

LIQ03

Notice of progress report in voluntary winding up



Companies House

SATURDAY



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18/01/2020

#215

COMPANIES HOUSE

1 Company details

Company number 0 1 7 6 5 7 1 4

Company name in full Garsdale Knitwear Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Steven

Surname Wiseglass

3 Liquidator's address

Building name/number St John's Terrace

Street 11-15 New Road

Post town Manchester

County/Region

Postcode M 2 6 1 L S

Country

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator
Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator
Use this section to tell us about
another liquidator.

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6 Period of progress report

From date	^d	2	^d	1	^m	1	^m	1	^y	2	^y	0	^y	1	^y	8
To date	^d	2	^d	0	^m	1	^m	1	^y	2	^y	0	^y	1	^y	9

7 Progress report

☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X 

X

Signature date

^d	1	^d	7	^m	0	^m	1	^y	2	^y	0	^y	2	^y	0
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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Steven Wiseglass**

Company name **Inquesta Corporate Recovery & Insolvency**

Address **St John's Terrace**
11-15 New Road

Post town **Manchester**

County/Region

Postcode **M 2 6 1 L S**

Country

DX

Telephone **03330050080**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Garsdale Knitwear Limited – In Creditors' Voluntary Liquidation

LIQUIDATOR'S PROGRESS REPORT TO CREDITORS AND MEMBERS

For the period 21 November 2018 to 20 November 2019

STATUTORY INFORMATION

Company name:	Garsdale Knitwear Limited
Registered office:	c/o Inquesta Corporate Recovery & Insolvency St John's Terrace 11-15 New Road Manchester M26 1LS
Former registered office:	78 Dickenson Road Rusholme Rochdale Lancashire OL11 3QZ
Registered number:	01765714
Liquidator's name:	Steven Wiseglass
Liquidator's address:	St John's Terrace, 11-15 New Road, Manchester, M26 1LS
Liquidator's date of appointment:	21 November 2018

LIQUIDATORS' ACTIONS SINCE APPOINTMENT

Since appointment the Liquidator has performed his statutory duties.

Further details on the background of the Company and the events leading up to the appointment of the Liquidator can be found in the previous report to creditors. A copy can be provided upon request.

There is certain work that I am required by the Insolvency legislation to undertake in connection with the Liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my appointment is contained in Appendix I.

RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the period from 21 November 2018 to 20 November 2019 is attached at Appendix II.

There have been no transactions in the Reporting Period.

The balance of funds are held in an interest bearing estate bank account

ASSETS

Business Rates Refund

The sum of £1,495.89 has been received outside of the Reporting Period and is therefore not reflected in the Receipts and Payments Account.

Stock

The previous report to creditors advises that the Company held stock with a book value of £57,945. Prior to the Liquidator's appointment, JPS Chartered Surveyors were instructed to review the stock.

It was determined that the stock was not current season and a large proportion was unfinished garments and the costs of removal would outweigh any value.

The stock was abandoned by the Company and no value has been achieved from this asset.

Fixed Assets

The accounts for the Company year ending 31 December 2017 stated that the Company had fixed assets with a value of £49,538.

At the virtual meeting of creditors, the question was put to the director as to what this asset was as it was *not detailed on the director's Statement of Affairs.*

The director confirmed that the asset related to a number of knitting machines which were sold in the months prior to the date of the Liquidation as the Company had ceased trading and the assets were sold with a view to discharging some creditor liabilities and also reducing the Company's overdrawn balance with the bank.

The director advised that the Company's accountant holds the details of the transactions relating to the sale of the machines to various parties. The Liquidator has written to the accountants to request documentation in this regard and a reconciliation will be made against the bank statements to verify that the monies received from the machines sold were paid in to the Company's bank account and utilised to repay creditors.

Property

At the virtual meeting of creditors, a creditor raised a question relating to a property which the Company owned as this was not disclosed in the report to creditors or Statement of Affairs

The director advised that the property was sold in 2013/2014 and was therefore not relevant to current figures. A formal valuation of the property was prepared and was sold to the director's brother.

The director advised that the secured lending against the property was discharged and the balance of funds were utilised to pay existing creditors at that time.

A copy of the documentation of the valuation and the sale of the property has been requested and will be reviewed to determine that the transaction was fair and reasonable.

Other Assets

There are no other assets which the Liquidator is aware of.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company held the following charges;

- Midland Bank – Fixed Charge over book debts
- Natwest Bank – Fixed Charge over Garsdale House and Floating Charge over other assets
- Natwest Bank – Fixed and Floating charge – Debenture created in 1997

It is understood that all of these charges are historical and there are no liabilities due under these charges.

Preferential Creditors

The statement of affairs anticipated £3,711 in preferential creditors relating to employee claims in respect of arrears of wages and outstanding holiday pay. These claims have been subrogated via The Redundancy Payments Office ("RPO").

A claim has not been received from the RPO.

Crown Creditors

The statement of affairs indicated that there was no liability due to HMRC. No claim has been received to date.

Non-preferential unsecured Creditors

The statement of affairs included 21 non-preferential unsecured creditors with an estimated total liability of £222,543. I have received claims from 8 creditors at a total of £210,716. I have not received claims from 15 creditors with original estimated claims in the statement of affairs of £9,269.

The overall claims ought to be in line with estimate as per the Statement of Affairs.

DIVIDEND PROSPECTS

Secured creditors

As there is no liability to the secured creditors, a dividend is not applicable in this instance.

Preferential creditors

The prospect of a dividend to preferential creditors is dependent on whether there may be any potential recovery against the sale of the knitting machines and property of the Company

Non-preferential unsecured creditors

Any dividend to unsecured creditors will be based on any recovery made as a result of the sale of the Company's knitwear machines and property.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements from November 2013 to December 2018 and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the Liquidation and made enquiries about the reasons for the changes.

The Liquidator will be reviewing the transactions in relation to the sale of the stock and sale of the Company property.

Within three months of my appointment as Liquidator, I am required to submit a confidential report to the *Secretary of State* to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

PRE-APPOINTMENT REMUNERATION

The director previously authorised the payment of a fee of £3,000 plus VAT.

It should be noted that the pre appointment matters were dealt with by Focus Insolvency Group who were instructed by the director to assist with the process of the Liquidation.

At the virtual meeting of creditors, the majority of creditors nominated Steven Wiseglass of Inquesta to be appointed Liquidator.

It is understood that Focus Insolvency Group have had their fee paid in full.

LIQUIDATOR'S REMUNERATION

The Liquidator has not sought authority for the basis of his remuneration to date.

Since I was appointed Liquidator, the Liquidator has received a business rates refund of £1,495.

I have undertaken routine statutory and compliance work, such as filed a notice of my appointment at Companies House and advertised my appointment in the London Gazette. These are tasks that are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, and whilst they do not produce any direct benefit for creditors, they still have to be carried out.

My expenses incurred to date amount to £208 and represent:

Type of expense	Amount incurred/accrued to date	Amount still to be paid
Statutory Advertising	£178	£178
Specific Bond	£30	£30

I have not been able to draw any expenses in this matter.

Expenses do not have to be approved, but when reporting to the committee and creditors during the Liquidation the actual expenses incurred will be compared with the original estimate provided and I will explain any material differences (e.g. where legal costs rise due to escalated recovery action).

In this case I am seeking to fix the basis of my remuneration on more than one basis as detailed below.

Fixed fee basis:

There are certain tasks that I must carry out on nearly every Liquidation, namely Administration and Creditors. Although they are required by statute or regulatory guidance, or are necessary for the orderly conduct of the proceedings, they do not produce any direct benefit for creditors, but still must be carried out

Administration: This represents the work that is involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

Creditors:

Employees – Whilst there were no employees of the Company, there may be claims by the directors to the Redundancy Payments Office ("RPO"). The office holder needs to deal with these claims to ensure that their claims are processed appropriately by the RPO. That work will include dealing with queries received from both the directors and the RPO to facilitate the processing of the claims. The office holder is required to undertake this work as part of his statutory functions.

Claims of creditors - the office holder needs maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

After taking into account the nature and value of the assets involved and that this is a routine case as highlighted above, I have concluded that a fixed fee of £5,000 plus VAT is necessary to cover that work and an annual fee of £2,500 plus VAT to continue to administer the case. I have also compared the proposed fixed fee with our past time records for undertaking the work in respect of cases of a similar size and complexity and taken that into account when determining the level of the fixed fee sought, and as a result I believe that this demonstrates why the fixed fee is expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken. Full information about the work that I will undertake for the fixed fee is contained in Appendix I.

Percentage basis:

There are certain tasks that I only have to carry out where there are assets to recover. They may produce a direct benefit for creditors, but are subject to the costs of the proceedings generally. I undertake the work to protect and then realise the assets, initially at my own cost, suffering the loss if any asset is not realisable. If assets are recovered, I first recover my costs and then distribute any balance. I am seeking to recover a percentage of the assets that I realise in order to remunerate me for the work that I undertake in respect of realising them. The percentage I propose to charge will also share the anticipated benefit with the creditors. I am seeking to recover the following percentages:

Nature of asset	Estimated to Realise values (£)	Percentage being sought (%)	Anticipated Fee
Business Rates Refund	1,495	35%	523
Fixed Assets – Knitwear Machines	49,538	35%	17,338*
Property	Unknown	35%	Unknown

*the realisable value of the knitwear machines is based on the figure stated in the Company's accounts to 31 December 2017. It is not known at this stage what the machines were sold for. The figure represents the maximum realisable value but it likely to be significantly lower.

I believe the percentage I am seeking for asset realisations approval for reflects the risk that I am taking, the nature of the assets involved, and the complexity of the Liquidation, as highlighted above. I have also compared the proposed percentage for which approval is being sought and taken that into account when determining the percentage being sought. As a result, I believe that this demonstrates why the percentage proposed is expected to produce a fair and reasonable reflection of the work that I anticipate will be necessarily and properly undertaken.

Based on known assets, the Liquidator anticipates drawing remuneration on a percentage basis of £17,861 plus VAT. This fee represents the maximum fee available should the assets be realised in line with the estimated realisation figures.

Whilst I am required to maintain records of creditors' claims in all cases, in those cases where sufficient realisations are made to enable me to pay a dividend to creditors, I have to undertake certain statutory formalities. This include writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims, which may involve requesting additional information and documentation from the creditors. I am seeking to recover 35% plus VAT of any distributions made, to reflect the additional work required. I believe the percentage I am seeking approval for distributions reflects the number of creditors involved and the complexity of the Liquidation, as highlighted above.

Full information about the work that I will undertake as a percentage of realisations and distributions is contained in Appendix I

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, together with an explanatory note which shows Inquesta Corporate Recovery & Insolvency's fee policy are available at the link <http://www.inquesta.co.uk>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the latest version.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Liquidator's remuneration and expenses within 21 days of their receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the Court, or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

SUMMARY

The Liquidation will remain open until it is determined that the sale of the Company's knitting machines has been properly sold and the sale of the property has been fair and reasonable.

I estimate that this will take approximately 12 months and once resolved the Liquidation will be finalised and our files will be closed.

If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact Mala Patel on 0333 005 0080, or by email at mala.patel@inquesta.co.uk.

A handwritten signature in black ink, appearing to be 'S. Wiseglass', with a long horizontal stroke extending to the right.

Steven Wiseglass
LIQUIDATOR

Appendix I

1. Administration

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up electronic case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.


1. Creditors

- Obtaining information from the case records about employee claims
- Completing documentation for submission to the Redundancy Payments Office.
- Corresponding with employees regarding their claims.
- Liaising with the Redundancy Payments Office regarding employee claims.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.

2. Investigations

- Submit an online return on the conduct of the directors as required by the Company Directors Disqualification Act.

Garsdale Knitwear Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

Statement of Affairs £	From 21/11/2018 To 20/11/2019 £	From 21/11/2018 To 20/11/2019 £
	<u>NIL</u>	<u>NIL</u>
REPRESENTED BY		<u>NIL</u>
		
		Steven Wiseglass Liquidator