

## The Insolvency Act 1986

**Administrator's progress report****R2.38**

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

Name of Company Kelvin Homes Limited (in administration)	Company number SC082028
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(a) Insert full name(s)  
and address(es) of  
administrator(s)

We Blair Carnegie Nimmo and Gary Steven Fraser

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

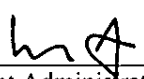
from

(b) 25 July 2011

to

(b) 24 January 2012

Signed

  
 Joint Administrator

(b) Insert dates

Dated

27/1/12

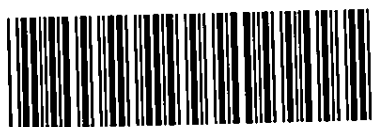
**Contact Details:**

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

KPMG LLP, 191 West George Street, Glasgow, G2 2LJ	
Tel 0141 226 5511	
DX Number	DX Exchange

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, EH3 9FF  
 DX 235 Edinburgh / LP 4 Edinburgh-2



\*S110A689\*

SCT

31/01/2012

#434

COMPANIES HOUSE

TUESDAY



**Kelvin Homes Limited  
(in administration)**

**Joint Administrators' final progress  
report to creditors pursuant to Rule  
2.42 of the Insolvency (Scotland) Rules  
1986**

**24 January 2012**

KPMG LLP

24 January 2012

*This report contains 7 Pages*

tm/nl/kelvin



## **Notice: About this Report**

This Report has been prepared by Blair C Nimmo and Gary S Fraser, the Joint Administrators of Kelvin Homes Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the administration, 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 Kelvin Homes Limited.

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 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.

The Joint Administrators act as agents for Kelvin Homes Limited and contract without personal liability.

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

Gary S Fraser is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in Scotland.

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.



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## 1 Introduction

We, Blair Carnegie Nimmo and Gary Steven Fraser of KPMG LLP were appointed as Joint Administrators of Kelvin Homes Limited ("KHL") on 25 January 2007.

We were appointed by the directors of KHL pursuant to Paragraph 22 of Schedule B1 to the Insolvency Act 1986 following the lodgement of a Notice of Appointment at the Court of Session ("the Court").

With the consent of the Court of Session the Administration was extended to 24 January 2012.

A copy of this report has been forwarded to the Registrar of Companies in Edinburgh, the Court of Session and the creditors of the Company together with Forms 2.20B and 2.21B ("the Forms"). On registration of the Forms by the Registrar of Companies, the Administration of the Company will cease with Blair Carnegie Nimmo and Gary Steven Fraser vacating office as Joint Administrators.

A copy of our final receipts and payments account is attached.

## 2 Joint Administrators' Proposals

The primary objective of the Administration was to achieve a better result for the Company's creditors as a whole than if the Company was wound up (without first being in Administration).

Below are details of the proposals previously agreed in the Administration. There have been no major amendments or deviations from the proposals.

- to continue to pursue and realise the various debts still due to the Company;
- to continue to realise the remaining assets of the Company;
- that their remuneration be based upon time costs properly incurred in the conduct of this Administration. A copy of "A creditors' guide to administrators' fees – Scotland" is attached as Appendix 4;
- to continue to do all such things reasonably expedient and generally exercise all their powers as Joint Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of the Company;
- to seek an extension of the administration period if deemed necessary by the Joint Administrators;
- that the costs of KPMG LLP in respect of tax, VAT and pension advice provided to the Joint Administrators be based upon time costs at KPMG LLP rates and shall be paid out of the assets of the Company;
- as it is anticipated that the only practicable objective of the Administration is to realise assets and to make a distribution to the preferential and secured creditors that the Joint Administrators be permitted to pay any realisations to preferential and secured creditors and then take the appropriate steps to dissolve the Company;

- alternatively, in the event that there are sufficient funds to make a distribution to unsecured creditors (or for any other reason), the Joint Administrators be permitted to move the Company from Administration to Creditors' Voluntary Liquidation, and for the appointment of Blair Carnegie Nimmo and Gary Steven Fraser as Joint Liquidators of the Company without further recourse to creditors. In accordance with Paragraph 83 (7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.47 of the Insolvency (Scotland) Amendment Rules 2003, 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;
- that the Joint Administrators be discharged at the end of the Administration from liability in respect of any action of theirs as Joint Administrators pursuant to paragraph 98 (1) of schedule B1 of the Insolvency Act 1986 immediately following the registration of the notice given pursuant to paragraph 83 of schedule B1 of the Insolvency Act 1986.

### **3 Outcome of the Administration**

#### **3.1 Sale of land and properties**

The sums realised from the sale of land and property are detailed below:

- Brabloch Park £257,639;
- Land at Dunmore £100,000;
- Land at West Linton £3,500; and
- Land at Polmont £115,000.

The land at Elderslie and Earlston was marketed for sale by Ryden, however, no interest was received. Given the lack of interest, we assessed the merits of disposing of these sites by auction. Ryden advised that the prospects of successfully selling these plots of land via auction were highly uncertain. In addition, the costs of placing the properties in auction would exceed any potential sale proceeds.

As a consequence of the above both pieces of land shall now be surrendered to the Crown upon the termination of the Administration.

#### **3.2 Plant and machinery**

We successfully realised £4,500 from the sale of the Company's plant and machinery.

#### **3.3 Contract recoveries**

The debtor collection process is now complete. With the assistance of our contract consultant, we have been successful in recovering £299,707 for the benefit of the Administration.

### **3.4 Other income**

Other income in the form of bank interest, pension refund, pre-appointment VAT refund, non-domestic rates refund, insurance refund and other miscellaneous income has been received, generating £31,104.

## **4 Cost of Realisations**

### **4.1 Joint Administrators' fees**

The time properly spent by us and our staff attending to matters in the Administration during the period 25 January 2007 to 30 November 2011 amounts to 1,786 hours at a total cost of £420,407.50, plus outlays of £1,423.65 (both exclusive of VAT). Our total fee request was restricted to £275,796.07 plus outlays of £1,423.65. Approval has been sought and granted from the secured creditor and the Creditors Committee. I confirm that all fees have now been taken.

### **4.2 Legal fees**

Legal fees of £76,014 plus VAT have been incurred and settled during the Administration.

### **4.3 Corporation tax**

A total of £1,523 has been incurred in respect of Corporation tax over the period of the Administration. HM Revenue & Customs has confirmed that there are no remaining taxation issues.

### **4.4 Other costs**

During the course of the Administration, we have paid statutory advertising, insurance costs, agents fees, non-domestic rates, bank charges, irrecoverable VAT and other miscellaneous costs totalling £120,807.

## **5 Liabilities**

### **5.1 Preferential creditors**

The Company's preferential creditors (for outstanding arrears of wages and holiday pay) were calculated at £30,974. These claims have been settled in full.

### **5.2 Secured lender**

HSBC Bank plc ("the Bank") has a fixed and floating charge over the assets of the Company.

The Bank's direct claim against KHL at the date of our appointment amounted to £2,779,953. KHL had also granted guarantees for sums due by Kelvinkit Limited, Dundas Development Company Limited and Aberlady Homes Limited to HSBC Bank plc. Taking into account the additional sums due under the cross guarantees, HSBC Bank plc's total claim against KHL at the date of appointment amounted to £5,184,664.

The Bank has received fixed charge distributions totalling £94,500 and floating charge distributions totalling of £210,411.

The Bank's floating charge was granted prior to 15 September 2003. Therefore s.176a is not applicable. Accordingly, there will be no Prescribed Part of KHL's net property available for unsecured creditors.

## **6 Final Matters**

As there are no funds available to the unsecured creditors and our duties as Administrators are now complete, the Company will be dissolved 3 months from the filing of this final report and registration of Form 2.21B (Scot) with the Registrar of Companies.

Gary Steven Fraser  
KPMG LLP  
191 West George Street  
Glasgow  
G2 2LJ

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

24 January 2012



## **Appendix 1**

### **Statutory and other information**

## **Statutory and other information**

### **Relevant court**

Notice of the appointment by directors was lodged at the Court of Session on 25 January 2007.

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

KHL's former registered office was situated at:-

Kelvin House  
87 Calder Street  
Coatbridge  
Lanarkshire  
ML5 4EY

As part of the Administration process, the registered office for KHL has been changed to:-

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

### **Company number**

The company number is SC082028.

## **Appendix 2**

### **Administrators' receipts and payments accounts**

**Kelvin Homes Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**  
**To 24/01/2012**

S of A £		£	£
	<b>FIXED CHARGE CREDITORS</b>		
	HSBC Bank plc	94,500.00	(94,500.00)
	<b>ASSET REALISATIONS</b>		
280,000.00	Brabloch Park	257,639.19	
	Land at Dunmore	100,000.00	
	Land at West Linton	3,500.00	
	Land at Polmont	115,000.00	
15,000.00	Plant & machinery	4,500.00	
500.00	Furniture & equipment	NIL	
150,000.00	Work-in-progress	NIL	
820,695.00	Book debts	299,706.92	
6,023,498.00	Loans & Advances	NIL	
250.00	Patents, trade marks, etc	NIL	
17,672.00	Invests. other than marketable secs.	NIL	
	VAT refunds (pre-app'ent)	2,784.68	
	Non-domestic rates refund	4,678.85	
	Insurance refund	421.43	
	Miscellaneous income	15,146.60	
			803,377.67
	<b>OTHER REALISATIONS</b>		
	Bank interest, gross	7,527.23	
	Bank interest, net of tax	0.72	
	Pension refund	495.46	
	Sundry refunds	50.00	
			8,073.41
	<b>COST OF REALISATIONS</b>		
	Telephone Telex/Fax	108.30	
	Petty cash	30.00	
	HPI/Leasing payments	44.70	
	Repairs & maintenance	450.00	
	Non-domestic rates	9,335.12	
	Agents'/Valuers' fees	43,307.10	
	Property agents fees	16,430.00	
	Direct labour	24,599.27	
	Specific bonds	720.00	
	Administrators' fees	275,796.07	
	Administrators' expenses	1,423.65	
	Irrecoverable VAT	2,580.33	
	Legal fees	76,014.49	
	Corporation tax	1,523.74	
	Consignment Fee	20.00	
	Property agents' commission	2,575.00	
	Re-direction of mail	232.50	
	Statutory advertising	481.95	
	Other property expenses	2,314.16	
	Insurance of assets	15,830.72	
	Wages & salaries	162.60	
	Bank charges	1,585.38	
			(475,565.08)

**Kelvin Homes Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**  
**To 24/01/2012**

S of A £		£	£
	PREFERENTIAL CREDITORS		
	Tax and NI contributions	2,951.91	
	Subrogated EP(C)A claim	20,159.67	
(50,000.00)	Salaries & wages	NIL	
	Employees' holiday and wage arrears	7,862.55	
(3,889.00)	Confs. to pension schemes	NIL	
			(30,974.13)
	FLOATING CHARGE CREDITORS		
(2,551,119.00)	HSBC Bank plc	210,411.87	
(280,000.00)	HSBC Bank plc	NIL	
			(210,411.87)
	UNSECURED CREDITORS		
(7,885,498.00)	Trade creditors	NIL	
(90,884.00)	PAYE	NIL	
			NIL
	DISTRIBUTIONS		
50,000.00	Issued & called-up capital	NIL	
			NIL
(3,503,775.00)			(0.00)
	REPRESENTED BY		
			NIL