2008 £000 (Unaudited)
Turnover	227,750	-
Cost of sales	(212,588)	-
Gross profit	15,162	-
Administrative expenses	(1,826)	(5,245)
Other operating income	-	115
Operating profit/(loss)	13,336	(5,130)
Other interest receivable and similar income	2	2
Interest payable and similar charges	(22,501)	(13,704)
Loss on ordinary activities before taxation	(9,163)	(18,832)
Net profit / (loss)	(9,163)	(18,832)
<i>Source: Companies House</i>		

Figure 4: Balance sheets

	As at 31 March 2009 £ (Unaudited)	As at 31 March 2008 £ (Unaudited)
Current assets		
Stock	371,118	543,863
Debtors	-	111
Cash at Bank	-	69
	<hr/>	<hr/>
	371,118	544,043
Creditors: Amounts falling due within one year	(398,815)	(562,575)
	<hr/>	<hr/>
Net Liabilities	(27,697)	(18,532)
	<hr/>	<hr/>
Capital and Reserves		
Called up share capital	300	300
Profit and loss account	(27,997)	(18,832)
	<hr/>	<hr/>
Shareholders' deficit	(27,697)	(18,532)
	<hr/>	<hr/>
<i>Source: Companies House</i>		

Note:

The accounts available do not contain any further information regarding any director's remuneration or dividends paid. We are not in receipt of up to date financial information for the Company.

We also note that there is a small discrepancy in the net profit figure for the year to 31 March 2009; the profit and loss account shows £9,163, however, as per the balance sheet movement, it would appear to be £9,165.

Appendix 2

Estimated statement of affairs

	Book Value		Estimated to Realise
	£	£	£
Assets			
Property at Nairn	175,000		Unknown
Plot at Nairn	40,000		Unknown
Plot 1 at Glenmoriston	30,000		Unknown
Plot 2 at Glenmoriston	30,000		Unknown
Plot at Conon Bridge	30,000		Unknown
Less: standard security held by RBS	(432,000)	(127,000)	Unknown
Funds available to unsecured creditors			Unknown
Unsecured creditors			
HM Revenue & Customs		(9,269)	(9,269)
Other creditors		Unknown	Unknown
Estimated shortfall to unsecured creditors			Unknown
Issued and called up share capital			300
Estimated shortfall to shareholder			Unknown

Source: Information available to the Joint Administrators

Notes

Assets

- The figures provided for the property and plots represent the prices at which they are currently being marketed for sale. It is not appropriate for commercial reasons to include an estimated to realise figure at this time.

Preferential Creditors

- The director has advised that there were no employees during the period that the Company traded.
- I am not aware of any other creditors that may have a preferential claim in the Administration.



Unsecured Creditors

4. The balance detailed above in respect of the Company's unsecured creditors, is based on information received from creditors since the date of appointment. I am not in receipt of any information regarding the Company's unsecured creditors from the director.

Other Matters

6. The Joint Administrators have not carried out any audit or review of the Company's books and records.
7. The above does not take into account the costs of asset realisation, or the costs of the Administration.
8. The inclusion of any sum in the estimated Statement of Affairs is not confirmation of the Company's liability. All claims would be adjudicated upon in due course, should sufficient funds be available for distribution.



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Appendix 3

Receipts and payments account

Craignapier Ventures Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 16/08/2012 To 08/10/2012	From 16/08/2012 To 08/10/2012
	<u>NIL</u>	<u>NIL</u>
REPRESENTED BY		<u>NIL</u>