

## The Insolvency Act 1986

**Administrator's progress report****R2.38**

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

Name of Company  J. & G. Coughtrie Limited (in administration)	Company number  SC021634
--	--------------------------------

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

We (a) Blair Carnegie Nimmo and Gerard Anthony Friar

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

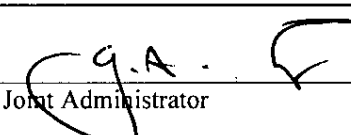
from

to

(b) 23 April 2011

(b) 22 October 2011

Signed

  
 Joint Administrator

(b) Insert dates

Dated \_ 1 December 2011 \_

**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

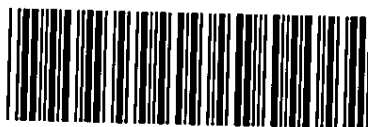
DX Number

DX Exchange

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

Companies House, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF  
 DX 235 Edinburgh / LP 4 Edinburgh-2

WEDNESDAY



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COMPANIES HOUSE



**J. & G. Coughtrie Limited  
(in administration)**

**Joint Administrators' progress report to  
creditors pursuant to Rule 2.38 of the  
Insolvency (Scotland) Rules 1986 and  
Rule 2.47 of the Insolvency Rules 1986**

**30 November 2011**

**KPMG LLP**

*This report contains 10 Pages*

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*J. & G. Coughtrie Limited  
(in administration)*

*Joint Administrators' progress report to creditors pursuant to Rule 2.38 of the Insolvency  
(Scotland) Rules 1986 and Rule 2.47 of the Insolvency Rules 1986*

*KPMG LLP*

*22 November 2011*

## **Notice: About this Report**

This Report has been prepared by BC Nimmo and GA Friar, the Joint Administrators of J. & G. Coughtrie 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 J. & G. Coughtrie 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 who chooses to rely on this Report for any purpose or in any context other than under Paragraph 49, Schedule B1 of 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 J. & G. Coughtrie Limited are being managed by the Joint Administrators.

BC Nimmo is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland.

GA Friar is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland.

The Joint Administrators act as agents for J. & G. Coughtrie 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.



**J. & G. Coughtrie Limited**  
**(in administration)**

*Joint Administrators' progress report to creditors pursuant to Rule 2.38 of the Insolvency*  
*(Scotland) Rules 1986 and Rule 2.47 of the Insolvency Rules 1986*

**KPMG LLP**

**30 November 2011**

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*J. & G. Coughtrie Limited  
(in administration)*

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(Scotland) Rules 1986 and Rule 2.47 of the Insolvency Rules 1986  
KPMG LLP*

*22 November 2011*

## **1 Introduction**

We, Blair Carnegie Nimmo and Gerard Anthony Friar of KPMG LLP, were appointed Joint Administrators of J. & G. Coughtrie Limited (referred to as "the Company") on 23 October 2009.

We were appointed to the Company following a notice of appointment lodged at the Court of Session by the Bank of Scotland, as holder of a qualifying floating charge, who made the appointment at the request of the Company's directors.

In accordance with Rule 2.38 of the Insolvency (Scotland) Rules 1986 and Rule 2.47 of the Insolvency Rules 1986, we set out below our progress report.

Our receipts and payments account for the period 23 April 2011 to 22 October 2011 is attached at Appendix 2.

## **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 Overview**

As previously reported, following our appointment, we took actions to safeguard the Company's assets, control trading operations and sell the business. We then successfully concluded a sale of the Company's business and assets with the exclusion of its moulding and die-cast operation, trade debtors and freehold property, to a subsidiary of the TH Group Limited, securing 30 jobs.

I set out below an update on the progress made since our last report of 31 May 2011.

### **3.2 Realisation of other assets**

#### **Residual assets**

##### ***Freehold property***

Although the property was excluded from the sale to a subsidiary of the TH Group, its subsidiary continues to occupy the property under a short term licence to occupy. This continues to generate rental income for the benefit of the Administration.



You may recall that following our appointment, we instructed property agents, Ryden, to assist with the marketing and disposal of the property. Despite the depressed state of the property market, we received an encouraging level of initial interest in the property. A closing date for offers was subsequently set, following which we accepted an offer from the highest bidder. Unfortunately, the preferred bidder subsequently withdrew their offer and we instructed Ryden to commence a further marketing campaign.

At the time of our last report, we reported that interest in the property had been muted, despite Ryden continuing to actively market the property. However, I am pleased to note that over recent months, two parties have expressed a serious level of interest in the property. Both of these parties subsequently submitted formal offers for the property and we have now accepted the greater of the two offers. In conjunction with our legal agents, we are currently progressing the sale of the property, with a view to completing by the end of November 2011.

## **4 Amounts payable to secured and preferential creditors**

### **4.1 Secured lenders**

Bank of Scotland ("the Bank") holds a bond and floating charge over the business and assets of the Company, together with a standard security over the freehold premises. The Company's debtor book was also subject to a confidential invoice discounting arrangement with Bank of Scotland Cashflow Finance (now Lloyds TSB Commercial Finance ("LTSCF")).

Details of the floating charge are set out at Appendix 1.

The estimated amount due to the Bank at the date of our appointment was £1,009,000, including funds advanced under the invoice discounting arrangement. It should be noted that interest and charges continue to accrue on the remaining balance.

### **4.2 Preferential creditors**

As a result of the successful sale of the business and certain assets, sums due to preferential creditors are significantly less than they would have been if all employees had been made redundant upon our appointment. The Company's preferential creditors are currently estimated as follows:-

**Figure 1: Preferential creditors**

	£000
Employees – arrears of salary/wages	7
Employees – accrued holiday pay	5
	<hr/>
	12
	<hr/>
<i>Source: Company records/Joint Administrator estimates</i>	



*J. & G. Coughtrie Limited  
(in administration)*

*Joint Administrators' progress report to creditors pursuant to Rule 2.38 of the Insolvency  
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*KPMG LLP*

*22 November 2011*

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

As previously advised, the Bank's floating charge was granted prior to 15 September 2003. Therefore s.176A does not apply and there will be no prescribed part of the Company's net property available for unsecured creditors.

## **6 Dividend prospects for creditors**

As noted above, it is currently anticipated that the preferential creditors of the Company will be paid in full.

The eventual outcome for unsecured creditors continues to be dependent on realisations from the Company's freehold property, which remain uncertain at this time.

## **7 Extension of the Administration**

Ordinarily, our appointment as Joint Administrators would have automatically ceased 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. However, the Administration was initially extended by the secured lender until 22 April 2011. This extension was sought to inter alia, continue the collection of outstanding book debts in conjunction with LTSBCF and continue with the marketing of the freehold property.

Following expiry of the extension period, the property had yet to be disposed of. Accordingly, we applied to the Court of Session for a further extension to the Administration of 12 months. On 21 April 2011, the Court granted an extension order to 22 April 2012.

Whilst we will endeavour to complete the sale of the property and attend to all remaining statutory matters as soon as possible, this may not occur before 21 April 2012. As a result, the Joint Administrators may be required to seek a further extension to the period of Administration from the Court.

Should you have any objections to the proposed extension to the Administration period you should write to the Joint Administrators (at the postal address below) by no later than 12 noon on 20 January 2012. If we do not hear from you by this time, we will assume you have no objection to the extension

## **8 Other matters**

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



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*KPMG LLP*

*22 November 2011*

We will continue to attend to the following matters:-

- ongoing monitoring of the property, including collection of rental money from the purchaser, maintaining the property and complying with all insurance requirements;
- with the assistance of our appointed agent, and in consultation with the Bank, concluding the sale of the property;
- distributing funds to the Bank upon the disposal of the property;
- attending to creditor correspondence;
- adjudicating upon preferential creditors' claims;
- making a distribution to the preferential creditors of 100p in the £ and making appropriate distributions to other creditors;
- accounting for all VAT receivable and payable;
- finalising any corporation tax liabilities;
- settling all outstanding legal and agents fees;
- seeking agreement of the Administrators' time costs and remuneration;
- finalising the remaining administration matters; and
- attending to all statutory matters as and when they fall due.

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

The Joint Administrators' fees and disbursements in the Administration will be subject to approval by the secured and preferential creditors in due course. You will note that no fees have been drawn to date.

BC Nimmo and GA Friar  
KPMG  
191 West George Street  
Glasgow  
G2 2LJ

30 November 2011





## **Appendix 1**

### **Statutory and other information**

#### **EC Regulation**

Administrations are main proceedings 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 Administrations are governed by the Insolvency Act 1986 and not any other European Union Member State's insolvency law.

#### **Relevant court**

Notice of the appointment by the holder of a qualifying floating charge was lodged at the Court of Session on 23 October 2009.

#### **Secured lenders**

The table below details the fixed and floating charges given by the Company:-

**Figure 3: Security details**

Charge and debenture holder	Fixed/floating charge	Charge/debenture dated	Charge/debenture registered
Bank of Scotland	Bond and Floating Charge	23 November 2001	5 December 2001
Bank of Scotland	Standard Security	18 February 2002	25 February 2002

*Source: Company records/Companies House*

#### **Incorporation**

The Company was incorporated on 20 January 1941.

#### **Registered office and trading addresses**

The registered office and trading address of the Company was as follows:

47/71 Montrose Avenue  
Hillington Industrial Estate  
Glasgow



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*KPMG LLP*

*22 November 2011*

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

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

**Company number**

The Company's number is SC21634.



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*KPMG LLP*

*22 November 2011*

## **Appendix 2**

### **Receipts and payments account**

**J & G Coughtrie Limited**  
**(In Administration)**  
**Administrators' Trading Account**

Statement of Affairs	From 23/04/2011 To 22/10/2011	From 23/10/2009 To 22/10/2011
POST-APPOINTMENT SALES		
Sales	NIL	70,257.60
Sales (2)	NIL	22.61
Property Income	15,000.00	15,000.00
Plant Income	NIL	1,200.00
Miscellaneous income	NIL	0.21
	<u>15,000.00</u>	<u>86,480.42</u>
PURCHASES		
Purchases	NIL	3,724.66
	<u>NIL</u>	<u>(3,724.66)</u>
OTHER DIRECT COSTS		
Direct labour	NIL	32,918.59
Sub contractors	NIL	1,529.00
	<u>NIL</u>	<u>(34,447.59)</u>
TRADING EXPENSES		
Sub contractors	NIL	567.00
Rates	NIL	753.41
Water rates	NIL	74.85
Heat & light	NIL	2,125.57
Carriage	NIL	975.15
Professional fees	NIL	4,345.00
Hire of equipment	NIL	100.00
Repairs and maintenance	NIL	115.35
Sundry expenses	350.00	350.00
	<u>(350.00)</u>	<u>(9,406.33)</u>
<b>TRADING SURPLUS/(DEFICIT)</b>	<u><b>14,650.00</b></u>	<u><b>38,901.84</b></u>

**J & G Coughtrie Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 23/04/2011 To 22/10/2011	From 23/10/2009 To 22/10/2011
	FIXED CHARGE ASSETS		
1,200,000.00	Freehold property	NIL	NIL
34,680.00	Vehicles, Plant & machinery	NIL	NIL
572,505.00	Book debts	NIL	NIL
		NIL	NIL
	FIXED CHARGE COSTS		
	Agents'/Valuers' fees	NIL	6,337.50
	Sundry costs	NIL	770.00
		NIL	(7,107.50)
	FIXED CHARGE CREDITORS		
(477,438.00)	Bank of Scotland	NIL	NIL
(532,000.00)	Bank of Scotland Cashflow Finance	NIL	NIL
(2,000.00)	Finance Company	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
93,000.00	Tooling	NIL	96,782.00
2,000.00	Furniture & equipment	NIL	NIL
2,000.00	Process equipment	NIL	NIL
75,000.00	Components	NIL	34,995.00
	Testing equipment	NIL	1.00
	Book debts	NIL	0.01
	Computer equipment	NIL	1.00
100,000.00	Plant and machinery	NIL	1.00
24,102.71	Painted stock	NIL	1.00
219,826.46	Purchased stock	NIL	1.00
44,000.00	Finished goods	NIL	NIL
	Rent	15,000.00	134,839.89
		15,000.00	266,621.90
	OTHER REALISATIONS		
	Bank interest, gross	337.36	593.22
	Trading Surplus/(Deficit)	14,650.00	38,901.84
	Suspense	NIL	1,623.18
		14,987.36	41,118.24
	COST OF REALISATIONS		
	Specific bonds	NIL	350.00
	Agents'/Valuers' fees	NIL	7,687.92
	Legal fees	2,874.00	21,235.10
	Legal fees (2)	NIL	1,260.00
	Statutory advertising	NIL	620.90
	Other property expenses	509.92	2,389.06
	Insurance of assets	8,040.32	46,217.92
	Bank charges	NIL	25.00
		(11,424.24)	(79,785.90)
	PREFERENTIAL CREDITORS		
(20,894.00)	Employees' wage arrears	NIL	NIL
		NIL	NIL

**J & G Coughtrie Limited**  
**(In Administration)**  
**Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 23/04/2011 To 22/10/2011	From 23/10/2009 To 22/10/2011
<b>UNSECURED CREDITORS</b>			
(310,541.02)	Trade & expense	NIL	NIL
(395,969.88)	HMRC arrears	NIL	NIL
(241,493.96)	sundry	NIL	NIL
		NIL	NIL
<hr/>		<hr/>	<hr/>
<b>386,777.31</b>		<b>18,563.12</b>	<b>220,846.74</b>
<hr/>		<hr/>	<hr/>
<b>REPRESENTED BY</b>			
	Floating ch. VAT rec'able		1,422.70
	Floating charge current		213,814.17
	Floating ch. VAT payable		(2,099.19)
	Floating ch. VAT control		621.99
	EP(C)A employee liability		(2.80)
	Newco debtor receipts		7,089.87
			<hr/>
			<b>220,846.74</b>
			<hr/>

Gerard Anthony Friar  
Administrator