

The Insolvency Act 1986

# **Notice of move from administration to dissolution**

# **R2.48(1)**

Pursuant to paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 and  
Rule 2.48(1) of the Insolvency (Scotland) Rules 1986

Name of Company

A &amp; 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 8JX

David J Hill  
BDO LLP  
4 Atlantic Quay  
70 York Street  
Glasgow  
G2 8JX

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

having been appointed administrator(s) of (b) A & J Menswear (Retail) Limited 4 Atlantic Quay 70  
York Street Glasgow G2 8JX

(c) Insert date of  
appointment

on (c) 28 December, 2011 by (d) Court of Session

(d) Insert name of  
applicant/appointor

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986  
apply.

We attach a copy of the final progress report

Signed

Joint / Administrator(s)

Dated

28/12/11

## **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, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge,  
Edinburgh, EH3 9FF  
DXED235 Edinburgh 1 / LP- 4 Edinburgh 2**

THURSDAY



\*S2BE15AG\*

SCT

27/06/2013

#346

COMPANIES HOUSE

THE  
LIBRARY OF THE  
MUSEUM OF MODERN ART  
1000 MUSEUM AVENUE  
NEW YORK, N. Y. 10028

---

**A & J Menswear (Retail) Limited (In Administration) ("the Company")**

**Final Report in terms of Rule 2.45 & 2.48 of the Insolvency (Scotland) Rules 1986**

**Exit Route of Administration: Dissolution**

**Contents**

1. Introduction
2. Statutory Information
3. Proposals Approved
4. Deviations from Proposals
5. Outcome
6. Joint Administrators' Fees
7. Joint Administrators' Discharge

**Appendices**

- A. Joint Administrators' Receipts & Payments
- B. Estimated Outcome Statement
- C. Time Costs to Date and Statement of Charge Out Rates
- D. Form 2.26(B)(Scot)

SADM965/C6

## 1. INTRODUCTION

This is the final report to creditors on the progress of the Administration of A & J Menswear (Retail) Limited. A copy of this report will be submitted to the Court and Registrar of Companies to bring the Administration to a close. The exit route being to have the Company dissolved in terms of Para 84 of Schedule B1 of the Insolvency Act 1986.

## 2. STATUTORY INFORMATION

The Joint 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 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 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).

The Administration was extended for a period of 6 months by agreement of secured and preferential creditors until 27 June 2013.

We enclose at Appendix A, for your information, a summary of our receipts and payments to date showing a nil balance in hand, together with a copy of our abstract covering the last six month period. The receipts shown are largely self-explanatory, although I would comment specifically on the following:

### Receipts

As advised in previous correspondence, an indemnity was provided by the Administrators to HSBC Merchant Services ("HSBC") to allow trading to continue.

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

Over the past 2-3 months we have been liaising with HSBC in respect of further funds due to the Company (as we believed that there were potentially additional sums due). Following discussions with HSBC, we have been successful in recovering an additional sum of £100,526.82.

These funds had been held as securities in respect of agreements between HSBC and D2 Trading Limited, which had been novated in favour of, and therefore vest in, the administration of the Company.

Receipt of this additional sum allowed us to pay a greater distribution to the Bank of Scotland giving them an increased recovery of £85.8k compared to that previously anticipated; and further to the additional time-costs incurred in pursuing these sums from HSBC, the Administrators have, with the consent of the secured creditor, drawn a further final fee of £30,000.

At Appendix B is an Estimated Outcome Statement, which presents the receipts & payments figures according to insolvency rankings.

### **3. PROPOSALS APPROVED**

The proposals summarised below were passed/deemed passed on 29 February 2012.

- 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.

During the period legal fees of £1,460 (incl. VAT) were paid to Harper Macleod being their final fees from 1 November 2012 in assisting with surrender of leases and various legal matters during the Administration. Their fees are based on a time cost basis.

#### *Lease assignments*

Through consultation with our legal advisors formal correspondence has been issued to all landlords where leases have not been surrendered/assigned. The landlords were advised of the impending conclusion of the administration and given the opportunity to formalise a surrender/assignment prior to the conclusion of the Administration on 27 June 2013.

### **4. DEVIATIONS FROM PROPOSALS**

We have not deviated from the proposals and have concluded the disposal of assets and will move to have the company dissolved.

### **5. OUTCOME**

The Estimated Outcome Statement shows the outcome as follows:

#### **Secured Creditors**

A total distribution to Bank of Scotland of £375,795 has been made, representing a recovery to the secured creditor of 59.3%.

**Preferential Creditors**

Preferential creditors have been paid in full.

**Prescribed Part - Unsecured 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 was no prescribed part in this Administration. No dividend was available to unsecured ordinary creditors.

**6. JOINT ADMINISTRATOR'S FEES**

A summary of the Joint Administrators' Time Costs are attached at Appendix B. The proposals provided for the Administrators' fees to be based on a time cost basis.

The Joint Administrators' fees were approved by creditors in terms of rule 2.39(7). The approvals being summarised below:

Date	Fee (Excl VAT)	Outlays (Exc VAT)
17 May 2012	160,000	18,167.77
15 August 2012	30,000	450.08
28 February 2013	35,000	58.50
25 June 2013	30,000	-
Total	255,000	18,676.35

The fees being drawn per the Receipts and Payments are £255,000 (Exc. VAT).

**7. JOINT ADMINISTRATORS' DISCHARGE**

In terms of the proposals the Joint Administrators are discharged from liability 28 days following the lodgement of the final report with the Registrar of Companies.



**James Bernard Stephen**  
Joint Administrator

26 June 2013

## APPENDIX 1 - Joint Administrators' Receipts & Payments

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

Statement of Affairs	From 28/12/2012 To 27/06/2013	From 28/12/2011 To 27/06/2013
POST APPOINTMENT SALES		
Sales - 28 - 31 December 2011	NIL	135,440.12
other income	NIL	2,714.38
	NIL	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	(72.15)	4,839.53
Rent	NIL	12,995.95
Insurance	(1,085.34)	4,590.09
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
	1,157.49	(112,682.18)
TRADING SURPLUS/(DEFICIT)	1,157.49	(33,556.11)

The Company deregistered for VAT on 1 November 2012

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

Statement of Affairs	From 28/12/2012 To 27/06/2013	From 28/12/2011 To 27/06/2013
<b>ASSET REALISATIONS</b>		
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
Book debts	184.90	1,384.90
441.00 Cash at Bank	NIL	20,004.01
90,000.00 HSBC Deposit	100,526.82	176,000.79
140,000.00 Voucher Recovery	NIL	120,303.50
260,000.00 Cash in Transit	NIL	259,557.00
Interest Gross	274.73	2,411.43
Chattel Assets	NIL	15,000.00
Sundry Assets	NIL	242.08
Trading Surplus/(Deficit)	1,157.49	(33,556.11)
	102,143.94	781,058.60
<b>COST OF REALISATIONS</b>		
Bordereau	NIL	132.50
Preparation of S.of A.	NIL	1,500.00
Administrators' Fees	65,000.00	255,000.00
Administrators' Disbursements	58.50	18,676.35
Agents' Fees & Disbs	NIL	1,325.00
Legal Fees	1,460.00	53,061.50
Legal Disbs	298.00	1,034.00
Corporation Tax	482.29	482.29
Inhibition	NIL	15.00
Statutory Advertising	NIL	275.65
	(67,298.79)	(331,502.29)
<b>PREFERENTIAL CREDITORS</b>		
(90,000.00) Preferential E.P.A.	35,114.05	35,114.05
Preferential Wages	38,647.23	38,647.23
	(73,761.28)	(73,761.28)
<b>FLOATING CHARGE CREDTS</b>		
(663,616.00) Floating Charge - Bank of Scotland	115,876.67	375,795.03
(300,000.00) Floating Charge - Directors	NIL	NIL
	(115,876.67)	(375,795.03)
<b>UNSECURED CREDITORS</b>		
(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
<b>DISTRIBUTIONS</b>		
(20,000.00) Ordinary Shareholders	NIL	NIL
	NIL	NIL
(8,057,393.05)	(154,792.80)	0.00



BDO LLP

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

Debtor Control Account  
Vat Control Account

(6,000.00)  
6,000.00

---

NIL

---

---

James Bernard Stephen  
Joint Administrator

## APPENDIX B - Estimated Outcome Statement

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

Estimated Outcome Statement as at

Prescribed Part Does Not Apply

27 June 2013

	Book Value	Receipts/ Payments	Future	Estimated Outcome
	£	£	£	£
<b>Floating Charge Assets</b>				
Intangible Assets	(776,162)	1	-	1
Furniture & Equipment		216,999	-	216,999
Motor Vehicles	2,948,282	7,400	-	7,400
Cash at Bank		20,004	-	20,004
Vouchers	145,029	121,688	-	121,688
Cash in transit		259,557	-	259,557
Rent Deposit	86,058	-	-	-
Stock	500,000	10,311	-	10,311
HSBC Deposit	140,135	176,001	-	176,001
Interest recd	-	2,411	-	2,411
Sundry Assets	-	242	-	242
Trading Profit / (Loss)	-	(33,556)	-	(33,556)
<b>Total Floating Charge Recoveries</b>	<b>3,043,342</b>	<b>781,059</b>	<b>-</b>	<b>781,059</b>
<b>Less:</b>				
Agents Fees & Disbursements	-	(1,325)	-	(1,325)
Legal Fees & Disbursements	-	(54,096)	-	(54,096)
Administrators' Fees	-	(255,000)	-	(255,000)
Administrators Outlays	-	(18,676)	-	(18,676)
Corporation Tax	-	(482)	-	(482)
Other Costs	-	(1,923)	-	(1,923)
		(331,502)	-	(331,502)
<b>Available to Preferential Creditors</b>	<b>3,043,342</b>	<b>449,556</b>	<b>-</b>	<b>449,556</b>
Preferential Claims	-	(73,761)	-	(73,761)
<b>Available to Floating Charge</b>	<b>3,043,342</b>	<b>375,795</b>	<b>-</b>	<b>375,795</b>
<b>Bank of Scotland</b>	<b>(633,616)</b>	<b>(375,795)</b>	<b>(257,821)</b>	<b>(633,616)</b>
<b>Estimated Deficiency to Floating Charge</b>	<b>2,409,726</b>	<b>-</b>	<b>(257,821)</b>	<b>(257,821)</b>

## APPENDIX C - Joint Administrators' Time Costs

Name of Assignment		A & J Meanswear (Retail) Ltd t		00175796												
Summary of Time Charged and Rates Applicable for the Period From 28/12/2011 to 27/06/2013																
Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AV RT	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £		
A. Pre Appointment Matters	11.00	3,795.00	31.30	8,701.30							1.50	506.50	43.80	13,001.50	296.84	
B. Steps on Appointment			29.00	8,413.00				23.50	3,995.00	59.25	9,777.00	7.00	2,359.00	118.75	24,554.00	206.77
C. Planning and Strategy	9.00	3,105.00							0.40	63.00			9.40	3,173.00	337.55	
D. General Administration	0.50	213.50	14.00	3,870.25			78.50	13,346.00	2.20	255.20	290.70	46,131.90	92.60	12,250.55	76,066.40	158.97
E. Assets Realisation/Dealing	73.00	25,185.00					15.50	2,635.00			213.25	45,732.50		383.25	97,067.00	253.27
F. Trading Related Matters	9.25	3,539.75	42.50	11,601.50					5.75	977.50	56.50	11,991.00		114.00	28,100.75	246.50
G. Employee Matters	3.00	1,035.00	25.15	7,053.40							123.95	21,071.50	4.20	714.00	29,873.90	191.13
H. Creditor Claims	5.00	1,725.00	59.45	16,953.20							48.95	8,450.50	0.50	78.50	27,207.20	238.87
I. Reporting	4.00	1,380.00	14.75	4,026.75			0.50	85.00			26.25	4,536.25	3.65	607.50	10,635.50	216.39
J. Distribution and Closure										1.00	232.00			1.00	232.00	232.00
K. Work			6.50	2,638.40										6.50	2,638.40	383.00
	114.75	39,978.25	304.45	\$6,753.20	94.50	16,065.00	31.45	\$3,237.70	\$70.25	147,590.65	102.45	16,515.05				
													Net Total	1,474.85	312,549.95	
													Secretarial Expense		0.00	
													Other Disbursements Billed	17,576.51		
													Grand Total	330,076.46		

**BDO LLP REMUNERATION AND DISBURSEMENTS POLICY**

In accordance with best practice I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the above insolvency.

The current charge out rates per hour of staff within my firm who may be involved in working on the insolvency follows: This in no way implies that staff at all such grades will work on the case.

STAFF GRADE	28-Apr-12	2011
	£	£
Partner1	345	338
Director	296	290
Senior Manager	273	268
Manager	214	210
Assistant Manager	170	167
Senior Cashier	159	156
Senior Administrator	145	142
Administrator	128	125
Support staff/Secretary	58	57

The rates charged by BDO LLP are reviewed each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:-

Pre Appointment  
Steps upon Appointment  
Planning and Strategy  
General Administration  
Asset Realisation/Management  
Trading Related Matters  
Employee Matters  
Creditor Claims  
Reporting  
Distribution and Closure  
Other Issues

Under each of the above categories the work is recorded in greater detail in sub categories. Please note that the 11 categories provide greater detail than the 6 categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis, the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis, a periodic report will be provided to any committee appointed by the creditors, or in the absence of a committee, to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into 2 categories.

#### **Category 1 Disbursements**

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, travel (by public transport), couriers, searches at company house, land registry searches, fees in respect of swearing legal documents, external printing costs etc. In each case the recharge will be reimbursement of a specific expense incurred.

Where applicable, disbursements will be subject to VAT at the prevailing rate.

#### **Category 2 Disbursements**

Additionally some firms 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, effective from 1 July 2003, is not to recharge any expense which is not a specific cost to the case, therefore there will be no category 2 disbursements charged. Category 2 disbursements, because they are imprecise, require approval by the creditors before they can be drawn.

A disbursement under this heading is the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 40p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff.

A further disbursement under this heading is where services provided within the practice or by a party with whom the practice, or an individual within the practice, has a business or personal relationship.

**APPENDIX D - Form 2.26(B)(Scot)**

Rule 2.48

Form 2.26B(Scot)

The Insolvency Act 1986

**Notice of move from  
administration to  
dissolution****R2.48(1)**

Pursuant to paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 and Rule 2.48(1) of the Insolvency (Scotland) Rules 1986

Name of Company

A &amp; J Menswear (Retail) Limited

Company number

SC186083

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

having been appointed administrator(s) of (b) A &amp; J Menswear (Retail) Limited 4 Atlantic Quay 70 York Street Glasgow G2 8JX

(c) Insert date of  
appointment

on (c) 28 December, 2011 by (d) Court of Session

(d) Insert name of  
applicant/appointor

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply.

We attach a copy of the final progress report

Signed

Joint / Administrator(s)

Dated

28/12/11

**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, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF  
DXED236 Edinburgh 1 / LP- 4 Edinburgh 2