



Our Ref AGW/ZLC/KLM/JET/M97008/

To the creditors and members

21 April 2016

Dear Sirs

**Recovery and Reorganisation**

**Grant Thornton UK LLP**  
4 Hardman Square  
Spinningfields  
Manchester M3 3EB

T +44 (0)161 953 6900  
F +44 (0)161 953 6317  
grantthornton.co.uk

**Mustang Marine (Wales) Limited - In Liquidation (the Company)**

**1 Introduction**

1.1 Following my appointment as joint liquidator of the above Company with Nigel Morrison on 27 February 2015, in accordance with section 104A of the Insolvency Act 1986 I now report on the progress of the liquidation for the year ended 26 February 2016 and attach

- Appendix A, an account of our receipts and payments for the year ended 26 February 2016 and also for the whole liquidation to date
- Appendix B, a statement of the remuneration charged by the joint liquidators in the period 27 February 2015 to 26 February 2016 and a statement of expenses incurred in the period
- Appendix C, an analysis of time costs as required by Statement of Insolvency Practice 9
- Appendix D, an extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator (rule 4.49E)
- Appendix E, an extract from the Insolvency Rules 1986 relating to creditors' rights to challenge the liquidator's remuneration or expenses if excessive (rule 4.131)

1.2 Please note that we are both authorised by the Insolvency Practitioners Association to act as insolvency practitioners

**2 Statutory information**

2.1 The Company's statutory details are as follows

Registered number 03086721

Registered office Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB

**3 Progress report**

**Realisation of assets during the Administration**

3.1 Prior to our appointment as joint liquidators of the Company, Nigel Morrison and I were appointed as joint administrators on 3 March 2014. As administrators, we applied to the court to wind up the Company, and we were subsequently appointed as joint liquidators on 26 February 2015.

3.2 As detailed in our proposal report of 16 April 2014, the decision was made to trade the Company following Administration in order to complete and realise work in progress and

**Chartered Accountants**

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales. No. 0C307742. Registered office: Grant Thornton House. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. A list of personnel performing insolvency practitioner duties and of their respective authorising bodies may be inspected at the above address. Please see grantthornton.co.uk for further information.

TUESDAY



\*Q55PWW4X\*

QIQ

26/04/2016

#63

COMPANIES HOUSE

allow time to sell the two sites at Pembroke Dock and Milford Haven as going concerns. We considered that the alternative to trading, being cessation of trade, would impact adversely on the value of the assets.

- 3.3 The realisations during the administration were

	£'000
Pembroke Dock business and assets	250
Milford Haven business and assets	90
Dry Dock blocks and submersible pump	67
"Lilah" vessel	10
Vehicles at Dry Dock	1
Cougar Marine Intellectual Property	35
Debtors and retentions	87
Cash at bank	252
	<u>792</u>

- 3.4 A trading contribution was generated of £457,000 during the three months trading following Administration and is summarised as follows

	£'000	£'000
Trading sales		1,271
Cost of sales		
Purchases	(382)	
Craigdam Services Limited	(126)	
Direct labour	<u>(306)</u>	<u>(814)</u>
Trading contribution		457

- 3.5 As reported in the Administration, the creditors committee requested that we investigate certain matters brought up by the creditors at the committee meeting.
- 3.6 The Administration was converted to Liquidation to continue investigations and collection of book debts and retentions, however it was concluded there were no further matters to be investigated.

#### **Progress of the Liquidation**

- 3.7 Asset realisations and payments to date are detailed in the attached receipts and payments account at Appendix A.
- 3.8 Surplus funds from the administration of £31,413 were transferred to the Liquidation.
- 3.9 Craigdam Services Limited (Craigdam) assisted in the collection of book debts and retentions, which realised £12,520 and £43,082 during the Liquidation, respectively. This debt collection has now completed.

## **Liabilities**

### **Secured creditors**

- 3 10 The first secured creditor, HSBC Bank Plc (the Bank), was secured by way of a debenture (dated November 1999) incorporating fixed and floating charges. Following a sale of the business assets at Pembroke Dock and Milford Haven, the Bank's indebtedness of £300,675 (inclusive of accrued interest and charges arising since administration) was settled in full.
- 3 11 The second secured creditor, Huw Thomas Lewis, is secured by way of a debenture (dated April 2012) incorporating fixed and floating charges and is owed £296,719. Based upon realisations and costs to date, we do not anticipate that there will be a recovery for the second secured creditor.
- 3 12 As referred to in our Administrators' proposal report dated 16 April 2014, Milford Haven Port Authority (MHPA) also had a debenture (dated April 2012) incorporating fixed and floating charges in respect of a loan of £1 million. The loan was never made to the Company and, following the administration of the Company, the debenture was removed.

### **Preferential creditors**

- 3 13 There are no remaining preferential creditors as they were paid in full in the Administration.

### **Unsecured creditors**

- 3 14 I do not anticipate that there will be a distribution to the unsecured creditors of the Company.

## **4 Joint liquidators' remuneration and expenses**

- 4 1 On 29 May 2014, the creditors committee resolved that we draw our administrators' remuneration by reference to our time costs.
- 4 2 Administrator fees of £28,000 have been drawn in the liquidation period.
- 4 3 Pursuant to rule 4.127(5A) of the Insolvency Rules 1986, this basis applies also in the liquidation.
- 4 4 You will note from the SIP 9 table attached at Appendix C that our time costs to date are £39,371 and from the receipts and payments account attached at Appendix A, that we have not yet drawn any fees in respect of the liquidation.
- 4 5 Time is charged in units of 6 minutes. Background information regarding the fees of liquidators can be found at [https://www.r3.org.uk/media/documents/publications/professional/Guide\\_to\\_Liquidators\\_Fees\\_Oct\\_2015.pdf](https://www.r3.org.uk/media/documents/publications/professional/Guide_to_Liquidators_Fees_Oct_2015.pdf). Alternatively I will supply this information by post on request.
- 4 6 In addition, we have incurred expenses of £209, which have not yet been drawn.

## **5 Cessation to act as Liquidators**

- 5 1 As the investigations and realisations have completed, we will now take steps to finalise the Liquidation and cease to act as Liquidators.

**6 Other expenses incurred by the joint liquidators**

6.1 Other expenses incurred by the joint liquidators are detailed in Appendix B

Yours faithfully  
for and on behalf of Mustang Marine (Wales) Limited



Alistair Wardell  
Joint Liquidator

Enc

Mustang Marine (Wales) Limited - in liquidation  
 Joint Liquidators' receipts and payments account  
 from 27 February 2015 to 26 February 2016

Receipts	Statement of Affairs (£)	Total (£)
Retentions		43,081 43
Admin/Receivers Surplus		31,412 85
Book Debts		12,519 69
Bank/ISA InterestGross		45 45
Petitioners Deposit		1,250 00
Vat Payable		2,169 28
		<hr/>
		90,478 70
		<hr/>
<b>Payments</b>		
Purchases (1)		2,750 60
Heat & Light		1,912 29
Sundry Trading Expenses		252 38
Debt Collection Fees		250 00
ISA Account Fees		88 00
DTI Cheque Fees		4 20
Petitioners Costs		2,400 00
Craigdam Services Limited		8,622 33
Administrators Fees		28,000 00
Legal Fees (1)		6,751 71
Corporation Tax		168 84
Tax on Interest		9 09
Bank Charges		23 15
Vat Receivable		9,343 38
Vat Control Account		698 49
		<hr/>
		61,274 46
<b>Balance - 26 February 2016</b>		29,204 24
		<hr/>
<b>Made up as follows</b>		
ISA		(1,238 00)
ISA Fixed Charge		30,442 24
		<hr/>
		29,204 24
		<hr/>

**B Remuneration charged and expenses incurred by the joint liquidators in the period**

	Charged/incurred in period 27/02/2015 to 26/02/2016	Cumulative charged/incurred to 26/02/2016	Of which paid to 26/02/2016
	£	£	£
<b>Joint liquidators' fees</b>			
Time costs	39,371	39,371	Nil
Expenses	209	209	Nil
<b>Other professional costs</b>			
Craigdam Services Limited	8,622	8,622	8,622
Eversheds LLP	6,752	6,752	6,752
<b>Total</b>	<b>54,954</b>	<b>54,954</b>	<b>15,374</b>

## C SIP 9 information

### Introduction

The following information is provided in connection with the liquidators' remuneration and disbursements in accordance with SIP 9

Explanation of Grant Thornton UK LLP charging and disbursement recovery policies

### Time costs

All partners and staff are charged out at hourly rates appropriate to their grade, as shown on the attached schedule. Details of the hourly charge-out rates are made available to creditors or committees at the time of fixing the basis of our fees. Support staff (ie secretaries, cashiers and filing clerks) are charged to the case for the time they work on it.

	From 01/07/10	From 01/07/11	From 01/07/12	From 01/07/13	From 01/07/14 to date
	£	£	£	£	£
Partners up to	535	560	580	600	740
Managers up to	405	425	440	455	470
Administrators up to	285	300	310	320	345
Assistants and support staff up to	195	205	210	220	230

### Disbursements

Out of pocket expenses are charged at cost and mileage is charged at standard rates. VAT is added to disbursement charges as necessary.

## Transaction period 27/02/2015 to 26/02/2016

Total fees billed to date (Time) £

# Mustang Marine (Wales) Limited - In Liquidation - M20597008 - SIP 9 TIME COST ANALYSIS

Transaction period 27/02/2015 to 26/02/2016

	Partner		Manager		Executive		Administrator		Total		Avg Hry Rate
	Hrs	£	Hrs	£	Hrs	£	Hrs	£	Hrs	£	
Administration and Planning (incl statutory reporting)	7.80	3,861.00	5.25	2,132.50	35.13	9,736.95	16.90	2,553.25	65.08	18,283.70	280.94
Chargeholders (incl bank reporting)									00		
Corporation Tax	40	298.00	8.20	3,618.00			6.70	794.00	15.30	4,708.00	307.71
Hiatus period									00		
Investigations and reports on directors					90	261.00	1.50	240.00	2.40	601.00	208.75
Legal					40	116.00			.40	116.00	290.00
PAYE and VAT			6.25	2,662.50	5.65	1,638.50	3.25	496.00	15.15	4,797.00	316.63
Pensions							20	31.00	20	31.00	165.00
Preferential creditors									00		
Realisation of Assets Debtors					36.60	10,614.00			36.60	10,614.00	290.00
Realisation of Assets Other assets									00		
Realisation of Assets Property plant vehicles etc (incl HP leasing and third party)									00		
Realisation of Assets Stock and WIP (incl ROT)									00		
Sale of business									00		
Trading									00		
Unsecured creditors					80	232.00	65	88.00	1.45	320.00	220.69
Total	8.20	4,157.00	19.70	8,413.00	79.48	22,598.45	29.20	4,202.25	136.58	39,370.70	288.26

Total fees billed to date (Time) · £

## Mustang Marine Wales Limited - In Liquidation

Costs incurred in the period 27 February 2015 to 26 February 2016

TASKS	Incurred to date		
	Av Hrlly Rate	Hrs	£
<b>STATUTORY AND ADMINISTRATIVE TASKS</b>	<b>281</b>	<b>65</b>	<b>18,400</b>
Appointment notification			
File reviews			
Bank account administration (treasury)			
Maintenance of records			
<b>REALISATION OF ASSETS</b>	<b>290</b>	<b>37</b>	<b>10,614</b>
Collection of book debts			
<b>CREDITORS</b>	<b>221</b>	<b>1</b>	<b>320</b>
Creditor correspondence			
Reviewing and logging proofs of debts			
<b>INVESTIGATION</b>	<b>209</b>	<b>2</b>	<b>501</b>
Review transactions in accordance with SIP 2			
Investigate antecedent transactions			
<b>TAXATION</b>	<b>312</b>	<b>30</b>	<b>9,505</b>
Attending to all HMRC approval matters			
Prepare and submit VAT returns			
<b>Pensions</b>	<b>155</b>	<b>0 2</b>	<b>31</b>
<b>Total costs</b>	<b>288</b>	<b>136</b>	<b>39,371</b>

**D An extract from the Insolvency Rules 1986 relating to creditors' rights to request additional information from the liquidator**

Rule 4 49E edited for application to a progress report in a creditors' voluntary liquidation

- (1) If
  - (a) within the period mentioned in paragraph (2)
    - (i) a secured creditor, or
    - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
  - (b) with the permission of the court upon an application made within the period mentioned in paragraph (2), any unsecured creditor makes a request in writing to the liquidator for further information about remuneration or expenses set out in the progress report, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of a matter which was previously included in a progress report
- (2) The period referred to in paragraph (1)(a) is 21 days of receipt of the progress report
- (3) The liquidator complies with this paragraph by either -
  - (a) providing all of the information asked for, or
  - (b) so far as the liquidator considers that
    - (i) the time or cost of preparation of the information would be excessive, or
    - (ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or
    - (iii) the liquidator is subject to an obligation of confidentiality in respect of the information,
 giving reasons for not providing all of the information
- (4) Any creditor, who need not be the same as the creditor who requested further information, may apply to the court within 21 days of -
  - (a) the giving by the liquidator of reasons for not providing all of the information asked for, or
  - (b) the expiry of the 14 days provided for in paragraph (1),
 and the court may make such order as it thinks just
- (5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 4 131(1B) by such further period as the court thinks just

**E      An extract from the Insolvency Rules 1986 relating to  
creditors' rights to challenge the liquidator's remuneration or  
expenses if excessive**

Rule 4 131

- (1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)
- (1A) Application by a creditor may be made on the grounds that -
  - (a) the remuneration charged by the liquidator,
  - (b) the basis fixed for the liquidator's remuneration under Rule 4 127, or
  - (c) expenses incurred by the liquidator,
 is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate
- (1B) The application must, subject to any order of the court under Rule 4 49E(5), be made no later than 8 weeks (or in a case falling within Rule 4 108, 4 weeks) after receipt by the applicant of the progress report or the draft report under Rule 4 49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")
- (2) The court may, if it thinks that no cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for a hearing, of which he has been given at least 5 business days' notice, but which is without notice to any other party  
If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly
- (3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it
- (4) If the court considers the application to be well-founded, it must make one or more of the following orders -
  - (a) an order reducing the amount of remuneration which the liquidator was entitled to charge
  - (b) an order fixing the basis of remuneration at a reduced rate or amount
  - (c) an order changing the basis of remuneration
  - (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation
  - (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify
 and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report
- (5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the liquidation