

The Insolvency Act 1986

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

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

Name of Company

A & J Menswear (Retail) Limited

Company number

SC186063

(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
James Bernard Stephen
BDO LLP
4 Atlantic Quay
70 York Street
Glasgow
G2 8JXDavid J Hill
BDO LLP
4 Atlantic Quay
70 York Street
Glasgow
G2 8JX

administrator(s) of the above company attach a progress report for the period

from

to

(b) Insert date(s)

(b) 28 June 2012

(b) 27 December 2012

Signed

Joint / Administrator(s)

Dated

8 February 2013

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

James Bernard Stephen
BDO LLP
4 Atlantic Quay
70 York Street
Glasgow
G2 8JX

DX Number

0141 248 3761
DX Exchange

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
DXED235 Edinburgh 1 / LP- 4 Edinburgh 2

SATURDAY

SCT
09/02/2013
COMPANIES HOUSE

S21V7GCQ

#570



Tel: +44 (0)141 248 3761
Fax: +44 (0)141 248 1653
LP 55 Glasgow - 6
www.bdo.co.uk

4 Atlantic Quay
70 York Street
Glasgow G2 8JX

Private & Confidential

8 February 2013

The Registrar of Companies
4th Floor
Edinburgh Quay 2
139 Fountain Bridge
Edinburgh EH3 9FF

COPY

Your Ref SC186063
Our Ref SADM956/C15

Please ask for: Nick Clinton
Direct Dial :0141 249 8408

Email: nick.clinton@bdo.co.uk

Dear Sirs,

A & J Menswear (Retail) Limited (In Administration)
Company Number: SC186063

We enclose our progress report in terms of Rule 2.38 for the six month period to 27 December 2012.

Please acknowledge receipt of the progress report by returning the attached copy letter in the enclosed prepaid envelope.

Yours faithfully
For and on behalf of A & J Menswear (Retail) Limited



James B Stephen
Joint Administrator

James Bernard Stephen is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of England & Wales. Office holder number 9273.

David J Hill is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland. Office holder number 6161.

The Joint Administrators act as agents of the company, without personal liability.

Enc: Progress Report with Form 2.20B (Scot)

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copy



Tel: +44 (0)141 248 3761
Fax: +44 (0)141 248 1653
LP 55 Glasgow - 6
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4 Atlantic Quay
70 York Street
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«name»
«a1»
«a2»
«a3»
«a4»
«a5»

8 Februarv 2013

Your Ref
Our Ref SADM930/C6

Please ask for: Catherine Taylor
Direct Dial: 0141 249 5256

Email:catherine.taylor@bdo.co.uk

Dear Sirs,

A & J Menswear (Retail) Limited (In Administration) ("the Company")
Company Number: SC186063

It is now twelve months since my appointment in respect of the Company. In accordance with Rule 2.38 of the Insolvency (Scotland) Rules 1986 we are now reporting the progress made in implementing the approved proposals and achieving the statutory purpose of the Administration for the period 28 June 2012 to 27 December 2012.

The Administrators' did not convene a meeting of creditors to consider the proposals due to the fact there will be insufficient assets to enable a dividend to be paid to unsecured ordinary creditors beyond the prescribed part. The Administrators' proposals being deemed as approved on 29 February 2012.

1 Statutory Information

The Administrators are James Bernard Stephen and David J Hill ("the Administrators") of BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow G2 8JX and they were appointed in respect of the above company on 28 December 2011. Under the provisions of paragraph 100(2) of schedule B1 of the Insolvency Act 1986 the Administrators carry out their functions jointly and severally and neither Administrator has exclusive power to exercise any function.

The Joint Administrators were appointed by the Directors being directors of the Company, pursuant to Paragraph 22 of schedule B1 of the Insolvency Act 1986. The appointment of the Joint Administrators was conducted by Mr Alan Kinney of 19 Elphinstone Road, Giffnock, G64 6TF on behalf of the Directors. The administration proceedings are dealt with in the Court of Session and the court case number is P1430/11.

The company's registered office is situated at 4 Atlantic Quay, 70 York Street, Glasgow G2 8JX and the registered number is SC186063. (Previously at Marathon House, Olympic Business Park, Drybridge Road Dundonald KA2 9AE.)

We enclose at Appendix A, a summary of our receipts and payments to date showing a balance in hand of £154,300.61, together with a copy of our abstract account covering the last six month period, and report as follows:

2 Receipts

The receipts shown are largely self-explanatory.



3 Trading

During the last six months there has been no trading as all stores other than those sold to Blue Inc (1) Limited were closed by 30 December 2011. The Company's head office was vacated on 7 February 2012. Payments on the trading account for rates £7,652.04 relate to head office expenses for the time of its occupation, and insurance costs of £5,670.13 are for commercial cover during the period of our appointment.

4 Actions during the Period

The proposals that were deemed as approved are as follows:

- I. they continue to manage the Company's business and realise assets in accordance with objective 3 of the statutory purpose of the Administration,
- II. they may investigate and, if appropriate, pursue any claims the Company may have under the Companies Act 1985 and 2006 or Insolvency Act 1986 or otherwise. In addition, the Joint Administrators shall do all such other things and generally exercise all their powers as Joint Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals;
- III. they make payments to secured and preferential creditors and if necessary, they apply to Court under P65 of Schedule B1 of the Insolvency Act 1986 in order to distribute funds to ordinary creditors,
- IV. they exit the Administration by way of dissolving the Company under paragraph 84 of Schedule B1 of the Insolvency Act 1986, but in any event, may use any or a combination of 'exit route' strategies in order to bring the Administration to an end,
- V. creditors approve the remuneration of the Joint Administrators on a time cost basis; and
- VI. that the Joint Administrators be discharged from liability under the Administration per Paragraph 98 of Schedule B1 of the Insolvency Act 1986, 14 days after the Joint Administrators' filing their final report with the Registrar of Companies and sending it to creditors.

We appointed Semple Fraser as legal agents, their fees being based on a time cost basis. As noted in my last report, Harper Macleod was then appointed by the Joint Administrators on 30 June 2012, as a result of internal changes within Semple Fraser. The lead partner of the latter moved firms and given the level of knowledge held by them, it was felt moving to Harper Macleod was in the best interests of the Company and the administration.

During the period legal fees of £6,250 (exc VAT) were paid to Semple Fraser being their final fees to end of June 2012 in assisting with assignation of stores and various legal matters during the Administration.

Harper Macleod fees are also based on a time cost basis. During the period they assisted on various legal matters concerning the Administration.

Licence to Occupy

Under the terms of the sale agreement to Blue Inc (20 stores - as noted below), a Licence to Occupy ("LTO") was granted to Blue Inc to allow them to trade from these leased premises for a period of 9 months, while they sought to assign or vacate the stores in question.

Store	Address	Transfer
Barnstaple	63 HIGH STREET	BARNSTAPLE, DEVON
Bicester	17 SHEEP STREET	BICESTER, OXFORDSHIRE
Cambridge	UNIT 25A	THE GRAFTON CENTRE, CAMBRIDGE, CAMBRIDGESHIRE
Cheshire Oaks	39 CHESHIRE OAKS	KINSLEY ROAD, ELLESMERE PORT, SOUTH WIRRAL
Crystal Peaks	UNIT 29	CRYSTAL PEAKS SHOPPING CENTRE, SHEFFIELD, SOUTH YORKSHIRE
Gloucester	16/18 WESTGATE STREET	GLOUCESTER, GLOUCESTERSHIRE
Newquay	45 BANK STREET	NEWQUAY, CORNWALL
Penzance	110 MARKET JEW STREET	PENZANCE, CORNWALL
Truro	13/14 ST NICHOLAS STREET	TRURO, CORNWALL
Banbury	UNIT 42	CASTLE QUAY, BANBURY, OXFORDSHIRE
Ayr	224 HIGH STREET	AYR, Ayrshire
Ballymena	UNIT 48-49	TOWER CENTRE, BALLYMENA
Coatbridge	70 MAIN STREET	COATBRIDGE
Dunfermline	UNIT 18A	KINGSGATE SHOPPING CENTRE, DUNFERMLINE
Livingstone	UNIT 30	THE CENTRE, LIVINGSTONE
Portadown	UNIT 11	HIGH STREET MALL, PORTADOWN
Enniskillen	UNIT C	ERNESIDE SHOPPING CENTRE, ENNISKILLEN
Kings Lynn	UNIT E1	37 BROAD STREET, VANCOUVER QUARTER, KINGS LYNN
St Enoch's	UNIT 43	ST ENOCH CENTRE, GLASGOW
Glasgow Fort	UNIT B14	240 PROVAN WALK, GLASGOW FORT SHOPPING PARK, GLASGOW

A significant amount of time has been involved in administering the LTO with Blue Inc, to ensure that the terms of the LTO were adhered to, and that payment of all liabilities (i.e. rents, service charges etc) were made as they fell due. This involved discussions with the various land-lords agents and Blue Inc, to ensure the correct charges were being levied, and agreeing payment terms/arrangements.

In order to address all assignments/surrenders the period of the LTO was extended to 31 October 2012.

Assignations

All stores sold to Blue Inc were assigned or surrendered by 31 October 2012.

Where stores were closed following the Joint Administrators appointment, following requests from various land-lords, assignations/surrenders have been formalised with any sums due by the Company ranking as an unsecured claim in the administration.

HSBC

As advised in my previous correspondence an indemnity was provided by the Joint Administrators to HSBC Merchant Services to allow trading to continue.

Following the expiry of the indemnity period by HSBC Merchant Services (6 months following the date of administration), and discussions with HSBC Merchant Services, the bond provided by the Company prior to administration was released and a sum of c£75k was recovered.

In addition to the above, following ongoing discussions with HSBC a sum of c£19.5k was recovered from accounts held in the name of the Company prior to administration.

Employee Queries/Claims

My staff have dealt with several employee queries in respect of the submission of their RP1 forms, and what sums may be due to them, and have liaised with both the UK and N Ireland RPO offices in respect of this case.

Creditor Queries/Claims

My staff have dealt with various creditor correspondence, and claims, most creditors now representing utilities and property related companies.

5 Matters Outstanding

The following matters require to be addressed prior to the administration being concluded:

- Adjudication and payment of the preferential creditor's claims. We are currently awaiting the UK Redundancy Payments Office preferential claim before this matter can be finalised;
- Address the final costs and expenses of the administration, and make a final distribution to the Floating Charge Creditor (Bank of Scotland).

6 Extension of Administration

Secured and preferential creditors agreed to a 6 month extension of the Administration to allow the completion of matters detailed in section 5 above. The Administration has now been extended to 28 June 2013.

Should a further extension be required to complete the Administration an application will have to be made to Court. We will notify you if this becomes necessary.

7 Prospects for Creditors

We have attached at Appendix C an Estimated Outcome Statement which summarises the likely returns to the various classes of creditors.

Under Section 176A of the Insolvency Act 1986 where after 15 September 2003 the company has granted to a creditor a floating charge a proportion of the net property of the company must be made available purely for the unsecured creditors.

The Company has not granted a floating charge to any creditor after the 15 September 2003 and consequently there will be no prescribed part in this Administration. No dividend will be available to unsecured ordinary creditors.

Subject to adjudication, it is anticipated that the preferential creditors shall be paid in full.

8 Administrators' Remuneration

The Joint Administrators are obliged to fix their remuneration in accordance with Rule 2.39 of the Insolvency (Scotland) Rules 1986. This permits remuneration to be fixed either as a percentage of the value of the property with which the Administrators have to deal or alternatively by reference to the time the Administrators and their staff have spent attending to matters in this Administration.

The creditors have already approved the Administrators' remuneration on a time cost basis.

In respect of this Administration we wish to advise that as there will be no distribution to unsecured creditors, the remuneration and outlays will be approved by the secured creditor and 50% of the preferential creditors.

To date the sum of £190,000 has been drawn in respect of remuneration as shown on the attached receipts and payments account.

We attach a SIP 9 schedule which summarises the time costs accrued to date and indicates the work undertaken in that respect from the date of appointment.

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. I therefore report that since my last report the sum of £450.08 has been drawn in respect of category 1 disbursements.

Some administrators recharge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP is not to charge any category 2 disbursements.

9 Postal Resolutions

Postal resolutions that may be dealt with in this circular are conducted in terms of rule 2.28 of the Insolvency (Scotland) Rules 1986. The closing date for responses to any resolution attached being 14 days from the date of this letter. For the conduct of the business to proceed one response must be received.

Should no responses be received we are obliged to convene a meeting which will add to the cost of the administration. Would therefore be obliged if you could respond to any resolution that may be attached to this report.

Yours faithfully
For and on behalf of A & J Menswear (Retail) Limited



James B Stephen
Joint Administrator

James Bernard Stephen is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of England & Wales. Office holder number 9273.

David J Hill is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of Scotland. Office holder number 6161.

The Joint Administrators act as agents of the company, without personal liability.

Appendices

- A- Administrators' Statutory Receipts and Payments (Six month).
- B- Summary of Administrators' Time Costs to date.
- C- Administrators' Estimated Outcome Statement.
- D- Form 2.20B(Scot)
- E- Creditor Response Form for Postal Resolutions.

APPENDIX A - Administrators Statutory Receipts & Payments

A & J Menswear (Retail) Limited (In Administration) Joint Administrators' Trading Account

Statement of Affairs	From 28/06/2012 To 27/12/2012	From 28/12/2011 To 27/12/2012
POST APPOINTMENT SALES		
Sales - 28 - 31 December 2011	(380.35)	135,440.12
other income	1,194.78	2,714.38
	814.43	138,154.50
COST OF SALES		
Direct Labour	NIL	49,528.39
Pre Appointment Wages Paid	NIL	7,225.13
Contribution to Wages by Purchaser	NIL	(7,225.13)
Employer NIC	NIL	3,812.97
Carriage	NIL	388.47
Employee travel expenses	NIL	397.30
Hire of Vehicles	NIL	4,901.30
	NIL	(59,028.43)
TRADING EXPENSES		
Wages	NIL	1,361.28
Labour for Stock Pick Up	NIL	6,110.90
Telephone	NIL	4,537.78
Rates	7,652.04	4,911.68
Rent	(603.72)	12,995.95
Insurance	5,670.13	5,675.43
Professional Fees	NIL	12,226.38
Hire of Equipment	NIL	3,646.24
Motor Expenses	NIL	1,542.00
Stationery and Postage	NIL	232.68
Stock Settlements	NIL	38,725.22
Haulage/Courier Costs	NIL	17,574.13
Sundry Expenses	NIL	3,000.00
Ex Gratia Payment	NIL	1,300.00
	(12,718.45)	(113,839.67)
TRADING SURPLUS/(DEFICIT)	(11,904.02)	(34,713.60)

The Company is registered for VAT and figures are net of VAT.

**A & J Menswear (Retail) Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments**


Statement of Affairs	From 28/06/2012 To 27/12/2012	From 28/12/2011 To 27/12/2012
ASSET REALISATIONS		
200,000.00 Furniture & Equipment	NIL	201,999.00
7,070.00 Motor Vehicles	NIL	7,400.00
20,000.00 Stock	NIL	10,311.00
1.00 Goodwill & Intangibles	NIL	1.00
		1,200.00
441.00 Book debts		20,004.01
90,000.00 Cash at Bank	19,562.94	75,473.97
140,000.00 HSBC Deposit	75,473.97	120,303.50
260,000.00 Voucher Recovery	NIL	259,557.00
		2,042.13
	619.88	15,000.00
		242.08
		(34,713.60)
	(11,904.02)	678,820.09
	83,752.77	
COST OF REALISATIONS		
	NIL	132.50
	NIL	1,500.00
	30,000.00	190,000.00
	450.08	18,617.85
	NIL	1,325.00
	15,005.00	51,601.50
	143.00	736.00
	NIL	15.00
	NIL	275.65
	(45,598.08)	(264,203.50)
PREFERENTIAL CREDITORS		
(90,000.00) Preferential E.P.A.	NIL	NIL
	NIL	NIL
FLOATING CHARGE CREDITS		
(663,616.00) Floating Charge - Bank of Scotland	100,000.00	259,918.36
(300,000.00) Floating Charge - Directors	NIL	NIL
	(100,000.00)	(259,918.36)
UNSECURED CREDITORS		
(6,708,058.86) Trade & Expense Creditors	NIL	NIL
(400,000.00) Unsecured E.P.A. - Employee Claims	NIL	NIL
(344,030.77) Landlords	NIL	NIL
(100,000.00) Gift Vouchers- Creditors	NIL	NIL
(49,199.42) Unsecured N.I.C.	NIL	NIL
(100,000.00) Unsecured V.A.T.	NIL	NIL
	NIL	NIL
DISTRIBUTIONS		
(20,000.00) Ordinary Shareholders	NIL	NIL
	NIL	NIL
(8,057,393.05)	(61,845.31)	154,698.23

REPRESENTED BY

Vat Receivable
Bank of Scotland
Client

470.12
154,300.61
(72.50)

154,698.23



James Bernard Stephen
Joint Administrator

APPENDIX B - Summary of Administrators' Time Costs to Date

Name of Applicant

A & J MEASUREMENT (Retail) Ltd

00175706

Summary of Time-Charged and Rates Applicable for the Period ending 01/07/2013

[illegible]

Appendix C - Estimated Outcome Statement

A & J Menswear (Retail) Limited (In Administration)

Estimated Outcome Statement as at

08 February 2013

Prescribed Part Does Not Apply

	Book Value	Receipts/ Payments	Future	Estimated Outcome	EOS at 8 August 2012	Variance
Floating Charge Assets						
Intangible Assets	(776,162)	1	-	1	1	-
Furniture & Equipment		216,999	-	216,999	216,999	-
Motor Vehicles	2,948,282	7,400	-	7,400	7,400	-
Cash at Bank		20,004	-	20,004	20,004	0
Vouchers	145,029	121,504	-	121,504	121,504	(1)
Cash in transit		259,557	-	259,557	259,557	-
Rent Deposit	86,058	-	-	-	-	-
Stock	500,000	10,311	-	10,311	10,311	-
HSBC Deposit	140,135	75,474	-	75,474	75,474	(0)
Interest recd	-	2,042	-	2,042	1,649	393
Sundry Assets	-	242	-	242	242	0
Trading Profit / (Loss)	-	(34,714)	(6,399)	(41,113)	(45,462)	4,349
Total Floating Charge Recoveries	3,043,342	678,820	(6,399)	672,421	667,679	4,742
Less:						
Agents Fees & Disbursements	-	(1,325)	-	(1,325)	(1,325)	-
Legal Fees & Disbursements	-	(52,338)	(1,000)	(53,338)	(53,440)	103
Administrators' Fees	-	(190,000)	(35,000)	(225,000)	(225,000)	-
Administrators Outlays	-	(18,618)	-	(18,618)	(18,618)	0
Corporation Tax	-	-	(613)	(613)	(495)	(118)
Other Costs	-	(1,923)	(5,000)	(6,923)	(6,923)	(0)
		(264,204)	(41,613)	(305,816)	(305,801)	(15)
Available to Preferential Creditors	3,043,342	414,617	(48,012)	366,605	361,878	4,727
Preferential Claims	-	-	(75,000)	(75,000)	(75,000)	-
Available to Floating Charge	3,043,342	414,617	(123,012)	291,605	286,878	4,727
Bank of Scotland	(633,616)	(259,918)	(373,698)	(633,616)	(633,616)	-
Estimated Deficiency to Floating Charge	2,409,726	154,698	(496,710)	(342,011)	(346,738)	4,727

Appendix D - Form 2.20B(Scot)**Rule 2.38**

Form 2.20B(Scot)

The Insolvency Act 1986

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

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

Name of Company

A & J Menswear (Retail) Limited

Company number

SC186063

(a) Insert full
name(s) and
address(es) of
administrator(s)I/We (a)
James Bernard Stephen
BDO LLP
4 Atlantic Quay
70 York Street
Glasgow
G2 8JXDavid J Hill
BDO LLP
4 Atlantic Quay
70 York Street
Glasgow
G2 8JX

administrator(s) of the above company attach a progress report for the period

from


to

(b) Insert date(s)

(b) 28 June 2012

(b) 27 December 2012

Signed


Joint / Administrator(s)

Dated

8 February 2013

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

James Bernard Stephen
BDO LLP
4 Atlantic Quay
70 York Street
Glasgow
G2 8JX

DX Number

0141 248 3761
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, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge,
Edinburgh, EH3 9FF
DXED235 Edinburgh 1 / LP-4 Edinburgh 2

Appendix E - Postal Resolutions to Creditors - Rule 2.28**A & J Menswear (Retail) Limited (In Administration) ("the Company")****To Be Returned Within 14 Days By Preferential and Secured Creditors Only****Please Return To:**

Nick Clinton
BDO LLP
4 Atlantic Quay
70 York Street
Glasgow
G2 8JX

Creditor Name:**Reference:**

1. Do you agree to the Joint Administrators final fee proposal of £35,000+VAT and outlays

I Agree**I Disagree**

*Delete as appropriate.

Should you disagree please narrate reasons why below.

Signed : _____
On behalf of

Dated: _____

Please complete the above and return as indicated