

The Insolvency Act 1986

**Notice of move from administration to dissolution**

Pursuant to paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 and  
Rule 2.48(1) of the Insolvency (Scotland) Rules 1986

Name of Company

Kirkconnel Homes Ltd

Company number

SC202142

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

We Gerard Anthony Friar  
KPMG LLP  
191 West George Street  
Glasgow  
G2 2LJ

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

(b) Insert name and  
address of registered  
office of company

having been appointed administrators of (b) Kirkconnel Homes Ltd, c/o 191 West George Street, Glasgow, G2 2LJ

(c) Insert date of  
appointment

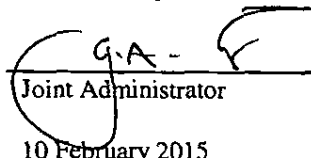
on (c) 7 April, 2014 by (d) The Directors of the Company

(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.

We attach a copy of the final progress report

Signed

  
Joint Administrator

Dated

10 February 2015

**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

Gerard Anthony Friar  
KPMG LLP  
191 West George Street  
Glasgow  
G2 2LJ

DX Number DX 551820 Glasgow 20

Tel +44 (0) 141 226 5511  
DX Exchange

SATURDAY



SCT

\*S417AU0Y\*

#113

COMPANIES HOUSE

When you have completed and signed this form, please send it to the  
Registrar of Companies at:-  
Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge,  
Edinburgh, EH3 9FF  
DXED235 Edinburgh 1 / LP- 4 Edinburgh 2



**Kirkconnel Homes Limited**  
**(in administration)**

**Joint Administrators' final progress  
report for 7 October 2014 to 6  
February 2015**

**6 February 2015**



*Kirkconnel Homes Limited  
(in administration)  
Joint administrators' final progress report to creditors  
KPMG LLP*

## **Notice to creditors**

This progress report provides a final update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since our previous progress report.

We have also explained the exit route from the administration and the outcome for each class of creditor.

You will find other important information in the document such as the costs we have incurred.

A glossary of the abbreviations used throughout this document is attached (Appendix 4).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+BE205E0322.html>. We hope this is helpful to you.

**Please also note that an important legal notice about this report is attached (Appendix 6).**



## **Contents**

|          |  |          |
|----------|--|----------|
| <b>1</b> | <b>Executive summary</b>                 | <b>1</b> |
| <b>2</b> | <b>Progress to date</b>                  | <b>1</b> |
| <b>3</b> | <b>Outcome for creditors</b>             | <b>2</b> |
| <b>4</b> | <b>Joint Administrators remuneration</b> | <b>3</b> |
| <b>5</b> | <b>Conclusion of the administration</b>  | <b>3</b> |

## **Appendices**

|          |   |
|----------|---|
| <b>1</b> | <b>Statutory information</b>                                  |
| <b>2</b> | <b>Joint Administrators' receipts and payments account</b>    |
| <b>3</b> | <b>Joint Administrators' charging and disbursement policy</b> |
| <b>4</b> | <b>Glossary</b>   |
| <b>5</b> | <b>Summary of Joint Administrators' proposals</b>             |
| <b>6</b> | <b>Notice about this report</b>                               |



## **1 Executive summary**

This final progress report covers the period from 4 August 2014 to 3 February 2015.

We have filed a copy of this final progress report with the Registrar of Companies together with the requisite form. The administration will cease to have effect when the Registrar of Companies registers these documents. The Company will be dissolved three months after that date.

Please note: you should read this progress report in conjunction with our previous progress reports which were issued to the Company's creditors.

## **2 Progress to date**

This section provides a final update on the strategy for the administration and on the progress made. It follows information provided in our previous progress report.

### **2.1 Strategy and progress to date**

At the date of our appointment the Company's only asset comprised a brownfield development site at Kirkconnel Drive, Croftfoot, Rutherglen, Glasgow ("the Property").

The Property is subject to a standard security held by Clydesdale Bank Plc ("the Bank").

Following our appointment, we appointed Savills plc ("Savills") to assist with the marketing and sale of the Property.

Following a period of marketing, the Property was sold on 1 August 2014 to Dawn Homes Limited for £275,000 plus VAT.

### **2.2 Asset Realisations**

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

#### **Investigations**

We reviewed the affairs of the Companies to find out if there were any actions that could be taken against third parties to increase recoveries for creditors.

No issues were identified.

## 2.3 Costs

Payments made in in this period are set out in the attached receipts and payments account (Appendix 2).

## 3 Outcome for creditors

### 3.1 Secured lenders

The Bank holds a standard security over the freehold property. Figure 1 below illustrates the secured lenders' indebtedness at the date of our appointment.

**Figure 1: Secured lender's indebtedness**

|                                | £000         |
|--------------------------------|--------------|
| Clydesdale Bank plc            |              |
| - the Company                  | 620          |
| - cross guarantee              | <u>4,967</u> |
|                                | <u>5,587</u> |
| <i>Source: Company records</i> |              |

In addition to its direct borrowing, the Company has guaranteed the debt due to the Bank by other associated companies, including Logangate Limited, Bathsheba Clark & Sons Limited, Bathsheba (Properties South) Limited and Braidmore Limited. BC Nimmo and GA Friar were appointed as Administrators of these companies on 4 February 2014.

During the period we have distributed £228,004.23, to the Bank, all of which relates to fixed charge realisations.

The Bank has therefore received a total sum of, £228,004.23, during the course of the administration.

### 3.2 Preferential creditors

The Company did not employ any staff and accordingly has no preferential creditors.

### 3.3 Unsecured creditors

There were insufficient funds to pay a dividend to the unsecured creditors of the company.

## **4 Joint Administrators remuneration**

During the period the secured lender and the unsecured creditors have provided approval for:

- our remuneration to be set on the basis of time properly given by us and the various grades of our staff according to the charge out rates included in Appendix 3.
- remuneration of £30,000; of this £30,000 relates to fixed charge.
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) to be charged in accordance with KPMG's policy as set out in Appendix 3.

## **5 Conclusion of the administration**

We have filed a copy of this final progress report with the Court and the Registrar of Companies together with the requisite form.

The administration will cease to have affect when the Registrar of Companies registers these documents. The Company will be dissolved three months after that date.

We were discharged from liability in respect of any action of ours as Joint Administrators on 6 February 2014.

BC Nimmo  
KPMG LLP  
191 West George Street  
Glasgow  
G2 2LJ

6 February 2014

GA Friar  
KPMG LLP  
191 West George Street  
Glasgow  
G2 2LJ

6 February 2014



*Kirkconnel Homes Limited  
(in administration)  
Joint administrators' final progress report to creditors  
KPMG LLP*

## **Appendix 1**

### **Statutory and other information**





## **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**

The Administrators were appointed by the Court of Session on 7 April 2014.

### **Incorporation**

The Company was incorporated on 6 December 1999.

### **Company number**

The Company number is SC202142.

### **Extensions to initial period of appointment**

There was no requirement for the Joint Administrators to request an extension to the original period of the administration.

### **Registered office and trading address**

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

231/ 233 St. Vincent Street  
Glasgow  
G2 5QY

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

c/o KPMG LLP  
191 West George Street  
Glasgow  
G2 2LJ



*Kirkconnel Homes Limited  
(in administration)  
Joint administrators' final progress report to creditors  
KPMG LLP*

The Company traded from premises at:

Kirkconnel Drive  
Croftfoot  
Rutherglen  
Glasgow  
G73 4QW

The other registered office during the three years prior to the date of our appointment was:

23 Royal Exchange Square  
Glasgow  
G1 3AJ



*Kirkconnel Homes Limited  
(in administration)  
Joint administrators' final progress report to creditors  
KPMG LLP*

## **Appendix 2**

**Joint Administrators' receipts and payments account for the period  
from 7 October 2014 to 6 February 2015**

**Kirkconnel Homes Ltd**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

| Statement<br>of Affairs |   | From 07/10/2014<br>To 06/02/2015 | From 07/04/2014<br>To 06/02/2015 |
|-------------------------|---|----------------------------------|----------------------------------|
|                         | <b>FIXED CHARGE ASSETS</b>              |                                  |                                  |
| 250,000.00              | Freehold property                       | NIL                              | 275,000.00                       |
|                         |   | NIL                              | 275,000.00                       |
|                         | <b>FIXED CHARGE COSTS</b>               |                                  |                                  |
|                         | Administrators' fees                    | 30,000.00                        | 30,000.00                        |
|                         | Legal fees                              | NIL                              | 7,644.90                         |
|                         | Insurance of assets                     | (291.50)                         | 185.50                           |
|                         | Agents'/Valuers' fees                   | NIL                              | 8,986.00                         |
|                         | Other                                   | NIL                              | 279.60                           |
|                         | Other property expenses                 | NIL                              | 15.00                            |
|                         |   | (29,708.50)                      | (47,111.00)                      |
|                         | <b>FIXED CHARGE CREDITORS</b>           |                                  |                                  |
| (5,586,566.00)          | Clydesdale Bank plc                     | 228,004.23                       | 228,004.23                       |
|                         |   | (228,004.23)                     | (228,004.23)                     |
|                         | <b>OTHER REALISATIONS</b>               |                                  |                                  |
|                         | Bank interest, net of tax INLCUDING FIN | 41.07                            | 144.03                           |
|                         |   | 41.07                            | 144.03                           |
|                         | <b>COST OF REALISATIONS</b>             |                                  |                                  |
|                         | Corporation tax                         | 28.80                            | 28.80                            |
|                         |   | (28.80)                          | (28.80)                          |
|                         | <b>UNSECURED CREDITORS</b>              |                                  |                                  |
| (1,401,897.00)          | Intercompany creditors                  | NIL                              | NIL                              |
|                         |   | NIL                              | NIL                              |
|                         | <b>DISTRIBUTIONS</b>                    |                                  |                                  |
| (2.00)                  | Ordinary shareholders                   | NIL                              | NIL                              |
|                         |   | NIL                              | NIL                              |
| (6,738,465.00)          |   | (257,700.46)                     | (0.00)                           |
|                         | <b>REPRESENTED BY</b>                   |                                  |                                  |
|                         |   |                                  | NIL                              |

## **Appendix 3**

### **Joint Administrators charging and disbursements policy**

#### **Joint Administrators' charging policy**

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Administrators' Remuneration Scotland" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

[https://www.r3.org.uk/media/documents/technical\\_library/SIPS/Creditors' Guide to Administrators' Remuneration Scotland.pdf](https://www.r3.org.uk/media/documents/technical_library/SIPS/Creditors' Guide to Administrators' Remuneration Scotland.pdf)

If you are unable to access this guide and would like a copy, please contact Nicole Leonard on 0141 300 5854

#### **Hourly rates**

Set out below are the relevant charge-out rates per hour worked for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Table of charge-out rates

| Grade                | From 01 Oct 2013 £/hr | From 01 Oct 2014 £/hr |
|----------------------|-----------------------|-----------------------|
| Partner              | 565                   | 595                   |
| Director             | 485                   | 535                   |
| Senior Manager       | 475                   | 485                   |
| Manager              | 385                   | 405                   |
| Senior Administrator | 265                   | 280                   |
| Administrator        | 195                   | 205                   |
| Support              | 120                   | 125                   |

#### Policy for the recovery of disbursements

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

*Category 1 disbursements:* These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

*Category 2 disbursements:* These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have not incurred any disbursements during the period.



## **Appendix 4**

### **Glossary**

|                |   |
|----------------|---|
| Act            | The Insolvency Act 1986 (as amended)                      |
| Administrators | Blair Carnegie Nimmo and Gerard Anthony Friar of KPMG LLP |
| Bank           | Clydesdale Bank plc                                       |
| Company        | Kirkconnel Homes Limited                                  |
| Court          | The Court of Session                                      |
| Director       | Annette Hunter  |
| Rules          | The Insolvency (Scotland) Rules 1986 (as amended)         |

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

## **Appendix 5**

### **Joint Administrators proposals**

- 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 Carnegie Nimmo and Gerard Anthony Friar 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 unsecured creditors (other than the prescribed part), and that there are no other outstanding matters that require to be





*Kirkconnel Homes Limited  
(in administration)  
Joint administrators' final progress report to creditors  
KPMG LLP*

dealt with in a liquidation, then the Administrators shall file the appropriate notices at Companies House and the Company will subsequently be dissolved; and

- 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).

## **Appendix 6**

### **Notice: About this report**

This report has been prepared by Blair Carnegie Nimmo and Gerard Anthony Friar, the Joint Administrators of Kirkconnel Homes Limited - in Administration ("the 'Company'") solely to comply with their statutory duty to report to creditors under the Insolvency (Scotland) Rules 1986 on the progress of the administrations, 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.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency (Scotland) Rules 1986 does so at its 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 this report to any such person.

Blair Carnegie Nimmo is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants Scotland.

Gerard Anthony Friar is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants Scotland.

The Joint Administrators act as agents for the Company 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 this report or the conduct of the administration.