

# Liquidators' Progress Report

# S.192

Pursuant to Sections 92A and 104A and 192  
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

06806287

Name of Company

JS Childrenswear Limited

We

Geoffrey Wayne Bouchier, Duff & Phelps Ltd , The Shard, 32 London Bridge Street, London, SE1 9SG

Paul David Williams, Duff & Phelps Ltd , The Shard, 32 London Bridge Street, London, SE1 9SG

Ian Douglas Yerrill, Yerrill Murphy LLP, Gateway House, Highgate Business Village, Henwood, Ashford,  
Kent, TN24 8DH

the Joint Liquidators of the Company attach a copy of our Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 29 October 2014 to 8 December 2014

Signed  Date 27/01/15

Duff & Phelps Ltd  
The Shard  
32 London Bridge Street  
London  
SE1 9SG

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# Progress Report to Creditors

27 January 2015

JS Childrenswear Limited

(In Creditors' Voluntary Liquidation)

**Progress Report of the Joint Liquidators  
For the period from 29 October 2014 to 8 December 2014  
Pursuant to Rule 4 49C of the Insolvency Rules 1986 (as amended)**

**Duff & Phelps Ltd.  
The Shard  
32 London Bridge Street  
London  
SE1 9SG**

## Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Administration Reports	The Former Joint Administrators' reports issued to creditors during the Administration of the Company, dated 18 March 2010, 20 August 2010, 2 February 2011, 17 June 2011, 3 August 2011, 22 December 2011, 22 May 2012 and 19 October 2012
the Appointment Date	29 October 2012, being the date of appointment of Joint Liquidators of the Company
the Company	JS Childrenswear Limited (In Creditors' Voluntary Liquidation) (Company Number 06806287)
The Cumulative Period	29 October 2012 to 8 December 2014
DBIS	The Department for Business, Innovation & Skills
DEL	Department for Employment & Learning
the Director	Syed Sabur Ali, the sole director of the Company
Duff & Phelps	Duff & Phelps Ltd , The Shard, 32 London Bridge Street, London, SE1 9SG
the Former Joint Administrators *	Paul John Clark and Geoffrey Wayne Bouchier (and his predecessor Matthew Peter Bond) of Duff & Phelps and Ian Douglas Yerrill of Yerrill Murphy LLP, Gateway House, Highgate Business Village, Henwood, Ashford, Kent, TN24 8DH
Habib Bank	Habib Bank AG Zurich, with whom the Company banked and the holder of fixed and floating charges over the Company's assets
HMRC	HM Revenue and Customs
John Shannon	John Hardy Shannon, the holder of fixed and floating charges over the Company's assets
the Joint Liquidators *	Paul David Williams (and his predecessor Paul John Clark) and Geoffrey Wayne Bouchier (and his predecessor Matthew Peter Bond) of Duff & Phelps and Ian Douglas Yerrill of Yerrill Murphy LLP, Gateway House, Highgate Business Village, Henwood, Ashford, Kent, TN24 8DH

**DUFF & PHELPS**

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The Liquidation Reports	The Joint Liquidators' reports issued to creditors during the Liquidation of the Company, dated 24 December 2013 and 22 December 2014
Minimode	Hamsard 3147 Limited (Company Number 06773571), a related company which traded from the Company's former head office under the trading name Minimode
the Original Administration	The Administration for the period 22 January 2010 until 22 October 2011
Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to non-preferential unsecured creditors
the Reporting Period	29 October 2014 to 8 December 2014
RPS	Redundancy Payments Service
the Rules	The Insolvency Rules 1986 (as amended)
SIF	Social Insurance Fund
the Second Administration	The Administration for the period 23 October 2011 until 28 October 2012
SOA	Statement of Affairs, documentation supplied by the Director during the Original Administration outlining the Company's financial position as at the Appointment Date

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\* Matthew Peter Bond sadly passed away on 16 March 2013. In view of the death of the Joint Administrator, Matthew Peter Bond, a Block Transfer Order (High Court of Justice No 2623 of 2013) ('the Order') was obtained on 9 April 2013, appointing Geoffrey Wayne Bouchier, a licensed Insolvency Practitioner of Duff & Phelps Ltd, The Shard, 32 London Bridge Street, London, SE1 9SG, as Joint Administrator.

Furthermore, a Block Transfer Order (High Court of Justice Manchester District Registry No 3401 of 2014) was obtained on 8 December 2014. The Order provided for the formal removal of Paul John Clark from office and appointed a replacement office holder, Paul David Williams, a licensed Insolvency Practitioner of Duff & Phelps Ltd, The Shard, 32 London Bridge Street, London, SE1 9SG, as Joint Liquidator.

Geoffrey Wayne Bouchier continues in office as Joint Liquidator.

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- 1 Joint Liquidators' Receipts and Payments Accounts
- 2 Analysis of Time Charged

**1 Introduction**

- 1 1 I refer to my last report to creditors dated 22 December 2014
- 1 2 The purpose of this progress report is to detail the Joint Liquidators' acts and dealings together with the conduct of the Liquidation for the Reporting Period

**2. Background**

- 2 1 The Joint Liquidators of the Company were appointed on 29 October 2012
- 2 2 The Company's registered office is The Shard, 32 London Bridge Street, London, SE1 9SG The Company's registration number is 06806287
- 2 3 The Company's registered office was formerly 43-45 Portman Square, London, W1H 6LY and prior to that was Attleborough House, Townsend Drive, Nuneaton, Warwickshire, CV11 6RU This latter address was also the former trading address of the Company
- 2 4 The Company's principal activity was trading as an independent retailer of children's clothes within the United Kingdom and Ireland, trading under the name Adams Childrenswear
- 2.5 Full details in respect of the failure of the Company and the background to the Former Joint Administrators' appointment can be found in the Administration Reports, a copy of which can be provided by the Joint Liquidators upon written request

**3. Joint Liquidators' Receipts and Payments Accounts**

- 3 1 Receipts and payments accounts for the Reporting Period and the Cumulative Period are shown in Appendix 1

**4. Asset Realisations**

- 4 1 Please refer to the Administration Reports and the Liquidation Reports for details of assets realised in previous periods
- 4 2 The Joint Liquidators do not anticipate any further asset realisations in the Liquidation

**Bank Interest**

- 4 3 During the Reporting Period, bank interest totalling £17 was received into the Liquidation estate

**5 Investigation**

- 5 1 The directors conduct report was submitted to DBIS on 15 April 2013 The content of this report remains confidential

**6 Dividend Prospects / Prescribed Part**

**Secured Creditors**

**John Shannon**

- 6.1 John Shannon was granted a debenture on 14 February 2009, registered on 21 February 2009, which confers fixed and floating charges over all of the assets the Company, in consideration for funds advanced to the Company
- 6.2 At the date of the Original Administration, the Company's indebtedness to John Shannon was approximately £6.6m subject to accruing interest and charges
- 6.3 A distribution of £250,000 was made to John Shannon in the Original Administration, pursuant to his debenture, from fixed charge realisations. Further distributions of £100,822 have been made during the Liquidation from fixed charge realisations
- 6.4 There will be no further distributions to John Shannon and he will not be paid in full

**Habib Bank**

- 6.5 Habib Bank was granted a second ranking debenture on 8 December 2009, registered on 10 December 2009, which confers fixed and floating charges over the Company, in consideration for banking facilities provided to the Company
- 6.6 The Company accounts with Habib Bank are overdrawn by approximately £15,000 and there will be insufficient funds available to enable a distribution to Habib Bank

**Preferential Creditors**

- 6.7 There are sufficient funds available to enable a distribution to preferential creditors. Pursuant to the SOA, the preferential claims were estimated at £658,454. Preferential claims agreed in the Liquidation total £602,057, net of Tax and National Insurance deductions, made up of:

	£
RPS	509,755
DEL	27,102
SIF	1,661
Employees	63,539
<b>Total</b>	<b>602,057</b>

- 6.8 The preferential claims will be employees' claims which are mostly subrogated to DBIS, following payment by the RPS, DEL and SIF. The Joint Liquidators are in the process of calculating final preferential claims and will correspond separately with the former employees with regard to their preferential claims, where appropriate. The quantum of the dividend remains uncertain
- 6.9 The preferential dividend will be declared by 5 February 2015 and paid shortly thereafter

### **Prescribed Part**

6 10 Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a Prescribed Part of the Company's net property shall be made available to unsecured creditors

6 11 The Prescribed Part is calculated as a percentage of net property, as follows -

Net property less than £10,000	50% unless the costs of distribution exceed the benefit
Net property greater than £10,000	50% up to £10,000 plus 20% thereafter to a maximum of £600,000

6 12 There is insufficient net property to enable any distribution to non-preferential unsecured creditors from the Prescribed Part

### **Non-Preferential Unsecured Creditors**

6 13 According to the SOA, non-preferential unsecured creditors were estimated at £17,389,023. The non-preferential unsecured creditor claims can be summarised as follows

	<b>SOA</b>	<b>Claims Received</b>
	<b>£</b>	<b>to date</b>
		<b>£</b>
Trade & Expense Creditors	11,007,723	11,871,401
Revenue Irish Tax & Customs	181,300	120,013
HM Revenue & Customs	1,200,000	1,000,000
Employee Claims	5,000,000	Uncertain
<b>Total</b>	<b>17,389,023</b>	<b>12,991,414</b>

6 14 There are insufficient funds available to enable a distribution to non-preferential unsecured creditors

### **7 Costs and Expenses**

7 1 The basis of the Joint Liquidators' remuneration was fixed as a time cost basis at a creditors meeting held on 4 February 2014

7 2 The time costs charged in the Reporting Period are as analysed at Appendix 2. Time has been charged in six minute units. No remuneration or disbursements have been paid in the Reporting Period.

7 3 During the first period of the Liquidation (from 29 October 2012 to 28 October 2013) the total time costs charged were £75,471. The Joint Liquidators did not draw any remuneration during this period.

7 4 During the second period of the Liquidation (from 29 October 2013 to 28 October 2014) the total time costs charged were £83,966. Remuneration of £120,000 plus VAT, and disbursements of £178 plus VAT, was paid during this period.

7 5 After payment of a preferential dividend, the remaining funds in the estate will be used towards the outstanding time costs and other expenses of the Liquidation

7 6 The Joint Liquidators have incurred the following expenses in the Reporting Period in dealing with the Liquidation of the Company,

Company	Role	Fee Basis	Amount Incurred (£)	Amount Paid (£)
Payco ERA Limited	Employee claim advisors – advising on employee claims review	Time Costs	96	96
Brett Adams	Corporation tax advisors - preparation of Corporation tax return and computation for the period 29 October 2013 to 28 October 2014	Time Costs	625	625
Gateleys LLP	Legal advisors – advising on settlement of Minimode book debt and John Shannon security	Time Costs	10,562	10,562
Accurate Mailing Services Limited	Mailing agents – assisting with mailout of letters to preferential creditors	Per Unit	2,466	2,466
Courts Advertising	Statutory Advertising – advertising notice of intended preferential dividend in the London Gazette	Per Unit	85	85

7 7 Information regarding the fees and disbursements of Liquidators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Liquidators' Fees" This can be viewed and downloaded from the Joint Liquidators' website at <http://www.duffandphelps.com/uk-restructuring/creditor-guides> Should you require a copy, please contact this office

7 8 Any secured creditor, or any unsecured creditor (with the support of at least 10% in value of the unsecured creditors or the permission of the court), may apply to court on the grounds that the remuneration or basis fixed for the Liquidator's remuneration or the expenses incurred by the Liquidator are considered to be excessive

7 9 This application must be made no later than 8 weeks after receipt of the progress report, where the charging of the remuneration or the incurring of expenses in question occurs

**8 Further Information**

- 8.1 In accordance with Rule 4.49E of the Rules, secured creditors and unsecured creditors (with the concurrence of at least 5% in value of total unsecured claims) may make a request in writing to the Liquidator for further information about the remuneration or expenses set out in this progress report. This should be done within 21 days receipt of this report.

**9 Conclusion**

- 9.1 The Joint Liquidators will continue their duties in relation to the Liquidation of the Company and declare the dividend to preferential creditors by 5 February 2015. The next report will be due within two months from the end of the 12 months following the Reporting Period and will be sent to creditors no later than 7 February 2016, however it is likely that the Liquidation will be completed sooner and a final report will be issued to creditors within the next nine months.
- 9.2 If you require any further information, please contact Robert Mitchell of this office.

Yours faithfully  
For and on behalf of  
JS Childrenswear Limited

  
Geoffrey Bouchier  
Joint Liquidator

**Appendix 1**

**Joint Liquidators' Receipts and Payments Accounts**

**Joint Liquidators' Receipts and Payments Accounts**  
**JS Childrenswear Limited (In Creditors' Voluntary Liquidation)**

	<b>The Reporting Period</b> <b>29 October 2014 to 8</b> <b>December 2014</b>	<b>The Cumulative Period</b> <b>29 October 2012 to 8</b> <b>December 2014</b>
	£	£
<b>Fixed Charge Assets</b>		
Bank Interest	0 93	1 53
Plant & Machinery	0 00	105 000 00
	<u>0 93</u>	<u>105,001 53</u>
<b>Cost of Realisation</b>		
Bank Charges	0 00	1 53
Distribution to Fixed Charge Holder	0 00	100,822 00
	<u>0 00</u>	<u>100,823 53</u>
<b>Floating Charge Assets</b>		
Transfer from Administration	0 00	632,133 39
Furniture & Equipment	0 00	3 150 00
Debtors	0 00	77,321 66
Bank Interest Gross	15 95	2,165 71
Bank Interest Net of Tax	0 00	116 49
Euro VAT Refund	0 00	8 856 07
Funds from Euro Account	0 00	72,601 54
	<u>15 95</u>	<u>796,344 86</u>
<b>Cost of Realisation</b>		
Minimode Recharge	0 00	337,321 66
Plant & Machinery	0 00	105 000 00
Joint Administrators' Remuneration	0 00	38,107 00
Joint Liquidators' Remuneration	0 00	120,000 00
Joint Liquidators' Disbursements	0 00	178 25
Professional Fees	95 63	1 742 52
Accountants Fees	625 00	2,250 00
Legal Fees & Disbursements	10 562 25	17 381 50
Stationery & Postage	2,465 94	11 822 44
Storage Costs	0 00	6 765 00
Statutory Advertising	84 60	299 70
Insurance of Assets	0 00	54 11
Bank Charges	0 00	90 36
	<u>13,833 42</u>	<u>641,012 54</u>
	<u>(13,816 54)</u>	<u>159,510 32</u>
<b>Represented By:</b>		
Floating Current Account		59,996 07
Closing Account		56 149 61
VAT Receivable		43 684 64
VAT Payable		(300 00)
<b>Balance</b>		<u>159,510 32</u>

**Appendix 2**

**Analysis of Time Charged**

**JS Childrenswear Limited (In Creditors' Voluntary Liquidation)**

Analysis of the Joint Liquidators' time costs for the Reporting Period

Classification of Work Function	Partner	Manager	Hours			Total Hours	Time Cost	Avg Hourly Rate
			Senior	Assistant	Support			
<b>Administration and Planning</b>								
Cashiering & Accounting	0 00	0 70	2 00	2 70	0 00	5 40	1 325 00	245 37
IPS Set Up & Maintenance	0 00	0 00	0 00	3 60	0 00	3 60	684 00	190 00
Tax Compliance/Planning	0 00	0 00	1 80	1 00	0 00	2 80	667 00	238 21
Case review and Case Diary Management	0 00	0 30	0 40	1 60	0 00	2 30	539 00	234 35
Strategy Planning & Control	0 00	0 20	0 40	1 60	0 00	2 20	501 00	227 73
Statutory Matters (Meetings & Reports & Notices)	0 00	0 00	0 00	0 30	0 00	0 30	57 00	190 00
<b>Creditors</b>								
Prof Claims Adjudication and Distribution	0 00	3 10	14 10	15 60	0 00	32 80	9 201 00	280 52
Communications with Creditors/Employees	0 00	0 00	0 40	37 20	0 00	37 60	7 174 00	190 80
Non Prof Creditors/Employee Claims Handling	0 00	0 10	0 00	0 00	0 00	0 10	43 00	430 00
<b>Realisation of Assets</b>								
Freehold and Leasehold Property	0 10	0 00	0 20	0 00	0 00	0 30	113 00	376 67
<b>Total Hours</b>	<b>0 10</b>	<b>4 40</b>	<b>19 30</b>	<b>63 60</b>	<b>0 00</b>	<b>87 40</b>		<b>232 31</b>
<b>Total Fees Claimed</b>	<b>60 00</b>	<b>2,052 00</b>	<b>6,176 50</b>	<b>12,015 50</b>	<b>0 00</b>		<b>20,304 00</b>	

**Analysis of Category 1 Disbursements**

There are no Category 1 Disbursements

**Analysis of Category 2 Disbursements**

There are no Category 2 Disbursements