

## The Insolvency Act 1986

**Notice of move from administration  
to dissolution**

<b>Name of Company</b> HIC Realisations Limited (formerly Hebridean International Cruises Limited)	<b>Company number</b> 02229087
<b>In the</b> High Court of Justice, Chancery Division Companies Court <small>[full name of court]</small>	<b>Court case number</b> 13001/2009


(a) Insert name(s) and address(es) of administrator(s) I / We (a) Colin Peter Dempster and Fiona Livingstone Taylor  
Ernst & Young LLP, Ten George Street, Edinburgh, EH2 2DZ

having been appointed administrator(s) of

(b) Insert name and address of registered office of company (b) HIC Realisations Limited (formerly Hebridean International Cruises Limited)  
Ten George Street, Edinburgh, EH2 2DZ

(c) Insert date of appointment on (c) 8 April 2009 by (d) Bank of Scotland plc  
 (d) Insert name of applicant / appointor hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

I / we attach a copy of the final progress report

Signed   
 Joint / Administrator(s)

Dated 6/10/10

**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.

Alison Lennie	
Ernst & Young LLP, Ten George Street, Edinburgh, EH2 2DZ	
	Tel 0141 626 5531
DX Number	DX Exchange

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

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

TUESDAY



\*AVSOLO60\*

A50

12/10/2010

177

COMPANIES HOUSE

TO ALL KNOWN CREDITORS

7 October 2010

Ref: CPD/CR/AL  
Direct line 0141 626 5531  
Direct Fax 0141 626 5003  
Alison Lennie

Dear Sirs

**HIC Realisations Limited (formerly Hebridean International Cruises Limited) (In Administration)**

**High Court of Justice, Chancery, Number 13001/2009**

**Registered office address: 1 Bridgewater Place, Water Lane, Leeds, LS11 5QR**

I write in accordance with Rule 2.118 of The Insolvency Rules 1986 to provide you with a final report on the progress of the administration. It is my intention to apply to Registrar of Companies to have the Company dissolved. The report covers the period from 8 April 2010 to 7 October 2010 and should be read in conjunction with the Joint Administrators' Statement of Proposals dated 2 June 2009 and my Reports to Creditors of 5 November 2009 and 5 May 2010.

HIC Realisations Limited (formerly Hebridean International Cruises Limited), registered number 02229087, entered administration on 8 April 2009 and C P Dempster and F L Taylor were appointed to act as Administrators. The appointment was made by Bank of Scotland PLC under the provisions of paragraph 14 of Schedule B1 to the Insolvency Act 1986. Under the terms of the appointment, any act required or authorised to be done by the Joint Administrators can be done by either of them.

***Summary Of Progress***

On 8 April 2009, the Company operated luxury cruises around the Western Isles of Scotland aboard the Hebridean Princess. The vessel was owned by the Company's parent company, Leisure and Marine Holdings Limited ("LMH"), which also entered Administration on 8 April 2009.

As detailed in the Administrators' Proposals, on the day of our appointment, we were approached by a trade buyer to purchase the business and assets of the Company and LMH. The potential purchaser agreed to make an immediate non-refundable payment to the administrators to fund the business for a 3 week period, including the cruises of the Princess due for departure on 9 April 2009 and 16 April 2009, in return for a 2 week exclusivity period to negotiate a sale of the business and its assets.

On 22 April 2009, the Joint Administrators completed a sale of the business and assets of the Company and LMH to All Leisure Holidays Limited ("ALHL") for a total consideration of £1.41m.



Following the sale of the business and assets of the Company and LMH to ALHL, there are no further assets to realise in the Administration

### **Receipts and Payments Account**

I enclose at Appendix 1 a receipts and payments account for the period 8 April 2010 to 7 October 2010

As previously reported, certain of the costs incurred are in respect of the period that the Administrators operated the business from 8 April 2009 to 22 April 2009. As detailed in the Proposals, the purchaser, ALHL, provided non-refundable payments totalling £419,174 to enable the Company to continue to trade whilst negotiations took place. Accordingly, a trading account has been prepared to show the costs incurred during this period at Appendix 2

### **Joint Administrators' Remuneration and Disbursements**

As set out in the Proposals and detailed in our previous report, the Administrators believe that there will be no funds available to ordinary unsecured creditors. Accordingly, in terms Rule 2.106(5A)(b) of the Insolvency Rules 1986 the Administrators' remuneration shall be agreed by the Secured Creditors

Details of time spent and charge out rates have been provided to the Secured Creditors and will be made available to any other creditor upon written request to the Administrators. Our fees of £295,107 for the period of the Administration were approved by the Secured Creditors.

### **Secured Creditors**

Hebridean Cruises plc, the Company's ultimate parent company, had debts of £1,691,350 owing to Bank of Scotland plc. The Company cross guaranteed this debt and this is secured by way of a mortgage over the Princess and a debenture including a fixed and floating charge over the assets of the Company

Stonefield Castle Group Limited is owed £2m by Hebridean Cruises plc. The Company cross guaranteed this debt and this is secured by a second ranking floating charge over the assets of the Company

### **Preferential Creditors**

Unfortunately, given the significant shortfall to the Bank and as the Company has no further assets to realise, there will be no funds available for distribution to the preferential creditors

### **Non-preferential Creditors**

As previously reported, the total non-preferential claims are estimated to be in the region of £1.8m. Please note that this figure does not include customer deposits noted below

There will be insufficient property to enable a distribution to ordinary unsecured creditors

### **Customer Deposits**

The Company is not in a financial position to provide any refunds of deposits made for cruises prior to the Administration of the Company. Customer claims for the refund of deposits will therefore rank as ordinary unsecured claims in the Administration. Unfortunately, there will be insufficient property to enable a distribution in respect of customer claims.

### **The Prescribed Part**

In accordance with section 176A of the Insolvency Act 1986, no prescribed part was set aside on the basis that there are insufficient funds available for a distribution to be made to preferential and non-preferential creditors.

### **Conclusion**

I can confirm that I will submit Form 2 35(B) with Register of Companies to move the Company from Administration to Dissolution.

A copy of this Form is enclosed for your reference and as this is the final report on the Administration, I would like to thank creditors for their assistance and patience during the Administration period.

Yours faithfully  
for HIC Realisations Limited (formerly Hebridean International Cruises Limited) (In Administration)



C P Dempster  
Joint Administrator

Enc Joint Administrators' Receipts and Payments Account

The Institute of Chartered Accountants of Scotland in the UK authorises C P Dempster to act as Insolvency Practitioner under section 390(2)(a) of the Insolvency Act 1986 and The Institute of Chartered Accountants in England and Wales in the UK authorises F L Taylor to act as Insolvency Practitioner under section 390(2)(a) of the Insolvency Act 1986.

The affairs, business and property of the Company are being managed by the Joint Administrators, C P Dempster and F L Taylor, who act as agents of the Company only and without personal liability.

# Appendix 1

## HIC Realisations Limited (formerly Hebridean International Cruises Limited) (In Administration)

Joint Administrators' Abstract of Receipts and Payments from 8 April 2010 to 7 October 2010

	Notes	£	£
<b>Receipts</b>			
Brought forward		1,070,286 71	
Recoverable VAT		<u>40,897 60</u>	
			1,111,184 31
<b>Payments</b>			
Brought forward (excluding trading account)		(394,703 57)	
Loss on trading account		(436,246 20)	
Distribution to secured creditor		(170,830 12)	
Administrators' fees and expenses		(82,025 64)	
Legal fees and expenses		(24,815 93)	
Accountants' fees		(136 00)	
Haulage & storage		(2,260 37)	
Bank charges		(50 00)	
PAYE & National Insurance Contributions		<u>(116 48)</u>	
			<u>(1,111,184 31)</u>
<b>Balance</b>			<b><u>Nil</u></b>

## Appendix 2

### HIC Realisations Limited (formerly Hebridean International Cruises Limited) (In Administration)

Joint Administrators' trading account for the period 8 April 2009 to 22 April 2009

	Notes	£	£
<b>Receipts</b>			
Cruise upgrade		<u>3,047 98</u>	3,047 98
<b>Payments</b>			
Payroll costs		(133 33)	
Cruise consumables		(27,153 30)	
Cruise cash funding		(7,250 00)	
Guide fees		(3,774 10)	
Maritime creditors		(9,713 07)	
Car parking		(679 00)	
Vessel insurance		(34,213 52)	
Hire of life rafts		(1,140 00)	
Coach hire		(2,700 00)	
Fuel & oil		(15,172 08)	
Telecommunications		(1,586 57)	
Property rental		(824 65)	
Rates		317 44	
Harbour dues		(9,160 36)	
Computer equipment		(6,000 00)	
Staff salaries & expenses	1	(251,491 28)	
Vessel operational management fee	2	<u>(68,620 36)</u>	
			<u>(439,294 18)</u>
<b>Loss on trading account</b>			<b><u>(436,246.20)</u></b>

#### Notes

- 1 £46,835 37 of the staff costs represent a payment made under duress for the continued support of the employee management company, without which we would have been unable to sail the vessel
- 2 £68,620 35 of the ship management fee represents a payment made under duress for the continued support of the ship management company, without which we would have been unable to sail the vessel