

The Insolvency Act 1986

Administrator's progress report

R2.38

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

Name of Company Best Braehead (Development) Limited	Company number SC298070
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(a) Insert full name(s)
and address(es) of
administrator(s)

We, BC Nimmo and GA Friar of KPMG LLP, 191, West George Street, Glasgow, G2 2LJ

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

from

(b) 8 January 2013

to

(b) 7 July 2013

(b) Insert dates

Signed

Joint Administrator

Dated 8 July 2013

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

Tracey Milne

KPMG LLP, 191 West George Street, Glasgow, G2 2LJ

Tel 0141 300 5567

DX Number

DX Exchange

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

Companies House 4th Floor Edinburgh Quay 139 Fountainbridge Edinburgh EH3 9FF
235 Edinburgh / LP 4 Edinburgh-2

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COMPANIES HOUSE



**Best Braehead Development Company Limited
(in administration)**

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

7 July 2013

KPMG LLP

7 July 2013

This report contains 6 Pages

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*Best Braehead Development Company Limited
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*Joint Administrators' final progress report to creditors pursuant to Rule 2.42 of
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KPMG LLP

7 July 2013

Notice: About this Report

This Report has been prepared by Blair Carnegie Nimmo and Gerard Anthony Friar the Joint Administrators of Best Braehead Development Company Limited, solely to comply with their statutory duty to report to creditors under the Insolvency (Scotland) 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 Best Braehead Development Company Limited.

Any estimated outcome for creditors included in this Report is 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.

The affairs, property and business of Best Braehead Development Company Limited are being managed by the Joint Administrators.

Blair Carnegie Nimmo and Gerard Anthony Friar are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland.

The Joint Administrators act as agents for Best Braehead Development Company Limited 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.



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KPMG LLP
7 July 2013*

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1 Introduction

We, Blair Carnegie Nimmo and Gerard Anthony Friar of KPMG LLP, were appointed Joint Administrators of Best Braehead Development Company Limited ("the Company") on 8 January 2010, and, in terms of Rule 2.42 of the Insolvency (Scotland) Rules 1986, provide our Final Progress Report to Creditors for the period 8 January 2013 to 7 July 2013.

We were appointed following a petition submitted to the Court of Session in Edinburgh by the Directors of the Company.

In accordance with Rule 2.42 of the Insolvency (Scotland) Rules 1986, we set out below our final progress report.

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 Gerard Anthony Friar vacating office as Joint Administrators.

Our receipts and payments account to 7 July 2013 is attached at Appendix 2.

2 Joint Administrators proposals

The original primary objective of the Administration was to realise property in order to make a distribution to one or more secured or preferential creditors.

Below are details of the proposals previously agreed in the Administration.

- 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;
- to continue, or raise, any legal actions required, provided it remains economical to do so;
- to appoint and instruct agents to assist in the valuation and management of the site;
- to appoint and instruct agents and contractors to assist in the completion of certain properties at the site if deemed cost beneficial to do so;
- to continue to pursue and ingather any debts still due to the Company;



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- to continue to realise any other assets of the Company;
- to ensure that all Company records in respect of pre-appointment VAT payable/receivable are brought up-to-date (as far as possible) and to seek repayment from HM Revenue & Customs of any VAT due to the Company;
- to investigate and submit a claim for a refund of any Corporation tax paid by the Company;
- that in the event that no creditors' committee is formed, the Joint Administrators' remuneration will be based upon time costs properly incurred at KPMG LLP time rates determined in accordance with Rule 2.39 of the Insolvency (Scotland) Rules 1986. They be authorised to draw fees on account from the assets of the Company together with disbursements;
- 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;
- to settle legal and other agents' fees and disbursements properly incurred in assisting the Joint Administrators, to be paid out of the assets of the Company;
- 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;
- 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 84 of schedule B1 of the Insolvency Act 1986;
- alternatively, that 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 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 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; and
- 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.



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As you are aware, it was necessary to seek two amendments to our original proposals. The following amendments were approved:

Outcome of Administration

The Joint Administrators reviewed the initial purpose of this Administration and considered that Paragraph 3(1) (b) - achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration) more accurately reflected the realisations achieved on this case.

The resolution was passed which revised the purpose of the Administration, from Paragraph 3(1) (c) to Paragraph 3(1) (b).

Prescribed Part Distribution to unsecured creditors

We initially sought approval to move the Company from Administration to Creditors' Voluntary Liquidation ("CVL") should the need arise, in particular if there were sufficient funds to enable a distribution to unsecured creditors.

We later reviewed our strategy and considered a Prescribed Part unsecured distribution from the Administration would be more beneficial to the unsecured creditors. This could be facilitated sooner and would not incur the statutory costs associated with moving the Company into a CVL process.

We therefore sought a resolution for the Joint Administrators to distribute funds to unsecured creditors where funds permitted and where the Court, following an application by the Joint Administrators under paragraph 65(3) of Schedule B1 of the Act, had given permission to make such a distribution. The relevant Court approval was granted and a Prescribed Part distribution was facilitated via the Administration in March 2013.

3 Outcome of the Administration

3.1 Sale of Ferry Village development site

As previously advised the Company's principal asset was a partially completed residential development at Ferry Village, Braehead, Renfrew ("the Site"). The Site had been mothballed prior to our appointment.

The sale of the Site in its entirety, together with the moveable assets owned by the Company, was completed on 6 May 2011 at a price of £14,000,000 plus VAT.

As you may recall, it was agreed that £600,000 of the consideration would be held in escrow following completion of the sale and that future costs incurred by the purchaser in attending to the remediation of certain parts of the Site would be deducted from this amount. In conjunction with the third-party construction consultants employed to oversee completion of the remedial work, we monitored the extent of the works undertaken and



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the associated costs. The remedial works were completed and all costs settled with the balance remaining, in the sum of £264,480, secured for the benefit of the Administration.

3.2 Pre-appointment Corporation Tax

Following a review of the Company's tax records, we identified that the Company was potentially entitled to a substantial refund of Corporation Tax from HM Revenue & Customs ("HMRC").

Accordingly, we invested significant time and effort in collating the appropriate information and liaising with HMRC regarding the potential refund. Ultimately, we are pleased to confirm that we successfully negotiated and secured a tax repayment of £310,238 from HMRC.

3.3 Other income

Other income in the form of bank interest and miscellaneous refunds, in the sum of £4,651, has been received during the course of the Administration.

4 Cost of realisations

4.1 Joint Administrators fees

The Joint Administrators have drawn fees and expenses in the sum of £252,132 in respect of our time costs in attending to matters within the Administration. We would confirm that in accordance with statute our fee request was approved by the secured lender.

4.2 Legal fees

Legal fees of £58,261 have been incurred and settled during the course of the Administration.

4.3 Other costs

During the course of the Administration, we have paid statutory advertising, all costs associated with the site, agents and valuers fees, storage costs, bank charges, site factors' fees, insurance, property expenses and bank charges, in the sum of £369,250.

All costs have been allocated in accordance with secured and floating charge realisations.



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4.4 Preferential creditors

There are no employees of the Company, therefore, there are no preferential creditors.

5 Cost of liabilities

5.1 Secured lender

As previously advised, The Royal Bank of Scotland plc ("the Bank") has a fixed charge security over the site and had total indebtedness of £26.6 million at the date of appointment.

In addition to the standard security held over the site, the Bank also holds a first-ranking bond and floating charge over the business and assets of the Company.

The Bank has received a distribution of £12.98 million in respect of its fixed charge and £279,965 in respect of its floating charge.

5.2 Preferential creditors

There were no employees of the Company, therefore, no preferential claims.

5.3 Unsecured creditors

The Bank's floating charge was granted after 15 September 2003. Therefore s.176A is applicable and a Prescribed Part of the Company's net property was made available for unsecured creditors.

There were 15 unsecured creditors with agreed claims of £142,293.75. The Prescribed Part, after costs, amounted to £39,760.80 which resulted in a dividend of 27.94p per £ of agreed claim.



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6 Final matters

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.

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

7 July 2013

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



Appendix 1

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 Insolvency Act 1986 and not any other European Union Member State's insolvency law.

Relevant court

Notice of the appointment by directors was lodged at the Court of Session in Edinburgh on 8 January 2010.

The Administration appointment period has been extended by order of the Court of Session until 7 July 2013.

Incorporation

The Company was incorporated on 2 March 2006.

Registered office and trading address

The Company's former registered office was situated at:

2 Blythswood Square
Glasgow
G2 4AD

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

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

The Company traded from Gladedale (Northern Division) Limited's head office at:

Argyll Court
The Castle Business Park
Stirling
FK9 4TT



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The Company also traded from the development site at:-

Ferry Village
King's Inch Road
Braehead
Renfrew

Company number

The company number is SC298070.

Directors

The directors at the date of our appointment were:

Charles Church	Appointed	9 April 2009 (first appointed on 2 March 2007)
Keith Richard Douglas	Appointed	8 December 2006
Martin Feeney	Appointed	8 December 2006
David Gaffney	Appointed	8 December 2006
John Joseph O'Neill	Appointed	8 December 2006

Other directors during the three years prior to the date of our appointment were:

Peter Brogan	Appointed	8 December 2006
	Resigned	16 March 2009

Alexander Clunie McBride	Appointed	1 August 2008
	Resigned	3 March 2009

James Kirkpatrick	Appointed	8 December 2006
	Resigned	2 March 2007

Company secretary

The Company Secretary at the date of our appointment was Brodies Secretarial Services Limited.

There were no other Secretaries during the three years prior to the date of administration.

Share capital and associated companies

The issued share capital of the Company comprises of one thousand £1 ordinary shares.

Gladedale (Northern Division) Limited owns five hundred £1 ordinary shares.

Strathclyde Homes Limited owns five hundred £1 shares.



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Auditors

The auditors were:-

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH



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Appendix 2

Joint Administrators' receipts and payments account

Best Braehead Development Company Ltd
(In Administration)
Administrators' Abstract of Receipts & Payments
To 07/07/2013

S of A £	£	£
FIXED CHARGE ASSETS		
Ferry Village, Braehead	13,604,480.00	
Other interest	403.18	
		13,604,883.18
FIXED CHARGE COSTS		
Administrators' fees & expenses	147,000.00	
Site factors' fees	24,896.85	
Legal fees	46,521.10	
Council Tax & Non-domestic Rates	12,536.66	
Agents'/Valuers' fees	81,100.00	
Site insurance	113,385.52	
Site management	14,254.11	
Heat and light	11,247.14	
Site investigation	9,115.00	
Site security	81,886.15	
Site repairs & maintenance	4,175.98	
Site advertising & marketing	12,841.50	
		(558,960.01)
FIXED CHARGE CREDITORS		
The Royal Bank of Scotland plc	12,980,000.00	
		(12,980,000.00)
ASSET REALISATIONS		
Furniture & equipment	60,000.00	
Tax refunds (pre-app'ent)	310,238.05	
		370,238.05
OTHER REALISATIONS		
Bank interest gross including final	3,191.37	
Misc Income	1,057.03	
		4,248.40
COST OF REALISATIONS		
Specific bonds	550.00	
Administrators' fees	105,000.00	
Administrators' expenses	132.21	
Legal fees	11,740.00	
Storage costs	34.44	
Statutory advertising	3,151.95	
Other property expenses	15.00	
Bank charges	60.00	
		(120,683.60)
FLOATING CHARGE CREDITORS		
The Royal Bank of Scotland plc	279,965.22	
		(279,965.22)
UNSECURED CREDITORS		
Trade & expense	39,760.80	
		(39,760.80)

Best Braehead Development Company Ltd
(In Administration)
Administrators' Abstract of Receipts & Payments
To 07/07/2013

S of A £	£	£
REPRESENTED BY	(0.00)	
	NIL	