

Who's Gone Bust in UK Retailing 2005-8?

November 2008

Legal Note: this listing of UK retailers who went into receivership between 2005 and 2008 is based on research carried out at the time and our understanding of their business affairs then. Some of these companies recovered and came out of administration; some were bought by other businesses; some were sold as going concerns but changed their name; for some, the name was bought and this is still used, but under different ownership; and others ceased to exist. The presence of any business in this historical listing must not be taken to imply that it no longer exists, its name is not used or that such business, if still trading, is impaired in anyway.



2008

The predicted failures of a large number of companies in 2008 have now occurred - certainly, with more to come. This has been the worst year since the early 80's. Three quick points. First, failure or administration is not something that occurs overnight: it is the result of months or years of poor trading, cash flow problems and failing to build up reserves. Secondly, there are rather too many instances of failure followed by immediate purchase by another investor. Thirdly, the impact of failure on the UK supply chain can be immense. The fall of Stead and Simpson has already caused the bankruptcy of at least one shoe manufacturer: the retailer was accepting deliveries until a few days before going into administration. Shopfitter organisations have also been having a terrible time over the past two years: JDS Group (350 employees and £30 m sales) is the most recent casualty.

- **Ghost**, the 33-store fashion chain (formerly with Icelandic backing), went into administration late in October and was bought by Touker Suleyman, owner of Hawes & Curtis.
- **Celebrations Holdings**, the owner of 288-store chains (1,800 staff), such as Card Warehouse and Cardfair went into administration in October. It continues to trade as normal.
- **Hardy Amies**, couturier high fashion and once dressmaker to the Queen with 6 stores, went into receivership in October. It had asked its major backer, Arev (linked to Icelandic private equity fund Kcaj) for extra cash.
- **Miss Sixty** (business name, Sixty UK), the youth-oriented fashion trade with 12 stores and other concessions, went into administration in October.
- **Joy**, a medium-sized fashion and homewares chain (company name, Maureen O'Brien), with 28 stores and 370 employees called in the receivers on the last day of September 2008.
- The management of **MFI**, the bathroom and home furnishings group with 2,500 staff and 192 stores, arranged a buy-out in September, did some reorganisation and put the retail and property divisions into administration at the beginning of October. Its previous owners MEP had bought the group in 2006 for £1. In the 80s, MFI was important enough to set ASDA-MFI - a new type of company covering both food and non-food.
- **Motor World**, the 237-store chain of car-parts and accessories, fell into administration following a "significant" downturn in retail sales.
- **Rosebys**, the home furnishings group and haberdasher, which has 2000 staff and 280 stores, went into administration in September. Rosebys' outlets at Glasgow

Sauchiehall Street, Glasgow Forge, Dunstable, Basildon, Swindon, Brighton, Wood Green London, Sutton Coldfield, Oldham and Leicester were closed on October 2 and staff made redundant the next day.

- **Faith Shoes**, the shoe stores with 2000 jobs, went into receivership before being sold to a new group (men's clothing retailer Envy, owned by Kinnaird, and teenage fashion business Chilli Pepper, owned by Agilo). Kinnaird and the management own a majority of shares.
- **Jumpers**, the 40-store fashion chain (with 40 Irish concessions), went into administration in August.
- **Wrapit**, the online wedding gifts firm, went into administration in August after the collapse of talks to save the firm, which employs 100 people and has 15 showrooms dealing with 3,000 wedding lists a year.
- **Beds Direct**, with 42 stores went into administration in July and has been bought by its management. One-half of stores have been closed, but will continue to trade from the remaining stores and online.
- **Floors-2-go**, the wood and laminate flooring company with 137 branches, went into administration in July. The sliding housing market and a slump in do-it-yourself home improvements was blamed. 41 stores are to close immediately with 97 redundancies. The company was bought from the administrators by the Hodges family, the previous owners of the firm.
- **General Trading Company**, the famous Chelsea (London) department store with three royal warrants, went into administration in July 2008. The company was founded in 1920 and has an exclusive clientele. The company is trading as usual and it is hoped that a quick sale can be made.
- **ScS Upholstery Plc** lost part of its supplier insurance cover in June, suspended trading in its shares towards the end of the month, failed to find a buyer, went into administration in the first week of July and was bought by PPH Ltd, linked to Sun European Partners LLP. The company continues to trade from its 96 stores (1300 staff).
- **ProCook**, the kitchen equipment and cookware retailer with 39 stores went into administration in July. It was set up in 1993 and employs 261 staff. By the end of July, a management buy-in (backed by Ensco 688) had purchased the group, intending to keep all staff and stores.
- **Ilva**, the Icelandic-owned furniture retailer with three stores, which aspired to rival John Lewis by 2010, collapsed in June. It made a loss of £62 million on £26 million sales during 2006/7. The company had been sold in August 2007 to Lagerinn (also operates The Pier). There were 400 employees. The stores were all closed in July when no buyer could be found.
- **MK One**, the value fashion retailer with 170 stores and 2,500 employees, was acquired by the turnaround specialist Hilco from Bauger in April 2008. Many of its invoices were unpaid and cheques sent to cover the Christmas period had been cancelled. The Company was put into administration three weeks later. MK One is likely to survive as a 80+ or 110-store company meaning that one third or more of stores will close. 100 of its stores were sold to Jet Star Ltd for £7.1m after a few days. Jet Star is connected to Mark Brafman, a director and shareholder in MK One before it collapsed in the mid-1990s.
- **New Heights**, the furniture chain started in 1999, ceased trading in May. It had 20 stores in locations such as Bath, Bristol, Cambridge, Reading and Nottingham. The owners bought Sofa Workshop (34 stores) in 2006, but their stores were unaffected by the news. Existing shareholders bought Sofa Workshop and five of the 'New Heights' stores which will be rebranded as Sofa Workshop.
- **Sound Control Group**, the largest UK musical-instrument retailer with 26 stores and sales of £60 million and 338 staff went into administration in May. It trades as Sound Control, Media Tools, Turnkey and Soho Sound House. Ten stores have already been closed with 163 employees made redundant.



- **Ethel Austin**, the Liverpool-based value fashion retailer with 2,800 staff and 300 stores, went into admin in mid-April. This retailer with around £150 million sales pa had been suffering for at least two years and for the last eight months has been very shaky indeed. Only a few days before, a refinancing deal for the business seemed in prospect. 33 stores closed immediately (265 jobs) and 180 head office jobs were also lost.
- **Ossian Retail Group**, owner of fashion group Internacionale and the Au Naturelle homeware outlets, went into admin in April as part of a deal by new investor Agilo to break it up. There are 120 outlets, likely to be purchased by Edinburgh Woollen Mill, Poundstretcher and Bon Marché. B&M Bargains has already bought 30 Ossian stores
- **Farmers Hypermarket**, parent company of 'Farmers' City Market', went into administration in April owing £831,000.
- **FreshXpress**, the grocery retailer that emerged from the ruins of **KwikSave** last year, has gone into administration. What a surprise.
- **Toyzone Ltd**, the operator of 20 toyshops in the South East, South West/Wales, Yorks/Humber and NI, went into administration in April but was rescued by J A Magson (toys/stationery distributor). It has 200 employees. Its parent company, Youngsters, which also acts as a buying group for independent toy retailers, also went into administration.
- **Sleep Depot**, 100 units, 71 of which are concessions Land of Leather, went into administration in April.
- **Richleys Stewarts**, the Swansea-based value clothing chain of 29 stores, collapsed in March. Administrators have sold 15 stores that will continue to trade (132 jobs) although 137 jobs will disappear in the remaining stores.
- **Mexx**, the US-owned fashion retailer, is to close all its 61 stores by July, costing 300 jobs. This only affects the UK operation (leaving 6000 employees in 64 other countries). Mexx is a subsidiary of Liz Claiborne, but failed to perform against Zara and H&M. Its UK factory outlets will remain.
- **Select Retail**, the 250-store value chain selling women's fashion and jewellery, went into administration in February but an immediate management buy-out saved one-half the stores and 1,000 jobs.
- **Elvi**, the plus-size ladies' fashion chain with 28 stores and 63 concessions in Debs and HoF etc, went into administration in early February, and most of it was rescued a week later by mystery buyers.
- **Base Menswear**, boy's and men's clothing, put its 18 stores into administration in February. It is hoped that some debt reform and structural change may preserve the 100-year old business.
- **Sports Café**, the operator of sports themed bars in the UK, went into administration in Feb and its sites in Manchester and Liverpool have been sold. The rest of the chain will be sold as a going concern.
- **The Works**, the much-loved remaindered bookseller trading as The Works, Book Depot, Banana Bookshop and Art Depot, went into administration in February 2008. The company had 300 stores (1600 staff) and suffered from poor trading, partly caused by supermarket bookselling. In May, a management buy-in via Endless costing £17-£25 million bought the company.
- **Empire Stores**, the oldest UK mail-order company, has been bought by Littlewoods, which took over its order book and current assets in January 2008, closing down all its operations, 850 workers losing their jobs.
- **Stead and Simpson**, owners of Shoe Express, Lilley & Skinner, and Peter Briggs, did a quick shuffle in Jan 2008 to survive - thanks to Shoe Zone. Stead and Simpson went into administration, Shoe Zone immediately took over 300 stores from the 375 chain and Clinkards took over 25, meaning that perhaps only 500 out of 3000 jobs have been lost. The 25 factory outlets trading as Famous Footwear had been sold off to H Jacobson, the famous novelist, author of Coming From Behind and that one about table tennis as well as owning Gola, Ravel, Lotus and Frank Wright.
- **Dolcis**, the high-street footwear retailer with 1,200 employees and 185 stores and concessions went into administration in January 2008, 600 staff losing their jobs and 89 stores being closed immediately. It was bought from Alexon in 2006, but over Christmas its major backer, Epic Private Equity, pulled out. In Feb 2008, the

brand-name, stock and trading rights for 24 stores were bought by Stylo and 42 stores were put on the market for disposal.

- **Card World**, the 27 strong card chain, went into administration in January.

In Administration 2007

- **Ponden Mill**, the home furnishings chain with more than 135 stores, went into administration in December 2007 one month after being bought for £6m by recovery specialist Hilco and hedge fund Agilo. Thirty-three stores have been sold to Instore, the owner of Poundstretcher, and six stores to Belfast-based retailer Bedeck.
- **Newsport**, a Scottish supplier of outdoor and snow sports equipment with 12 stores, went into administration in October. It is now owned by billionaire Mike Ashley.
- **ePlay**, the 123-store games chain, went into administration in Sept 2007.
- **RONIT ZILKHA**, the designer fashion retailer with five standalone stores and eight concessions, went into administration in September.
- **ChoicesUK**, the DVD retailer with retail, local and direct operations went bust in August. Its local and direct arms were sold to Findtel and Blockbuster bought 59 of its shops in September.
- **Kwik-Save**, the downmarket grocery chain, collapsed in July 2007. 90 stores were immediately closed and 1,100 people lost their jobs. The other 56 stores may be saved and rebranded as **FreshXpress**. In May/June 2007 it was in and out of court, fighting administration. It succumbed finally on 6th July.
- **Hawkeshead**, the clothing retailer rescued from bankruptcy in 2006, is to be broken up and sold off. It employed 400 staff, had 20 stores and T/O was around £25 million.
- **Fopp**, the 3rd largest UK music store, closed half its stores on Friday 22 June 2007 to carry out an urgent stocktake, announced a strategic review of the business, but went into administration a week later, blaming internet and supermarket sales of CDs and intense price competition. All 105 stores closed on 29 June 2007 and 700 staff lost their jobs. Fopp was a private company that had bought one-half of **Music Zone** a few months previously, which cannot have helped. **HMV** bought the name and some of its best stores over summer.
- **The Natural World**, the eco-gift retailer, has been unable to find a buyer since it went into administration in January.
- **Klaussner**, the furniture retailer with 29 stores and turnover of £27 million, went into administration for the second time in May 2007. 250 staff have lost their jobs. The sites are up for sale.
- **Only2**, the store chain set up by former Poundland boss that sold everything for £2, went into liquidation in April 2007. The six shops in Brierley Hill, Keightley, Swansea etc closed before Easter.
- **Elle**, the ladies fashionwear chain rescued from administration (as Actif) in 2006 and now operating as L Wear, went into administration again in March 2007, blaming cash-flow problems. 32 of its 40 outlets have been closed by the administrator and concessions in HoF have all closed. The business is likely to be sold by the Administrators in May in some form.
- **Ravel**: Goodbye Ravel. After five years of losses, Clarkes announced in May that it is finally closing the 50-store shoe chain that trades as Ravel.
- **Goodbye Robbs Department Store, Hexham**. Closing after 189 years of trading, its owners (Owen Owen) notified employees they had lost their jobs by sounding the fire alarm and holding an al fresco staff meeting in the car park.



- **Toyworld**, with 22 stores and 223 staff, went into administration in March 2007, blaming poor trading. The Company's parent is Youngsters.
- **Owen Owen**, which runs Lewis's in Liverpool, Esslemont & MacIntosh in Aberdeen, Robbs in Hexham (Northumberland), and Jopling's in Sunderland went into administration at the end of February. By May there was hope of reconstituting it as 'son of Allders'.
- **Filmnight**, the DVD rental business with 60 stores, was placed in administration. 14 stores have been purchased by Christopher Simpson.
- **David Flatman**, the discount book retailer that trades as Bookworld, Bargain Books and bw! went into administration in mid-February 2007. There were 50 stores (turnover £30 million) with 397 staff. Eight stores closed immediately with four more due to shut at the end of February.
- **Stationery Box**, the Warrington-based chain of 140 stationery stores, went into administration on 31 January 2007 blaming stiff competition from supermarkets and the internet. Theo Paphitis (*Dragons' Den*) had bought the company name and 61 stores only a few days beforehand.
- **Right Price Tiles**, the Swansea-based company with 53 stores, went into administration at the end of January. An earlier version of this company called Tiles-R-Us had done the same last year until being bought by the Irish concern, *Railway Tile Store* (note: imaginative company names in this sector of retailing).
- **The Peak Store**, a small walking/adventure clothing business with shops in Bakewell, Derby and Nottingham went out of business losing 30 jobs blaming mild weather, high costs and competition from multiples.
- **H Plumb & Son**, the Wigan-based electrical chain with 10 stores and 100 staff, is also in administration. It has closed 8 shops and dismissed three-quarters of the existing employees.
- **Greeting Card Group**, the second-largest UK greeting card store, went pop on 2 January 2007. It has 470 stores trading mainly as 'Cardfair' or 'Card Warehouse' and 2,500 employees. The turnover was £70 million.
- **Music Zone**, the independent music store chain, which sold itself as a cut-price alternative to Virgin and HMV, went into administration in early January affecting 1,100 staff and 103 stores. Fopp bought the company name, 67 stores, 3 warehouses before going bust themselves a few months later.
- **Little Chef**, the ubiquitous roadside restaurant chain with several previous owners, went into administration at the beginning of January 2007, having failed to obtain new funds over Christmas. 196 of the chain's 236 restaurants were later sold to a new owner in January, saving most of the 3200 jobs. The company is to be sold in July for £20 million to the Benetton family (who own Autogrill in Italy).

Who Went Down in 2006?

- **Olan Mills Photography**
- **Glyn Webb**
- **Aftershock**
- **Ilkeston Consumer Coop**
- **MFI sold off** (see 2008)
- **Mikey Contemporary Jewellery**
- **PowerHouse electricals retailing**
- **Toymaster Kingdom**
- **Actif owner of the Elle brand in the UK**
- **Morgan UK Fashion Icon**
- **Miller Brothers electrical business**
- **Baron Jon menswear retailers**
- **Dewhurst Master Butcher**
- **Silverscreen**
- **Bewise and QS value fashion chains**
- **Sock Shop**
- **Capo Man & Woman**

- **Kookai**
- **MVC and DVD**

NEWS OF 2005

During 2005, the retailers that collapsed or went into administration included:

- Past Times
- Alders Department Store (Croydon store rescued by Jaeger and still bears the name)
- Unwins Wine group
- All: Sports
- Furnitureland
- The Sofa Company
- Ciro Citterio
- the Gadget Shop
- Index
- Etam
- Pilot Clothing