

The Insolvency Act 1986

Administrator's progress report

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

Name of Company	Company number
Park Caledonia Associates Limited	SC144303

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

We (a)

Matthew Haw
Baker Tilly Restructuring and Recovery
LLP
25 Farringdon Street
London EC4A 4AB

Keith Anderson
Baker Tilly Restructuring and Recovery
LLP
First Floor, Quay 2
139 Fountainbridge
Edinburgh EH3 9QG

(b) Insert dates

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

From

(b) 3 August 2011

to

(b) 2 February 2012

Signed

Matthew Haw
Joint Administrators

Dated

14 February 2012

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

Benjamin Dymant

Baker Tilly Restructuring and Recovery LLP, 25 Farringdon Street, London EC4A 4AB

Tel: 0203 201 8000

DX Number: 1040

DX Exchange: Chancery Lane

SATURDAY



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18/02/2012

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COMPANIES HOUSE

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

Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF
135 Edinburgh / LP 4 Edinburgh-2

PARK CALEDONIA ASSOCIATES LIMITED IN ADMINISTRATION

JOINT ADMINISTRATORS' PROGRESS REPORT

14 FEBRUARY 2012

1. PURPOSE OF REPORT

This report is prepared pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986 (as amended). The purpose of the report is to provide creditors with information relating to the progress of the administration from 3 August 2011 to 2 February 2012.

2. JOINT ADMINISTRATORS' APPOINTMENT

Matthew Haw of Baker Tilly Restructuring and Recovery LLP, 25 Farringdon Street, London EC4A 4AB and Keith Anderson of Baker Tilly Restructuring and Recovery LLP, 1st Floor, Quay 2, 139 Fountainbridge, Edinburgh EH3 9QG were appointed Joint Administrators ("Administrators") of Park Caledonia Associates Limited ("PCA" or "the Company") on 3 August 2011 by the qualifying floating chargeholder, Clydesdale Bank Plc ("the Bank"), 30 St Vincent Place, Glasgow G1 2HL.

The notice of appointment was filed in the Court of Session in Edinburgh under reference number P845/11.

The Administrators' appointment specified that they would have power to act jointly and severally. The Administrators have exercised and will continue to exercise all of their functions jointly and severally as stated in the notice of appointment.

3. COMPANY DETAILS

The registered number of the company is SC144303

Please note that the Registered Office of the Company was changed to c/o Baker Tilly Restructuring and Recovery LLP, 1st Floor Quay 2, 139 Fountainbridge, Edinburgh EH3 9QG on 9 September 2011.

4. RECEIPTS AND PAYMENTS SUMMARY

We attach as Appendix A receipts and payments summary for the period from 3 August 2011 to 2 February 2012.

VAT Basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue & Customs shown separately.

Prescribed Part

There have been no payments to unsecured creditors in relation to the Prescribed Part (Section 176A of the Insolvency Act 1986 (as amended) 'the Act').

5. DIVIDEND PROSPECTS FOR CREDITORS

Secured Creditor

The Bank had an outstanding debt on appointment of £132,277.39.

To date, there have been no distributions to the Bank from the Administration. We will continue to liaise with the Bank in relation to the future dividend prospects.

Preferential Creditors

All necessary documentation has been filed with the Redundancy Payments Office ("RPO") in respect of the Company's former employees. We understand that those qualifying employees have now received payments in respect of outstanding holiday pay and unpaid wages accruing as a consequence of the termination of their contracts of employment.

Due to the ongoing collection of the commissions (see section 6, below), we cannot as yet confirm whether a dividend will be declared to the preferential creditors.

Unsecured Creditors

The Statement of Affairs estimates that unsecured creditor claims are in the sum of £1,473,171 (including contingent claims of £525,125 which may or may not crystallise).

I would reiterate that the value at which creditors' claims are stated in the Statement of Affairs are, as is required by legislation, those which are reflected in the books and records of the Company and it is our view that some balances may not be wholly correct.

We have, in one particular instance, received an unsecured claim which greatly exceeds the corresponding liability detailed on the Statement of Affairs. However, given that we do not anticipate a distribution to the unsecured creditors, we have not adjudicated the claim.

At this time we do not anticipate a dividend to unsecured creditors.

Prescribed Part

The "Prescribed Part" is a proportion of a company's "net property" calculated by statutory formula and ring-fenced for the benefit of a company's unsecured creditors. "Net property" is defined as property that would otherwise be available for distribution to the holders of floating charge security.

The Prescribed Part provisions are only applicable to post 15 September 2003 charges and therefore, where funds permit, are applicable in respect of the Company.

Until we know the extent of the commission receipts, however, we cannot confirm whether a Prescribed Part distribution will be made. Furthermore, and in line with Section 176A(5) of the Act, if the qualifying sums prove to be de minimis, the Prescribed Part may not apply if the Administrators apply to the Court for an Order under this subsection on the grounds that the cost of making a distribution to unsecured creditors would be disproportionate to the benefits and the Court agrees.

6. CONDUCT OF THE ADMINISTRATION

Commissions

As previously advised, the Administrators entered into an agreement with Phoenix Financial Advisers Ltd ("Phoenix"), an independent third party registered with the FSA, under which Phoenix have been sold the right to collect the commissions due to the Company. In accordance with the agreement, Phoenix will share the revenues with the Administrators on a formula basis, with 80% of the commissions being paid to the Administrators and the remaining 20% retained by Phoenix. The agreement will last 3 years.

Without this agreement the Administrators would have been unable to realise the benefit of this income stream owing to the fact that the Company's FSA approval had been withdrawn.

It remains too early to predict the level of revenues to be earned under the above income sharing arrangement. That said, I can confirm that Phoenix paid the sum of £30,000 to the Administrators at the outset of the agreement. Such an up-front payment was requested in order to provide a degree of certainty, however, Phoenix will retain the first £30,000 collected in lieu of this payment. To date, Phoenix has retained £17,245.

Cash on Hand at Appointment

Cash held by the previous nominee Administrator in the sum of £1,465.28 has been realised.

Motor Vehicles

As previously advised, the Company's motor vehicles were sold and the finance repaid leaving a surplus of £709.70 for the benefit of the Administration estate.

7. ASSETS REMAINING TO BE REALISED

Other than the ongoing commissions (described above), we are not aware of any other assets belonging to the Company that have not already been realised.

8. JOINT ADMINISTRATORS' PROPOSALS

The Joint Administrators' Proposals were approved by a resolution of the creditors. The Proposals can be summarised as follows:

- 8.1 The Administrators should consider and pursue the most appropriate alternative method of realising the assets for the benefit of the creditors.
- 8.2 The Administrators should arrange to distribute available funds from the realised assets to those creditors entitled to them in such manner as they consider will lead to an early distribution of the available assets in an economic manner.
- 8.3 The Administrators be authorised to make such application to Court for directions as they consider appropriate with a view to achieving the purposes of the administration or their Proposals.
- 8.4 The Administrators conclude the administration when all the property and assets have been realised and distributed (after costs).
- 8.5 Unless otherwise deemed appropriate (see below), to exit the Administration by way of Dissolution in accordance with Paragraph 84(1) of Schedule B1 to the Act.
- 8.6 To apply to Court in order to request a 36 month extension (bringing the administration to 48 months in length) to the administration or such a period as the Administrators see fit (i.e. in order to facilitate the realisation of commissions).
- 8.7 In the event that it is deemed appropriate to do so, to apply to Court (at such time as the application for extension is made) to seek approval for the distribution of the Prescribed Part during the Administration.
- 8.8 Notwithstanding the aforementioned, if circumstances arise which suggest that it may be more appropriate to exit Administration via a Creditors' Voluntary Liquidation, the Administrators propose to proceed in accordance with 8.8 below.
- 8.9 In the event that it is deemed appropriate to proceed to Creditors' Voluntary Liquidation, it is proposed that Matthew Haw of Baker Tilly Restructuring and Recovery LLP 25 Farringdon Street London EC4A 4AB and Keith Anderson of Baker Tilly Restructuring and Recovery LLP 1st Floor Quay 2 Fountainbridge, Edinburgh EH3 9QG be appointed as Joint Liquidators.

- 8.10 To seek a resolution from the secured and preferential creditors, as appropriate, for discharge from liability in respect of any action of ours as Administrators. This would take effect immediately following our cessation to act as Administrators.

9. EXTENSION OF THE ADMINISTRATION

To date, there have been no extensions of the administration.

Due to the uncertainties surrounding the commission receipts we cannot be certain as to the future extensions that will be required, however to be prudent the Administrators are looking to pass the following resolution:

“That the Administration of the Company be extended by consent of the secured and preferential creditors for the period of 6 months from 4 August 2012 to 3 February 2013, by consent of the secured and preferential creditors, further to Paragraphs 76(2)(b), 78(2)(a)&(b) of Schedule B1 of the Act.”

10. JOINT ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Time costs and fees drawn to date

The basis of the Joint Administrators' remuneration has yet to be agreed, however, Rule 2.39 of The Insolvency (Scotland) Rules 1986 prescribes that the Administrators must seek such approval within two weeks of the end of an accounting period.

Paragraph 58 of Schedule B1 to the Act provides that we may conduct the meeting (to approve our fees) by correspondence. As such, the Administrators will now engage with the secured creditor and preferential creditors in order to seek such approval.

Attached are the following:

- Appendix B: Time and charge out summary;
- Appendix C: Charge out bands and disbursement rates;
- Appendix D: Summary of payments to Joint Administrators and associated parties; and
- Appendix E: Baker Tilly Restructuring and Recovery LLP charging, expenses and disbursements policy statement.

A total of 193.60 hours have been spent by our staff in the administration of the estate from the date of appointment to 2 February 2012 at an average hourly charge out rate of £225.36.

Analysis of time spent in administration of the estate

Our staff have carried out the following tasks:

a) Administration and Planning

This includes dealing with the commencement of the administration, statutory filing of appointment documents with Companies' House, requesting the submission of the Statement of Affairs and filing it at Companies' House, together with day-to-day administration duties. These include but are not limited to: handling receipts and payments; VAT and corporation tax issues; pension queries and general correspondence.

b) Realisation of Assets

Our staff have been employed on various matters, including the sale of the Company's motor vehicles and the realisation of the commission book. In relation to the commissions, work completed has included negotiating the terms of the agreement and agreeing the sale documents.

c) Creditors

Queries from and correspondence with creditors and employees have been necessary aspects of the administration process. The preparation of the Joint Administrators' proposals and this 6 monthly progress report has been undertaken including the attendant aspects of providing and obtaining the required information.

d) Investigation into the affairs of the Company

In accordance with our statutory obligations under the Company Directors' Disqualification Act 1986, we have filed the appropriate documentation with the Department of Business, Enterprise & Regulatory Reform.

Joint Administrators' disbursements

The basis of the Joint Administrators' disbursements has yet to be agreed.



Matthew Haw

Baker Tilly Restructuring and Recovery LLP
Joint Administrator

Matthew Haw is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants in England and Wales

Keith Anderson is licensed to act as an Insolvency Practitioner in the UK by the Institute of Chartered Accountants of Scotland

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

Receipts and Payments Abstract - Park Caledonia Associates Limited In Administration
3 August 2011 to 2 February 2012

SOA Value £		£	£
FINANCE AND HIRE PURCHASE AGREEMENTS			
16,670.00	Leased Assets	16,500.00	
(15,790.30)	Leased Assets (Amounts Owing)	0.00	
880.00	Leased Assets Control	0.00	
0.00	Payout on Lease or Finance	(15,790.30)	
			709.70
ASSET REALISATIONS			
0.00	Bank Interest Gross	8.08	
0.00	Cash on Hand	1,465.28	
	Commission Share Agreement	30,000.00	
163,100.00	Commissions Received	3,975.12	
			35,448.48
COST OF REALISATIONS			
0.00	Bank Charges	(24.00)	
0.00	Commissions (to phoenix)	(2,104.09)	
0.00	Statutory Advertising	(139.50)	
			(2,267.59)
PREFERENTIAL CREDITORS			
(2,533.88)	Holiday Pay	0.00	
(1,300.39)	Wages	0.00	
			0.00
UNSECURED CREDITORS			
(677,617.00)	Associated Creditors	0.00	
(46,689.20)	Employees	0.00	
(223,641.68)	Trade and Expense Creditors	0.00	
			0.00
(786,922.45)			33,890.64
REPRESENTED BY			
	Bank - Floating (Clydesdale)	33,862.74	
	VAT Receivable (Payable)	27.90	
			33,890.64
			33,890.64

Park Caledonia Associates Limited

Joint Administrators' Time Cost Analysis For the Period 3 August 2011 to 2 February 2012

HOURS SPENT	Partners	Managers	Administrators	Assistants	Total Hours	Total Time Costs	Average rates
Administration and Planning							
Appointment	0.0	0.4	21.4	0.0	21.8	£3,924.00	£180.00
Background information	0.0	0.1	1.4	0.0	1.5	£270.00	£180.00
Case Management	0.5	0.5	8.7	2.9	12.6	£2,162.00	£171.59
Pension Scheme	0.0	0.0	0.8	0.0	0.8	£144.00	£180.00
Post-appointment - general	0.0	8.5	4.4	0.0	12.9	£3,421.00	£265.19
Post-appointment taxation	0.0	0.3	1.4	0.0	1.7	£327.00	£192.35
Pre-appointment matters	1.0	0.8	4.5	0.0	6.3	£1,533.00	£243.33
Receipts and Payments	0.0	0.0	17.0	0.0	17.0	£2,692.50	£158.13
Shareholders/Director/Debtor/ Bkpt	0.0	0.3	2.7	0.0	3.0	£561.00	£187.00
Shareholders/Director/Debtor/Bkpt	0.2	0.0	0.0	0.0	0.2	£97.00	£485.00
Statement of Affairs	0.2	3.2	1.3	0.0	4.7	£1,131.00	£240.64
Unsecured Creditors	0.0	0.2	0.0	0.0	0.2	£36.00	£180.00
Totals	1.9	14.3	63.4	2.9	82.7	£16,298.50	£197.12
Investigations							
Investigations/CDDA	1.5	2.2	7.1	0.0	10.8	£2,555.50	£238.62
Totals	1.5	2.2	7.1	0.0	10.8	£2,555.50	£238.62
Realisation of Assets							
Assets - general/other	0.0	5.6	6.3	0.0	11.9	£2,534.00	£212.94
Debtors & sales finance	0.2	11.7	1.7	0.0	13.6	£4,120.50	£260.64
HP/Leasing creditors	0.0	0.8	1.1	0.0	1.9	£492.00	£258.95
ROT/Third Party Assets	0.0	0.4	0.0	0.0	0.4	£100.00	£250.00
Unsecured Creditors	0.0	0.2	0.0	0.0	0.2	£50.00	£250.00
Totals	0.2	18.7	9.1	0.0	28.0	£7,296.50	£260.59
Creditors							
1st creditors/shareholders meetings and reports	6.8	5.7	16.6	0.0	29.1	£7,396.50	£254.18
Appointment	0.0	0.0	2.0	0.0	2.0	£360.00	£180.00
Employees	0.0	7.8	1.8	0.0	9.6	£1,843.00	£191.98
Legal Matters	0.0	0.0	0.2	0.0	0.2	£36.00	£180.00
Other Creditor Meetings and Reports	0.0	0.3	0.0	0.0	0.3	£75.00	£250.00
Secured Creditors	0.3	4.7	0.0	0.0	5.0	£1,579.00	£315.80
Unsecured Creditors	3.5	5.2	3.3	0.0	12.0	£3,591.50	£299.29
Totals	10.6	23.7	23.9	0.0	58.2	£14,881.00	£255.69
Case Specific Matters							
Legal Matters	0.0	1.3	10.6	0.0	11.9	£2,233.00	£187.65
Major Issues - Employees	0.0	1.0	1.0	0.0	2.0	£365.00	£182.50
Totals	0.0	2.3	11.6	0.0	13.9	£2,598.00	£186.91
TOTAL HOURS	14.2	61.2	115.1	2.9	193.6	£43,629.50	£225.36
TOTAL TIME COST	£6,617.00	£16,346.50	£20,361.50	£304.50		£43,629.50	

Appendix C

BAKER TILLY RESTRUCTURING AND RECOVERY LLP CURRENT CHARGE OUT AND DISBURSEMENT RATES

CHARGE OUT RATES		
	Rate at commencement £	Current rate £
Partner	400-485	400-485
Manager	200-400	200-400
Administrator	105-185	105-185
Support staff	105	105

It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it. Baker Tilly Restructuring and Recovery LLP's charge out rates are reviewed periodically.

"CATEGORY 2" DISBURSEMENTS

"Category 2" disbursements will be recovered, where funds are available, at the following rates as set out in the body of the report.

"CATEGORY 2" DISBURSEMENT RATES (TABLE A)	
Travel & Subsistence	
Motor travel	40p per mile (from 1 April 2010)
Subsistence	£23
Circulars to Members / Creditors	
Labels	£ 0.16 (BT) or £0.01 (avery plain – 7163) each
Headed paper	£ 0.08 per sheet
Plain paper (continuation)	£ 0.08 per sheet
Large envelopes	£ 0.22 each
Small envelopes	£ 0.08 each
Photocopying charge	£ 0.04 (b&w) £ 0.20 (colour) per sheet
Stationery	
Lever arch files	£ 0.75 per file
Cashiering files	£ 0.75 per file
A-Z dividers	£1.75 per set
1-31 dividers	£2.88 per set
Coloured dividers (5 part)	£0.49 per set
Coloured dividers (10 part)	£0.99 per set
Multi-punch pockets	£0.03 per pocket
Storage boxes	£1.50 per box

Sundry	
Faxes	N/a
Internal room hire (for meetings)	£50-200 dependent on room

Appendix D

BAKER TILLY RESTRUCTURING AND RECOVERY LLP JOINT ADMINISTRATORS' CATEGORY 2 DISBURSEMENTS TABLE

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest			
Recipient, Type and Purpose	Category	Paid	Unpaid
		£	£
Total		Nil	Nil

Appendix E

BAKER TILLY RESTRUCTURING AND RECOVERY LLP

CHARGING, EXPENSES AND DISBURSEMENTS POLICY STATEMENT

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done
- The current charge rates for Baker Tilly Restructuring and Recovery LLP London are attached
- Time billed is subject to Value Added Tax at the applicable rate.
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.
- BAKER TILLY RESTRUCTURING AND RECOVERY LLP's charge out rates are reviewed periodically.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to creditors, but do not require creditors' approval prior to being drawn from the insolvency estate. These are known as "Category 1" disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) require the approval of creditors prior to being drawn from the insolvency estate. These are known as "Category 2" disbursements.
- A resolution to consider approving "Category 2" disbursements at the rates prevailing at the time the cost is incurred to Baker Tilly Restructuring and Recovery LLP London will be proposed to creditors' in general meeting
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of creditors.

- Where applicable, expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate.