

The Insolvency Act 1986

Administrator's progress report

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

| | |
|--|--------------------------------|
| Name of Company Stewarts of Edinburgh Limited | Company number SC262691 |
|--|--------------------------------|

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

~~I/~~ We (a) Graham Douglas Frost and John Bruce Cartwright of
PricewaterhouseCoopers LLP, Erskine House, 68-73 Queen Street, Edinburgh, EH2
4NH

administrators of the above company attach a progress report for the period

(b) Insert dates

from

(b) 6 December 2012

to

(b) 5 June 2013

Signed

Joint Administrator

Dated

4/7/13

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 members of the public record

Margaret Wilson

PricewaterhouseCoopers LLP, Erskine House, 68-73 Queen Street, Edinburgh, EH2 4NH

Tel 0131 260 4075

DX Number

DX Exchange

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

Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF
DX 235 Edinburgh / LP 4 Edinburgh-2

MONDAY



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08/07/2013

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COMPANIES HOUSE



**Stewarts of Edinburgh Limited (in Administration)
Court of Session
Case No. P1356 of 2011**

**Joint Administrators' progress report for the six months ended 5 June
2013**

4 July 2013

Contact details for queries

| Contact | Address | Direct line | E-mail | Fax |
|-----------------|--|--------------------|------------------------------|---------------|
| Margaret Wilson | PricewaterhouseCoopers LLP, Erskine House, 68-73 Queen Street, Edinburgh, EH2 4NH | 0131 260 4075 | margaret.g.wilson@uk.pwc.com | 0131 260 4008 |

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1. Joint Administrators' progress report for the six months ended 5 June 2013

Introduction

In accordance with Rule 2.38 of the Insolvency (Scotland) Rules 1986 ("ISR86"), the Joint Administrators ("the Administrators") write to provide creditors with details of the progress of the Administration of Stewarts of Edinburgh Limited ("the Company") since their last report dated 17 December 2012.

Background information and initial actions taken by the Administrators

Details of the background to, and actions taken since the appointment are contained in the Administrators' proposals dated 30 January 2012 and the progress reports dated 13 July 2012 and 17 December 2012.

Realisation of assets

As creditors are aware, following the appointment, the Administrators took steps to realise the Company's assets.

The Administrators engaged agents to market and sell the heritable property in Livingston. All interest received continues to be progressed but, to date, no formal offers have been received.

Contact was made with all debtors to collect the pre appointment debtor book, title to which vests with the Clydesdale Bank plc ("the Bank") under a confidential invoice discounting ("CID") facility. There have been no further receipts in this period.

Investments

The Company held 5,925 shares in Reflex Holdings Limited. These were marketed for sale and in line with the Articles of Association of that company. An offer was accepted and the sum of £33,180 was realised.

Receipts and payments account

An account of the receipts and payments in the Administration for the period 6 December 2012 to 5 June 2013 is set out in section 3 to this report.

Receipts in the period include:

- sale of shares in Reflex Holdings Limited of £33,180
- interest on funds invested of £403; and
- a refund of pre appointment insurance premium paid of £64.

Payments include:

- Administrators' fees and outlays of £202,749;
- trading and occupation costs of £42,838; and
- debt collection costs of £2,911.

Outcome for creditors

Preferential Creditors

The preferential creditors totalling £84k and representing employees' accrued holiday pay and unpaid wages are likely to be paid in full.

Secured Creditor

The Bank holds a standard security over the Company's heritable property and a floating charge over the Company's assets. It is estimated that the amount due to the Bank at the date of the Administrators' appointment was approximately £1,139,000. The Bank may recover its debt in full, but this will depend on the sum realised from the sale of the heritable property.

1. Joint Administrators' progress report for the six months ended 5 June 2013

Ordinary Creditors

At this time the Administrators are unable to provide an estimate of the likely dividend to creditors as it will be driven by the sale value of the property.

Extension of Administration

On 15 November 2012, the Court of Session extended the Administration to 5 December 2013. A further extension of the Administration will be required beyond 5 December 2013 and an application to the court, pursuant to Paragraph 76(2)(a) of Schedule B1 to the Insolvency Act 1986, will be necessary. Any creditor objecting to such an application should write to the Administrators by 31 July 2013, explaining the reasons for their objection.

Next report

The Administrators' next report to creditors will be at the earlier of the conclusion of the Administration or in approximately six months.

For and on behalf of
Stewarts of Edinburgh Limited


Graham D Frost
Joint Administrator

G D Frost and J B Cartwright have been appointed as Joint Administrators of Stewarts of Edinburgh Limited to manage its affairs, business and property as its agents. As such, they contract without personal liability. G D Frost and J B Cartwright are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland.

The Joint Administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the Administration.

2. Statutory and other information

Court details for the Administration:

Full name:

Trading name:

Registered number:

Registered address:

Company directors:

Company secretary:

Shareholdings held by the directors and secretary:

Date of the Administration appointment:

Administrators' names and addresses:

Changes in office holder:

Appointor's / applicant's name and address:

Objective being pursued by the Administrators:

Division of the Administrators' responsibilities:

Details of any extensions to the initial period of appointment:

Proposed end of the Administration:

Estimated dividend for unsecured creditors:

Estimated values of the prescribed part and the Company's net property:

Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:

The European Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000 of 29 May 2000):

Court of Session, P1356 of 2011
Stewarts of Edinburgh Limited
Stewarts of Edinburgh Limited
SC262691

Erskine House, 68-73 Queen Street, Edinburgh, EH2 4NH formerly 1 Lister Road, Kirkton Campus, Livingston, West Lothian, EH54 7BL

Terence O'Hare, John Mahoney, Marion Reid, Kenneth Murray
John Mahoney

Terence O'Hare – 42,260 ordinary shares, Marion Reid – 18,000 ordinary shares, Kenneth Murray – 18,000 ordinary shares

6 December 2011

Graham D Frost and J Bruce Cartwright both of PricewaterhouseCoopers LLP, Erskine House, 68-73 Queen Street, Edinburgh, EH2 4NH

None

The directors of the Company, 1 Lister Road, Kirkton Campus, Livingston, West Lothian, EH54 7BL

(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), failing which objective (c) realising property in order to make a distribution to one or more secured or preferential

Whereas John Bruce Cartwright and Graham Douglas Frost both licensed insolvency practitioners of PricewaterhouseCoopers LLP, Erskine House, 68-73 Queen Street, Edinburgh are to be appointed as joint administrators of Stewarts of Edinburgh Limited ("Joint Administrators"). We, the directors being the appointor of the Joint Administrators, hereby declare pursuant to paragraph 100(2) of Schedule B1 to the Insolvency Act 1986 that all and/or any of the powers which are conferred on the Joint Administrators by the Insolvency Act 1986 may be done be either or both of the Joint Administrators acting jointly or alone

Extension to 5 December 2013 granted by the Court of Session on 15 November 2012

Dissolution of the Company in terms of paragraph 84 Sch. B1 IA86

Unknown – the sale value of the property and quantum of creditors' claims is unclear
Unknown – the sale value of the property and quantum of creditors' claims is unclear

The Administrators may make an application to Court under Section 176A(5) of IA86 to disapply the prescribed Part if the economic benefits to the body of the creditors are outweighed by the costs of adjudication. At this time, the Administrators do not intend to make such an application

The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

3. Receipts and payments for the period 6 December 2012 to 5 June 2013

A copy of a period account from 6 December 2012 to 5 June 2013 has been included on the next three pages.

Administration
of Stewarts of Edinburgh Limited

TRADING ACCOUNT

Statement of
Affairs

£

Post-Appointment Sales nil Post appointment trading sales

Cost of Sales nil Purchases

Trading Overheads nil Insurance

Gross wages & salaries nil

Employers NIC nil

Heat, Light & Power nil

Telephone, fax etc nil

Water Rates nil

Rates nil

Transport & Carriage nil

Surplus/(Deficit)

(5,070.67) (22,003.32)

| | |
|------------|-------------|
| (5,070.67) | (5,070.67) |
| 0.00 | (86.90) |
| 0.00 | (8,664.43) |
| 0.00 | (579.44) |
| 0.00 | (138.82) |
| 0.00 | (1,343.61) |
| 0.00 | (4,237.43) |
| 0.00 | (34,717.79) |
| (5,070.67) | (5,070.67) |

| | |
|------|------------|
| 0.00 | (3,559.78) |
| 0.00 | (3,559.78) |

| | |
|------|-----------|
| 0.00 | 36,395.55 |
| 0.00 | 36,395.55 |

Period Cumulative
From: 06/12/2012 To: 05/06/2013
£ £

Administration
of Stewarts of Edinburgh Limited

REALISATION ACCOUNT

Statement of
Affairs

£

RELATING TO SECURED ASSETS

| | | | | |
|--------------|------------|---------------------------------|------|------|
| Realisations | 700,000.00 | Heritable property | 0.00 | 0.00 |
| | 594,953.03 | Book debts subject to factoring | 0.00 | 0.00 |
| | | | 0.00 | 0.00 |

Costs of realisation

| | | | | |
|-----------------------------------|-------------|-------------|----------|-------------|
| Agents' Fees | (7,026.04) | (2,418.86) | (600.00) | (600.00) |
| Surveyors' Fees | (600.00) | (31,320.12) | (192.00) | (1,777.50) |
| Insurance | (192.00) | 0.00 | 0.00 | (940.00) |
| Legal Fees | (1,777.50) | 0.00 | 0.00 | (41,855.66) |
| Security | (940.00) | 0.00 | 0.00 | |
| Cleaning and site clearance costs | (34,338.98) | | | |

Administration and appointment-related costs

| | | | | |
|---------------------|------------|------------|----------|-------------|
| Utilities | (8,483.95) | (3,116.04) | (206.20) | (1,019.17) |
| Heat, Light & Power | (2,137.66) | (105.78) | (491.40) | (12,132.18) |
| Telephone & fax | (491.40) | 0.00 | | |
| Water Rates | (1,019.17) | | | |
| | (3,428.02) | | | |

RELATING TO FLOATING CHARGE/UNSECURED ASSETS

Realisations

| | | | | |
|--|------------|------------|-------------|--|
| Surplus/Deficit from Trading | (5,070.67) | 321,440.00 | (22,003.32) | |
| Plant & Machinery | 0.00 | 0.00 | 0.00 | |
| Fixtures & Fittings | 0.00 | 0.00 | 0.00 | |
| Motor Vehicles | 0.00 | 0.00 | 0.00 | |
| Investments - Marketable securities | 0.00 | 0.00 | 0.00 | |
| Shares in subsidiaries - Marketable securities | 33,180.00 | 33,180.00 | 1,066.92 | |
| Insurance claims and refunds | 64.51 | 76,189.92 | 0.00 | |
| Stock | 0.00 | 0.00 | 0.00 | |
| Work in Progress | 0.00 | 0.00 | 2,094.51 | |
| Balance at Bank | 0.00 | 22.50 | 40.66 | |
| Cash in hand | 24.69 | 891.72 | | |
| Refunds | nil | 412,922.91 | | |
| Interest received gross | nil | 28,577.52 | | |

Costs of realisation

| | | | | |
|-----------------------|------------|-------------|--|--|
| Agents' Fees | 0.00 | (13,829.60) | | |
| Agents' disbursements | 0.00 | (11.43) | | |
| Debt collection fees | (2,911.66) | (2,911.66) | | |
| Legal Fees | 0.00 | (7,873.50) | | |
| Legal Disbursements | 0.00 | (579.00) | | |

Administration of Stewarts of Edinburgh Limited

REALISATION ACCOUNT

Statement of Affairs
£
Period From: 06/12/2012 To: 05/06/2013
Cumulative £

| | |
|-----------------------------------|-------------|
| Costs of realisation | £ |
| Security | 0.00 |
| Cleaning and site clearance costs | (11,593.46) |
| | (945.00) |
| | (37,743.65) |

Administration and appointment-related costs

| | | |
|--|--------------|--------------|
| nil | 0.00 | (602.16) |
| Employer's Pension Costs | 0.00 | (124.19) |
| nil | 0.00 | (5,709.59) |
| Utilities | 0.00 | (769.02) |
| Heat, Light & Power | 0.00 | (164.62) |
| Telephone & fax | 0.00 | (605.19) |
| Water Rates | 0.00 | (355.05) |
| Repairs & maintenance | 0.00 | (100.00) |
| IT costs | 0.00 | (81.72) |
| Postage & Stationery & Printing | 0.00 | (15.00) |
| Registrars' Fees | 0.00 | (200,000.00) |
| Office holder's fees | (2,748.85) | (2,748.85) |
| Office holder's category 1 disbursements | 0.00 | (128.90) |
| Statutory advertising | 0.00 | (8.73) |
| Statement of affairs costs | 0.00 | (15.60) |
| Interest on overdraft | 0.00 | (403.10) |
| Bank charges | (202,748.85) | (211,831.72) |

Distributions

nil Preferential Creditors - Employees

| | | |
|---------|--------------|------------|
| Balance | (214,849.99) | 105,541.21 |
| | 0.00 | (3,818.49) |
| | 0.00 | (3,818.49) |

REPRESENTED BY:

Refundable Security Deposit
General sterling - current IB bank account
Input VAT - Fixed Charge
Input VAT - General
Third Party Funds

3,375.00
123,119.55
2,329.93
861.00
(24,144.27)
105,541.21

Graham Frost
Administrator