

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, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX

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

(b) Insert dates

from

(b) 6 June 2014

to

(b) 5 December 2014

Signed

Joint Administrators

Dated

22/12/14

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

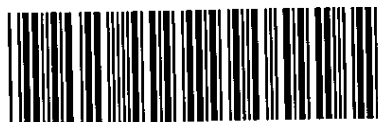
Margaret Wilson

PricewaterhouseCoopers LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX

Tel 0131 260 4075

DX Number

DX Exchange



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23/12/2014

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COMPANIES HOUSE

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

TUESDAY



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

**Joint Administrators' progress report for the six months ended 5
December 2014**

22 December 2014

Contact details for queries

Contact	Address	Direct line	E-mail	Fax
Margaret Wilson	PricewaterhouseCoopers LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX	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 December 2014
2	Statutory and other information
3	Receipts and payments account

1. Joint Administrators' progress report for the six months ended 5 December 2014

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' previous report dated 7 July 2014.

Extension of Administration

As proposed in the Administrators' letter dated 21 October 2014, the Administrators applied to the Court of Session, in terms of paragraph 76 of Schedule B1 to the Insolvency Act 1986, for an order to extend the Administrators' term in office for a further 12 months. An order was granted by the Court of Session on 26 November 2014, extending the Administration to 5 December 2015.

The reason for the extension is to allow the Administrators to finalise creditor claims including the distribution in respect of employee preferential claims and to conclude a potential claim of mis-selling of an interest rate hedging product, which may lead to an additional recovery to the Company.

Background information and initial actions taken by the Administrators

Details of the background to, and actions taken since our appointment are contained in the Administrators' proposals dated 30 January 2012 and the progress reports dated 13 July 2012, 17 December 2012, 4 July 2013, 20 December 2013 and 7 July 2014.

Realisation of other assets

The Administrators completed the sale of the property at 1 Lister Road, Livingston on 22 July 2014 realising the sum of £532,650.

Receipts and payments account

An account of the receipts and payments in the Administration for the six months to 5 December 2014 is set out in section 3 to this report.

Receipts in the period comprise:

- consideration for the sale of the property of £532,650; and
- interest earned of £61 on funds invested.

Payments comprise:

- legal and other professional costs of £12,026;
- property occupation costs £3,011;
- bank charges of £48;
- company records storage costs of £2,062;
- property insurance costs of £1,651; and
- corporation tax of £46.

Outcome for creditors

Preferential Creditors

The preferential creditors totalling £82,109 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 £1,001,000.

1. Joint Administrators' progress report for the six months ended 5 December 2014

Ordinary Creditors

Ordinary creditors may receive a dividend but the quantum is not likely to be significant.


Administrators' remuneration

The Administrators' remuneration is approved by the creditors. To 6 June 2012, the Administrators have had approval for and have drawn remuneration of £200,000 representing 986.35 hours at an average hourly rate of £223.49, in accordance with the resolutions passed by the meeting by correspondence.

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

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 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

Proposed end of the Administration:

Dissolution

Unknown – the value of the claim in respect of the interest rate hedging is unknown at present and the quantum of creditors' claims is unclear

Estimated dividend for unsecured creditors:

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

Unknown – the value of the claim in respect of the interest rate hedging is unknown at present and the quantum of creditors' claims is unclear

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 2014 to 5 December 2014

Stewarts of Edinburgh Limited (In Administration) Administrators' Trading Account

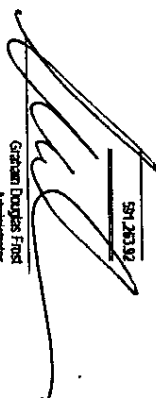
Statement of Affairs	From 06/06/2014 To 05/12/2014	From 06/12/2011 To 05/12/2014
POST APPOINTMENT SALES		
Sales	NIL	36,395.55
	NIL	36,395.55
PURCHASES		
Purchases	NIL	3,559.78
	NIL	(3,559.78)
OTHER DIRECT COSTS		
Direct Labour	NIL	38,955.22
	NIL	(38,955.22)
TRADING EXPENDITURE		
Rates	NIL	8,684.43
Heat & Light	NIL	2,061.87
Insurance	NIL	5,070.67
Office costs, Stationery & Postage	NIL	85.90
	NIL	(15,893.87)
TRADING SURPLUS(DEFICIT)	NIL	(22,003.32)

Stewarts of Edinburgh Limited (In Administration) Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 06/06/2014 To 05/12/2014	From 06/12/2011 To 05/12/2014
FIXED ASSETS		
Fitted Land & Property	532,650.00	532,650.00
	532,650.00	532,650.00
FIXED CHARGE COSTS OF REALISATION		
Legal Fees / Debts	5,519.00	5,711.00
Agents' Fees & Disbursements & Assets	5,375.00	15,263.98
Insurance	1,651.14	39,365.04
Survey Expenses	3,010.82	31,250.86
Bank / Finance Charges	24.00	24.00
	(15,580.06)	(91,614.90)
ASSET REALISATIONS		
Investments & shares	NIL	33,180.00
Plant & Machinery	NIL	321,440.00
Stock	NIL	76,189.82
Insurance claims and refunds	NIL	1,066.82
Smoky debts & rebates	NIL	40.86
Bank interest/Gross	61.05	1,248.30
Trading Surplus(Deficit)	NIL	(22,003.32)
Cash in hand	61.05	2,117.51
		413,279.49
COST OF REALISATIONS		
Professional Fees	NIL	15.00
Statement of affairs costs	NIL	8.73
Office holder's fees	NIL	200,000.00
Office holder's expenses	NIL	2,748.85
Agents' Fees - Property & Assets	NIL	13,829.60
Agents' disbursements	NIL	11.43
Legal fees & Expenses	NIL	10,231.90
Corporation tax / Income tax	45.60	5,668.80
Office costs, Stationery & Postage	2,061.87	2,243.33
Debt Collection Fees	NIL	2,911.66
Statutory advertising	NIL	128.90
Utilities & Rates	NIL	7,248.42
Property / Asset expenses	NIL	12,972.51
PAYMENT and Pension Deductions	NIL	602.16
Employee/Contributor Costs & Etc	NIL	124.19
Finance / Bank interest & charges	24.00	466.70
	(2,131.21)	(259,232.18)

3. Receipts and payments for the period 6 June 2014 to 5 December 2014

PREFERENTIAL CREDITORS	
NP - Wage arrears & Holiday pay	Nil
	3,518.49
	(3,518.49)
	<u>Nil</u>
REPRESENTED BY	514,999.17
HCA	591,263.92
Vat Credit/Account	715,781.66
Arrears	(103,710.67)
	(20,789.27)
Due to PWC	(37,620)
	<u>591,263.92</u>


Graham Douglas Frost
Administrator