

Notice of Receiver's Report

**Pursuant to Section 67(1) of the
Insolvency Act 1986**

S67(1)

(a) Insert names of
persons to whom
notice is to be
given under
Section 67(1)

To AIB
Registrar
Appointer

For Official Use

Company No

SC032434

Insert name of
Company

Name of Company

Sample plc

Insert name(s) and
address(es) of
receivers(s)

We, Robert Caven and Matthew Purdon Henderson
of Grant Thornton UK LLP, 95 Bothwell Street, Glasgow, G2 7JZ

joint receivers of the company attach a copy of our report to creditors and a
summary of the statement of affairs of the company.

Signed

Date 4 August 2005

Presenter's name,
address and
reference (if any)

ROBERT CAVEN
GRANT THORNTON UK LLP
95 BOTHWELL STREET
GLASGOW
G2 7JZ

For Official Use

Receivers Section

Post Room



SEMPLÉ PLC - IN RECEIVERSHIP

REPORT TO THE CREDITORS PURSUANT TO SECTION 67 OF THE INSOLVENCY ACT 1986

1 INTRODUCTION

- 1.1 In accordance with Section 67 of the Insolvency Act 1986 we, Robert Caven and Matthew Purdon Henderson, partners in Grant Thornton UK LLP, set out below our report to the creditors of Semple plc - in Receivership ("the Company").
- 1.2 We were appointed Joint Receivers of the Company on 6 May 2005 by Bank of Scotland ("the Bank") in accordance with the powers contained in two Bond and Floating Charges ("floating charges") created on 20 March 2000 and 6 August 2002 and registered on 27 March 2000 and 9 August 2002 respectively.
- 1.3 We were also appointed receivers of two associated companies on 6 May 2005; Semple Holdings Limited ("Holdings") and Semple Building Services (South) Limited ("BSS"). The Company, Holdings and BSS are collectively referred to in this report as "the Group".
- 1.4 A copy of this report will be presented before a meeting of the Company's creditors to be held at 11.30am on Thursday, 4 August 2005 at the offices of Grant Thornton UK LLP, 95 Bothwell Street, Glasgow, G2 7JZ.

2 STATUTORY INFORMATION

- 2.1 The Company was incorporated on 4 July 1957 (company number SC032434). The principal activity of the Company was the provision of engineering based support services to the Building Services, Construction, Security and Highways markets.
- 2.2 The Company operated from premises at 11 Fullarton Court, Drumhead Place, Cambuslang, Glasgow, G32 8EY which was also formerly the registered office of the Company. The current registered office is held at 95 Bothwell Street, Glasgow, G2 7JZ.
- 2.3 The Directors of the Company at the date of receivership were Mr Eamon James Hegarty and Mr Robert Gordon McKie. Mr Hegarty was also the Company Secretary.
- 2.4 The authorised share capital of the Company consists of 47,210,000 Ordinary shares of 10p each and 3,304,113 A Preference shares; of which 43,639,153 Ordinary shares and all A Preference shares have been issued. All of the shareholding in the Company is held by Holdings, which, as referred to above, is also in receivership.

3 FINANCIAL INFORMATION

- 3.1 The financial performance of the Company for the periods ending 30 June 2003 and 30 June 2004 can be summarised as follows:

	Year ended 30 June 2004 (Audited) £'000	Year ended 30 June 2003 (Audited) £'000
Sales	8,060	16,781
Gross profit	1,682	1,971
Overheads	3,338	6,395
Exceptional items	1,501	(345)
Operating profit/(loss)	(155)	(4,769)
Fixed Assets	1,251	1,807
Current Assets	2,165	4,246
Net Liabilities	(3,159)	(3,510)

4 HISTORY AND EVENTS LEADING UP TO THE APPOINTMENT OF JOINT RECEIVERS

- 4.1 The Company was incorporated in July 1957 and provided engineering based support services to the Building Services, Construction, Security and Highways markets.
- 4.2 Following a well publicised restructuring and downsizing exercise, the Group operated primarily in mechanical and electrical services, although there continued to be a small number of legacy contracts in former sectors such as rail and security which operated on a national basis.
- 4.3 The Group sought a merger partner which would enable it to re-establish profitability on existing operations. Unfortunately, efforts to attract a merger partner failed and attempts to secure contracts which would realign the business in the Scottish market proved fruitless.
- 4.4 Unable to generate profitable new business sufficient to cover overheads, the directors concluded that the Group could no longer sustain its losses and requested that the Bank appoint receivers of the Company

5 EVENTS FOLLOWING THE APPOINTMENT INCLUDING REALISATION OF ASSETS

- 5.1 Immediately following our appointment we reviewed the viability of the Company to determine whether the business could continue to trade. Following a detailed review of work in progress and forecasted sales, we decided to cease operations with immediate effect on all but a few service contracts. The majority of the workforce were therefore made redundant following our appointment.
- 5.2 A small number of employees were retained to service remaining contracts and to provide administrative support. The majority of retained employees were involved, either directly or indirectly, in servicing contracts where it was considered that continued operations would protect a significant debtor balance.
- 5.3 Following the successful transfer of a small number of contracts and the completion of administrative matters, the remaining employees were made redundant during the period from 11 May 2005 to 31 May 2005.
- 5.4 The principal assets of the Company consisted of contract debtor balances and office furniture and equipment. Debtor collection remains ongoing, however, to date, sums totalling approximately £180k have been ingathered.
- 5.5 The Company's tangible assets, consisting predominantly of office furniture and equipment, were sold at an auction held on 28 June 2005. The items sold produced a total net realisation of approximately £40k.

6 AMOUNTS PAYABLE TO THE FLOATING CHARGE HOLDER AND PREFERENTIAL CREDITORS

- 6.1 The Group's indebtedness to the Bank as at the date of receivership amounted to approximately £7.95m, secured by a number of floating charges granted by each of the companies in the Group.
- 6.2 It should be noted that interest and charges continue to accrue on the Bank's indebtedness.
- 6.3 There will be insufficient funds available to enable full repayment of the total sums due to the floating charge creditor.

- 6.4 From the information available from the Company's books and records, we currently estimate that the preferential creditors' claims will total approximately £61k as follows:

	£'000
Employee claims:	
Arrears of wages	22
Holiday pay	35
Pension	4
	<u>61</u>

- 6.5 The outcome for preferential creditors is dependant upon the level of realisation achieved from book debts and work in progress and is subject to the costs and expenses of the receivership.

- 6.6 However, subject to final adjudication of claims, it is expected that there will be sufficient funds available to enable the claims of the preferential creditors to be paid in full.

7 STATEMENT OF AFFAIRS AND AMOUNTS AVAILABLE TO UNSECURED CREDITORS

- 7.1 The Directors have completed and submitted a formal Statement of Affairs as at the date of our appointment, a summary of which is attached as Appendix I.
- 7.2 No provision has been made within the statement of affairs for the costs and expenses of asset realisations, including the joint receivers' costs.
- 7.3 Based upon the figures contained within the Directors' statement of affairs and the joint receivers' anticipated level of asset realisations, it is clear that only the prior ranking preferential and secured creditors will receive a distribution. **There is no prospect of sufficient funds becoming available to enable payment of a dividend to unsecured creditors.**

Robert Caven and Matthew Purdon Henderson
Joint Receivers
Grant Thornton UK LLP
95 Bothwell Street
Glasgow
G2 7JZ

STATEMENT as to affairs of the company on the 6 MAY 2005

		Estimated realisable value
		£
ASSETS		
Assets not specifically secured (as per List "A")		190,000
Assets specifically secured (as per List "B")	£	Nil
Estimated realisable value		
Less: Amount due to secured creditors		Nil
Estimated surplus		190,000
Estimated total assets available for preferential creditors, holders of floating charges and unsecured creditors		190,000
LIABILITIES		
Preferential creditors (as per List "C")		(70,000)
Estimated balance of assets available for: holders of floating charges and unsecured creditors		120,000
Holders of floating charges (as per List "D")		(7,951,000)
Estimated surplus/deficiency as regards holders of floating charges		(7,831,000)
Unsecured creditors	£	
Trade accounts (as per List "E")		(249,000)
Bills payable (as per List "F")		
Contingent or other liabilities (as per List "G")		(2,114,000)
Total unsecured creditors		(2,363,000)
Estimated surplus/deficiency as regards creditors		(10,194,000)
Issued and called-up capital		(7,668,000)
Estimated surplus/deficiency as regards members		(17,862,000)

These figures must be read subject to the following:

- i there is no unpaid capital liable to be called up*
- ii ~~the nominal amount of unpaid capital to be called up is £ _____ estimated to produce~~
~~£ _____ which is/is not charged in favour of the holder of the floating charges. * (*Delete~~
~~as appropriate)~~

The estimates are subject to expenses of the administration and to any surplus or deficiency on trading pending realisation of the assets.

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