

The Insolvency Act 1986

Notice of move from administration to dissolution**Pursuant to paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 and Rule 2.48(1) of the Insolvency (Scotland) Rules 1986**

Name of Company Stewarts of Edinburgh Limited
--

Company number SC262691

- (a) Insert name(s) and address(es) of administrator(s) We (a) Graham Douglas Frost and John Bruce Cartwright both of PricewaterhouseCoopers LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX
- (b) Insert name and address of registered office of company having been appointed administrator(s) of (b) Stewarts of Edinburgh Limited, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX
- (c) Insert date of appointment on (c) 6 December 2011 by (d) the Directors
- (d) Insert name of applicant / appointor hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply.

We attach a copy of the final progress report.

Signed


Joint Administrator

Dated

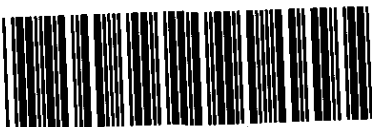
22 MAY 2017

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

	Tel
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

S6772HQ0

SCT

25/05/2017

#104

COMPANIES HOUSE

THURSDAY

**Joint administrators' final progress
report from 6 December 2016 to
22 May 2017**

Stewarts of Edinburgh Limited
(in administration)

Court of Session

23 May 2017

Case no. P1356 of 2011

SD425G

Contents

Abbreviations and definitions	2
Key messages	3
Overview of our work	4
Appendix A: Summary of our proposals	6
Appendix B: Receipts and payments	8
Appendix C: Remuneration update	9
Appendix D: Other information	12

Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used during this report:

Abbreviation or definition	Meaning
Company	Stewarts of Edinburgh Limited
Administrators, We, Our, Us	Graham Douglas Frost and John Bruce Cartwright
firm	PricewaterhouseCoopers LLP
IR86	Insolvency (Scotland) Rules 1986
IA86	Insolvency Act 1986
Sch.B1 IA86	Schedule B1 to the Insolvency Act 1986
HMRC	HM Revenue & Customs
Prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
Secured creditors	Creditors with security in respect of their debt, in accordance with section 248 IA86
Preferential creditors	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
RPS	Redundancy Payments Service, an executive agency sponsored by the Department for Business, Innovations & Skills, which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
Unsecured creditors	Creditors who are neither secured nor preferential
ROT	Retention of title
VAT	Value added tax
the Bank	Clydesdale Bank plc
IRHP	Interest Rate Hedging Product
proposals	Joint administrators' proposals for achieving the purpose of the administration

Key messages

Why we've sent you this report

We're pleased to let you know that our work in the administration of the Company is now complete and so we set out below our final report for the period 6 December 2016 to 22 May 2017.

Please get in touch with Eve Parry on 0113 289 4283 or at eve.parry@uk.pwc.com if you need any of the previous reports.

How much creditors have received

The following table summarises the outcome for creditors.

Class of creditor	Paid (p in £)	Previous estimate (p in £)
Secured creditors	100	100
Preferential creditors	100	100
Unsecured creditors	1.22	1.22

In line with our earlier forecasts, realisations to date, together with the settlement in relation to the IRHP, have been sufficient to pay the secured debt due to the Bank in full.

As previously reported, the preferential creditors totalling £82,109 have been paid in full.

As stated in our last report, realisations have been sufficient to permit a distribution of 1.22p in the £ to the Company's unsecured creditors.

What you need to do

This report is for your information and you don't need to do anything.

What happens next

On 23 May 2017 we filed notice of move from administration to dissolution. The Company will be dissolved three months after the notice has been registered by the Registrar of Companies. The exit route was deemed the most cost effective given the tasks undertaken and the fact that the administration would automatically end in June 2017.

As resolved by the general body of creditors, we will be discharged from liability in respect of any of our actions as joint administrators when our appointment as administrators ceased to have effect.

Overview of our work

Why we were appointed

You may remember from our proposals that we were appointed as Administrators of the Company on 6 December 2011 by the directors. The objective of the administration was 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).

When we were appointed, the position was as follows:

- The Company had been set up to produce high quality printed materials and office supplies;
- At the date of appointment, it operated from heritable property located in Livingston, West Lothian;
- The Company had 54 employees; and
- In 2010 the Company provided a guarantee to cover the liabilities of a defined benefit pension scheme. The directors had tried to restructure the business and its funding and, while progress was made in the operating business, they were unable to find a solution for the major creditors.

Trading

Immediately following our appointment, 44 of the Company's 54 employees were made redundant. The remaining 10 employees were retained to assist in the realisation of the assets.

We reviewed the list of work in progress with the assistance of the 10 remaining employees with a view to conducting a controlled work out. Customers were contacted to ensure that they still required the order and they were asked to provide confirmation that they were willing to pay for the unfinished work, and any outstanding debtor balance, prior to the release of the goods. Customers with unpaid stock still held by the Company were also contacted to arrange for the payment and uplift of this stock.

Trading ceased in the week ended 23 December 2011 at which point the only stock remaining on the premises was that held under ROT claims or due to be collected by customers.

All the remaining employees were made redundant by 20 January 2012.

Sale of business and assets

We engaged agents to conduct a sale of the Company's plant and machinery. The agents held an online auction in January 2012 and the sale realised £321,440.

Agents were also engaged to market and sell the heritable property in Livingston which completed in July 2014 realising £532,650.

Realisation of other assets

Book debts

Contact was made with all debtors to collect the pre appointment debtor book, title to which vested with the Bank under a confidential invoice discounting facility. Collections were finalised in the period after our appointment with no surplus available to the Company.

Investments

The Company held shares in Reflex Holdings Limited and these were marketed for sale as per the Articles of Association of that company. Following a protracted period of negotiation, the shares were sold in December 2012 for £33,180.

IRHP

As advised in our last report, we were in regular and detailed correspondence with the Bank in relation to the IRHPs in which the Company was involved prior to the date of administration. This resulted in a redress offer from the Bank reducing their secured claim against the Company by £189,183.

Approval of our proposals

On 30 January 2012, we sent to creditors our proposals for achieving the purpose of administration. Creditors approved our proposals without modification at a physical meeting on 14 February 2012.

Creditors' committee

A creditors' committee was not formed.

Investigations and actions

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Tax clearance

We fulfilled our duties as proper officers for tax during the administration and filed VAT and corporation tax returns for all relevant accounting periods and accounted for PAYE / NI. HMRC raised no queries on our returns and has confirmed that it has no objection to the administration ending.

Our final receipts and payments account

We set out in Appendix B an account of our final receipts and payments in the administration from 6 December 2016 to 22 May 2017 together with cumulative totals.

Our fees

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case. Our fees have all been approved by the creditors by way of meetings held by correspondence.

Creditors' rights

You can find a note explaining the rights of creditors in relation to our fees and expenses, and how to request further information, online at:

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

If you've got any questions, please get in touch with Eve Parry, on 0113 289 4283 or alternatively to eve.parry@uk.pwc.com.

Yours faithfully

For and on behalf of the Company



G D Frost

Joint administrator

G D Frost and J B Cartwright have been appointed as joint administrators of the Company to manage its affairs, business and property as its agents without personal liability. Both 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.

Appendix A: Summary of our proposals

The Administrators made the following proposals for achieving the purpose of administration.

- a. The Administrators will continue to manage and finance the Company's business, affairs and property from trading revenues 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).
- b. The Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Act 1985 or 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 consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals.
- c. If funds are available and if the Administrators do not intend to give notice pursuant to Paragraph 83 Sch.B1 IA86 to move from administration to creditors' voluntary liquidation, the Administrators may make a distribution to the secured or preferential creditors in terms of Rule 2.41(4) of ISR86.
- d. If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator and that the costs of so doing be met as a cost of the Administration as part of the Administrator's remuneration (where the Administrators think there will be sufficient funds for a distribution to unsecured creditors other than by virtue of the prescribed part) or out of the prescribed part as costs associated with the prescribed part (where the Administrators think that funds will become available to the unsecured creditors by virtue of the prescribed part but not otherwise).
- e. 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 a distribution to unsecured creditors under Paragraph 65(3) Sch.B1 IA86.
- f. 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.
- g. The Administrators will consult the creditors' committee, if one is appointed, prior to making an application to the court under section 176A(5) IA86 for an order not to distribute the prescribed part to unsecured creditors if the Administrators conclude that the cost of making a distribution would be disproportionate to the benefits.
- h. The Administrators will consult with the creditors' committee 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.
- i. The Administrators may use any or a combination of "exit route" strategies in order to bring the Administration to an end, but in this particular instance the Administrators are likely to wish to pursue the following options as being the most cost effective and practical in the present circumstances: -
 1. If it transpires that there are insufficient funds with which to make a distribution to unsecured non-preferential creditors, once all of the assets have been realised and the Administrators have concluded all work within the Administration, the Administrators will

file a notice under Paragraph 84(1) Sch.B1 1A86 with the Registrar of Companies, following registration of which the Company will be dissolved three months later

- ii. If it transpires that there are sufficient funds with which to make distribution to unsecured non-preferential creditors, including by virtue of the Prescribed Part, once asset disposals are complete, the Administrators will apply to the Court to allow the Administrators to distribute surplus funds, if any, to unsecured non preferential creditors. If such permission is given, the Administration will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Sch.B1 1A86. Following registration of which the Company will be dissolved three months later. If permission is not granted the Administrators will place the Company into creditors' voluntary liquidation or otherwise act in accordance with any order of the Court.
- j. The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch.B1 1A86 in respect of any action of theirs as Administrators at a time resolved by the Creditors' committee, or, if there is no creditors' committee, 14 days after they cease to act to Joint Administrators of the Company or in any case at a time determined by the Court.
- k. It is proposed that the Administrators' fees be fixed under Rule 2.39 of ISR86.
- l. Category 2 disbursements (as defined by Statement of Insolvency Practice 9 (Scotland)) be charged in accordance with their firms' policy.

Appendix B: Receipts and payments

Stewarts of Edinburgh Limited
(In Administration)

ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 06/12/2016 To 22/05/2017 £	From 06/12/2011 To 22/05/2017 £
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		0.00	3,855.13
Cash in hand	24.69	0.00	2,117.01
Preference Shareholders		31.59	31.59
Accruals		0.00	24,133.67
Due to PWC		0.00	37.60
		31.59	1,031,138.05
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		4,453.00	402,265.00
Office holders' expenses		26.67	5,647.52
Agents' Fees - Property & Assets		0.00	13,829.60
Agents' disbursements		0.00	11.43
Legal fees & Expenses		860.00	15,790.90
Corporation tax / Income tax		0.00	6,169.60
Irrecoverable VAT		0.00	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
PAYE/NIC and Pension Deductions		0.00	15,458.74
Employee/Subcontractor Costs & Expens		0.00	124.19
Finance / Bank interest & charges		211.80	833.50
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
Trade & Expense Creditors		0.00	84,114.72
H M Revenue & Customs - Tax		0.00	2.80
Unclaimed Dividends		421.56	31.59
VAT Receivable / (Payable)			5.33
		5,973.03	1,031,138.05
Net Receipts/(Payments)		(5,941.44)	NIL

Appendix C: Remuneration update

Our fees were approved on a time costs basis by creditors of the Company. To date we have drawn fees of £402,265 in line with the approval given, as shown on the enclosed receipts and payments account.

The time cost charges incurred in the period covered by this report are £12,528, at page 12 we have provided a breakdown of our costs by hours charged by grade of staff. We have drawn a fee of £4,453 during this period, as approved by the creditors.

Our hours and average rates

Our team and I charged our time for the work we needed to do in the administration. We delegated tasks to suitable grades of staff, taking into account experience and any specialist knowledge needed and supervised them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility was handled by our senior staff or us.

All of our staff who worked on the administration (including our cashiers, support and secretarial staff) charged time directly to the case and were included in any analysis of time charged. Each grade of staff has an hourly charge out rate which was reviewed from time to time. Work carried out by our cashiers, support and secretarial staff was charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time has been charged in six minute units. The minimum time charged is three minutes (i.e. 0.5 units). There was no allocation of any general costs or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who worked on the administration.

Grade	Maximum rate per hour 1 July 2011 to date	Maximum rate per hour 1 July 2012 to date	Maximum rate per hour 1 July 2013 to date	Maximum rate per hour 1 July 2014 to date	Maximum rate per hour 1 July 2015 to date	Maximum rate per hour 1 July 2016 to date	Specialist maximum rate per hour
	(£)	(£)	(£)	(£)	(£)	(£)	(£)
Partner	495	540	555	575	590	600	1250
Director	415	450	465	480	490	500	1175
Senior manager	365	395	405	415	425	435	1170
Manager	285	310	320	330	340	345	700
Senior associate	215	233	240	250	255	260	515
Associate	135	146	152	160	165	170	255
Support staff	72	80	82	85	87	89	150

Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the administration and has been approved by creditors where required.

The following disbursements arose in the period of this report, however these disbursements remain unpaid.

		Costs incurred £
Category	Policy	
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	117.74
2	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) 93 pence per mile (over 2,000cc)	Nil
1	All other disbursements reimbursed at cost	245.62
Total		363.39

Analysis of time costs for the period from 6 Dec 2016 to 22 May 2017

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
Strategy & Planning	-	-	-	-	0.40	2.25	-	2.65	480.85	181.45
Creditors	-	-	-	-	0.90	0.30	-	1.20	222.00	185.00
Accounting and treasury	-	-	0.40	-	3.60	7.65	-	11.65	2,186.50	187.88
Statutory and compliance	-	2.30	1.30	-	0.30	21.20	-	25.10	5,949.50	237.03
Tax & VAT	-	-	-	-	-	3.10	-	3.10	488.00	157.42
Closure procedures	-	-	1.95	-	1.40	11.70	-	15.05	3,201.25	212.71
Total for the period	-	2.30	3.65	-	6.60	46.20	-	58.75	12,528.10	213.24

Appendix D: Other information

Court details for the administration:	Court of Session P1356 of 2011
Company's registered name:	Stewarts of Edinburgh Limited
Trading name:	Stewarts of Edinburgh Limited
Registered number:	SC262691
Registered address:	Atria One, 144 Morrison Street, Edinburgh, EH3 8EX
Date of the joint administrators' appointment:	6 December 2011
Joint administrators' names and addresses:	Graham Douglas Frost and John Bruce Cartwright both of PricewaterhouseCoopers LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX
Extension(s) to the initial period of appointment:	<p>Extensions have been granted by the Court of Session as set out below:</p> <p>Extended to 5 December 2013 on 15 November 2012,</p> <p>Extended to 5 December 2014 on 1 November 2013</p> <p>Extended to 5 December 2015 on 26 November 2014</p> <p>Extended to 5 December 2016 on 20 November 2015</p> <p>Extended to 5 June 2017 on 10 November 2016</p>
Appointor's / applicant's name and address:	The directors of the Company, 1 Lister Road, Kirkton Campus, Livingston, West Lothian, EH54 7BL
Split of the joint administrators' responsibilities:	Whereas John Bruce Cartwright and Graham Douglas Frost both licenced 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) 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
