

The Insolvency Act 1986

## Administrator's progress report

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

Name of Company

SCS Developments Limited

Company number

SC319687

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

I / We (a) Blair Carnegie Nimmo and Gary Steven Fraser

c/o 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) 17 November 2011

to

(b) 16 May 2012

Signed

Joint / Administrator(s)

Dated

20/6/12

### 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

	Tel
DX Number	DX Exchange

Companies House receipt date barcode

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  
235 Edinburgh / LP 4 Edinburgh-2

SCT

23/06/2012  
COMPANIES HOUSE

#737

SATURDAY



**SCS Developments Limited  
(in administration)**

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

**20 June 2012**

**KPMG LLP**

*This report contains 11 pages*

*bcn/gsf/jv/ta/982*



*SCS Developments Limited  
(in administration)*

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

*20 June 2012*

## **Notice: About this Report**

This Report has been prepared by Blair Carnegie Nimmo and Gary Steven Fraser, the Joint Administrators of SCS Developments Limited, solely to comply with their statutory duty under Rule 2.38 of the Insolvency (Scotland) Rules 1986 to provide the creditors an update 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 SCS Developments 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 Rule 2.38 of the Insolvency (Scotland) Rules 1986 does so at their own risk.

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.

Blair Carnegie Nimmo and Gary Steven Fraser are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland. The Joint Administrators act as agents for SCS Developments 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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## **1 Introduction**

We, Blair Carnegie Nimmo and Gary Steven Fraser of KPMG LLP were appointed Joint Administrators of SCS Developments Limited ("the Company" or "SCS") on 17 November 2011.

We were appointed by the directors of the Company.

In accordance with paragraph 100 (2) of schedule B1 of the Insolvency Act 1986 the functions of the Joint Administrators may be exercised by either of or both the Joint Administrators.

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

The receipts and payments account for the period 17 November 2011 to 16 May 2012 is attached at Appendix 2. This shows funds in hand totalling £204,250.

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

The main assets of the Company were the following properties:

Ground leasehold properties at Gordon House and Norse House, Greenwell Road, East Tullos Industrial Estate, Aberdeen, AB12 3AX.

Gordon House is a two storey office development totalling in excess of 24,575 sq ft, of which approximately 4,000 sq ft is currently let out to 12 tenants.

Norse House is a self contained industrial unit currently subject to a long term single occupational sub-lease.

Lambert Smith Hampton ("LSH") were appointed to act as the property management agent at Gordon House on behalf of the Company. To date, rent totalling £73,304 has been received for the period to the end of May in respect of Gordon House and Norse House.

### **2.1 Sale of the properties**

LSH had been marketing the properties for sale prior to our appointment. Given their established knowledge of the two properties we re-instructed them as the selling agent following our appointment.

An offer for Norse House had been accepted prior to our appointment. The interested party was re-contacted and a sale subsequently completed on 9 March 2012 for £1,738,000.

As a result of the marketing activities by LSH we received an offer for Gordon House and a sale completed on 20 June 2012 for £410,000. As this falls outwith the period of the

receipts and payments account the proceeds from this disposal have not been included in the receipts and payments account at appendix 2.

## **2.2 Realisation of other assets**

We are not aware of any other assets owned by the Company.

## **3 Amounts payable to secured creditors, preferential creditors and floating charge holders**

### **3.1 Secured lenders**

Bank of Scotland plc ("the Bank") has standard securities over both Gordon House and Norse House.

The Bank's debt at the date of administration was £3,283,809, which it will not recover in full. It should be noted that interest continues to accrue on the balance.

### **3.2 Preferential creditors**

We are not aware of any preferential creditors.

### **3.3 Floating charge**

The Bank holds a floating charge over the business and assets of the Company.

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

The floating charge held by the Bank was granted after 15 September 2003 and therefore s.176A is applicable and, should realisations allow, there will be a Prescribed Part of the Company's net property available for unsecured creditors.

However, the availability of a distribution via a Prescribed Part is directly dependent on floating charge realisations. In this case, virtually all assets are subject to a fixed charge and although there have been realisations from rental income, after the costs of holding the properties and the costs of the administration it is not anticipated that there will be a Prescribed Part dividend available to unsecured creditors.

## **5 Dividend prospects for creditors**

Given the level of shortfall to the Bank a dividend will not become available to unsecured creditors.

## **6 Joint Administrators' Fees**

The Joint Administrators' time costs to date are £93,698.50. Key areas where costs have been incurred are as follows:

- Liaising with LSH on the marketing of the properties for sale;
- Liasing with the secured lender;
- Liaising with HMRC on tax and VAT;
- Liasing with LSH to collect rental income from existing tenants;
- Devising, implementing and monitoring the strategy;
- Attending to all statutory matters associated with the administration;
- Ensuring that the insurance requirements are met.

A full analysis of the Joint Administrators' time costs to date is attached at Appendix 3. A creditor's guide to fees can be found at

[http://www.r3.org.uk/media/documents/technical\\_library/SIPS/SIP%209%20SCOT.pdf](http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20SCOT.pdf)

If you are unable to access this guide and would like a copy, please contact Ted Allatt on 0131 527 6936

## **7 Extension to the periods of appointment**

Our appointment as Joint Administrators will automatically cease at the end of the period of one year beginning with the date on which they took effect pursuant to Paragraph 76(1) of Schedule B1 to the Insolvency Act 1986.

If the remaining issues are not completed by 16 November 2012, the Joint Administrators will apply to the secured creditors to seek an extension of 6 months to 16 May 2013 or seek a 12 month extension from the Court.

Please advise the Joint Administrators by Monday 16 July 2012 if you have any objections to the administration being extended in these circumstances.

A final report will be provided to creditors prior to the conclusion of the administration.

## **8 Creditors Meeting**

The Joint Administrators believe that there will be insufficient funds to enable a distribution to be made to the unsecured creditors other than by virtue of the Prescribed Part and as such considered that the Paragraph 52(1)(b) of Schedule B1 to the Insolvency Act 1986 applies.

No requests for an initial meeting of creditors were made and accordingly the Joint Administrators did not hold an initial meeting of creditors.

## **9 Other Matters**

A number of issues still require to be dealt with in the Administration. These include, *inter alia*:-



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- Finalising all costs associated with the disposal of Gordon House;
- Distributing funds to the secured lender, as appropriate, upon the disposal of the Gordon House; and
- Attending to all statutory aspects of the Administration process.

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

Blair C Nimmo  
KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

Gary S Fraser  
KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

18 June 2012



## **Appendix 1**

### **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 was lodged at the Court of Session, Edinburgh on 17 November 2011.

### **Incorporation**

The Company was incorporated on 27 March 2007.

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

The Company's former registered office was situated at:

Commercial House  
2 Rubislaw Terrace  
Aberdeen  
AB10 1XE

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

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

### **Company number**

The company number is SC319687.