

The Insolvency Act 1986

## Administrator's progress report

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

Name of Company

Best Braehead Development Company Limited

Company number

SC298070

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

We, Blair Carnegie Nimmo and Gerard Anthony Friar  
Both of KPMG LLP, 191 West George Street, Glasgow G2 2LJ

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

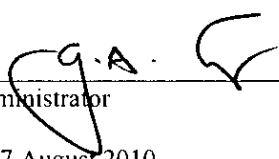
from

(b) 8 January 2010

to

(b) 8 July 2010

(b) Insert dates

Signed   
Joint Administrator

Dated 17 August 2010

### 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, 37 Castle Terrace, Edinburgh EH1 2EB  
DX 235 Edinburgh / LP 4 Edinburgh-2



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COMPANIES HOUSE

WEDNESDAY



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

**Joint Administrators' progress report to  
creditors pursuant to Rule 2.38 of  
the Insolvency (Scotland) Rules 1986**

**17 August 2010**

KPMG LLP

17 August 2010

*This report contains 13 Pages*

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***Best Braehead Development Company Limited  
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*KPMG LLP*

*17 August 2010*

## **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.



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

*Joint Administrators' progress report to creditors pursuant to Rule 2.38 of  
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KPMG LLP  
17 August 2010

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*17 August 2010*

## **Appendices**

- 1 Statutory and other information**
- 2 Administrators' receipts and payments account**



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KPMG LLP

17 August 2010

## **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.

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

In accordance with rule 2.38 of the Insolvency (Scotland) Rules 1986 we set out below our progress report.

You will note from the abstract of our receipts and payments account attached at Appendix 2, that at 8 July 2010 there were no funds in the case. There are no readily realisable assets in the case, therefore, the Company's secured lender, The Royal Bank of Scotland plc ("the Bank") has provided the Joint Administrators with an overdraft facility to fund the costs associated with the security, maintenance and insurance of the development site secured to it, together with various ongoing Administration costs. I would confirm that at 8 July 2010 the case funds are overdrawn by £29,280.36. The overdraft will rank as an expense of the administration and be repaid from the asset realisations.

I am pleased to confirm, however, that as a consequence of asset realisations achieved since 8 July 2010, as at 10 August 2010 there are funds on hand totalling £272,458.17 (see further comments in section 3). Ultimately, the case funds in their entirety are subject to the costs of the Administration process.

## **2 Statutory and other information**

A summary of the statutory and other relevant information relating to the Company is set out in Appendix 1.

## **3 Progress to date including realisation of assets**

### **3.1 Ferry Village development site**

As you will recall, the Company's principal asset is a partially completed residential development at Ferry Village, Braehead, Renfrew ("the site"). The site had been mothballed prior to our appointment and comprised of the following:

- 51 completed, sold and occupied units (these units were no longer assets of the Company);

- 31 town houses or mews under construction, ranging from the stage of being wind and watertight to fully complete;
- two blocks of flats under construction (each block to house 20 flats);
- some foundation work for a third block of flats, with no construction work having been commenced;
- one purpose built marketing suite comprising an office and one show flat;
- one site compound which comprises staff facilities, storage areas and portacabins; and
- a significant area of flat, undeveloped land extending to c25 acres (some infrastructure works have been undertaken across this area, including roads and utilities).

We took immediate steps to retain an on-site security presence and appointed agents to assist with the ongoing management of the site, including attendance to regular site inspection visits and coordination of any necessary maintenance works.

Jones Lang LaSalle ("JLL") were appointed to assist with the marketing and disposal of the undeveloped land and unsold properties. Gardiner & Theobald LLP ("G&T") were to undertake an appraisal of the site and, in conjunction with JLL, assist in formulating the most appropriate strategy to realise maximum value from the site.

For commercial reasons we are unable to disclose the value attributed to the site, however, we can confirm that based on the advice and recommendations of JLL and G&T the most appropriate strategy identified was to formally market the site as a whole in its partially completed state.

Accordingly, JLL were instructed to formally market the site. Following an extensive marketing exercise, a closing date for offers of 5 August 2010 was set. A number of offers were received prior to the closing date and we are currently in the process of reviewing these in conjunction with JLL.

We will provide you with a further update on the sale of the site at the time of our next report.

### **3.2 Pre-appointment Corporation Tax**

Following a review of the Company's tax records, we identified that the Company may be due a substantial refund from HM Revenue & Customs ("HMRC") due to overpayment of Corporation Tax from previous years.

Accordingly, we invested significant time and effort in collating the appropriate information and liaising with HMRC regarding the potential overpayment and I am

pleased to confirm that a repayment of c.£310,000 has recently been received from HMRC.

We would note that the refund was received subsequent to the period covered by the receipts and payments at Appendix 2, and as such is not reflected therein.

### **3.3 Other assets**

As you may recall, only minimal other assets are owned by the Company, principally consisting of old portacabins located on the site and a small quantity of furniture therein.

Our agents have confirmed that there is little or no value in these assets. Accordingly, we do not anticipate any realisations from these items.

## **4 Amounts payable to secured creditors, preferential creditors and the floating chargeholders**

### **4.1 Secured lenders**

The Royal Bank of Scotland plc has a fixed charge security over the site and has total indebtedness of £26.6 million at the date of appointment.

Interest and charges continue to accrue on the secured lenders' indebtedness.

### **4.2 Preferential creditors**

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

### **4.3 Floating charges**

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



## **5 Prescribed part of the Company's net property pursuant to Section 176A of the Insolvency Act 1986**

The Bank's floating charge was granted after 15 September 2003. Therefore s.176A is applicable and there would be a prescribed part of the Company's net property available for unsecured creditors.

The likelihood of a prescribed part dividend remains uncertain at this time.

## **6 Dividend prospects for creditors**

Unfortunately, there is no prospect of a return to the unsecured creditors other than the possibility of a very small return under the Prescribed Part Provisions, the likelihood of which remains uncertain.

The timing and amount of any dividend to ordinary creditors remains dependent upon the ultimate level of asset realisations, the costs of the Administration process, and the level of creditors' claims received and accepted for dividend purposes.

We will update you on the potential outcome under the Prescribed Part Provisions at the time of our next report.

## **7 Other matters**

We have continued to attend to all statutory and administrative matters as required. There remain a number of matters outstanding, including, *inter alia*:

- Realising the remaining assets, principally the Ferry Village site;
- Adjudicating upon the unsecured creditors' claims in the event that sufficient funds are available to enable payment of a dividend;
- Accounting for all VAT receivable and payable;
- Accounting for any corporation tax payable;
- Settling all outstanding legal and agents fees;
- Attending to creditor correspondence; and
- Finalising the remaining miscellaneous administration matters.



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*KPMG LLP*

*17 August 2010*

Every effort will be made to resolve the above matters as quickly as possible and to maximise realisations whilst it remains cost effective to do so.

I hope this update is of benefit to you. If you require to discuss any of the above, please contact Andy Watson.

BC Nimmo  
KPMG  
191 West George Street  
Glasgow  
G2 2LJ

GA Friar  
KPMG  
191 West George Street  
Glasgow  
G2 LJJ

17 August 2010



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17 August 2010

## **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.

#### **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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*17 August 2010*

## **Appendix 2**

### **Administrators' receipts and payments account**

**Best Braehead Development Company Ltd**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs	From 08/01/2010 To 08/07/2010	From 08/01/2010 To 08/07/2010
<b>FIXED CHARGE COSTS</b>		
Site management	8,566.78	8,566.78
Site security	11,645.10	11,645.10
Site repairs & maintenance	180.00	180.00
Site advertising & marketing	6,826.50	6,826.50
	<u>(27,218.38)</u>	<u>(27,218.38)</u>
<b>OTHER REALISATIONS</b>		
Misc Income	802.34	802.34
	<u>802.34</u>	<u>802.34</u>
<b>COST OF REALISATIONS</b>		
Specific bonds	10.00	10.00
Statutory advertising	519.45	519.45
Other property expenses	15.00	15.00
	<u>(544.45)</u>	<u>(544.45)</u>
	<u><b>(26,960.49)</b></u>	<u><b>(26,960.49)</b></u>
<b>REPRESENTED BY</b>		
Floating ch. VAT rec'able		2,334.75
Floating charge current		(29,280.36)
Fixed charge VAT payable		(14.88)
		<u><b>(26,960.49)</b></u>

Gerard Anthony Friar  
Administrator