

AM03

Notice of administrator's proposals



Companies House

SATURDAY



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27/05/2017

#40

COMPANIES HOUSE

1 Company details

Company number 0 5 5 2 1 5 8 2
Company name in full BCBG Max Azria UK Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Tommaso Waqar
Surname Ahmad

3 Administrator's address

Building name/number 257b Croydon Road
Street Beckenham
Post town Kent
County/Region
Postcode B R 3 3 P S
Country

4 Administrator's name

Full forename(s) Paul
Surname Bailey

① Other administrator
Use this section to tell us about
another administrator.

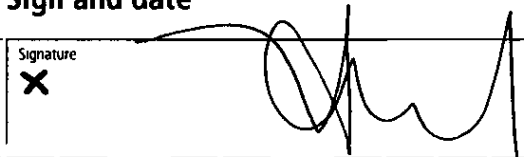
5 Administrator's address

Building name/number 257b Croydon Road
Street Beckenham
Post town Kent
County/Region
Postcode B R 3 3 P S
Country

② Other administrator
Use this section to tell us about
another administrator.

AM03
Notice of Administrator's Proposals

6	Statement of proposals	
	<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	

7	Sign and date	
Administrator's Signature	<div>Signature</div> <div></div> <div>X</div>	X
Signature date	<div><div>^d<div>2</div></div><div>^d<div>6</div></div><div>^m<div>0</div></div><div>^m<div>5</div></div><div>^y<div>2</div></div><div>^y<div>0</div></div><div>^y<div>1</div></div><div>^y<div>7</div></div></div>	

AM03

Notice of Administrator's Proposals



Presenter information

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

Contact name	Chris Hilbert
Company name	Bailey Ahmad Limited
Address	257b Croydon Road Beckenham
Post town	Kent
County/Region	
Postcode	B R 3 3 P S
Country	
DX	
Telephone	020 8662 6070



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Joint Administrators' Report and Statement of Proposals Pursuant to Paragraph 49 of Schedule B1

BCBG Max Azria UK Limited - In Administration

26 May 2017

**Tommaso Waqar Ahmad and Paul Bailey
Joint Administrators**

**Both licensed to act as insolvency practitioners in the UK by the
Association of Chartered Certified Accountants**

www.baileyahmad.co.uk

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1. Introduction and background

- 1.1 "BCBG Max Azria" (BCBG) was first launched in 1989 by Mr Max Azria, a tunisian fashion designer who founded the contemporary womens clothing brand. Mr Azria was the designer, chairman and CEO of the BCBG Max Azria Group, a global fashion house that has over 20 brands.
- 1.2 Mr Azria incorporated the UK entity on 28 July 2005 and was appointed director until his resignation in September 2016. Mr Azria's resignation was as a result of more complex restructuring that was occurring throughout the US and Europe. The Company's present director, Emmanuel Bazantay was appointed on 28 July 2015.
- 1.3 The BCBG name was inspired from the French phrase "bon chic, bon genre", meaning "good style, good attitude"; and Mr Azria's mission statement was to deliver designer fashion at affordable prices.
- 1.4 By 2006, there were over 550 BCBG Max Azria boutiques worldwide, including locations in London, Paris, Tokyo, Santiago and Hong Kong. BCBG Max Azria collections are also sold in speciality stores and major department stores worldwide.
- 1.5 The brand continued to experience extensive growth, adding various brands to its portfolio to include BCBGMaxAzria, Hervé Léger by Max Azria and BCBGeneration, to name but a few.
- 1.6 The UK entity opened its flagship London store at 23-25 Kings Road, London, SW3 4RP along with four concessions located in Harvey Nichols stores in London, Leeds, Birmingham and Edinburgh. The concessions are all operated under separate concession agreements on a yearly rolling basis.
- 1.7 By 2013, the global business did not recognise quickly enough the rise of e-commerce and changing consumer expectations, including new pressures to speed up the supply chain. As a consequence profitability suffered.
- 1.8 The Company occupied 23-25 Kings Road under a lease dated 27 November 2012 expiring on 24 March 2018. On our appointment as Joint Administrators on 13 April 2017, the Company was in arrears of rent by one quarter totalling £122,914.85 (inclusive of VAT). The landlord held a significant rent deposit in the sum of £225,000 and had issued a seven day letter to the Company in respect of its arrears on 3 April 2017.
- 1.9 The concession agreements contained termination clauses which meant that Harvey Nichols was able to divert funds received for the sale of stock in lieu of the unpaid concession fees until such time as its yearly concession fee for each site was received.
- 1.10 Prior to the Joint Administrators appointment Harvey Nichols had already initiated the interception of funds as a result of the other insolvency proceedings that had commenced throughout the US and Europe. In addition, the concession agreements contained clauses stipulating a pledge over the stock held at the Harvey Nichols stores which meant that the Company was not receiving any income from these four sites. This combined with the other factors disclosed meant that the Company was not in a position to meet its debts as they fell due.
- 1.11 Furthermore, the US entity of BCBG sought protection from its creditors under the US Chapter 11 proceedings meaning the ultimate parent company could not continue to underwrite the trade of BCBG Max Azria UK Limited. Without this support the director was advised to consult with Bailey Ahmad Business Recovery on 30 March 2017.
- 1.12 As a result, Tommaso Ahmad and Paul Bailey of Bailey Ahmad Limited, 257b Croydon Road, Beckenham, Kent, BR3 3PS were appointed Joint Administrators of the Company by the Director on 13 April 2017. Tommaso Ahmad and Paul Bailey are licensed to act in the United Kingdom as insolvency practitioners by the Association of Chartered Certified Accountants.
- 1.13 The Joint Administrators act jointly and severally in the Administration.
- 1.14 The EC Regulation on Insolvency Proceedings 2000 applies to the Administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

- 1.15 This report incorporates the Joint Administrators' statement of proposals made under paragraph 49 of Schedule B1, which will be treated as delivered to creditors on 30 May 2017.

2 Administration strategy and objective

- 2.1 The Joint Administrators must perform their functions with the purpose of achieving one of the following objectives:

- Rescuing the Company as a going concern; or
- Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
- Realising property in order to make a distribution to one or more secured or preferential creditors.

- 2.2 In this instance the Joint Administrators are of the view that the purpose of the Administration is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).

- 2.3 The Joint Administrators have determined that this objective is achievable for the following reasons:

- Administration provides protection by way of a moratorium which facilitates a recovery of the rent deposit currently held by the Landlord of the Company's Kings Road store in the amount of £225,000 before possible landlord set-off.
- The moratorium gave the Joint Administrators time to extract the stock held at the Kings Road site to be realised for the benefit of the Company's creditors free from any liens or walk in possession proceedings. The Joint Administrators agents, Gordon Brothers are presently implementing a strategy to maximise realisations of the stock that was secured.

Progress since appointment

- 2.4 Immediately upon appointment the Joint Administrators secured the Company's cash at bank totalling £48,668.69. The Joint Administrators are assessing if there is any further cash to be received as a result of the various stores and concessions having taken card payments via their merchant services account.
- 2.5 The Joint Administrators are continuing to negotiate with the Company's landlord concerning the level of dilapidations being claimed and a return of the residual rent deposit.
- 2.6 The Joint Administrators are presently reviewing the strategy for realising the Company's stock. This will be either by way of a private treaty sale or the creation of a "pop up" shop to dispose of the stock and maximise realisations. We are liaising with our agents concerning strategy in this regard.
- 2.7 An update on assets realisations will be provided in future progress reports.

Administration (including statutory compliance and reporting)

- 2.8 Following our appointment, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved. This work, where appropriate, has included liaison with solicitors to deal with any legal considerations surrounding the Company's insolvency (such as assessing the validity of any 3rd party security in relation to the assets) and liaising with valuation agents about the most appropriate strategy to realise the value in the Company's business and assets.
- 2.9 The Joint Administrators have also dealt with a number of statutory formalities which are required under related legislation. This includes issuing and filing all appointment notices with creditors and the Registrar of Companies and also advertising our appointment in the London Gazette.

- 2.10 Other statutory duties performed are outlined in further detail in the fees estimate/fees information which can be found at Appendix D and E. Please note that much of this work will have been performed to comply with statutory requirements and so may not necessary add any value to the insolvent estate.

Trading

- 2.11 The Joint Administrators assessed the viability of continuing trade however due to the rent arrears, termination of the concession agreements and there being insufficient retail sales, this was not viable.

Realisation of assets

- 2.12 The Joint Administrators have to date realised the Company's cash at bank of £48,668.69.
- 2.13 The Joint Administrators remain in negotiations with the landlord of the Company's premises in respect of realising the rent deposit.
- 2.14 Along with their agents, the Joint Administrators are currently formalising the strategy for realising the Company's stock held at the Kings Road store. This will either be through a private treaty sale or utilising a "pop up" shop to sell the remaining stock direct to the public.
- 2.15 The work undertaken by the Joint Administrators and their staff to date in realising the Company's assets has been necessary in order to maximise the return to creditors. Where assets remain to be realised, these will be dealt with as the Administration progresses and further updates will be provided to creditors in our further progress reports.
- 2.16 Further information on the estimated outcome of the Administration can be found in section 9 below.

Creditors

- 2.17 The Joint Administrators are yet to undertake any work concerning creditors' claims save for the ongoing negotiations with the Company's landlord.
- 2.18 The quantum of any dividend likely to be paid to preferential and unsecured creditors is depending on the realisations achieved from the sale of stock and recovery from the rent deposit.

Investigations

- 2.19 The Joint Administrators are presently reviewing the books and records of the Company to ascertain whether there are any areas requiring further investigation. The Joint Administrators shall submit their report pursuant to the Company Directors Disqualification Act requirements in the statutory time frame.

Sale of assets to connected parties

- 2.20 To date, there has been no sale of assets to a connected party.

3 Joint Administrators' receipts and payments

- 3.1 A summary of receipts and payments for the Administration period from the date of their appointment to date is attached at Appendix B.

4 Financial position

- 4.1 Attached at Appendix C is a summary of the Director estimated Statement of Affairs of the Company as at the date of our appointment as Joint Administrators. This was verified by a statement of truth by the director on 3 May 2017.

5 Proposals

- 5.1 It is proposed that the Joint Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that:
- 5.2 If having realised the assets of the Company, the Joint Administrators think that a distribution will be made to the unsecured creditors from the fund created out of the Company's net floating charge property (known as the Prescribed Part) by virtue of section 176A(2)(a), this will be distributed by the Joint Administrators in the Administration and the Company will thereafter proceed to dissolution.
- 5.3 If, however, having realised the assets of the Company the Joint Administrators think that a distribution will be made to the unsecured creditors other than by virtue of section 176A(2)(a) as noted above, they propose filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Joint Administrators to an end and will move the Company automatically into Creditors' Voluntary Liquidation (CVL) in order that the distribution can be made. In these circumstances, it is proposed that the Joint Administrators in office at the date of conversion to CVL will become the Joint Liquidators in the CVL. The acts of the Joint Liquidators may be undertaken by either or both of them.
- 5.4 Court approval is not required to enable the Joint Administrators to make a distribution to the unsecured creditors of the Prescribed Part. If, however, a distribution to unsecured creditors not limited to the Prescribed Part is anticipated, the Joint Administrators may consider making an application to Court to seek permission to distribute this in the Administration. If permission is granted, the Company will exit into dissolution once the distribution has been made and the Administration is concluded.
- 5.5 If the Joint Administrators think that the Company has no property which might permit a distribution to its creditors, they will file a notice with the Court and the Registrar of Companies for the dissolution of the Company.
- 5.6 See Section 6 below on **exit routes** for further information on the exit routes available from Administration.
- 5.7 The Joint Administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.
- 5.8 If the Joint Administrators consider it necessary to extend the period of the Administration, they will seek the consent of creditors or the approval of the Court to the extension. Creditors may consent to an extension for a period of up to one year and the Court can order that the Joint Administrators' term of office be extended for a specified period determined by it.
- 5.9 The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Joint Administrators' remuneration and disbursements and any proposed act on the part of the Joint Administrators without the need to report back to a further meeting of creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
- 5.10 The basis of the Joint Administrators' remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by them:
- As a percentage of the value of the assets they have to deal with, or
 - By reference to time properly spent by the Joint Administrators and their staff managing the Administration, or

- As a set amount.

5.11 In accordance with Statement of Insolvency Practice 9, issued by the Association of Business Recovery Professionals, the Joint Administrators be authorised to draw Category 2 disbursements as and when funds are available, in accordance with their firm's published tariff. Details of Category 2 disbursements charged by the firm can be found at Appendix D and E.

5.12 Where no Creditors' Committee is appointed the remuneration and disbursements of the Joint Administrators shall be fixed by a decision of creditors or where the Joint Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation. The Joint Administrators will also seek approval for any unpaid pre-administration costs detailed in this report and their discharge from liability in the same manner.

5.13 In this case, the Joint Administrators are seeking to approve the basis of their remuneration as follows:

- A fixed fee element as set out at Appendix D and as a percentage of the value of the assets with which the Joint Administrators have to deal with

Further details about the proposed fee basis can be found in Section 8 below and Appendix D and E.

5.14 The Joint Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

6 Exit routes

Creditors' Voluntary Liquidation

6.2 Based on present information, the Joint Administrators think a dividend will be paid to the unsecured creditors other than by virtue of the Prescribed Part. As a result, the Joint Administrators will either make an application to Court to enable them to make a distribution to unsecured creditors in the Administration or they will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into Creditors' Voluntary Liquidation (CVL) to facilitate this distribution. It is proposed that the Joint Administrators in office at the date of conversion to CVL will become the Joint Liquidators of the CVL.

6.3 It is proposed that the Joint Liquidators will be authorised to act jointly and severally in the subsequent liquidation.

6.4 Creditors have the right to nominate an alternative liquidator of their choice. To do this, creditors must make their nomination in writing to the Joint Administrators prior to these proposals being approved. Where this occurs, the Joint Administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Joint Administrators will automatically become the Joint Liquidators of the subsequent CVL.

Dissolution of the Company

6.5 The Company will be moved to dissolution if the Joint Administrators think that the Company has no property which might permit a distribution to its unsecured creditors. A copy of these documents will be sent to the Company and its creditors.

6.6 The Joint Administrators' appointment will end following the registration of the notice by the Registrar of Companies.

Compulsory Liquidation

6.7 If a move to Creditors' Voluntary Liquidation is not possible because a dividend to the unsecured creditors (other than by virtue of the Prescribed Part) is not anticipated, but the Joint Administrators conclude that an exit into liquidation is appropriate so that further investigations into the Company's affairs may be carried out for

example, an application to Court may be made to exit into Compulsory Liquidation instead. If this exit route is appropriate, at this stage it is anticipated (but is not mandatory) that the Joint Administrators will become the Joint Liquidators in the subsequent liquidation.

7 Pre-administration costs

7.1 Pre-administration costs are defined as:

- (i) Fees charged, and
- (ii) Expenses incurred

by the Joint Administrators, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so), and “unpaid pre-administration costs” are pre-administration costs which had not been paid when the company entered Administration.

7.2 Below is information on the pre-administration costs incurred in this case, together with details of any amounts which remain unpaid, where applicable.

7.3 Pre-appointment fees charged and expenses incurred by the Joint Administrators are as follows:

Charged by	Brief description of services provided	Total amount charged £	Amount paid £	Who payments made by	Amount unpaid £
Bailey Ahmad Business Recovery	Pre-administration, advice, Notice of Intention and appointment	£14,000	£14,000	BCBG Max Azria UK Limited	0

7.4 The payment of unpaid pre-administration costs set out above as an expense of the Administration is subject to the approval of creditors, separately to the approval of the Joint Administrators' proposals.

8 Joint Administrators' remuneration

8.1 The Joint Administrators, are required to provide creditors with details of the work they propose to undertake in the Administration and the expenses they consider will be, or is likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which their remuneration will be fixed.

8.2 In addition to this, where Joint Administrators seek agreement to the basis of their remuneration by reference to time properly spent by them and their staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.

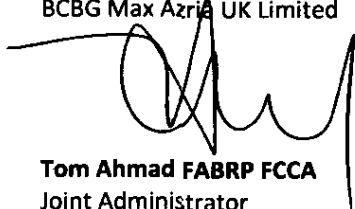
8.3 In this case, the Joint Administrators are not seeking to determine the basis of their remuneration as time properly spent by them and their staff in dealing with the affairs of the Company and they are therefore not, required to provide a fees estimate to creditors. Details of the basis or bases they are proposing, together with information about the work they consider will be necessary in this case and the expenses they consider will, or are likely to be, incurred on this case can be found at Appendix E. Further information on the work done since their appointment to the date of this report, can be found in section 2. Appropriate approval to the basis of the Joint Administrators remuneration will be sought as outlined in section 5 of this report.

8.4 Please note, that in circumstances where the Joint Administrators initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, they reserve the right to refer back to creditors to establish how they are to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, they will revert to creditors with their fees estimate for approval.

8.5 The Joint Administrators will provide updates on the expenses they consider will be, or are likely to be, incurred during this case with their progress reports in due course.

- 8.6 The Joint Administrators may include details of the remuneration they anticipate will be charged and the expenses they anticipate will be incurred if they become the Joint Liquidators in the subsequent CVL. This can be done when seeking approval to the basis of their remuneration as Joint Administrators, or alternatively their fees estimate for the CVL can be provided once the Company has moved into CVL. Please refer to Appendix E to this report for further information.
- 8.7 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from <https://baileyahmad.co.uk/resources/>. If you would prefer this to be sent to you in hard copy please contact Chris Hilbert of this office.
- 9 **Estimated outcome**
- 9.1 An estimate of the outcome of the Administration indicates that a potential dividend to unsecured creditors is dependent upon the realisations achieved from the sale of stock and recovery of any rent deposit.
- 9.2 Based on the directors' estimated Statement of Affairs attached to this report the estimated value of the preferential creditors is nil, however it is noted that this is incorrect and there are likely to be preferential creditor claims in the region of £22,000. The unsecured creditors are estimated at circa £8.499m.
- 9.3 The Company has not granted a floating charge to any party. Accordingly, there is no requirement for the Joint Administrators to create a fund out of the Company's net floating charge property for the benefit of unsecured creditors (known as the **Prescribed Part**), which only applies to charges created after 15 September 2003.
- 10 **Proposals approval and next report**
- 10.1 The Joint Administrators are seeking a decision of creditors on the approval of our proposals by correspondence. The letter issued to creditors with this report (or the link to this report) contains further information about this decision process.
- 10.2 The Joint Administrators are required to provide a progress report within one month of the end of the first six months of the Administration and we will report to you again at this time.

For and on behalf of
BCBG Max Azria UK Limited



Tom Ahmad FABRP FCCA
Joint Administrator

Enc

Appendix A

Statutory information

11 Company information

Company name	BCBG Max Azria UK Limited
Trading name(s)	Max Azria
Registered number	05521582
Registered office address	257b Croydon Road Beckenham Kent BR3 3PS
Former registered office address	New Burlington House 1075 Finchley Road London NW11 0PU
Trading address(s)	23-25 Kings Road London SW3 4RP
Court details	High Court of Justice
Court reference number	2971 of 2017

12 Details of the Company's Directors, Secretary and Shareholdings

	Date appointed	Date resigned	Shares held
Director(s)			
Emmanuel Bazanty	28 July 2015	n/a	n/a
Secretary	None		

13 Joint Administrators' details

Name of Joint Administrators	Tommaso Waqar Ahmad	Paul Bailey
Address	257b Croydon Road Beckenham Kent BR3 3PS	257b Croydon Road Beckenham Kent BR3 3PS
Telephone Number	020 8662 6070	020 8662 6070
Fax Number	020 8662 6071	020 8662 6071
Administrator's IP Number	9475	9428
Authorising Body	ACCA	ACCA
Date of Appointment	13 April 2017	13 April 2017

Appendix B

Receipts and Payments Account for the Period from 13 April 2017 to 26 May 2017

Tommaso Waqar Ahmad
Joint Administrator

Appendix C

Summary of the Directors' Statement of Affairs of the Company

Statement of affairs

Name of Company
BCBG Max Azria UK Limited

Company number
05521582

In the High Court of Justice

{full name of court}

Court case number
2971 of 2017

(a) Insert name and address of
registered office of the company

Statement as to the affairs of (a) BCBG Max Azria UK Limited, 257b Croydon Road,
Beckenham, Kent BR3 3PS

(b) Insert date

on the (b) 13 April 2017, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete
statement of the affairs of the above-named company as at (b) 13 April 2017 the
date that the company entered administration.

Full name Emmanuel BAZANTAY

Signed 

Dated 3 May 2017

A – Summary of Assets

Assets

Assets subject to fixed charge:

Assets subject to floating charge:

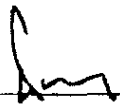
Uncharged assets:

Fixed Assets
 Stock
 Concession Sales (HN)
 Rent Deposit (Cadogan)
 Funds transferred to Admin.
 GB Tax Free shopping
 Amex Receipts
 Wagon paid in excess
 HSBC Bank
 Cash in hand

Book Value £	Estimated to Realise £
28 128	/
418 336	418 336
54 422	54 422
228 588	228 588
61 000	61 000
125	125
645	645
15 752	/
1 443	1 443
720	720
809 159	765 279

Estimated total assets available for preferential creditors


Signature


 E. Bazantay

Date 3 Aug 2017

A1 – Summary of Liabilities

		Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£	£ 765 279
Liabilities		
Preferential creditors:-		
Estimated deficiency/surplus as regards preferential creditors	£	
Estimated prescribed part of net property where applicable (to carry forward)	£	
Estimated total assets available for floating charge holders	£	
Debts secured by floating charges	£	
Estimated deficiency/surplus of assets after floating charges	£	
Estimated prescribed part of net property where applicable (brought down)	£	
Total assets available to unsecured creditors	£	
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£	8 499 920
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	£
Shortfall to floating charge holders (brought down)	£	
Estimated deficiency/surplus as regards creditors	£	£
Issued and called up capital	£	10
Estimated total deficiency/surplus as regards members	£	-7 734 631

Signature  Date 3 May 2017

S. BAZANTAY

BCBG Max Azria UK Limited
Period Ended 13 April 2017


Company Creditors

<u>A/C</u>	<u>Name</u>	<u>Address</u>	<u>Balance</u>
ADT	ADT Fire and Security plc	Security House, The Summit, Hanworth Road, Sunbury-on-Thames, Middlesex, TW16 5DB	1 670,69
ANGEL	Angel Spings Limited	Angel House, Shaw Road, Wolverhampton, WV10 9LE	35,98
BRIGHT	Brightlight Cleaning Services	9 Wyvern Road, Purley, Surrey, CR8 2NG	248,00
BT	British Telecom	81 Newgate Street, London, EC1A 7AJ	113,40
CADOGAN	Cadogan Estates Limited	10 Duke of York Square, London, SW3 4LY	122 914,85
CHELSEA	The Royal Borough of Kensington and Chelsea	Finance Department, Town Hall, Hamton Street, London, W8 7NX	236 036,85
EON	E.ON Energy Solutions Limited	Westwood Way, Westwood Business Park, Coventry, CV4 8LG	1 551,77
MOOD	Mood Media	22 Quai Gallieni, CS40044, 92156 Suresnes, France	36,31
TOPCLEAN	Top Cleaners, Dlimemo Limited	Unit 76, London Industrial Park, Roding Road, London, E6 6LS	345,60
SAS	BCBG MAX AZRIA GROUP SAS	240 Chemin du Château, 28600 Mercuroi, France	7 472 836,48
Taxes	VAT		6 655,00
	PAYE		5 875,00
HN	Harvey Nichols (Penalties)	361-365 Chiswick High Road, Chiswick, London, W4 4HS	651 600,00
			<u>8 499 919,93</u>


 E. BAZANTAY 3 May 2017

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
BCBG MAX AZRIA GROUP LLC	2461 Fruitland Avenue, Vernon CALIFORNIA 90058, USA	10	1 £	
TOTALS		10	1 £	

Signature  Date 3 May 2017

E. BAZANTAY

Appendix D

The Joint Administrators fee structure

Bailey Ahmad Business Recovery Administration Fee Structure

* Please note that all prices shown are excluding VAT

Basis of Administrators' fees

Statutory charges

£

Charges fixed for the duration of the administration

Statutory work associated with appointment and closure	7,000
If appropriate, work associated with dealing with pension scheme(s)	2,250
If appropriate, cost of convening and holding a requisitioned creditors' meeting	2,000
Preliminary review of company records	3,000
Unsecured creditor base charge (up to 25 unsecured creditors)	7,000
Employee base charge (up to 10 employees)	3,750
Creditor committee base charge	2,000
Drafting Administrators proposals	7,000
Administration progress reports	5,000
Managing appropriate exit route from administration	2,500

Annual charges payable each year from commencement

Annual statutory obligations	1,500
Cashiering	2,000
Case monitoring/review	2,500
Statutory reporting	800
Creditor committee annual obligations	500

Unit charges

Preliminary director investigation and reporting	400 per director
Additional unsecured creditors (over and above the 25 included in the base cost)	300 per unsecured creditor
Additional employees (over and above the 10 included in the base cost)	325 per employee
Creditor committee report	2,000 per report
Creditor committee meeting	500 per meeting

Unsecured creditors (excluding employees)

Claim agreement	200 per creditor
Dividend calculation and payment (charge per distribution)	80 per creditor

Employees and Redundancy Payments Service

Claim agreement	200 per employee
Dividend calculation payment (charge per distribution)	100 per employee

Secured creditors

General provision for communication	600 per secured creditor
Claim agreement (including prescribed part calculation)	2,500 per secured creditor
Dividend calculation and payment (charge per distribution)	250 per secured creditor

Prescribed part payments to unsecured creditors

Claim agreement	200 per creditor participating in the prescribed part payment
Dividend payment (charge per distribution)	100 per creditor participating in the prescribed part payment

Asset recovery

Headline rate, but all are subject to the minimum charge stated

	Headline rate, but all are subject to the minimum charge stated	Minimum charge
Debtors	40% of gross realisations per debtor	£250 per debtor
Property/Leasehold interest	15% of gross realisations per property/lease	£7,500 per property/lease
Plant and machinery	20% of gross realisations	£2,000
Fixtures and fittings	20% of gross realisations	£2,000
Intellectual property/Goodwill	40% of gross realisations per item	£2,000
Directors' loan account	40% of gross realisations per DLA	£2,500 per annum per DLA
Assets not disclosed in the Statement of Affairs	50% of gross realisations	£2,000
Stock	20% of gross realisations	£2,000
Cash at bank	15% of gross realisations	£500 per bank account
Motor vehicles	30% of gross realisations	£1,000 per vehicle
Rent deposits	40% of gross realisations	£2,500 per deposit
Legal actions	50% of gross realisations	£5,000
Tax refunds	30% of gross realisations	£1,500

Administrators' disbursements

There are two types of disbursements; Category 1 and Category 2 disbursements. Category 1 disbursements are generally external supplies of incidental services that are specifically identifiable to the case against which they are being charged. These include insolvency bonds, swearing fees, redirection of mail, accommodation, subsistence, company searches, hire of external meeting rooms* or any other miscellaneous item which is by nature a Category 1 disbursement paid out in respect of the administration. Creditor approval of Category 1 disbursements is not required.

*Hire of meetings rooms may be required should creditors requisition a physical meeting

Category 2 disbursements are those which, whilst being in the nature of expenses or disbursements, include an element of shared or allocated costs. Approval of the committee, or the creditors if there is no committee, is required before Category 2 disbursements can be drawn. We will seek to recover the following Category 2 disbursements:

1. Storage of company books and records at the insolvency practitioners' storage facility. The books and records will be stored in standard storage boxes and a storage fee of £5 plus VAT per box per month will be charged. This charge covers the transportation of records from the company's premises, storage, retrieval of books and records in storage for administration purposes and the destruction of such books and records after expiration of the statutory retention period.
2. The recharge of travelling by motor vehicle on business for the administration of the insolvency will be charged to the liquidation at 45p per mile.

The following agents or professional advisors have been utilised in this matter:

Agent/Professional advisor	Nature of work	Fee arrangement
<i>Gordon Brothers Limited</i>	<i>Chattel agents</i>	<i>Time cost</i>
<i>(add/remove agents as applicable)</i>		<i>Paid to date (£)</i>
		<i>Nil</i>
<i>Clumber Consultancy Limited</i>	<i>Pension advisers</i>	<i>Fee arrangement</i>
		<i>Fixed fee</i>
		<i>Paid to date (£)</i>
		<i>Nil</i>
<i>Jones Day</i>	<i>Solicitors</i>	<i>Time cost</i>
		<i>Paid to date (£)</i>
		<i>Nil</i>
<i>Cohen Arnold</i>	<i>Accountants</i>	<i>Time cost</i>
		<i>Paid to date (£)</i>
		<i>Nil</i>

The choice of professionals was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. We are satisfied that the fee arrangement is reasonable in the circumstances of this case.

Gordon Brothers Limited are assisting in the sale of the Company's stock and review of the recovery of the rent deposit.

Clumber Consultancy will be engaged in the event they are required to administer any pension scheme.

Jones Day solicitors are advising the Joint Administrators on any legal issues that arise in the administration.

Cohen Arnold are assisting the Joint Administrators in completing VAT returns and employee claim figures.

Other professional fees

It may be necessary for us to instruct other professionals such as specialist agents or subcontractors to assist us with carrying out certain aspects of our role as liquidators. Examples include debt collection agents, quantity surveyors, solicitors, accountants and pensions experts. The fee basis of appointed agents will be agreed by the liquidators by reference to the service being offered and the complexity/risk associated with the assignment. Such costs will be paid as an expense of the liquidation at the liquidators' discretion.

Statutory advertising and insurance (bond) charges 2017

*These charges are set annually by our external suppliers and the following prices relate to 2017 and are shown excluding VAT

Advertising	£
Statutory advertising	138
Additional advertising per notice (where applicable)	69
Insurance (bond) charge, dependent on the level of anticipated assets, banded as follows:	
£0 - £500	20
£501 - £10,000	40
£10,001 - £25,000	70
£25,001 - £50,000	184
£50,001 - £100,000	272
£100,001 - £250,000	420
£250,001 - £500,000	640
£500,001 - £1,000,000	840
£1,000,001 - £2,000,000	1,600
£2,000,001 - £3,500,000	1,840
£3,500,001 - £5,000,000	2,100
Over £5,000,000	2,400

Appendix E

Additional information in relation to Joint Administrators' fees

1 Fee basis

- 1.1 The Joint Administrators are seeking to agree the basis of their remuneration in this case a combination of a set amount plus a percentage of the value of property which he has to deal with. Attached at Appendix D are details of the work the Administrator proposes to undertake and the expenses the Joint Administrators consider will be, or are likely to be, incurred. Information about the work done to date can be found in the body of the Joint Administrators Report and Statement of Proposals at Section 2.
- 1.2 Where a time cost basis is being sought, the Joint Administrators' fees estimate will be included in this information, which also provides details of the rates the Joint Administrators and their staff propose to charge for each part of that work and the time they anticipate each part of that work will take.
- 1.3 The fees estimate is based on information about the Company's affairs available to the Joint Administrators at the present time. Should any matters arise which impact on this estimate, such as additional investigatory matters or potential realisable assets, further time or cost will be incurred and it may be necessary to revise the Joint Administrators' estimate of fees.

2 Expenses

- 2.1 Below is a table which outlines the expenses that we consider at this stage will be, or are likely to be, incurred in dealing with the Company's affairs. We will provide an update to creditors in our future progress reports.

Expense	Provider	Basis of fee arrangement	Cost to date £
Agent's costs in dealing with property/chattel asset sales	Gordon Brothers	Time costs	5,500.00
Solicitor's costs in dealing with various matters re rent deposit and appointment	Jones Day	Time costs	8,020.00
Accountants costs	Cohen Arnold	Time costs	3,500.00
Statutory advertising	TMP Reynell	Cost = £207	207.00
Administrator's bond	Marsh	Cost = £320	320.00
Staff related travel expenses	Direct cost of Administrator & his staff	Cost = £	23.50

3 Staff allocation and the use of sub-contractors

- 3.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 3.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. Where the basis of the Joint Administrators' remuneration is being proposed on a time cost basis, details of our current charge-out rates can be found below.
- 3.3 We are not proposing to utilise the services of any sub-contractors in this case.

4 Joint Administrators' disbursements

4.1 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. Any Category 1 disbursements we anticipate being incurred in this case are included in the table of expenses above.

4.2 Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

4.3 We would advise that the following Category 2 disbursements are currently charged by this firm:

Type and purpose	£
Eg, Room Hire	150.00
Storage of books and records @ £5 per box per month	None incurred yet
Business mileage @ 45p per mile incurred	None incurred yet

4.4 Separate approval will be sought for the authorisation of this firm's Category 2 disbursements from creditors.