

**Administrator's progress report****2.24B**

Name of Company Adams Childrenswear Limited	Company Number 06019499
In the 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

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

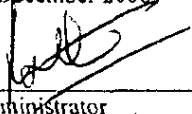
from

to

(b) 31 December 2008

(b) 30 June 2009

(b) Insert dates

Signed   
Joint Administrator  
Dated 27/07/09

**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



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29/07/2009

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COMPANIES HOUSE

WEDNESDAY

To All Known Creditors

29 July 2009

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

Dear Sirs

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

In accordance with Rule 2.47 of the Insolvency Rules 1986, the Joint Administrators (“Administrators”) write to provide creditors with details of the progress of the administration of the Company in the six months since the Joint Administrators’ appointment on 31 December 2008.

**Statutory information**

Statutory information relating to the Company is attached at Appendix A.

**Receipts and payments summary**

A summary of my receipts and payments account for the Company for the period 31 December 2008 to 30 June 2009 is attached at Appendix B.

**Acceptance of proposals**

The Joint Administrators were appointed by the Company directors in order to achieve a better result for the Company’s creditors as a whole than would be likely if the Company were wound up (without first being in administration). The Joint Administrators believe that this objective will be achieved.

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

**Summary of actions taken in the administration since the publication of the Joint Administrators’ proposals**

**Sale of Business**

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

To date no deferred consideration has been received, but it is expected to be received by 13 February 2010.

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

## **Property**

From the date of my appointment to the end of January 2009, the company closed 146 of its leasehold stores. The Joint Administrators are currently in the process of agreeing surrenders with the landlords of these stores. Where a surrender cannot be agreed, it is likely that the leases will be disclaimed when the Company is placed into creditors voluntary liquidation.

The majority of the 124 stores that transferred to J S Childrenswear Limited upon the sale of the business are currently being occupied under a licence to occupy. We are working with J S Childrenswear Limited to complete formal assignments of the leases where possible.

## **Report to the Department of Trade and Industry**

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

## **Estimated outcome for creditors**

### **Secured Creditors**

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

### **Preferential Creditors**

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

### **Unsecured Creditors**

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

Based on current calculations it is anticipated that there will be a surplus from realisations to enable the Joint Administrators to make an additional distribution to unsecured creditors. The quantum of any distribution will be dependant on the final level of realisations, however the Joint Administrators currently estimate a distribution of around 9 pence in the £ subject to the costs of liquidation and agreeing landlords claims.

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

## Professional advisors

The professional advisors used on this assignment are as follows:

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

## Joint Administrators' remuneration

The Joint Administrators' time costs at 30 June 2009 were £1,261,668 based upon a total of 5,319 hours at an approximate average hourly rate of £237.19. To date £883,945 plus VAT has been drawn. Future fees will be drawn in due course with approval from the creditors committee.

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

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

## Disbursements

The Administrators have incurred post appointment disbursements totalling £11,966.56 plus VAT.

The Joint Administrators' existing policy for disbursements is as follows:

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

## Proposed exit route from the administration

The Joint Administrators intend to place the Company into creditors' voluntary liquidation on or before 31 December 2009.

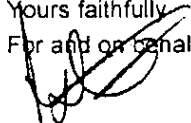
**Future reporting**

I will report further to creditors at the end of a further six-month period or earlier should the Joint Administrators cease to act before the anniversary date.

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

Yours faithfully

For and on behalf of the Company



R J Hunt

Joint Administrator

Enclosures: Appendix A – Statutory information  
Appendix B – Receipts and payments summary  
Form 2.24B  
Statement of claim form

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

## J.I.T Packaging Limited- in Administration

## Statutory information

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

**Adams Childrenswear Limited - In Administration ("the Company")**

**Receipts and Payments Account - 31 December 2008 to 30 June 2009**

<b>Receipts</b>	<b>£</b>
Intellectual property rights	2,100,000.00
Plant and machinery	600,000.00
Intangible assets	5.00
Rent received	4,563,914.14
Stock	475,000.00
Monetary assets	67,234.99
Third party funding	6.00
Book debts	5,075,936.97
Post appointment trading sales	11,559,608.11
Other trading income	8,482.54
Cash in hand	6,453,610.87
Rates and other refunds	101,781.57
Pre appointment VAT refund	223,507.17
Currency gain on exchange	1,545.30
Lease surrender premium	1,725.00
Interest received gross	4,748.94
VAT Payable	861,360.82
<b>Total receipts</b>	<b>32,098,467.43</b>
<b>Payments</b>	
Net wages	2,453,968.14
PAYE and NIC	699,851.68
Other payroll deductions	11,224.05
Sale of Business	3,555.68
Distribution to chargeholder	2,700,000.00
Third party funds	132,996.40
Utilities	61,595.28
Lease/hire charges	39,422.47
IT Costs	364,381.57
Duress payments	563,344.03
Retention of title payments	20,192.97
Consultancy fees	83,868.79
Office holders' fees	883,945.74
Office holders' expenses	9,244.24
Statutory advertising	2,002.12
Room hire & meeting costs	612.09
Bank charges	99,750.97
Distribution to chargeholder	3,700,000.00
Preferential creditors	4,522.36
Purchases	3,101,001.84
Agents fees	12,232.00
Legal Fees	267,758.47
Security costs	35,321.49
Cleaning & site clearance	14,427.98
Employers pension costs	33,303.32
Employee related costs	14,017.63
Employee expenses	44,379.07
Sales agents commission	1,006,268.58
Rent	6,014,848.59
Rates	340,564.01
Service charges	218,362.54
Repairs and maintenance	277.21
Office costs	13,064.53
Postage, stationery and printing	82,944.06
Transport & carriage	117,979.59
Import duty	137,256.43
VAT receivable	1,080,350.75
<b>Total payments</b>	<b>24,368,836.67</b>
<b>Balance</b>	<b>7,729,630.77</b>

*Note: Euro rate used is 1 1730*

R.H/S/D/MC