Rule 2.38

Form 2.20B(Scot)

The Insolvency Act 1986

Administrator's progress report

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

Name of Company	Company number
Stewarts of Edinburgh Limited	SC262691

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

We (a) Graham Douglas Frost and John Bruce Cartwright of

PricewaterhouseCoopers LLP
141 Bothwell Street
Glasgow
G2 7EQ

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

(b) Insert dates

from	to
(b) 6 June 2016	(b) 5 December 2016

Signed ____________
Joint Administrator

Dated 13/1/17

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

Eve Parry	
PricewaterhouseCoopers LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL	
	Tel: 0113 289 4283
DX Number	DX Exchange

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SCT 17/01/2017 #11
COMPANIES HOUSE
TUESDAY

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

pwc

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

Joint Administrators' progress report for the period 6 June 2016 to 5 December 2016

12 January 2017

Contact details for queries

Contact	Address	Direct line	E-mail	Fax
Eve Parry	PricewaterhouseCoopers LLP, Central Square, 29 Wellington Street, LS1 4DL	0113 289 4283	eve.parry@uk.pwc.com	0113 289 4460

Contents

1. Joint Administrators' progress report for period 6 June 2016 to 5 December 2016

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 the Administrators' last report dated 14 July 2016.

Background information and initial actions taken by the Administrators

Details of the background to, and actions taken following the Administrators' appointment are contained in the Administrators' proposals dated 30 January 2012 and their subsequent progress reports.

Realisation of assets

We have been in regular and detailed correspondence with the Clydesdale Bank plc ("the Bank") in relation to the Interest Rate Hedging Products in which the Company was involved prior to the date of Administration. We queried the Bank's decision not to make a redress offer in respect of the Fixed Rate Loan and completed a detailed review of the Company's books and records to ascertain whether there was any evidence to substantiate a formal challenge to the Bank's decision not to make an offer of redress in respect of the loan. This process involved the review of bank statements, loan agreements, emails and other correspondence between the Company and the Bank.

As a result of this exercise, we have formed the view that there is insufficient evidence available to demonstrate that the Fixed Rate Loan was mis-sold. As such, we do not intend to take any further action in relation to this loan and asset realisations are accordingly complete.

Outcome for creditors

Preferential Creditors

The preferential creditors totalling £82,109 have been paid in full.

Secured Creditor

Clydesdale Bank plc held a standard security over the heritable property at 1 Lister Road, Livingston and holds a floating charge over the Company's assets. The amount due to the Bank at the date of the Administrators' appointment was approximately £1,001,000. Realisations to date, together with the settlement in relation to the Modified Participating Fixed Rate Loan, have been sufficient to pay the debt due to the Bank in full.

Unsecured Creditors

Realisations have been sufficient to permit a small distribution of 1.22p in the £ to unsecured creditors. This has now been paid in full and final settlement.

Receipts and payments account

An account of the receipts and payments in the Administration for the period 6 June 2016 to 5 December 2016, together with the cumulative position since the Administrators' appointment, is set out in section 3 of this report.

Receipts in the period comprise interest earned of £264 on funds invested.

Payments in the period consist of:

- Office holders' fees and expenses of £200,684;
- Distribution to unsecured creditors of £84,115;
- Legal costs of £1,864;
- Intercompany transactions of £971;
- Corporation tax of £240; and
- Bank charges of £64

1. Joint Administrators' progress report for period 6 June 2016 to 5 December 2016

Administrators' remuneration

The Adminstrators' remuneration is approved by the creditors. For the period from the date of administration to 5 December 2016, the Administrators have had approval for remuneration of £402,265, in accordance with resolutions passed by meetings of creditors. To date, the Administrators have drawn remuneration of £397,812. The balance of the Administrators' approved remuneration will be drawn on receipt of a VAT repayment due to the Company from HMRC.

Creditors have previously been provided with a copy of a Creditors Guide to Administrators Remuneration, however, a further copy of the Guide can be located at:

https://www.r3.org.uk/media/documents/technical_library/SIPS/Creditors'_Guide_to_Administrators'_Remuneration_Scotland.pdf

Ending the administration

In accordance with the approved proposals, it is the Administrators' intention to file a notice with the Registrar of Companies, following which the Company will be dissolved, following receipt of the VAT repayment referred to above, and once the balance of their remuneration has been drawn.

We expect to send our next report to creditors on finalisation of the matters referred to above, which we anticipate will take place in approximately two months' time.

Should you have any queries relating to this matter please do not hesitate to contact my colleague, Eve Parry, on 0113 289 4283 or alternatively via email at eve.parry@uk.pwc.com.

For and on behalf of
Stewarts of Edinburgh Limited

Graham D Frost
Joint Administrator

J B Cartwright and G D Frost 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. J B Cartwright and G D Frost are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics.

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:	Court of Session P1356 of 2011
Full name:	Stewarts of Edinburgh Limited
Trading name:	Stewarts of Edinburgh Limited
Registered number:	SC262691
Registered address:	Atria One, 144 Morrison Street, Edinburgh, EH3 8EX, formerly 1 Lister Road, Kirkton Campus, Livingston, West Lothian, EH54 7BL
Company directors:	Terence O'Hare, John Mahoney, Marion Reid, Kenneth Murray
Company secretary:	John Mahoney
Shareholdings held by the directors and secretary:	Terence O'Hare – 42,260 ordinary shares, Marion Reid – 18,000 ordinary shares, Kenneth Murray – 18,000 ordinary shares
Date of the Administration appointment:	6 December 2011
Administrators' names and addresses:	Graham D Frost and J Bruce Cartwright both of PricewaterhouseCoopers LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX
Changes in office holder:	None
Appointor's / applicant's name and address:	The directors of the Company, 1 Lister Road, Kirkton Campus, Livingston, West Lothian, EH54 7BL
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), failing which, objective (c) realising the property in order to make a distribution to one or more secured or preferential creditors

2. Statutory and other information

Division of the Administrators' responsibilities:	Whereas John Bruce Cartwright and Graham Douglas Frost both licenced insolvency practitioners of PricewaterhouseCoopers LLP, Atria One, 144 Morrison 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 Sch. B1 to the Insolvency Act 1986 that all and/or any powers which are conferred on the Joint Administrators by the Insolvency Act 1986 may be done by either or both of the Joint Administrators acting jointly or alone
Details of any extensions to the initial period of appointment:	Extension to 5 December 2013 granted by the Court of Session on 15 November 2012, a further extension to 5 December 2014 granted by the Court of Session on 1 November 2013 and another extension to 5 December 2015 granted by the Court of Session on 26 November 2014 and another extension to 5 December 2016 granted by the Court of Session on 20 November 2015 and another extension to 5 June 2017 granted by the Court of Session on 10 November 2016
Proposed end of the Administration:	Dissolution
Estimated dividend for unsecured creditors:	1.22p in the £
Estimated values of the prescribed part and the Company's net property:	Realisations were sufficient to repay the debt due to the secured creditor in full and permit a distribution to the unsecured creditors.
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	The Administrators may make an application to Court under Section 176A(5) of the Insolvency Act 1986 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 (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

3. Receipts and payments for the period 6 June 2016 to 5 December 2016

A receipts and payments account for the period 6 June 2016 to 5 December 2016 is attached.

Stewarts of Edinburgh Limited
(In Administration)

ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 06/06/2016 To 05/12/2016 £	From 06/12/2011 To 05/12/2016 £
RECEIPTS			
Sales		0.00	36,395.55
Opening WIP	85,517.25	0.00	0.00
Freehold Land & Property	700,000.00	0.00	532,650.00
Book debts	594,953.03	0.00	0.00
Investments & shares	41,475.00	0.00	33,180.00
Plant & Machinery	268,000.00	0.00	321,440.00
Fixtures & Fittings	2,000.00	0.00	0.00
Motor Vehicles	30,000.00	0.00	0.00
Stock	52,493.36	0.00	76,189.92
Insurance claims and refunds		0.00	1,066.92
Sundry debts & refunds		0.00	40.66
Bank Interest Gross		263.99	3,855.13
Cash in hand	24.69	0.00	2,117.01
Unclaimed Dividends		389.97	389.97
Accruals		0.00	24,133.67
Due to PWC		0.00	37.60
		653.96	1,031,496.43
PAYMENTS			
Purchases		0.00	3,559.78
Rates		0.00	8,664.43
Heat & Light		0.00	2,061.87
Insurance		0.00	5,070.67
Office costs, Stationery & Postage		0.00	86.90
Legal Fees / Disbs		0.00	5,711.00
Agents' Fees & Disbs-Property & Assets		0.00	15,263.98
Insurance		0.00	39,365.04
Sundry Expenses		0.00	31,250.88
Bank / Finance Charges		0.00	48.00
Professional Fees		0.00	15.00
Statement of affairs costs		0.00	8.73
Office holders' fees		197,812.00	397,812.00
Office holders' expenses		2,872.00	5,620.85
Agents' Fees - Property & Assets		0.00	13,829.60
Agents' disbursements		0.00	11.43
Legal fees & Expenses		1,864.00	14,930.90
Corporation tax / Income tax		240.40	6,169.60
Irrecoverable VAT		1.33	1.63
Office costs, Stationery & Postage		0.00	2,468.33
Debt Collection Fees		0.00	2,911.66
Statutory advertising		0.00	128.90
Utilities & Rates		0.00	7,248.42
Property / Asset expenses		0.00	12,972.51
Wages & Salaries		0.00	27,906.53

Stewarts of Edinburgh Limited
(In Administration)

ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 06/06/2016 To 05/12/2016 £	From 06/12/2011 To 05/12/2016 £
PAYE/NIC and Pension Deductions		0.00	15,458.74
Employee/Subcontractor Costs & Expens		0.00	124.19
Finance / Bank interest & charges		64.00	596.70
H M Revenue & Customs - Tax		0.00	8,208.82
H M Revenue & Customs - NIC		0.00	1,413.74
NIF - Wage arrears & Holiday pay		0.00	49,281.91
Employee Wage arrears & Holiday pay	(56,514.46)	0.00	23,204.40
Floating Charge Creditor		0.00	240,000.00
Unsecured Creditors		84,114.72	84,114.72
H M Revenue & Customs - Tax		2.80	2.80
Intercompany Transactions		971.20	971.20
		287,942.45	1,026,495.86
Net Receipts/(Payments)		(287,288.49)	5,000.57

MADE UP AS FOLLOWS

HICA	25.00
Dividend a/c	522.57
VAT Receivable / (Payable)	4,453.00
	5,000.57

Graham Douglas Frost
Administrator