

## Notice of Receiver's Report

**S67(1)**Pursuant to Section 67(1) of the  
Insolvency Act 1986

To The Registrar of Companies

For official use

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Company number

135948

Name of Company

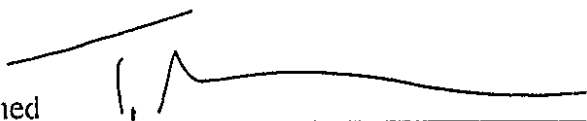
George Thomson Brakeways Limited

/We Thomas Campbell MacLennan  
of 1 Royal Terrace  
EDINBURGH  
EH7 5AD

Thomas Dyer  
1 Royal Terrace  
Edinburgh  
EH7 5AD

receiver(s) of the company attach a copy of my/our report to creditors and a summary of the  
statement of affairs of the company.

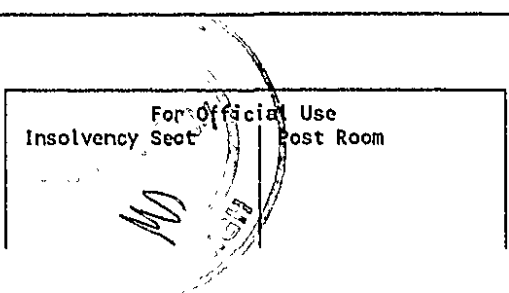
Signed



Date 24 March 1994

Thomas Campbell MacLennan  
Scott Oswald & Co  
1 Royal Terrace  
EDINBURGH  
EH7 5AD

For Official Use  
Insolvency Sect Post Room



GEORGE THOMSON BRAKEWAYS LIMITED

IN RECEIVERSHIP

JOINT RECEIVERS REPORT IN TERMS OF SECTION

67 OF THE INSOLVENCY ACT 1986

## Introduction

Thomas Campbell MacLennan and Thomas Dyer, both Chartered Accountants of Scott Oswald & Co, 1 Royal Terrace, Edinburgh were appointed Joint Receivers of the whole assets of George Thomson Brakeways Limited on 17th December 1993, under the terms of a Bond giving the holders a floating charge over the whole of the assets of the company.

This report has been prepared in accordance with section 67 of the Insolvency Act 1986 to be laid before a meeting of the creditors of the company to be held on 15th March 1994 at 1 Royal Terrace, Edinburgh at 10.00 a.m.

Matters which I am required to report to the creditors are as laid down in the Insolvency Act 1986 and cover the following :

- a) the events leading up to my appointment as Joint Receiver, so far as I am aware of them;
- b) the disposal of the company assets and events since my appointment;
- c) the amounts of principal and interest payable to the holder of the floating charge, by virtue of which I was appointed, and the amounts payable to preferential creditors.
- d) the amounts likely to be available for the payment of other creditors.

## Events leading up to my appointment

George Thomson Brakeways Limited ("the company") incorporated on 3rd April 1992 to acquire the business of George Thomson Holdings Limited which had been placed in receivership earlier that year. The company traded from leased premises at Abbey lane, Edinburgh and Robertson's Close, Dalkeith and from owned premises at Netherdale Industrial Estate, Galashiels. It operated as a supplier of automotive parts and electrical components for cars.

Draft audited accounts were prepared for the period ended 30th April 1993 and these showed a loss for the period of £102,812. Further losses were incurred throughout the remaining part of 1993 with the result that increasing pressure was being placed on cashflow. As a result, payment to suppliers stopped making continued trading virtually impossible.

The directors resolved to try and sell the business as a going concern but were unsuccessful in these attempts. As a result of this and increasing creditor pressure they felt they had no option but to request the bank to appoint a Receiver and I was appointed Joint Receiver on 17th December 1993.

## Disposal of assets

### Freehold Property (Galashiels)

The freehold property at Netherdale Industrial Estate, Galashiels, was sold for £50,000.

### Stock

The company's stock at the three trading locations had a book value of £160,000. Approximately 50% of this figure disappeared through a combination of retention of title claims and an overstatement of the actual stock in the company's records. The sale of the remaining stock realised some £32,500.

### Plant and Machinery/Fixtures and Fittings/Motor Vehicles

The sale of the above assets realised some £22,500

### Debtors

Book debts at the date of receivership totalled £123,800. Some £10,000 debts have been recognised as being uncollectable and in addition some £24,000 of debts were over three months old. I anticipate recoveries in respect of book debts to total approximately £84,000.

### Rental deposit

An assignation of the Abbey Lane premises has now been completed with a resultant repayment to the company of some £4,000 in respect of a rent deposit paid at the inception of the lease.

### Amounts due to Preferential and Floating Charge Creditors

#### Preferential Creditors

The claims of preferential creditors are estimated as follows :

	£000
HM Customs & Excise	20.0
Inland Revenue/DSS	15.0
Department of Employment	<u>15.0</u>
	<u>50.0</u>

The above figures are largely taken from the company's books and records and the relevant returns have still to be finalised.

### Floating Charge Creditor

The claim from the Bank of Scotland is £161,000 a proportion of which may rank preferentially. The Bank holds the sole standard security over the heritable property.

### Amounts available for other creditors

Based on the figures presented in this report there will be a full preferential dividend and a partial dividend to the floating charge creditor. There will be no dividend available for distribution to unsecured creditors.

### Statement of Affairs

Appended to this report is a summary of the Statement of Affairs prepared by the directors in accordance with Section 66 (1) of The Insolvency Act 1986. No provision has been made in this statement for the expenses of realisation or costs of the Receivership.

T C MacLennan  
Joint Receiver

Scott Oswald & Co  
Chartered Accountants  
1 Royal Terrace  
Edinburgh