

The Insolvency Act 1986

Administrator's progress report

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

Name of Company

Burnside Inns Limited

Company number

SC307687

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

We Neil Anthony Armour of KPMG LLP, 37 Albyn Place, Aberdeen, AB10 1JB;
Blair Carnegie Nimmo and Gary Steven Fraser both of KPMG LLP, Saltire Court, 20
Castle Terrace, Edinburgh, EH1 2EG

administrator(s) of the above company attach a progress report for the period

(b) Insert dates

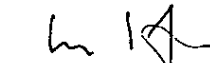
from

(b) 12 August 2010

to

(b) 12 February 2011

Signed



Joint / Administrator(s)

Dated

21/3/11

Contact Details:

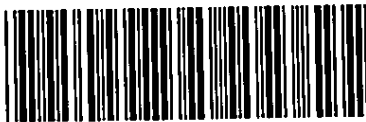
You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

	Tel
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
X 235 Edinburgh / LP 4 Edinburgh-2

THURSDAY



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24/03/2011

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COMPANIES HOUSE



**Burnside (UK) Ltd and Burnside Inns Ltd (both in
administration)**

Joint Administrators' progress report to creditors
pursuant to Rule 2.47 of the Insolvency Rules 1986

14 March 2011

KPMG LLP

14 March 2011

This report contains 11 pages

DCM/MM/982



Notice: About this Report

This Report has been prepared by Blair C Nimmo, Neil A Armour and Gary S Fraser, the Joint Administrators of Burnside (UK) Limited and Burnside Inns Limited ("the Companies"), 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 the Companies.

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 who chooses to rely on this Report for any purpose or in any context other than under the Insolvency Act 1986 does so at his 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 the Companies are being managed by the Joint Administrators.

Blair C Nimmo, Neil A Armour and Gary S Fraser are authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland.

The Joint Administrators act as agents for the Companies 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 administrations.



*Burnside (UK) Limited and Burnside Inns Limited
(both in administration)*

*Joint Administrators' progress report to creditors pursuant to Rule 2.47 of the Insolvency
Rules 1986*

14 March 2011

KPMG LLP

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1	Statutory and other information
2	Administrators' receipts and payments account
3	Administrators' time costs and disbursements

1 Introduction

We, Blair Carnegie Nimmo, Neil Anthony Armour and Gary Steven Fraser of KPMG LLP were appointed Joint Administrators ("the Joint Administrators") of Burnside (UK) Limited ("UK") on 9 August 2010 and Burnside Inns Limited ("Inns") on 12 August 2010, collectively "the Companies".

We were appointed by the fixed and floating charge holder, Santander UK plc.

In accordance with Rule 2.47 of the Insolvency Rules 1986 we set out below our first progress report.

Our receipts and payments accounts for the first six months of the Administrations are attached at Appendix 2.

2 Statutory and other information

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

3 Progress to date including realisation of assets

3.1 Trading

UK own two hotels:

- The Plough Hotel, 507 Main Street, Stenhousemuir, Larbert, Stirlingshire, FK5 4EY
- The Graeme Hotel, 40 Grahams Road, Falkirk, FK1 1HR

Inns own one hotel:

- The Red Lion Hotel, 2 Stirling Road, Larbert, FK5 4AF

Our strategy is to allow the three hotels to continue to trade whilst they are marketed for sale. Based on advice from Christie and Co ("Christie"), closing the hotels would have a detrimental impact on their value.

Convivial Management Services Limited ("Convivial") was appointed managing agent of the three hotels and license to occupy agreements were put in place with Convivial for each hotel. Convivial is therefore responsible for the day to day trading of the hotels.

The hotels have traded at a loss for the first six months of the administration, and these trading losses have been underwritten by the secured creditor, Santander UK plc.

UK also owns a freehold property at McKinnen House, George Street, Falkirk, FK2 7EY. This property is tenanted and is being marketed for sale by J&E Shepherd ("Shepherd").

3.2 Sale of the business and assets

Christie were appointed selling agent and is actively marketing the three hotels. No closing date has been set and Christie continue to liaise with interested parties.

Should you have an interest in purchasing The Graeme, The Plough and/or The Red Lion you should contact Brian Sheldon at Christie and Co, 120 Bath Street, Glasgow, G2 2EN, (0141 352 7200). The web link for the properties is www.christie.com; and reference The Graeme 68/46495, The Plough 68/46496 and The Red Lion 68/46497.

Shepherd were appointed selling agent for McKinven House and actively marketed it at offers over £449,500. A closing date of 25 February 2011 was set for any interested parties to present an offer. An acceptable offer was received and this is now being dealt with by our lawyer.

3.3 Other realisations

The receipts and payments report at Appendix 2 shows realisations of rental income of £15,190 received in respect of McKinven House.

4 Amounts payable to secured and preferential creditors

4.1 Secured lenders

The total amount outstanding to Santander UK plc under its fixed and floating charges at the date of appointment was £ £3,057,000. Guarantees have been provided to Santander UK plc by each company in respect of the others debt.

It should be noted that interest continues to accrue on this balance.

4.2 Preferential creditors

Preferential wages, salaries and holiday pay outstanding at the date of administration were £23,800.

5 Prescribed part of the Companies net property pursuant to Section 176A of the Insolvency Act 1986

The floating charges were granted after 15 September 2003. Therefore s.176A is applicable, which would allow a prescribed part of the Company's net property to be available for unsecured creditors.

The value of the Company's net property which would, but for s.176A, be available for the floating charge creditor is uncertain and, therefore, it is not known whether a prescribed part will be payable.

6 Dividend prospects for creditors

Based upon our comments above, Santander UK plc, as secured creditor, will receive partial repayment of its debt.

Although there may be sufficient funds to allow for a small distribution to the preferential creditors, there is no prospect of a dividend being payable to unsecured creditors of either company.

7 Extension of the Administrations

Ordinarily, our appointment as Joint Administrators would automatically cease at the end of one year beginning with the date on which it took effect, pursuant to Paragraph 76 (1) of Schedule B1 to the Insolvency Act 1986. Therefore, our appointments in respect of UK and Inns should automatically cease on 9 August 2011 and 12 August 2011 respectively. However, they can be extended by application to the Court or creditors. As the business and assets of the Companies are yet to be sold, extensions to the terms of the Administrations of the Companies is likely to be required.

If any creditor wishes to object to an extension of either of the administrations by 12 months, they should do so in writing to the Joint Administrators by 1 May 2011.

8 Other matters

We have continued to attend to all statutory and administrative matters as required including the submission of our report on the directors' conduct to the Department for Business Innovation and Skills, and the completion and submission of VAT returns to HM Revenue & Customs.

We will continue to attend to the following matters:-

- progress the sale of the business and assets consisting of the three hotels and the McKinven House property;
- review the trading of the three hotels by Convivial;
- attend to creditor correspondence;
- account for all VAT receivable and payable;
- finalise any corporation tax liabilities;
- settle legal and agents fees;
- seek agreement of the Administrators' time costs and remuneration; and
- attend to all statutory matters as and when they fall due.

We will endeavour to finalise the remaining outstanding matters in the Administrations as quickly as possible.



*Burnside (UK) Limited and Burnside Inns Limited
(both in administration)*

*Joint Administrators' progress report to creditors pursuant to Rule 2.47 of the Insolvency
Rules 1986*

14 March 2011

KPMG LLP

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21 March 2011

Appendix 1

Statutory and other information

Burnside (UK) Limited

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 of the Joint Administrators by the Bank was lodged at the Court of Session on 09 August 2010.

Secured lenders

The table below details the fixed and floating charge securities.

Figure 1: Security details

Charge and debenture holder	Fixed/Floating Charge	Charge/ debenture dated	Charge/ debenture registered
Abbey National Plc	Fixed	7 November 2008	13 November 2008
Abbey National Plc	Fixed	7 November 2008	13 November 2008
Abbey National Plc	Fixed	7 November 2008	13 November 2008
Abbey national Plc	Floating	29 October 2008	31 October 2008
Lloyds TSB (Scotland) Plc	Fixed	16 July 2007	31 July 2007
Lloyds TSB (Scotland) Plc	Fixed	13 July 2007	21 July 2007
Inbev Uk Ltd	Fixed	6 March 2006	16 March 2006
Inbev Uk Ltd	Fixed	6 March 2006	14 March 2006

Incorporation

The Company was incorporated on 4 April 1996.

Registered office and trading address

The Company's former registered office was situated at:

McKinven House
George Street
Falkirk
Stirlingshire
FK2 7EY



*Burnside (UK) Limited and Burnside Inns Limited
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*Joint Administrators' progress report to creditors pursuant to Rule 2.47 of the Insolvency
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14 March 2011

KPMG LLP

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

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

The Company traded from premises at:

McKinven House
George Street
Falkirk
Stirlingshire
FK2 7EY.

Company number

The company number is SC164710

Directors

The director at the date of our appointment was:

Brian William Elliot Gowans Appointed 27 March 2000

Company secretary

The company secretary at the date of our appointment was Charles McGourty.

Share capital

The authorised share capital is 2 Ordinary Shares of £1 each.

The issued and called up share capital is 2 Ordinary Share £1 each. The principal shareholders are set out in Figure 1, below.

Figure 1: Principal shareholders

Brian Gowans <i>Source:/Companies House</i>	Number 2
--	--------------------



*Burnside (UK) Limited and Burnside Inns Limited
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KPMG LLP*

Burnside Inns Limited

EC Regulation

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Relevant court

Notice of the appointment of the Joint Administrators by the Bank was lodged at the Court of Session on 12 August 2010.

Secured lenders

The table below details the fixed and floating charge securities.

Figure 1: Security details

Charge and debenture holder	Fixed/ Floating Charge	Charge/ debenture dated	Charge/ debenture registered
Abbey National plc	Fixed	31 October 2008	6 November 2008
Abbey National plc	Floating	29 October 2008	31 October 2008

Incorporation

The Company was incorporated on 30 August 2006.

Registered office and trading address

The Company's former registered office was situated at:

2 Stirling Road
Larbert
Stirlingshire
FK5 AAF

Previously at:

16 Lathro Park
Kinross
Tayside
KY13 8RU



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14 March 2011

KPMG LLP

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

c/o KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

The Company traded from premises at:

2 Stirling Road
Larbert
Stirlingshire
FK5 AAF

Company number

The company number is SC307687.

Directors

The director at the date of our appointment was:

Brian William Elliot Gowans Appointed 30 August 2006

Company secretary

The company secretary at the date of our appointment was Charles McGourty

Share capital

The authorised share capital is 2 Ordinary Shares of £1 each.

The issued and called up share capital is 2 Ordinary Share £1 each. The principal shareholders are set out in Figure 1, below.

Figure 1: Principal shareholders

Brian Gowans	Number
Source: Companies House	2



*Burnside (UK) Limited and Burnside Inns Limited
(both in administration)
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14 March 2011
KPMG LLP*

Appendix 2

Receipts and payments account

Burnside (UK) Limited
(In Administration)
Administrators' Trading Account

	From 09/08/2010 To 09/02/2011	From 09/08/2010 To 09/02/2011
POST-APPOINTMENT SALES		
Sales	15,190.00	15,190.00
	<u>15,190.00</u>	<u>15,190.00</u>
TRADING SURPLUS/(DEFICIT)	<u>15,190.00</u>	<u>15,190.00</u>

Burnside (UK) Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

	From 09/08/2010 To 09/02/2011	From 09/08/2010 To 09/02/2011
HP/LEASING		
HP/Leasing creditor	2,250.00 (2,250.00)	2,250.00 (2,250.00)
OTHER REALISATIONS		
Bank interest, gross	5.16	5.16
Bank interest, net of tax	(1.01)	(1.01)
Telecommunications Refund (pre-appt)	140.05	140.05
Sundry refunds	74.21	74.21
Trading Surplus/(Deficit)	15,190.00 15,408.41	15,190.00 15,408.41
COST OF REALISATIONS		
Agents'/Valuers' fees	2,417.77	2,417.77
Statutory advertising	15.00 (2,432.77)	15.00 (2,432.77)
	<u>10,725.64</u>	<u>10,725.64</u>
REPRESENTED BY		
Floating ch. VAT rec'able		873.11
Floating charge current		10,943.66
Floating ch. VAT payable		(1,091.13)
		<u>10,725.64</u>

Burnside Inns Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

	From 12/08/2010 o 12/02/2011	From 12/08/2010 To 12/02/2011
ASSET REALISATIONS		
Book debts	284.55	284.55
VAT refunds (pre-app'ent)	10.94	10.94
Cash at bank	4,686.58	4,686.58
	<u>4,982.07</u>	<u>4,982.07</u>
OTHER REALISATIONS		
Bank interest, gross	1.60	1.60
Bank interest, net of tax	(0.29)	(0.29)
	<u>1.31</u>	<u>1.31</u>
COST OF REALISATIONS		
Agents'/Valuers' fees	1,777.93	1,777.93
Legal fees	1,422.00	1,422.00
Statutory advertising	78.45	78.45
	<u>(3,278.38)</u>	<u>(3,278.38)</u>
	<u><u>1,705.00</u></u>	<u><u>1,705.00</u></u>
REPRESENTED BY		
Floating ch. VAT rec'able		559.98
Floating charge current		1,134.08
Floating ch. VAT control		10.94
		<u>1,705.00</u>

Gary Steven Fraser
Administrator



*Burnside (UK) Limited and Burnside Inns Limited
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Joint Administrators' progress report to creditors pursuant to Rule 2.47 of the Insolvency

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KPMG LLP

Appendix 3

Administrators' time costs and disbursements

Burnside (UK) Limited (in administration)

09/08/2010 to 09/02/2011

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Trading							
Cashiering							
General (Cashiering)			10.32	4.30	14.62	£ 2,626.00	£ 179.62
Reconciliations (& IPS accounting reviews)		1.00			1.00	£ 405.00	£ 405.00
					15.62	£ 3,031.00	£ 584.62
Employees							
Correspondence			26.80	1.50	28.30	£ 6,253.50	£ 220.97
Pension funds			0.65		0.65	£ 107.25	£ 165.00
					28.95	£ 6,360.75	£ 385.97
Tax							
Initial reviews - CT and VAT			2.10		2.10	£ 369.00	£ 175.71
Post appointment corporation tax		2.30			2.30	£ 793.50	£ 345.00
Post appointment VAT			1.00		1.00	£ 240.00	£ 240.00
					5.40	£ 1,402.50	£ 760.71
Trading							
Cash & profit projections & strategy			1.00		1.00	£ 240.00	£ 240.00
					1.00	£ 240.00	£ 240.00
Administration & planning							
Bankrupt/Director/Member							
Reports to OR on conduct			0.25		0.25	£ 60.00	£ 240.00
					0.25	£ 60.00	£ 240.00
General							
Books and records		2.50	0.75		3.25	£ 968.75	£ 298.08
					3.25	£ 968.75	£ 298.08
Statutory and compliance							
Appointment and related formalities	1.00	2.00	12.25		15.25	£ 4,006.25	£ 262.70
Bonding and bordereau			1.95		1.95	£ 429.75	£ 220.38
Checklist & reviews		3.50	3.00		6.50	£ 1,927.50	£ 296.54
Reports to debenture holders		19.50			19.50	£ 8,127.50	£ 416.79
Statutory advertising			0.75		0.75	£ 168.75	£ 225.00
Strategy documents	1.00		0.60		1.60	£ 659.00	£ 411.88
					45.55	£ 15,318.75	£ 1,833.29
Creditors							
Creditors and claims							
Agreement of unsecured claims		1.50			1.50	£ 837.50	£ 425.00
General correspondence	2.00		39.25		41.25	£ 10,213.75	£ 247.61
Notification of appointment			1.50		1.50	£ 337.50	£ 225.00
Pre-appointment VAT / PAYE / CT			0.50		0.50	£ 120.00	£ 240.00
Secured creditors			1.75		1.75	£ 420.00	£ 240.00
Statutory reports	0.50	9.00	34.50		44.00	£ 11,457.75	£ 260.40
					90.50	£ 23,186.50	£ 1,638.01
Investigation							
Directors							
Correspondence with directors			6.25		6.25	£ 1,488.75	£ 238.20
D form drafting and submission	0.30	2.05	7.00		9.35	£ 2,689.25	£ 287.62
					15.60	£ 4,178.00	£ 525.82
Investigations							
Correspondence re investigations		4.00			4.00	£ 1,700.00	£ 425.00
					4.00	£ 1,700.00	£ 425.00
Realisation of assets							
Asset Realisation							
Freehold property	6.10	35.00	25.07		66.17	£ 23,213.80	£ 350.82
Office equipment, fixtures & fittings			3.50		3.50	£ 840.00	£ 240.00
Plant and machinery			2.00		2.00	£ 480.00	£ 240.00
Sale of business			8.87		8.87	£ 2,128.80	£ 240.00
					80.54	£ 26,662.60	£ 1,070.82
Total in period					290.66	£ 83,108.85	£ 285.93

Burnside Inns Limited (in administration)

12/08/2010 to 12/02/2011

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Trading							
Cashiering							
General (Cashiering)			9.83	5.10	14.93	£ 2,619.25	£ 175.44
Reconciliations (& IPS accounting reviews)			0.10		0.10	£ 17.50	£ 175.00
					15.03	£ 2,636.75	£ 350.44
Employees							
Correspondence			19.10	0.10	19.20	£ 4,407.00	£ 229.53
DTI redundancy payments service			0.50		0.50	£ 120.00	£ 240.00
Pension funds			0.65		0.65	£ 107.25	£ 165.00
					20.35	£ 4,634.25	£ 634.53
Tax							
Initial reviews - CT and VAT			2.10		2.10	£ 369.00	£ 175.71
Post appointment corporation tax		2.40			2.40	£ 828.00	£ 345.00
Post appointment VAT		0.20			0.20	£ 85.00	£ 425.00
					4.70	£ 1,282.00	£ 945.71
Trading							
Cash & profit projections & strategy			1.00		1.00	£ 240.00	£ 240.00
					1.00	£ 240.00	£ 240.00
Administration & planning							
Bankrupt/Director/Member							
General correspondence				0.50	0.50	£ 52.50	£ 105.00
					0.50	£ 52.50	£ 105.00
General							
Books and records			0.75		0.75	£ 168.75	£ 225.00
					0.75	£ 168.75	£ 225.00
Statutory and compliance							
Appointment and related formalities	1.00		5.25		6.25	£ 1,621.25	£ 259.40
Bonding and bordereau			1.95		1.95	£ 429.75	£ 220.38
Checklist & reviews		3.00	4.00		7.00	£ 1,995.00	£ 285.00
Closure and related formalities		1.00			1.00	£ 405.00	£ 405.00
Reports to debenture holders		4.00			4.00	£ 1,620.00	£ 405.00
Statutory advertising			0.75		0.75	£ 168.75	£ 225.00
Strategy documents	1.00		0.25		1.25	£ 575.00	£ 460.00
					22.20	£ 6,814.75	£ 2,259.78
Creditors							
Creditors and claims							
General correspondence	3.00		40.05		43.05	£ 10,898.25	£ 253.15
Notification of appointment			1.50		1.50	£ 337.50	£ 225.00
Pre-appointment VAT / PAYE / CT			0.50		0.50	£ 120.00	£ 240.00
Statutory reports	0.50		20.90	17.50	38.90	£ 6,987.50	£ 179.63
					83.95	£ 18,343.25	£ 897.78
Investigation							
Directors							
Correspondence with directors			7.75		7.75	£ 1,686.25	£ 217.58
D form drafting and submission	0.30		5.00		5.30	£ 1,338.00	£ 252.45
					13.05	£ 3,024.25	£ 470.03
Realisation of assets							
Asset Realisation							
Freehold property	3.10	8.00	20.25		31.35	£ 9,476.00	£ 302.26
Office equipment, fixtures & fittings			3.50		3.50	£ 840.00	£ 240.00
Sale of business		16.00			16.00	£ 6,480.00	£ 405.00
					50.85	£ 16,796.00	£ 947.26
Total in period					212.38	£ 53,992.50	£ 254.23