

The Insolvency Act 1986

Statement of administrator's proposals**2.17B**

Name of Company Adams Childrenswear Limited	Company Number 06019499
In the High Court of Justice Chancery Division Birmingham District Registry (full name of court)	Court case number 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

attach a copy of our proposals in respect of the administration of the above company.

* Delete as applicable

(b) Insert date

A copy of these proposals was sent to all known creditors on

(b) 16 February 2009

Signed 
Joint Administrator

Dated 23/2/09

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

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



A42 28/02/2009 145
COMPANIES HOUSE

SATURDAY

PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds LS1 4JP
Telephone +44 (0) 113 289 4000
Facsimile +44 (0) 113 289 4460
Direct Phone 0113 289 4272
Direct Fax 0113 289 4945
www.pwc.com/uk

To all known creditors and employees

16 February 2009

When telephoning, please contact Charlotte Dill on 0113 289 4861 or 0113 289 4012

Our ref: CGD/ADAMS.14.02.2009/ADAMS

Dear Sirs

Adams Childrenswear Limited – in administration (“the Company”)

I wrote to all known creditors on 5 January 2009, to explain that the Company had entered into administration and that my colleagues Stuart David Maddison and Michael John Andrew Jervis and I had been appointed as joint administrators.

I enclose the joint administrators' proposals for achieving the purpose of administration, a formal notice of a meeting of creditors (Form 2.20B), a proxy form (Form 8.2) and instructions on how to fill out your proxy form (Form 8.2(a))

As a creditor you will be entitled to vote on the proposals by attending the creditors' meeting in person or by proxy. Please be advised that should you not wish to attend the meeting or complete a proxy form, this will not affect any claim you may have in the administration.

The Administrators would encourage the formation of a creditors committee at the first meeting of creditors, accordingly no time cost analysis has been provided in the proposals to the general body of creditors.

However, any creditor who wishes to receive a breakdown of the Administrators time costs incurred to 9 February 2009 can request this ahead of the meeting by contacting one of the numbers above.

If no committee is appointed all creditors and proxies entitled to vote (other than Chairman's general proxies) can vote on the fee resolution, even if creditors who have submitted proxies have not requested the fee information in advance of the meeting.

A complete breakdown of costs along with SIP 9 guidance for voting on fee resolutions will be provided to the general body of creditors at the meeting. Sufficient time will be given at the meeting for creditors to digest the information, prior to being asked to vote on the fee resolutions.

Yours faithfully
For and on behalf of the Company



R J Hunt
Joint Administrator

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.



Adams Childrenswear Limited – in Administration

**High Court of Justice, Chancery Division, Birmingham District Registry
Case No. 9749 of 2008**

Joint Administrators' proposals for achieving the purpose of administration

16 February 2009

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1. Purpose of this document

PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds LS1 4JP
Telephone +44 (0) 113 289 4000
Facsimile +44 (0) 113 289 4460
Direct Fax 0113 289 4580
www.pwc.com/UK

Dear Sirs

I wrote to all creditors on 5 January 2008 to explain that Adams Childrenewear Limited ("the Company") had entered into Administration and that Stuart David Maddison, Michael John Andrew Jervis and I had been appointed as Joint Administrators ("the Administrators") on 31 December 2008.

We were appointed as Administrators to manage the affairs, business and property of the Company without personal liability. We will act until such time as our proposals for achieving the purpose of administration have been agreed by creditors and implemented, following which the Administration will be ended.

The purpose of administration is to achieve one of the following objectives: -

- (a) Primarily, rescuing the Company as a going concern, or failing that
- (b) 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 finally
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors.

For the reasons detailed in this document, objective (b) is being pursued as it was not reasonably practical to rescue the Company as a going concern.

This document and its appendices form the Administrators' statement of proposals for achieving the purpose of administration as required by Paragraph 49 Schedule B1 of the Insolvency Act 1986 ("Sch.B1 IA86").

An initial creditors' meeting will be held on Monday 9 March 2009, at Sketchley Grange Hotel, Sketchley Lane, Leicester, LE10 3HU, to consider these proposals and decide whether a creditors' committee should be formed and if no committee is formed to fix the Administrators' remuneration. Formal notice of the meeting, Form 2.20B, is enclosed. Please note that you will be bound by our proposals if they are approved at the creditors' meeting by the requisite majority of creditors. It is therefore important that you read this document carefully. You may put forward any modifications that you wish to see incorporated into the proposals and make your views known on whether they should be accepted. It would be helpful if a creditors' committee is formed. If you are able to assist, please put your name forward as a candidate for membership by completing the appropriate part of the proxy form

As a creditor you can attend the creditors' meeting either in person or by submitting a proxy. Please let me have details of your claim on the enclosed form as soon as possible. In order to vote (either in person or by proxy) I must receive written details of your claim no later than 12.00 on Friday 6 March 2009.

Adams Childrenewear Limited (in Administration) – Joint Administrators' proposals for achieving the purpose of administration
16 February 2009

1. Purpose of this document

PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds LS1 4JP
Telephone +44 (0) 113 289 4000
Facsimile +44 (0) 113 289 4460
Direct Fax 0113 289 4580
www.pwc.com/uk

The Administrators are seeking the formation of a creditors committee at the first meeting of creditors; it will be for the creditors committee to agree the basis of the Administrators fees and disbursements and it is our intention to provide the committee with an up to date detailed analysis of our time costs at that time.

However, any creditor who wishes to receive a breakdown of the Administrators time costs incurred to 9 February 2009 can request this ahead of the meeting by contacting one of the numbers above.

If no committee is appointed the Administrators will seek approval of there fees by resolution at the creditors meeting. All creditors and proxies entitled to vote (other than Chairman's proxies, which provide no specific voting instructions) can vote on the fee resolution. In this event a complete breakdown of costs along with guidance for voting on fee resolutions will be provided to the general body of creditors at the meeting. Sufficient time will be given at the meeting for creditors to digest the information, prior to being asked to vote on the fee resolutions.

If you have any concerns or questions regarding the background to this case or what is being proposed, please do not hesitate to contact my colleague, Charlotte Dill, on 0113 289 4861.

Please note that you are not required to lodge a vote and this will not have any bearing on any unsecured claim you may have.

Yours faithfully



R J Hunt
Joint Administrator
Adams Childrenswear Limited

Robert Jonathan Hunt, Stuart David Maddison and Michael John Andrew Jervis have been appointed as joint administrators of Adams Childrenswear Limited to manage its 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 in England and Wales.

Adams Childrenswear Limited (in Administration) – Joint Administrators' proposals for achieving the purpose of administration
16 February 2009

2. The Administrators' statement of proposals

a. Brief history and summary of the Administrators' actions to date

The circumstances giving rise to the Administrators appointment

Adams Childrenswear Limited (the Company) was established in January 2007 when it purchased the trade, business and assets of Myriad Childrenswear Limited in administration for approximately £15m. The funding for that acquisition was provided by John Shannon who is the principal shareholder in the ultimate holding company, Adams Childrenswear Holdings Limited. A full group structure is attached as Appendix C; apart from Mini Mode Childrenswear Limited (MMCL), as discussed further below, the subsidiary Companies are believed to be dormant and have no realisable assets.

The Company is one of the UK's largest independent specialist retailer of children's clothes. It sources and distributes children's clothing through its own brand stores and concessions. In addition it supplies overseas franchises in the Middle East and has an on line presence.

The Company also provided all the funding, stock purchase and support functions in respect of the Mini Mode business which supplied both branded clothing and stock management services to Boots stores throughout the UK. A subsidiary of the Company, Mini Mode Childrenswear Limited (MMCL) employed a number of people at both the Company's head office in Nuneaton and in Boots stores. MMCL also held the supply contract with Boots in respect of this venture and was the contracting party for a small number of service suppliers.

The Company made a LBITDA (Loss before Interest, Tax, Depreciation and Amortisation) of £5m in the year to 31 January 2008. Management accounts indicate that the Company made a LBITDA of £9m in the 10 months to 30 November 2008 and that the total cash consumed by the Company in operations during that 22 month period was c£12m. This additional funding was provided by both Burdale Financial Limited by way of asset finance in return for first ranking fixed and floating charges which were granted in March 2008 and by John Shannon who is registered as the holder of second ranking fixed and floating charges.

The marked deterioration in the retail market in late 2008 led to a position where the funders were not prepared to advance any further funds to the Company. This in turn meant that the directors felt the Company would be unable meet its payments as they fell due. As a result of this John Shannon, as the holder of a qualifying floating charge, gave notice of his intention to appoint administrators on 23 December 2008 and the Company was placed into administration on 31st December 2008 in order to protect the position of creditors as a whole.

The manner in which the Company's affairs and business have been managed and financed

Since their appointment, the Administrators have continued to trade the business with a view to selling the business and assets as a going concern. This has been funded through both cash balances in hand or in transit at the date of appointment, stock sales and debtor realisations. The customers, suppliers and employees have been supportive of the strategy which have designed to maximise realisations for all creditors through a sale of the business or if that were not be achieved, an orderly wind down of the Company. This provides the best opportunity to maximise realisations of the debts due to the Company.

During January a number of store closures were effected on account of the difficult trading conditions with the result that the number of stores reduced from 270 at 31 December 2008 to 124 at the date of the end of January. Additionally, circa 1,300 employees were made redundant over that period.

**Adams Childrenswear Limited (in Administration) – Joint Administrators' proposals for achieving the purpose of administration
16 February 2009**

2. The Administrators' statement of proposals

Following the preparation of and distribution of an information memorandum the Group's business and assets were marketed for sale during January and interest was expressed from various parties. A number of parties undertook due diligence and three offers were received for substantially all of the business and assets.

One such offer was made by JS Childrenswear Limited, a Company which is controlled by John Shannon, who after obtaining independent legal advice made an offer of £4.2 million for the business and assets of the company. After extensive negotiations the Administrators accepted this offer on the basis it represented the best outcome for the creditors of the Company.

A sale of the business and assets to JS Childrenswear Limited concluded on 13 February 2009. Of the consideration due, £3.2 million was paid on completion of the sale. The further £1 million is deferred and is due to be paid within 12 months from the date of completion.

The Administrators are not aware of any other transactions between the Company and its directors that have occurred in the 2 years prior to their appointment apart from the introduction of funding into the Company by John Shannon, and his taking of fixed and floating charge security in respect of this lending in February 2008.

Objective of the Administration

The objective of an Administration is to achieve one of the following objectives:

- (a) Primarily, rescuing the Company as a going concern, or failing that
- (b) 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 finally
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors.

For the reasons detailed in this document, objective (b) is being pursued as it was not reasonably practical to rescue the Company as a going concern. This is mainly due to the difficulty of obtaining funding for the Company together with the difficulty of delivering the requisite 75% majority of unsecured creditors that would be required to support any Corporate Voluntary Arrangement.

Dividend prospects

The indebtedness to Burdale Financial Limited had been fully extinguished from cash generated through trading prior to the date of the Administrators appointment, John Shannon is therefore the only secured creditor.

The Company's books and records record that Mr Shannon is owed £23.5 million in respect of funds loaned to the Company at various times. In February 2008, Mr Shannon took second ranking fixed and floating security over all the Company's assets as part of a refinancing exercise during which he loaned further funds.

Given the level of Mr Shannons indebtedness, the Administrators have undertaken a full review of the overall security position within the Company. The Administrators have concluded that £3.7m of Mr Shannons total indebtedness to the Company would be valid in respect of floating charge realisations only. The

2. The Administrators' statement of proposals

balance of his debt is valid for fixed charge receipts and would also rank as unsecured if not satisfied by fixed charge recoveries. Therefore there will be increased net realisations available to the general body of unsecured creditors (which would include Mr Shannon) in addition to the prescribed part.

Preferential Creditors

We estimate that the preferential creditors (employees for arrears of wages and holiday pay) will be paid in full. The directors statement of affairs estimates that preferential creditors total some £285,000.

Unsecured Creditors

Based on current estimates, there will be funds available, to the unsecured creditors under the Prescribed Part (that proportion of net property subject to floating charge which is reserved for the unsecured creditors under S176A IA 86) and, as set out earlier, further funds available for unsecured creditors.

Due to the uncertainty in the number and quantum of unsecured claims, it is presently not possible to produce any meaningful estimate of the ultimate level of return to unsecured creditors.

Ending the Administration

Under paragraph 76 of Sch. B1 IA86, the Administrators' appointment comes to an automatic end after one year unless the court agrees to extend the administration for a specific period. Alternatively, the Company's creditors can consent to a six-month extension to the Administration. The Administrators consider it likely that the Administration will be concluded within one year. If however this becomes unlikely, the Administrators' propose in their absolute discretion, to seek consent of the creditors for an extension to the Administration, or to make an application to court.

The Administrators currently envisage that once the objective of the Administration has been achieved, the Company will be placed into Creditors' Voluntary Liquidation in order to maximise realisations, disclaim remaining leases or onerous property, and to make a distribution to unsecured creditors.

b. Proposals for achieving the purpose of the Administration

The Administrators make the following proposals for achieving the purpose of administration:-

- i) the Administrators will continue to manage and finance the Company's business, affairs and property from trading revenues and asset realisations in such manner as they consider expedient with a view to 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).
- ii) the Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Acts 1985 or 2006, IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion

2. The Administrators' statement of proposals

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) IF86, 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

2. The Administrators' statement of proposals

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.)

2. The Administrators' statement of proposals

c. Statement of affairs

A statement of affairs of the Company was delivered to the Administrators on 12 February 2009. The statement was signed by Julie McBride, a director of the Company.

The Administrators make the following comments on the statement of affairs: -

- In accordance with the standard format of the statement of affairs, no provision has been made for the costs of realising the Company's assets or the costs of the Administration.
- The Administrators have not carried out anything in the nature of an audit on the information.
- The figure provided in respect of preferential creditors only reflects the level of holiday pay outstanding at the date of appointment in respect of those people made redundant and does not reflect the position of all retained employees.
- An amount of £158,000 is noted as owing to MMCL. We understand this reflects purchase orders placed and invoices received for services which the directors believe were placed by MMCL in error. This is based upon the day to day management of the MMCL business where all liabilities and payments for these services were reflected in the books of the Company. Accounting entries have been made subsequently to reflect that this amount is due to MMCL to settle that liability but the Administrators believe that MMCL may not be able to prove for this amount in the estate. It is possible that the creditors noted within the MMCL Statement of Affairs may in fact be creditors of ACL and may be able to prove in that estate. This will be a matter for any subsequent liquidator of ACL to determine.

The statement of affairs is copied at Appendix A and includes details of the names, addresses and debts of creditors (including details of any security held).

2. The Administrators' statement of proposals

d. Statutory and other information	
Court details for the Administration:	High Court of Justice, Chancery Division, Birmingham District Registry Case No. 9749 of 2008
Full name:	Adams Childrenswear Limited
Trading name:	Adams Childrenswear Limited
Registered number:	6019499
Registered address:	Attleborough House, Townsend Drive, Nuneaton, Warwickshire, CV11 6RU.
Company directors:	John Shannon, David Carter-Johnson, David Empson, Julie McBride, Keith Pound, Paul Walkden and Lindsey Williams.
Company secretary:	Julie McBride
Shareholdings held by the directors and secretary:	None
Date of the Administration appointment:	31 December 2008
Administrators' names and addresses:	Robert Jonathan Hunt, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, Michael John Andrew Jervis, Plumtree Court, London, EC4A 4HT and Stuart David Maddison, Donington Court, Pegasus Business Park, Castle Donington, Derbyshire, DE74 2EZ
Appointor's / applicant's name and address:	John Hardy Shannon of Siddington House, Siddington, Cirencester, Gloucestershire, GL7 6EU.
Objective being pursued by the Administrators:	(b) 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)
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.
Proposed end of the Administration:	Either through Creditors' Voluntary Liquidation or dissolution under paragraph 84(1) IA86.
Estimated dividend for unsecured creditors:	It is too early to provide any meaningful estimate of the eventual dividend to unsecured creditors.
Estimated values of the prescribed part and the company's net property:	A prescribed part of £600,000 and net property in excess of £3,000,000
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	No
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings
Any other information which the Administrators think necessary to enable creditors to decide whether or not to vote for adoption of the proposals:	None

3. Receipts and payments account

Adams Childrenswear Limited - In administration ("the Company")
Receipts and Payments Account - 31 December 2008 to 11 February 2009

	£
Book debts	3,248,159.37
Post appointment trading sales	5,266,426.95
Other trading income	8,053.00
Cash in hand	5,906,950.13
Third party funds	4,803.42
Rates and other refunds	17,529.69
Pre appointment VAT refund	223,507.17
Currency gain on exchange	57,493.13
Interest received gross	742.56
VAT Payable	87,936.05
Total receipts	14,821,601.47
Net wages	1,917,470.03
Sale of Business	3,519.75
Funding from third parties	
Secured Creditors	
Utilities	244.38
Lease/hire charges	38,132.68
IT Costs	306,524.89
Duress payments	563,344.03
Consultancy fees	39,549.10
Statutory advertising	461.74
Bank charges	2,995.01
Purchases	1,094,602.83
Legal Fees	66,365.23
Employers pension costs	18,492.29
Employee related costs	7,110.61
Employee expenses	17,985.85
Rent	1,011,431.76
Service charges	155,578.60
Postage, stationery and printing	40,000.00
Transport & carriage	104.35
Import duty	114,290.38
VAT receivable	193,052.12
Total payments	5,591,255.63
Balance	9,230,345.84

Adams Childrenswear Limited (in Administration) – Joint Administrators' proposals for achieving the purpose of administration
16 February 2009

Statement of affairs

Name of Company Adams Childrenswear Limited	Company Number 06019499
In the High Court of Justice Chancery Division Birmingham District Registry <small>(full name of court)</small>	Court case number 9749 of 2008

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

Statement as to the affairs of Adams Childrenswear Limited, is c/o PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP

(b) Insert date on the 31 December 2008, 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 ~~10 September 2008~~, the date that the company entered administration.

31st DECEMBER 2009

Full name JULIE MCBRIDE
 Signed [Signature]
 Dated 12th FEBRUARY 2009

Appendix A

A - Summary of Assets

Assets

Assets subject to fixed charge:

GOODWILL

FIXED PLANT + MACHINERY (OWNED)

SUBJECT TO FINANCE LEASE.

- FIXED PLANT + MACHINERY

- FINANCE LEASE CREDITOR (LLOYDS TSB)

- CARRIED DOWN TO UNSECURED CREDITOR (APPENDIX 1)

Assets subject to floating charge:

- FIXED ASSETS. (APPENDIX 1)

- STOCK (APPENDIX 4)

- TRADE DEBTORS + OTHER DEBTORS (APP. 1)

- CORPORATION TAX

- BANK ACCOUNTS + CASH FLOATS.

Uncharged assets:

Estimated total assets available for preferential creditors

Signature

[Handwritten Signature]

Date

12th FEBRUARY 2009.

Book Value £	Estimated to Realise £
(5275,468)	—
1992,708.	—
1206753	141 927
(1196,206)	(1196,206)
	1054,219.
2435,325.	
2215,204.	3100,000
7572,265.	4922,072.
10562	0
6595,010	6595,010
22156,213	14623 028

A1 – Summary of Liabilities

	Estimated to realise £
Estimated total assets available for preferential Creditors (carried from page A)	£ 14683 08
Liabilities	£
REDUNDANT – HOLIDAY PAY	(116,857)
Preferential creditors:- WORKERS. – REDUNDANCY / NOTICE.	(2072,611)
Estimated deficiency/surplus as regards preferential creditors	£ 12493,620
Estimated prescribed part of net property where applicable (to carry forward)	£ (600 000)
Estimated total assets available for floating charge holders	£ 11,893 62
Debts secured by floating charges	£ (3500 000)
Estimated deficiency/surplus of assets after floating charges	£ 2393 620
Estimated prescribed part of net property where applicable (brought down)	£ 600 000
Total assets available to unsecured creditors	£ 2893,62
Closed Stores – LANDLORDS FUTURE LIABILITY (APP 5)	(15435,131)
FINANCE LEASE LIABILITY (APP. 1)	£ (1054,219)
Unsecured non-preferential claims OTHER CREDITORS (APP. 2)	(35116,404)
Estimated deficiency after floating charge where applicable (brought down)	£ (42612 134)
Estimated deficiency/surplus as regards creditors	£
Issued and called up capital	£ 1
Estimated total deficiency/surplus as regards members	£ (42612 133)

Signature

[Handwritten Signature]

Date

12TH FEBRUARY 2009

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
ADRIAN CHILDRENS LEAD HOLDINGS LTD. (Co No. 6027012)	ATTLEBOROUGH HOUSE, TOWNSEND DRIVE MUNEXTON, WARRICKSHIRE, CV11 6RL.	1	£1.	Ordinary Shares.
TOTALS		1	£1.	

Signature

Myrtle

Date _____

12TH FEBRUARY 2009

COMPANY CREDITORS

Note: 'You must include all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession.

[illegible]

Signature

W. B. Powell

Date _____

1271. ЕРБАХОВ И ПИКОГ

Adams Childrenswear Ltd
Appendix to Statement of Affairs

Appendix 1

Finance Lease Liability deficit

	<u>Creditor</u>	<u>Estimated Exposure</u>
	£	£
Lloyds TSB	1,196,206	1,054,219

The above exposure has been estimated after assuming that the next quarterly payment due in February 2009 is paid.

Assets subject to floating charge

	<u>Book Value</u>	<u>Estimated to realise</u>
	£	£
<u>Fixed Assets</u>		
Fixtures ,fittings plant & machinery	8,435,385	0
<u>Trade & Other Debtors</u>		
Trade Debt-Franchise partner	1,369,388	690,982
Trade Debt-MiniMode with Boots	2,598,233	2,338,410
Trade Debt-Coral Bay with Boots	657,207	591,486
Trade Debt-Concessions	747,917	519,245
Trade Debt-Retail & Local Authority vouchers	493,224	443,901
Trade Debt-Credit & Debit cards	348,336	240,239
Trade Debt-Laser incremental income	210,000	0
Trade Debt-Wholesale	35,354	29,521
Trade Debt -other inc bad debt provision	88,348	3,399
Sundry debtors	195,257	41,815
VAT Debtor	90,898	89,080
Prepayments	738,103	0
	7,572,264	4,988,078

Bank Accounts and Cash Floats

Barclays	5,188,594	5,188,594
Bank of Ireland	572,880	572,880
HSBC	548,168	548,168
Alliance & Leicester	127,113	127,113
Northern	900	900
Amex	28,278	28,278
Cash floats	129,076	129,076
	6,595,010	6,595,010

Adams Childrenswear Ltd
Appendix to Statement of Affairs

Appendix 2

Trade & Other Creditors

	<u>Creditor</u>	
	<u>£</u>	
Purchase Ledger Balance	-9,988,427	
GRNI & Uplift	-253,276	
Company gift & credit vouchers	2,433	
		-10,239,270
PAYE & NI creditors	-1,357,503	
Payroll related	-34,565	
Other Creditors & Accruals	-3,906,865	
		-5,298,932
Directors Loan Accounts	-21,420,384	
Directors Loan Account interest	-1,499,280	
Less secured creditor	3,500,000	
		-19,419,664
Intercompany Creditor Minimode	-158,460	
		-158,460
Total Other Creditors		-35,116,326

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Appendix 4

Adams Childcareworld Limited

Stock - Retailable Value

Adams	Retail £000	Cost £000		Wholesale £000	Retail £000	Cost £000		Batch £000	Retail £000	Cost £000		Total £000	Retail £000	Cost £000		Total £000	Retail £000	Cost £000	
31st December 2008	25600	8800	34.7%	31st December 2008	13854	4125	31.0%	31st December 2008	2039	573	28.7%	31st December 2008	41553	13044	32.3%				
Adjustments		-1089		Adjustments		-3447		Adjustments		-402		Adjustments		-5078					
Total	25600	7607		Total	13854	978		Total	2039	31		Total	41553	8916					
31st January 2009	10101	6305		31st January 2009	11900	2801		31st January 2009				31st January 2009	30001	10100					
Adjustments		-1088		Adjustments		-2847		Adjustments				Adjustments		-3730					
Total	10101	5216		Total	11900	1154		Total	0	31		Total	30001	6370					
Variance	7475	-2501		Variance	-1854	170		Variance	-2039	0		Variance	-11402	-2440					
Assuming that Realisation is Break Even on January Performance																			£000
10% of Remaining Balance																			2300
																			800
																			3169
Total																			

Adams Childrenswear Ltd

Appendix 5

Statement of Affairs as at 31st December 2008

Occupancy

STORE NO	STORE NAME	DATE OF CLOSURE	Annual Rent	Rates	Serv Chg	Insurance	Dilapidations	Total
A0006	Cwmbran	5.1.09	38,000	14,244	10,324	538	4,333	67,440
A0009	Reading	5.1.09	105,000	34,802	19,635	2,106	2,000	163,642
A0016	Cramlington	5.1.09	64,000	27,095	12,230	711	2,333	106,369
A0018	Newport (IOW)	5.1.09	53,600	23,650	0	721	2,667	80,638
A0022	High Wycombe	5.1.09	41,500	17,910	19,688	353	4,333	83,783
A0025	Hitchin	5.1.09	66,000	25,028	75	1,428	4,667	97,197
A0026	Abingdon	5.1.09	37,900	13,896	2,243	507	5,000	59,546
A0027	Dunstable	5.1.09	82,400	27,783	8,294	291	4,000	102,789
A0028	Bletchley	5.1.09	21,250	8,266	9,993	385	4,667	44,561
A0029	Wigan	5.1.09	40,000	16,691	10,456	533	3,333	71,013
A0033	Basildon	5.1.09	83,700	33,294	5,366	239	5,667	128,266
A0034	Barnstaple	5.1.09	80,000	28,013	0	638	2,667	111,318
A0038	Woolston	5.1.09	22,500	8,955	0	524	1,333	33,313
A0039	Ashford	5.1.09	48,375	17,680	9,593	260	4,333	80,241
A0042	Wilham	5.1.09	39,400	13,623	6,710	609	3,667	64,008
A0043	Andover	5.1.09	48,850	19,403	11,053	828	2,667	80,800
A0048	Wakefield	5.1.09	54,500	21,239	0	507	5,000	81,246
A0049	Hounslow	26.1.09	91,500	30,768	24,011	989	4,000	152,168
A0050	Stourbridge	5.1.09	41,125	15,958	10,070	770	5,000	72,923
A0053	Kilmarnock	5.1.09	85,000	35,131	966	1,780	3,333	126,211
A0054	Hartlepool	5.1.09	60,000	27,096	20,326	537	4,667	112,625
A0055	Coventry	5.1.09	198,000	75,527	8,313	1,424	1,000	284,284
A0057	Harlow	5.1.09	28,750	22,962	5,093	212	4,000	61,017
A0058	Exmouth	5.1.09	44,000	16,303	0	997	3,667	64,968
A0069	Newton Abbot	5.1.09	66,000	24,339	4,909	435	3,667	99,351
A0074	Tamworth	5.1.09	95,750	37,657	27,555	0	5,000	166,962
A0080	Glenrothes	26.1.09	69,500	34,385	18,108	259	4,333	126,583
A0081	Carmanthen	5.1.09	53,800	23,162	0	1,421	2,000	80,382
A0087	Chesterfield	5.1.09	52,500	17,384	11,599	539	5,667	87,688
A0088	Plymouth	5.1.09	123,500	47,864	0	1,326	2,333	175,024
A0092	Peterborough	5.1.09	143,600	77,151	18,860	1,374	5,667	248,651
A0093	Dorchester	5.1.09	123,820	24,458	0	1,371	2,667	152,318
A0094	Stockton on Tees	5.1.09	55,000	25,258	7,448	1,267	2,667	91,639
A0095	Redditch	26.1.09	67,500	20,206	18,815	2,111	2,667	111,299
A0099	Wolverhampton	5.1.09	62,000	21,928	25,585	694	4,000	114,207
A0100	Dagenham	26.1.09	28,000	9,185	8,199	676	3,000	49,060
A0101	Beaumont Leys	5.1.09	34,860	8,496	7,738	413	5,000	56,507
A0102	Yate	5.1.09	39,000	10,448	7,189	753	3,000	60,388
A0104	Cloucester	5.1.09	28,000	12,629	0	477	5,333	48,439
A0108	Washington	5.1.09	56,500	24,569	8,296	578	5,000	93,943
A0109	Portadown	5.1.09	28,600	14,630	0	417	4,333	47,980
A0110	Erdington	26.1.09	41,000	18,595	2,760	1,156	4,000	65,511
A0116	Crewe	5.1.09	38,000	17,680	236	470	5,000	61,386
A0117	Boile	26.1.09	60,000	24,569	18,448	569	4,333	107,919
A0118	Chorley	5.1.09	41,000	15,384	0	1,539	3,333	61,256
A0120	Weston Favel	26.1.09	46,780	22,043	11,238	575	4,000	84,636
A0124	Bridgend	5.1.09	61,300	25,246	0	1,786	2,667	90,998
A0128	Notttingham (Broadmarsh)	5.1.09	17,898	30,410	60,000	2,928	4,000	115,334
A0129	Mansfield	5.1.09	98,500	35,590	23,090	735	2,333	160,248
A0130	Pontypridd	26.1.09	60,850	25,246	5,681	1,761	5,000	98,518
A0135	Stevenage	5.1.09	51,850	23,650	25,552	426	4,000	105,478
A0149	Brentwood	5.1.09	51,500	18,599	0	729	4,000	74,828
A0150	Bolton	5.1.09	125,350	55,467	27,706	1,966	4,000	214,490
A0152	Londonderry	5.1.09	130,200	78,336	26,640	2,048	4,667	241,890
A0154	Shrewsbury	5.1.09	56,450	22,388	19,028	1,058	4,000	102,924
A0155	Hereford	5.1.09	60,500	23,421	17,572	701	4,000	106,194
A0164	Blackpool	5.1.09	98,400	35,717	2,370	845	3,000	140,332
A0167	Great Yarmouth	5.1.09	80,000	27,441	0	3,318	1,000	91,759
A0170	St Helens	26.1.09	91,800	38,346	14,800	1,627	3,667	150,240
A0175	Glasgow (St Enochs)	5.1.09	200,000	107,855	52,970	3,276	3,667	367,767
A0176	Glasgow (Parkhead)	5.1.09	106,301	62,272	22,319	771	3,667	195,329
A0181	Inverness	5.1.09	90,000	40,872	0	816	3,333	135,021
A0183	Llangelli	5.1.09	45,000	19,108	0	1,327	2,667	68,102
A0185	Port Talbot	26.1.09	31,800	13,434	2,020	910	3,667	51,830
A0189	Eastbourne	5.1.09	90,000	31,252	18,688	0	5,000	144,940
A0194	Penzance	5.1.09	42,500	16,188	0	696	4,000	63,384
A0197	Chatham	26.1.09	80,000	28,702	0	2,160	2,667	113,529
A0198	Fleet	5.1.09	45,000	10,103	21,344	1,836	3,000	81,282
A0204	Omagh	5.1.09	42,750	19,559	0	603	3,667	66,578
A0205	Birkenhead	5.1.09	60,000	28,116	30,620	811	3,333	122,881
A0207	Dartford	5.1.09	52,500	11,710	22,026	939	3,333	90,509
A0212	Newbury	5.1.09	42,500	13,318	12,370	975	3,333	72,495
A0214	Kirkcaldy	5.1.09	61,500	28,243	0	1,582	3,667	94,992
A0217	Walsall	5.1.09	127,000	57,404	19,218	1,495	3,333	208,450
A0219	Stockport	5.1.09	143,500	62,455	3,166	724	3,333	213,179

Adams Childrenswear Ltd

Appendix 5

Statement of Affairs as at 31st December 2008

Occupancy

STORE NO	STORE NAME	DATE OF CLOSURE	Annual Rent	Rates	Serv Chg	Insurance	Dilapidations	Total
A0220	Evasham	5.1.09	44,500	15,040	23,529	1,663	3,333	88,065
A0226	Gloucester	5.1.09	55,000	19,517	0	714	2,667	77,898
A0229	Newmarket	5.1.09	52,200	14,351	9,108	707	3,000	79,368
A0230	Tooting	04/02/2009	60,000	31,228	0	1,406	0	92,635
A0232	Bracknell	5.1.09	89,500	16,303	984	1,848	4,667	113,302
A0238	Kettering	26.1.09	53,250	24,708	15,127	1,068	4,000	98,244
A0242	South Shields	5.1.09	60,750	25,487	0	663	4,667	91,587
A0245	Horsham	5.1.09	67,500	22,388	28,540	748	3,000	120,176
A0247	Leigh	26.1.09	46,400	20,160	16,647	657	3,333	87,198
A0248	Accrington	5.1.09	57,000	27,554	20,251	726	5,000	110,531
A0253	Bedford	5.1.09	128,500	52,703	0	2,630	3,333	187,168
A0256	Leamington Spa	5.1.09	95,000	34,442	2,452	1,295	4,333	137,523
A0257	Enniskillen	26.1.09	82,700	29,203	18,432	1,539	2,000	133,874
A0260	Worcester	26.1.09	63,500	28,243	17,039	1,133	4,000	113,915
A0268	Doncaster	5.1.09	112,500	48,219	702	1,528	3,000	165,950
A0270	Blyth	5.1.09	37,750	16,877	19,170	1,383	3,000	78,180
A0279	Wrexham	5.1.09	90,000	40,533	0	817	2,667	134,016
A0281	Hemel Hempstead	5.1.09	65,000	30,309	14,650	734	3,000	113,694
A0288	Skelmersdale	5.1.09	40,150	14,236	9,101	1,071	2,667	67,225
A0289	Havant	5.1.09	54,000	9,171	17,148	843	2,667	83,829
A0290	Neath	5.1.09	65,350	24,320	0	948	2,333	92,951
A0292	Huddersfield	26.1.09	131,500	43,168	2,671	1,222	2,667	181,228
A0294	Macclesfield	5.1.09	67,500	29,914	0	1,209	3,000	101,623
A0295	Leeds (Crossgates)	5.1.09	60,000	32,042	12,990	390	3,333	108,754
A0296	Rugeley	5.1.09	36,000	13,777	0	1,098	2,667	53,541
A0302	Poole	5.1.09	93,200	32,376	6,815	1,582	5,000	138,972
A0303	Woking	26.1.09	84,000	31,017	17,132	565	2,333	135,047
A0304	Lincoln	5.1.09	90,000	29,668	25,516	1,379	5,667	152,230
A0311	Weston Super Mare	5.1.09	91,000	27,554	24,490	700	5,667	149,410
A0314	Douglas (IOM)	5.1.09	75,500	4,087	0	3,101	3,667	86,354
A0318	Stirling	5.1.09	117,280	48,937	9,472	936	5,000	181,626
A0320	Bury	26.1.09	118,000	45,005	16,547	1,072	5,667	186,290
A0325	Paisley	5.1.09	90,000	24,569	4,596	739	4,000	123,903
A0326	Ipswich	5.1.09	218,250	50,718	0	1,074	2,667	272,709
A0330	Llandudno	5.1.09	56,000	21,656	16,916	1,909	5,333	101,814
A0333	Bearwood	5.1.09	40,000	10,103	0	1,064	4,000	55,167
A0337	Epsom	26.1.09	113,100	46,842	15,376	542	5,333	181,193
A0342	Cameron Toll (Edinburgh)	26.1.09	125,800	58,929	20,424	1,106	5,000	211,259
A0343	Fareham	26.1.09	120,000	45,005	27,039	540	4,667	197,250
A0347	Northwich	5.1.09	78,000	28,013	12,880	1,013	5,000	124,906
A0351	Oldham	26.1.09	101,750	51,608	26,511	859	5,333	188,061
A0354	Oswestry	5.1.09	45,000	13,777	0	1,655	5,000	65,432
A0362	Elgin	5.1.09	47,400	18,828	19,839	820	5,333	92,221
A0383	Cannock	5.1.09	48,350	25,487	16,701	1,042	5,667	97,247
A0389	Ashton Under Lyne	26.1.09	80,000	34,442	28,014	1,108	5,667	149,231
A0392	Caerphilly	5.1.09	56,750	21,077	7,861	658	3,000	89,348
A0573	Jersey (Voisens)	26.1.09	0	0	0	0	0	0
A0610	Sevenoaks	26.1.09	54,400	18,062	7,723	873	2,667	83,724
A0620	Coleraine	5.1.09	70,000	24,708	0	518	3,000	98,226
A0840	Newcastle under Lyne	5.1.09	49,500	19,977	148	1,162	2,333	73,120
A2000	Motherwell	5.1.09	68,500	29,161	4,298	287	2,000	104,244
A2249	Worthing (Beales)	5.1.09	0	0	0	0	0	0
A2251	Croydon (Alders)	26.1.09	0	0	0	0	0	0
A2257	Tonbridge (Beales)	26.1.09	0	0	0	0	0	0
A2265	Feltham	5.1.09	60,000	19,850	10,000	994	0	90,844
A2269	Kings Lynn	5.1.09	72,500	30,080	4,651	561	2,667	110,659
A2274	Newtownards	26.1.09	106,000	30,802	17,427	1,062	0	155,290
A2279	Widnes	5.1.09	38,800	15,138	1,992	254	0	57,184
A2290	Swindon	5.1.09	130,000	53,304	0	2,309	0	185,614
A2296	Park Centre (Belfast)	5.1.09	75,000	17,001	17,773	1,615	0	111,389
A2305	High Wycombe (HoF)	26.1.09	0	0	0	0	0	0
A2306	Norwich (HoF)	26.1.09	0	0	0	0	0	0
A2307	Birmingham (HoF)	26.1.09	0	0	0	380	0	380
A2308	Plymouth (HoF)	26.1.09	0	0	0	0	0	0
A2309	Aberystwyth S21	5.1.09	0	0	0	0	0	0
A2310	Rhyl S21	5.1.09	0	0	0	0	0	0
A2312	Leek S21	5.1.09	0	0	0	0	0	0
A2313	Thetford S21	5.1.09	0	0	0	0	0	0
A2315	Cardiff (HoF)	26.1.09	0	0	0	0	0	0
E0515	Cork	26.1.09	192,593	41,772	45,398	1,663	4,200	285,624
E2252	Limerick (Parkway)	26.1.09	55,556	12,162	19,054	1,188	800	88,759
E2298	Trillick (Shaws)	26.1.09	0	0	0	0	0	0
			9,610,885	3,741,578	1,470,805	139,530	472,333	15,435,131

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Appendix B Common questions and answers (references to “Rules” are to the Insolvency Rules 1986)

I The initial meeting of creditors and the creditors’ committee

Who will be at the meeting?

One of the Administrators or a person nominated by them in writing will chair the meeting and answer creditors’ questions (Rule 2.36). There is no obligation on the directors of the Company to attend unless they are required to do so by the Administrators (Rule 2.34(2)).

What will happen at the meeting?

It will be assumed that creditors will already have received and read the Administrators’ proposals. The meeting will give creditors an opportunity to put questions to the Administrators. The meeting will then consider and vote upon any modifications that individual creditors might put forward, following which a vote will be taken upon the whole proposals as modified.

Various other resolutions might be considered, in particular those dealing with the basis of the Administrators’ remuneration and the appointment and composition of any creditors’ committee.

Am I obliged to attend the creditors’ meeting?

You are not obliged to attend the creditors’ meeting. The law recognises that creditors are not always able to attend in person and allows you to ask a representative to attend as proxy and vote on your behalf. You will not prejudice your claim and entitlement to dividend if you do not attend or appoint a proxy.

How do I ensure that my vote counts at the meeting?

In order to vote, a creditor must have submitted written details of his claim and the chairman must have admitted that claim for voting purposes following the guidelines below. These details need to be submitted to the Administrators no later than 12.00 noon on the business day before the meeting (Rule 2.38(1)). You might also need to lodge a proxy.

The chairman can admit a claim for voting purposes even though it was submitted late if he is satisfied this was due to reasons beyond the creditor’s control (Rule 2.38(2)).

Do I need to lodge a proxy form?

If you yourself are the creditor (and not a corporate body such as a limited company), you may vote by simply attending the meeting, provided you have lodged a claim as explained above.

If you do not want to attend the meeting, you may nominate someone else, or the chairman of the meeting, to vote for you. They can vote either on your instructions or at their discretion. Do, however, remember that the chairman will be one of the Administrators or their staff and you might wish to consider specifying clearly how he should vote.

Appendix B Common questions and answers (references to “Rules” are to the Insolvency Rules 1986)

You must do this by completing the enclosed proxy form or a substantially similar form. The form needs to be signed by the creditor or by someone authorised by him and the nature of the person's authority to sign should be stated (Rule 8.2). If a company is the creditor, a director should normally sign. The proxy form must then be submitted at or before the meeting.

Please remember that if the debt is owed to a limited company or other corporation and you wish to attend and vote at the meeting, you should complete and return the proxy form even if you are a director of the company. (Alternatively you can produce at the meeting a resolution of the directors authorising you to represent that company.) (Rule 8.7).

What majorities are needed to approve resolutions?

A resolution to approve the proposals or any modification to them is passed at the creditors' meeting if supported by a majority in excess of 50% in value of the creditors voting on the resolution (Rule 2.43(1)).

Any resolution is invalid if those voting against it include more than 50% in value of the creditors to whom notice of the meeting was sent and who are not, to the best of the chairman's / Administrator's belief, connected with the Company (Rule 2.43(2)).

What happens if I cannot yet quantify my claim with certainty?

A creditor cannot vote in respect of a debt for an unliquidated amount or any debt whose value is not ascertained, unless the chairman / Administrator agrees to put on the debt an estimated minimum value for voting purposes (Rule 2.38(5)).

Appendix B Common questions and answers (references to “Rules” are to the Insolvency Rules 1986)

What happens if my debt is wholly or partly secured?

A secured creditor whose debt is wholly or partly secured is entitled to vote only in respect of the balance (if any) of his debt after deducting the value of his security as estimated by him. However, if the Administrators have made a statement under Paragraph 52(1)(b) Sch.B1 IA86 and an initial creditors' meeting has been requisitioned by creditors under Paragraph 52(2) Sch.B1 IA86, a secured creditor is entitled to vote in respect of the full value of this debt without any deduction for the value of his security (Rule 2.40).

What happens if I hold a negotiable instrument?

A creditor shall not vote in respect of a debt on or secured by a current bill of exchange or promissory note unless he is willing: -

- a) to treat the liability to him on the bill or note of every person who is liable on it antecedently to the Company and against whom a bankruptcy order has not been made (or in the case of a company, which has not gone into liquidation) as security in his hands; and
- b) to estimate the value of the security and, for the purpose of his entitlement to vote, to deduct it from his claim (Rule 2.41).

What happens if I am a creditor under a hire-purchase, conditional sale agreement or leasing agreement?

An owner of goods under a hire-purchase or chattel leasing agreement, or a seller of goods under a conditional sale agreement is entitled to vote in respect of the amount of the debt due and payable to him by the Company on the date the Company entered Administration. In calculating the amount of any debt for this purpose, no account shall be taken of any amount attributable to the exercise of any right under the relevant agreement, so far as the right has become exercisable solely by virtue of: -

- the making of an administration application
- a notice of intention to appoint an administrator or any matter arising as a consequence, or
- of the Company entering administration (Rule 2.42).

Am I bound by the Administrators' proposals if they are approved at the meeting?

The Administrators' proposals, when approved by the creditors' meeting, will dictate how the Company's affairs will be conducted in future and how creditors' claims will be addressed.

Once approved, the proposals are binding on all creditors, including those not present or represented at the meeting. For this reason, it is important that creditors properly consider the proposals and decide whether and how they wish to vote.

Appendix B Common questions and answers (references to “Rules” are to the Insolvency Rules 1986)

What are the functions of the creditors’ committee?

The creditors’ committee shall assist the Administrator in discharging his functions, and act in relation to him in such manner as may be agreed from time to time (Rule 2.52(1)).

In particular, it has the duty to agree the basis of the Administrator’s remuneration (Rule 2.106(3)).

How is the creditors’ committee formed?

The creditors’ committee is established at a creditors’ meeting. It is not obligatory but the creditors decide whether they wish to have one (Paragraph 57(1) Sch.B1 IA86).

The committee must consist of at least three and not more than five creditors of the company elected at the meeting (Rule 2.50(1)).

Any creditor of the company is eligible to be a member of the committee, so long as his claim has not been rejected for the purpose of his entitlement to vote (Rule 2.50(2)). A body corporate may be a member of the committee, but it can only act as such through a properly appointed representative (Rule 2.50(3)).

No person may act as a member of the committee unless and until he has agreed to do so (Rule 2.51(2)). Unless the relevant proxy or authorisation contains a statement to the contrary, such agreement may be given by the creditor’s proxy-holder or representative under Section 375 of the Companies Act 1985 present at the meeting establishing the committee (Rule 2.51(2)).

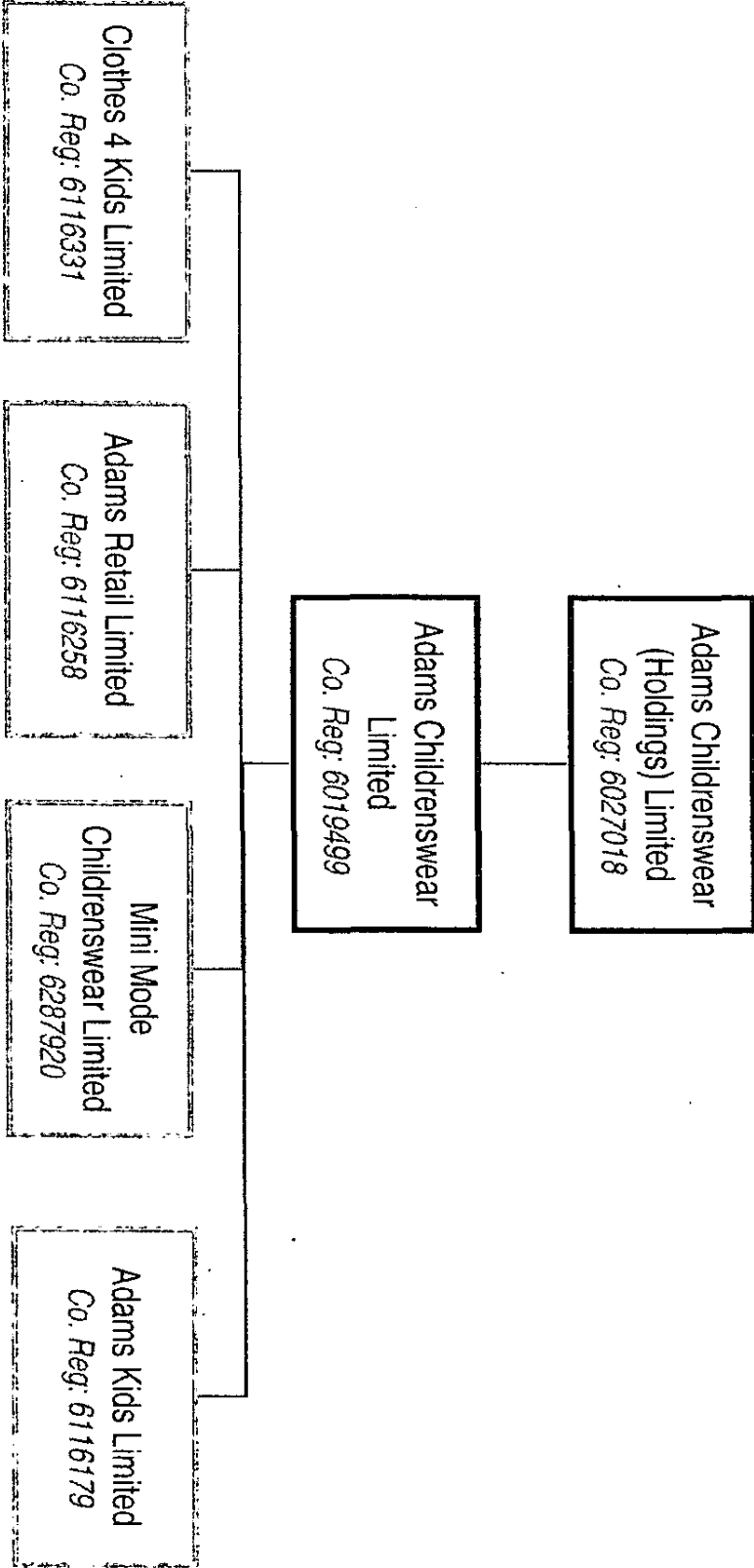
A person acting as a committee member’s representative must hold a letter of authority entitling him so to act (either generally or specially) and signed by or on behalf of the committee-member (Rule 2.55(2)).

No member may be represented by a body corporate, or by a person who is an undischarged bankrupt, a disqualified director or a person who is subject to a bankruptcy restrictions order, bankruptcy restrictions undertaking or interim bankruptcy restrictions order or is subject to a composition or arrangement with his creditors (Rule 2.55(4)).

No person shall on the same committee act at one and the same time as representative of more than one committee-member (Rule 2.55(5)).

The creditors’ committee does not come into being, and accordingly cannot act, until the Administrator has issued a certificate of its due constitution (Rule 2.51(1))

Appendix C Group Structure



Rule 8.1 Insolvency Act 1986
Proxy (Administration)

Notes to help completion
of the form

Adams Childrenswear Limited – in Administration

Please give full name and
address for communication

Name of creditor.....

Address

.....

Name of proxy-holder

1.....

2.....

3.....

.....

Please insert name of
person (who must be 18 or
over) or the "chairman of
the meeting". If you wish to
provide for alternative
proxy-holders in the
circumstances that your first
choice is unable to attend
please state the name(s) of
the alternatives as well

Please delete words in
brackets if the proxy-holder
is only to vote as directed
i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy-holder at the meeting of creditors to be held on 9 March 2009 at 10:00am, or at any adjournment of that meeting. The proxy-holder is to propose or vote as instructed below and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion.

Voting instructions for resolutions

Please tick the appropriate
boxes

	In Favour	Against
1. That the administrators' proposals dated 16 February 2009 be accepted.		
2. That a creditors' committee be formed if there are sufficient creditors willing to act.		
3. For the appointment of.....representing as a member of the creditors' committee		
In the event that a creditors' committee is not appointed:		
4. That the administrators' fees be fixed 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 the administrators be authorised to draw such fees from time to time.		
5. That the administrators be authorised to draw disbursements for services provided by their own firm (Category 2 disbursements) as follows: Photocopying - charged for circulars to creditors and other bulk copying only at 3p per sheet; mileage - at a maximum of 62p per mile (up to 2,000 cc) or 81p per mile (over 2,000cc) from time to time. These rates may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. All other disbursements to be charged at cost.		
6. That the administrators be discharged from liability pursuant to Paragraph 98(1) of Schedule B1 to the Insolvency Act 1986 in respect of any action of theirs as administrators 14 days after they cease to be joint administrators of the company.		

This form must be signed

Signature Date

Name in CAPITAL LETTERS

Only to be completed if the
creditor has not signed in
person

Position with creditor or relationship to creditor or other authority for signature:

.....

HOW TO COMPLETE YOUR PROXY

Important Information

Creditors wishing to vote at the meeting must complete and lodge the proxy with the administrators, unless they are individuals attending the meeting personally or are companies authorising a representative under Section 434B of the Companies Act 2006.

All creditors who wish to vote at the meeting, whether in person, by proxy, or in some other way, must provide details of their claim against the company to PricewaterhouseCoopers LLP by 12 noon on the business day preceding the meeting.

You will find additional notes on the proxy form itself.

Name of Creditor

Insert the name of the person, company or other body owed money.

Address

Insert the creditor's full address (including postcode).

Name of Proxy Holder

If you, or another authorised representative of your company, are attending the meeting then please put your/his/her name in here.

If someone else is attending on your behalf (for example your solicitor), then please state his or her name here. If you wish you may list more than one proxy holder, in case your first choice is unable to attend.

If you are not attending the meeting or sending a representative you may still vote by appointing the chairman as your proxy holder. To do so insert the words "*chairman of the meeting*" in the space for the proxy holder's name. The chairman will be one of the administrators or an employee of the administrators duly authorised to act as chairman.

Voting Instructions for Resolutions

You do not need to give any voting instructions if you are happy for your proxy holder to exercise his or her own discretion on the use of your vote.

Complete section 1 to instruct your proxy holder how to vote on the acceptance or rejection of the administrators' proposals. Complete section 2 to instruct your proxy holder how to vote on whether a creditors' committee should be formed. Only complete section 3 if you wish to vote for a specific creditor to be appointed to the creditors' committee. Otherwise, leave this section blank.

[Delete if Paragraph 52(1)(b) statement has been made in the proposals] Complete sections 4 to 6 to instruct your proxy holder how to vote in respect of the administrators' remuneration, Category 2 disbursements and discharge from liability in the event that a creditors' committee is not formed.

There may be other resolutions proposed at the meeting (e.g. to modify the proposals or appoint other creditors to the committee). If you are content for your proxy holder to vote on any such resolution as he or she thinks fit, you need take no further action. If you do not wish your proxy holder to vote on any such resolutions you should delete the words in square brackets in the middle of the form. Please note that if you delete these words without completing section 1 or 2, your proxy holder will not be able to vote at all.

Signature

The proxy must be signed by a duly authorised representative of the creditor, usually a director in the case of a company, and his or her relationship to the creditor should be stated.

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.	<p>Category</p> <p>Amount (s) claimed as preferential £</p>
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

Notice of a meeting of creditors

Name of Company Adams Childrenswear Limited	Company Number 06019499
In the High Court of Justice Chancery Division Birmingham District Registry (full name of court)	Court case number 9749 of 2008

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

Notice is hereby given by (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 full name and address of registered office of the company

that a meeting of the creditors of (b) Adams Childrenswear Limited, Benson House, 33 Wellington Street Leeds, West Yorkshire, LS1 4JP

(c) Insert details of place of meeting

is to be held at (c) Sketchley Grange Hotel, Sketchley Lane, Leicester, LE10 3HU

(d) Insert date and time of meeting

on (d) Monday 9 March 2009 at 10:00am .

The meeting is:

*Delete as applicable

(1) an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ("the Schedule")

I invite you to attend the above meeting.

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented.

In order to be entitled to vote under Rule 2.38 at the meeting you must give to me, not later than 12.00 hours on the business day before the day fixed for the meeting, details in writing of your claim.



Signed

Joint Administrator

Dated 16 February 2009

* Delete as applicable

A copy of the proposals is attached