

The Insolvency Act 1986

## Administrator's progress report

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

Name of Company

AC199 Realisations Limited

Company number

SC102977

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

We, Robert Caven and John Gerard Montague of Grant Thornton UK LLP,  
95 Bothwell Street, Glasgow, G2 7JZ, Joint Administrators of the above company  
attach a progress report for the period

from

23 September 2011

to

22 March 2012

(b) Insert dates

Signed

Joint Administrator

Dated 2 May 2012

### 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

Grant Thornton UK LLP

95 Bothwell Street

Glasgow

Tel 0141 223 0000

DX Number GW 232

DX Exchange GLASGOW

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

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



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03/05/2012

#776

COMPANIES HOUSE

THURSDAY



Our Ref JGM/ARE/PZM/NMS/A00351/7

To all known creditors

**Recovery and Reorganisation**

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2 May 2012

Dear Sirs

**AC199 Realisations Limited - In Administration (formerly Airchannel Limited)**

**1 INTRODUCTION**

- 1.1. Following the appointment of Rob Caven and I as Joint Administrators of the Company on 23 March 2010, I am now in a position to report on the progress of the Administration to 22 March 2012. This report should be read in conjunction with the Joint Administrators proposals and previous progress reports.
- 1.2. I enclose Form 2.20B(Scot) together with an account of my receipts and payments for the 6 month period ended 22 March 2012 in accordance with Rule 2.38 of the Insolvency (Scotland) Rules 1986.
- 1.3. In accordance with paragraph 100(2) of Schedule B1 to the Insolvency Act 1986, the functions of the Joint Administrators are to be exercised by any or all of them.

## **2 STATUTORY INFORMATION**

2.1. The Company's statutory details are as follows:

Registered number	SC102977
Registered office	c/o Grant Thornton UK LLP, 95 Bothwell Street, GLASGOW, G2 7JZ
Former trading address	Stirling Road Industrial Estate, Dykehead Road, AIRDRIE, ML6 7UJ
Authorised share capital	827,686 Ordinary £1 Shares 368,750 Preferred Ordinary £1 Shares
Issues share capital	827,686 Ordinary £1 Shares 368,750 Preferred Ordinary £1 Shares

### **Directors:**

Colin Glassey  
Steve Holman  
Alastair Paul Henry Shanks  
Alexander Gavin Shanks  
James Sheldon

### **Shareholding:**

Nil  
Nil  
18,000  
719,295  
50,000

### **Secretary:**

James Sheldon

### **Shareholding:**

As above

- 2.2. The Administration constitutes "main proceedings" under the EC Regulation on Insolvency Proceedings.
- 2.3. The Administration appointment was made by the Directors of the Company in accordance with Paragraph 22 of Schedule B1 of the Insolvency Act 1986 on 23 March 2010. There is no Court reference number.
- 2.4. This report is prepared in accordance with Rule 2.38 of the Insolvency (Scotland) Rules 1986.

### 3 ACTIONS TAKEN SINCE LAST REPORT

#### Background and Objectives

- 3.1. As previously reported, the Directors of the Company appointed Rob Caven and I as Joint Administrators of the Company on 23 March 2010 following various measures to try and overcome the trading difficulties faced by both the Company and the wider Group.
- 3.2. The objective of the Administration was to achieve a better result for the Company's creditors as a whole than would be likely if the Company had been wound up. In tandem with this, the Joint Administrators were to pursue the objective of realising assets for the benefit of preferential and secured creditors.
- 3.3. These objectives were achieved by realising the business and assets of the Company via a going concern sale.

#### Airdrie Property

- 3.4. I would confirm that the sale process of the Airdrie property continues to progress and a variety of interests have been expressed.
- 3.5. We are in discussions with various parties in this regard, however due to the confidential nature of these discussion, I am unable to provide any further details at this time. I hope to provide an update at the time of my next report.
- 3.6. As previously reported an asbestos survey was undertaken and to assist the sale process the results were shared with interested parties.

#### Debtors

- 3.7. Debtor collections are now complete and may be summarised as follows:

	£000
Book debt as per ledger	2,467
Credit notes given	(33)
Bad debts not previously written off	(463)
Disputed/unsupported balances	(160)
Write off for contras	(53)
Credit balances	47
Inter-company	(2)
<b>Book value of collectable debts as at 23 March 2010</b>	<b>1,803</b>
Additional bad debts, disputes and write offs arising since 23 March 2010	(86)
Collections to date	1,717
Debt collection fees	(25)
ROT settlements	(74)
<b>Net collections</b>	<b>1,618</b>
Bank debt (including termination charges)	(1,302)
<b>Surplus from book debts to date</b>	<b>316</b>
Estimated future collections	-
<b>Surplus from book debts</b>	<b>316</b>

### **Other matters**

- 3.8. Other issues that the Joint Administrators staff have dealt with in the period to 22 March 2012 are listed below:

- Discussing and agreeing final charges and interest due to secured creditor
- Dealing with creditors' claims and queries as appropriate
- Liaising with insurers
- Liaising with property agents in relation to the sale of Airdrie
- Liaising with agents on property maintenance and security at Airdrie
- Corresponding with HM Revenue and Customs in relation to the tax implications of the property sales as required
- Attending to all statutory matters
- Other ad-hoc duties as required

### **4 Receipts and Payments**

- 4.1. My receipts and payments account covering the period to 22 March 2012 is attached in Appendix A.

### **5 Estimated Outcome for Creditors**

#### **Preferential Creditors**

- 5.1. These claims have been settled in full.

#### **Secured and floating Charge Creditor**

- 5.2. The Company's secured creditor is Royal Bank of Scotland plc ("RBS"). A summary of the debt due to RBS is set out below;

	£000
Term loans	1,140
Overdraft	816
Interest & charges	129
Due under Factoring Agreement	1,182
Factoring Charges	120
	<b>3,387</b>

It is anticipated that the secured creditor will suffer a shortfall in the region of £1,523,000 within Airchannel.

- 5.3. As RBS will not receive full recovery from the assets of Airchannel, the balance of its recovery will be under cross guarantee from Fidelity Plant Hire (Scotland) Limited and AC201 Realisations Limited, formerly Anglair Limited.
- 5.4. Funds from both these companies have already been used to repay RBS, however as stated in our earlier reports Fidelity and Anglair have a right to recover any funds paid as substitute floating charge creditors. Accordingly there will be no surplus arising to the creditors of AC199 Realisations Limited.

### **Unsecured Creditors**

- 5.5. We anticipate there will be insufficient funds available to pay a dividend on unsecured claims. There is no prescribed part for unsecured creditors as the floating charge was created before 15 September 2003.

## **6 Extension of Administration**

- 6.1. The Court granted an initial extension to the Administration for 12 months to 22 March 2013 to allow for the realisations of the remaining assets.
- 6.2. Once the Airdrie property has been sold and final distributions made to the secured and preferential creditors, the Joint Administrators will file a notice with the Court and the Registrar of Companies confirming that the purpose of the Administration has been sufficiently achieved.

## **7 Joint Administrators Remuneration and Disbursements**

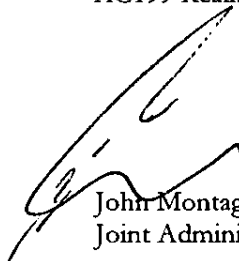
- 7.1. The Joint Administrators' remuneration for the period 23 March 2010 to 10 May 2011 in the sum of £361,705.85 (excluding VAT), together with expenses of £57.37 (excluding VAT) has been authorised by creditors in accordance with Rule 2.39 of the Insolvency (Scotland) Rules 1986. To date I have drawn £276,705.91 (excluding VAT) and expenses of £57.37 (excluding VAT). The remaining balance of this remuneration will be drawn shortly.
- 7.2. Background information regarding the fees of Administrators can be found at <http://www.insolvency-practitioners.org.uk> (navigate via 'Regulation and Guidance' to 'Creditors Guides to Fees').

## **8 Next Report**

The Joint Administrators are required to provide a progress report within six weeks of the end of the next accounting period (being 22 September 2012), or earlier if the Administration has been finalised.

Should you require any further information or explanations, please do not hesitate to contact my colleague Natalie Smith on 0141 223 0707.

Yours faithfully  
for and on behalf of  
AC199 Realisations Limited



John Montague  
Joint Administrator

The affairs, business and property of AC199 Limited (formerly Airchannel Limited) are being managed by John Montague and Rob Caven, appointed as Joint Administrators on 23 March 2010.  
The Joint Administrators act as agents of the Company and without personal liability.

**APPENDIX A - ABSTRACT OF THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT TO 22 MARCH 2012 (1 of 2)**

**Joint Administrators' Abstract of Receipts & Payments**

	From 23/09/2011 To 22/03/2012	From 23/03/2010 To 22/03/2012
<b>SECURED ASSETS</b>		
Freehold Land & Property	NIL	125,000.00
Book Debts	NIL	1,716,659.99
Misc Fixed Receipts	NIL	134.54
	<u>0.00</u>	<u>1,841,794.53</u>
<b>COSTS OF REALISATION</b>		
Legal Fees	NIL	7,318.00
Agents/Valuers Fees	NIL	2,851.00
Debt Collection Fees	NIL	24,885.27
Factoring Charges	NIL	120,445.62
Insurance	43,873.21	69,822.47
VAT - Payable on behalf of Anglair	(75,000.00)	NIL
	<u>31,126.79</u>	<u>(225,322.36)</u>
<b>SECURED CREDITORS</b>		
Chargeholder (1)	-	1,181,783.05
	<u>-</u>	<u>(1,181,783)</u>
<b>HIRE PURCHASE</b>		
HP Asset (1)	0.00	40,800.00
Finance Company (1)	0.00	(16,775.21)
	<u>0.00</u>	<u>24,024.79</u>
<b>ASSET REALISATIONS</b>		
Freehold Land & Property	NIL	NIL
Plant & Machinery	NIL	59,720.00
Motor Vehicles	NIL	1,200.00
Stock	NIL	1,550.28
Stock/WIP	NIL	85,000.00
Book Debts	97.33	52.72
Property Rights/Patents	NIL	2.00
Rent	NIL	10,722.25
Bank/ISA InterestGross	97.18	569.16
Rates Refund	861.04	861.04
Misc Refunds	NIL	4,493.46
Goodwill	NIL	500,000.00
	<u>1,055.55</u>	<u>664,170.91</u>
<b>COST OF REALISATIONS</b>		
Specific Bond	NIL	528.00
Preparation of S. of A.	NIL	2,689.01
Administrators Fees	230,012.31	276,705.91
Administrators Expenses	(530.73)	7,041.83
Agents/Valuers Fees (1)	NIL	23,965.30
Legal Fees (1)	NIL	47,137.36
Room Hire	NIL	151.49
Storage Costs	NIL	6,306.23
Statutory Advertising	NIL	63.45
Other Property Expenses	20,669.20	47,998.28
Heat & Light	(300.57)	5,971.91
Property Expenses	NIL	112.59
ROT	NIL	74,040.00
Bank Charges	NIL	300.00
	<u>(249,850.21)</u>	<u>(493,011.36)</u>



**APPENDIX A - ABSTRACT OF THE JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT TO 22 MARCH 2012 (2 of 2)**

**Joint Administrators' Abstract of Receipts & Payments**

	From 23/09/2011 To 22/03/2012	From 23/03/2010 To 22/03/2012
<b>PREFERENTIAL CREDITORS</b>		
Employee Arrears/Hol Pay	0.00	187,826.00
Preferential Creditors (All)	0.00	3,626.20
	<u>0.00</u>	<u>(191,452.20)</u>
<b>FLOATING CHARGE CREDITORS</b>		
Floating Charge Creditor	7,820.00	352,518.76
	<u>(7,820.00)</u>	<u>(352,518.76)</u>
	<u>(225,487.87)</u>	<u>85,902.50</u>
<b>REPRESENTED BY</b>		
Vat Receivable		1,138.68
Floating Current Account		81,736.07
VAT Control Account		2,062.97
Fixed VAT Control Account		964.78
		<u>85,902.50</u>