Rule 2.47

Form 2.24B

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company	Company Number
Adams Childrenswear Limited	06019499

	Court case number
In the High Court of Justice Chancery Division Birmingham District Registry (full name of court)	9749 of 2008

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

We (a) Robert Jonathan Hunt of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, Michael John Andrew Jervis of PricewaterhouseCoopers LLP, Plumtree Court, London, EC4A 4HT and Stuart David Maddison of PricewaterhouseCoopers LLP, Donington Court, Pegasus Business Park, Castle Donington, Derbyshire, DE74 2EZ

administrators of the above company attach our final progress report for the period

from	to
(b) 1 July 2009	(b) 10 November 2009

(b) Insert dates

Signed _____
Joint Administrator

Dated 7/12/09

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

Charlotte Dill	
PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, West Yorkshire, LS1 4JP	
	Tel 0113 289 4861
DX Number	DX Exchange

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COMPANIES HOUSE

MONDAY

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

Companies House, Crown Way, Cardiff, CF14 3UZ **DX 33050 Cardiff**

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
2 Humber Quays
Wellington Street West
Hull HU1 2BN
Telephone +44 (0) 1482 224111
Facsimile +44 (0) 1482 584120
pwc.com/uk

To All Known Creditors

11 December 2009

When telephoning, please ask for Charlotte Dill on 0113 289 4861

Dear Sirs

Adams Childrenswear Limited – in Administration ("the Company")

Further to my report dated 29 July 2009, I am pleased to provide you with my final progress report on this Administration, in accordance with Rules 2.47 and 2.110 of the Insolvency Rules 1986.

In accordance with the proposals dated 16 February 2009, I am now in a position to move the Company into Creditors Voluntary Liquidation ("CVL") and for the Joint Administrators ("the Administrators") to be discharged and released from office.

Statutory information

The Administrators are required to provide statutory information pursuant to Rule 2.47(1)(a) to (d) IR86, which is shown at Appendix A. The Administrators are also required to provide a summary of their proposals which is shown at Appendix C.

Receipts and payments summary

A summary of my receipts and payments account for the Company for the period 31 December 2008 to 8 December 2009 is attached at Appendix B.

Acceptance of proposals

The Administrators were appointed by the Company directors in order 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). The Administrators believe that this objective will be achieved.

The Administrators' proposals were circulated to creditors on 16 February 2009. The proposals were approved by creditors without modification at a physical meeting held on 9 March 2009.

Summary of actions taken in the administration since the publication of the Administrators' proposals

Sale of Business

A sale of the business and assets of the Company was completed to J S Childrenswear Limited, a company controlled by John Shannon, a former director of the Company, on 13 February 2009. £3.2 million was received for the sale on completion and a further £1 million in deferred consideration is due to be paid within 12 months from the date of completion.

The Administrators understand that John Shannon has now sold his interest in J S Childrenswear Limited to a third party.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Services Authority for designated investment business

To date no deferred consideration has been received, but we continue to expect this to be received by 13 February 2010.

Since the date of the sale, we have worked closely with J S Childrenswear Limited to finalise and reconcile the Administration trading and cash positions.

Property

From the date of our appointment to the end of January 2009, the company closed 146 of its leasehold stores. The Joint Administrators are currently in the process of agreeing surrenders with the landlords of these stores.

Upon the sale of the business, J S Childrenswear Limited retained 124 stores from the Company's portfolio and occupied these under a licence to occupy. This licence has now expired and I have written to all relevant landlords to advise them of this. It is my understanding that where a formal assignment of a lease was not achieved for these during the licence period, JS Childrenswear Limited have made an informal agreement with the landlords for continued occupation of the premises.

Notwithstanding this, after a competitive tendering process, a solicitor has been instructed to prepare the bulk disclaimer of any remaining leases in the Company's name (ie. where a formal surrender or assignment has not been achieved) upon my appointment as Liquidator of the Company

Report to Department of Business, Skills and Innovation

I am obliged under the Company Director's Disqualification Act 1986 to submit a report to the Department for Business Skills & Innovation within six months of our appointment on all those who have acted as a director of the Company in the last three years. This has now been submitted.

Estimated outcome for creditors

Secured Creditors

The indebtedness to Burdale Financial Limited was fully extinguished from cash generated through trading prior to the date of the Administrators' appointment. The only other secured creditor, John Shannon has also received a distribution under his fixed charge of £2.7m and had his security under a floating charge discharged in full (£3.7m) in the Administration.

Preferential Creditors

Preferential creditors are estimated to be around £0.3m. The Administrators envisage that preferential claims will be paid in full in the CVL.

Unsecured Creditors

The Prescribed Part, (that part of any floating charge realisations that should be made available for unsecured creditors) is anticipated to be at the maximum level of £0.6m.

Based on current calculations it is anticipated that there will be a surplus from realisations to enable an additional distribution to be made to unsecured creditors. The quantum of any distribution will be dependant on the final level of realisations, however the Administrators currently estimate a distribution of around 10 pence in the £.

Any creditors who have not yet submitted their claim in the Administration who wish to formally lodge their claim, should complete the attached statement of claim form and return it along with supporting documentation to PricewaterhouseCoopers LLP, 41 Richmond Hill, Bournemouth, BH2 6HR.

Professional advisors

The professional advisors used on this assignment are as follows:

Name	Nature of work	Basis of fee arrangement
Hammonds	Legal	Time costs
SGP	Rent collection	Set management fee
SGP	Business rates	8% of realisations

Joint Administrators' remuneration

The Administrators' time costs at 7 December 2009 were £1,589,524 based upon a total of 6,721 hours at an approximate average hourly rate of £236.50. To date £1,408,537 plus VAT has been drawn. Future fees will be drawn in due course with approval from the creditors committee in the CVL.

Fees have been calculated based upon the time properly spent on the Administration by the Administrators and their various grades of staff according to the rates for work of this nature. Disbursements have been charged in accordance with the firm's policy.

It has been the Administrators' policy to delegate the routine administration to junior members of staff in order to maximise the cost effectiveness of the work performed. These members of staff have been supervised by senior staff and the Administrators. Senior staff and the Administrators have dealt with matters of a more complex or significant nature.

Disbursements

The Administrators have incurred post appointment disbursements totalling £12,569 plus VAT.

To date the Administrators have drawn £9,244 and the remainder are likely to be drawn in the CVL.

The Administrators' existing policy for disbursements is as follows;

Postage	At cost – only charged for circulars to creditors or exceptional packages.
Storage	At cost where provided internally.
Photocopying	At 3 pence per side copied, only charged for circulars to creditors and exceptional amounts of copying.
Mileage	At a maximum of 62 pence per mile (up to 2,000cc) or 81 pence per mile (over 2,000cc).
Staff expenses	These are only charged as they relate to the administration and will generally be for subsistence or items charged at cost.

Proposed exit route from the Administration

It is my intention to proceed to issue a notice to the Registrar of Companies for the appointment of Robert Jonathan Hunt and Stuart David Maddison as Joint Liquidators in order to facilitate a distribution to the unsecured creditors of the Company.

As such, in accordance with the Administrators' Proposals dated 16 February 2009, I will place the Company into CVL. The appointment of the Administrators in respect of the Company will cease to have effect and the Administrators will be discharged from liability 14 days after the appointment ceases to have effect in accordance with Paragraph 98(2)(b) of Schedule B1 IA 1986 and the resolution passed at the general meeting of creditors.

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The CVL will commence once the Registrar of Companies has confirmed receipt of Form 2.34B (notice of move from Administration to CVL) and Form 2.24B (notice of Administrators' progress report).

The effect of this procedure is that the Administration will have been completed within the twelve month period provided by Schedule B1 of the Insolvency Act 1986.

Should you have any queries, please do not hesitate to contact my colleague, Charlotte Dill on 0113 289 4861.

Yours faithfully
For and on behalf of the Company

R J Hunt
Joint Administrator

Enclosures: Appendix A – Statutory information
Appendix B – Receipts and payments summary
Appendix C - Summary of proposals
Form 2.24B
Form 2.34B
Statement of claim form

Robert Jonathan Hunt, Stuart David Maddison and Michael John Andrew Jervis have been appointed as joint administrators of Adams Childrenswear Limited on 31 December 2008 to manage the affairs, business and property as its agents and act without personal liability. All are licensed to act as Insolvency Practitioners by The Institute of Chartered Accountants of England and Wales.

Appendix A

Adams Childrenswear Limited- in Administration

Statutory information

Registered number:	6019499
Registered office:	PricewaterhouseCoopers LLP Benson House 33 Wellington Street Leeds LS1 4JP
Court details:	High Court of Justice Chancery Division Birmingham District Registry Court Number 9749 of 2008
Date of appointment:	31 December 2008
Name of person appointing:	Directors
Appointed administrators:	Robert Jonathan Hunt, Michael John Andrew Jervis and Stuart David Maddison
Joint administrators' address:	PricewaterhouseCoopers LLP Cornwall Court 19 Cornwall Street Birmingham B3 2DT
Division of the administrators' responsibilities:	In relation to Paragraph 100(2) Sch. B1 IA86, any act required or authorised under any enactment or otherwise to be done by the joint administrators of the Company may be validly done by either one or both of them.

Adams Childrenswear Limited - in Administration ("the Company") **Appendix B**

Receipts and Payments Account - 31 December 2008 to 8 December 2009

Receipts	£
Intellectual property rights	2,100,000.00
Plant and machinery	600,000.00
Intangible assets	5.00
Third party funds	135,521.69
Rent received	7,349,198.44
Stock	475,000.00
Monetary assets	68,063.48
Third party funding	6.00
Book debts	5,129,739.22
Post appointment trading sales	11,726,994.24
Other trading income	8,495.80
Cash in hand	6,909,960.06
Rates and other refunds	114,668.73
Pre appointment VAT refund	223,507.17
Lease surrender premium	1,725.00
Interest received gross	8,076.01
VAT Payable	1,182,054.79
Total receipts	**36,033,015.63**
Payments	
Net wages	2,478,170.24
PAYE and NIC	707,061.21
Other payroll deductions	11,224.05
Sale of Business	3,555.68
Distribition to chargeholder	2,700,000.00
Insurance	3,500.00
Utilities	87,639.72
Lease/hire charges	56,712.37
IT Costs	347,416.60
Duress payments	563,344.03
Retention of title payments	35,640.80
Consultancy fees	83,868.79
Office holders' fees	1,408,537.90
Office holders' expenses	9,244.24
Statutory advertising	2,002.12
Committee expenses	297.23
Room hire & meeting costs	612.09
Bank charges	105,872.05
Distribution to chargeholder	3,700,000.00
Preferential creditors	4,522.36
Purchases	3,101,001.84
Agents fees	20,708.02
Legal Fees	329,047.19
Security costs	37,876.49
Cleaning & site clearance	14,427.98
Employers pension costs	33,303.32
Employee related costs	14,017.63
Employee expenses	45,491.69
Sales agents commisison	1,018,588.21
Rent	8,794,109.21
Rates	413,946.85
Service charges	218,226.03
Repairs and maintenance	1,602.21
Office costs	13,064.53
Postage, stationery and printing	87,002.85
Transport & carriage	117,979.59
Import duty	137,256.43
Currency exchange difference	43,233.63
VAT receipts / payments	12,000.26
VAT receivable	1,630,271.42
Total payments	**28,392,376.87**
Balance	**7,640,638.77**

Note: Euro rate used is 1.107

consider desirable in order to achieve the purpose of the Administration; to protect and preserve the assets of the Company; to maximise their realisations or for any other purpose incidental to these proposals.

iii) as the Administrators think that funds will become available for unsecured creditors of the Company, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator, the costs of so doing being met as a cost of the Administration as part of the Administrators' remuneration.

iv) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch.B1 IA86.

v) a creditors' committee will be established if sufficient creditors are willing to act on it. The Administrators propose to seek the election of a creditors' committee and to consult with it from time to time. Where the Administrators consider it appropriate, they will seek sanction from the committee to a proposed action rather than convening a meeting of all creditors.

vi) the Administrators will consult with the creditors' committee (if appointed) concerning the necessary steps to extend the Administration beyond the statutory duration of one year if an extension is considered advantageous. The Administrators shall either apply to the court or seek consent from the appropriate classes of creditors for an extension.

vii) the Administrators may use any or a combination of "exit route" strategies in order to bring the Administration to an end. It is likely that the Administrators will wish to pursue one of the following options as being the most cost effective and practical in the present circumstances:-

a) once asset disposals are complete, the Administrators will place the Company into creditors' voluntary liquidation. In these circumstances, it is proposed that Robert Jonathan Hunt and Stuart David Maddison be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either, any or all of them. In accordance with Paragraph 83(7) Sch.B1 IA86 and Rule 2.117(3) IR86, creditors may nominate alternative liquidators, provided that the nomination is made after the receipt of these proposals and before they are approved or

b) once asset disposals are complete the Administration will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Sch.B1 IA86, following registration of which the Company will be dissolved three months later.

viii) The Company's books and records shall be destroyed one year after dissolution.

ix) the Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch.B1 IA86 in respect of any action of theirs as Administrators at a time determined by the creditors committee or if there is no creditors committee, 14 days after they cease to be joint administrators of the Company or in any case at a time determined by the court.

x) the Administrators' fees be fixed under Rule 2.106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No.9) be charged in accordance with the

Administrators' firm's policy. It will be for the creditors' committee to fix the basis of the Administrators' fees and Category 2 disbursements but if no committee is appointed, it will be for the general body of creditors to determine these instead.

Creditors will be asked to vote upon the following matters at the initial meeting of creditors: -

- The approval of the Administrators' proposals for achieving the purpose of administration (points (i) to (viii) above.)
- The formation of a creditors' committee
- If a creditors' committee is not formed – the basis of the Administrators' fees and Category 2 disbursements (point x above.)
- If a creditors' committee is not formed – the timing of the Administrators' discharge from liability pursuant to Paragraph 98(1) Sch.B1 IA86. (point (ix) above.)

Rule 2.117

Form 2.34B

The Insolvency Act 1986

Notice of move from administration to creditors' voluntary liquidation

2.34B

Name of Company	Company Number
Adams Childrenswear Limited	06019499

In the High Court of Justice Chancery Division Birmingham District Registry (full name of court)	Court case number 9749 of 2008

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

We (a) Robert Jonathan Hunt of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, Michael John Andrew Jervis of PricewaterhouseCoopers LLP, Plumtree Court, London, EC4A 4HT and Stuart David Maddison of PricewaterhouseCoopers LLP, Donington Court, Pegasus Business Park, Castle Donington, Derbyshire, DE74 2EZ

(b) Insert name and address of registered office of company

having been appointed administrator(s) of (b) Adams Childrenswear Limited, C/o PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, West Yorkshire, LS1 4JP

(c) Insert date of appointment

on (c) 31 December 2008 by (d) John Hardy Shannon – Company Director

(d) Insert name of applicant / appointor

hereby give notice that:

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply,

(e) Insert name(s) and address(es) of liquidator(s)

and it is proposed that (e) Robert Jonathan Hunt of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT and Stuart David Maddison of PricewaterhouseCoopers LLP, Donington Court, Pegasus Business Park, Castle Donington, Derbyshire, DE74 2EZ

will be the liquidator(s) of the company (IP No(s) 8597 and 9076

We attach a copy of the final progress report.

Signed _____
Joint/Administrator

Dated 7/12/09

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

Charlotte Dill	
PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, West Yorkshire, LS1 4JP	
	Tel 0113 289 4861.
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, Crown Way, Cardiff, CF14 3UZ **DX 33050 Cardiff**

Adams Childrenswear Limited - in Administration – statement of claim

Creditor's name and address.	
Total amount of your claim, including any VAT at the date the administration commenced.	£
Please provide details of any documents that substantiate your claim including where applicable, details of any reservation of title in respect of goods to which the debt relates. If relevant, please attach a statement of account.	
What goods or services did you provide?	
Is all or part of your claim preferential as defined in the Insolvency Act 1986? (see footnote) If so, please provide details where indicated, otherwise leave this section blank.	Category Amount (s) claimed as preferential £
If you have security for your debt, please provide details of the type and value of the security, the date it was given, and provide details of how you have valued your security. If no security held, leave this section blank.	
We have a duty as administrators to consider the conduct of the directors prior to our appointment. Are there any particular matters relating to the purchase of goods and services from yourselves, or any other matters that you feel should be reviewed? If so, please provide brief details on this form, or on a separate sheet if there is insufficient room.	
Signature of creditor or person authorised to act on behalf of the creditor.	Date
Name in block capitals.	
Position with or relation to the creditor (e.g. director, company secretary, solicitor).	

/D355E

Categories of preferential creditors are defined in section 386 of the Insolvency Act 1986 (amended by the provisions of section 251 of the Enterprise Act 2002) as contributions to occupational pension schemes; remuneration and accrued holiday pay of employees; amounts due in respect of monies advanced to pay remuneration and accrued holiday pay; amounts ordered to be paid under the Reserve Forces (Safeguard of Employment) Act 1985 and levies on coal and steel production