

# Liquidator's Progress Report

# S.192

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

To the Registrar of Companies

Company Number

02722136

Name of Company

Positive Clothing (London) Limited

+/ We

Deviesh Ramesh Raikundalia, 38 De Montfort Street, Leicester, LE1 7GS

Situl Devji Raithatha, 38 De Montfort Street, Leicester, LE1 7GS

the liquidator(s) of the company attach a copy of ~~my~~ our Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 11/12/2015 to 10/12/2016

Signed



Date

08/02/2017

Springfields Advisory LLP  
38 De Montfort Street  
Leicester  
LE1 7GS

Ref PO1563/DRR/SDR/AS/LL



**TO ALL KNOWN SHAREHOLDERS &  
CREDITORS**

Our ref. PO1563/LL/3B  
Your ref  
Date 8 February 2017

When telephoning please ask for  
Luke Littlejohn  
Direct Dial 0116 249 2018  
E. luke.l@springfields-uk.com

Dear Sir(s)

**Positive Clothing (London) Limited - In Creditors' Voluntary Liquidation ("the Company")**

**Former Trading address: 20 Wells Mews, London W1T 3HQ**

I write following the end of the second anniversary of the Liquidation. I detail below my report on the progress of the Liquidation for the period from 11 December 2015 to 10 December 2016 ("the Period"), which should be read in conjunction with my previous reports and those issued during the Administration period

## **1. Executive Summary**

All known assets have been realised. I have instructed a firm of accountants to bring the Company's tax affairs up-to-date, with a view to determining whether a tax refund can be claimed in respect of pre-Administration trading losses.

The preferential creditors have been paid in full. Dividends totalling 50p in the £ have been paid to the unsecured, non-preferential creditors to date. I expect to be in a position to make a further distribution to creditors, although the timing and quantum of any distribution will depend on the level and timing of any tax refund received.

## **2. Company and Liquidators' Details**

Company Name	Positive Clothing (London) Limited
Company Registered number	02722136
Registered Office	38 De Montfort Street Leicester LE1 7GS
Former Registered Offices	26-28 Bedford Row London WC1R 4HE



13 Station Road  
Finchley  
London  
N3 2SB

Name of Liquidators

Deviesh Ramesh Raikundalia  
Licensed Insolvency Practitioner of  
Springfields Advisory LLP  
38 De Montfort Street  
Leicester  
LE1 7GS

Situl Devji Raithatha  
Licensed Insolvency Practitioner of  
Springfields Advisory LLP  
38 De Montfort Street  
Leicester  
LE1 7GS

Date of Appointment

11 December 2014

### **3. Receipts and payments & the Liquidators' actions in the Period**

I enclose a summary of my receipts and payments account for the Period. Please note that the receipts and payments are shown exclusive of VAT. The funds are held in an interest bearing account.

#### ***Book Debts***

The sum of £4,805.58 was received from the Administration of one of the Company's customers. This was a final dividend and there will be no further funds from this source.

#### ***Tax Refund***

It was agreed with the Liquidation Committee ("the Committee") that a firm of accountants would be instructed to bring the Company's tax affairs up-to-date in order to determine whether a tax refund could be claimed as a result of trading losses incurred prior to the Administration. After considering quotations obtained from a number of reputable firms, the decision was made to instruct Mark J Rees LLP to undertake this work. The instruction was given after the Period.

It is uncertain at this stage whether any refund will be received and I hope to report to creditors in further detail in due course.

I trust that you will find the remaining receipts and payments self-explanatory.

#### **4. Investigations**

No further investigatory issues arose in the Period

#### **5. Outcome for creditors**

##### ***Secured Creditors***

##### **Debentures**

The Company operated an invoice discounting facility with Lloyds Commercial Finance Limited ("LCFL"), which held fixed and floating charges over the Company's assets, present and future. The debenture was created on 31 October 2012 and registered at Companies House on 14 November 2012.

In addition, Barclays Bank Plc holds fixed and floating charges over the Company's assets, present and future, created on 4 February 2014 and registered at Companies House on 7 February 2014. Barclays Bank Plc is understood to be owed no money by the Company.

Prior to the Administration, a Mr Matthew Miller settled the LCFL liability and effectively replaced LCFL as the Company's primary chargeholder. Mr Miller's indebtedness with the Company was discharged from the funds realised from its sales ledger during the Administration period.

The legislation requires that, if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case, the debt due to the chargeholder has already been discharged from fixed charge realisations and there is therefore no floating charge. These provisions will not apply.

##### ***Preferential Creditors***

The Statement of Affairs anticipated that there would be preferential claims of £24,700 in respect of payments made to employees under the Employment Rights Act 1996. A number of claims were received and forwarded to the Redundancy Payments Service ("RPS") for payment, subject to statutory limits.

Claims totalling £20,458.70 were identified. A distribution at a rate of 100p in the £ was made to the preferential creditors on 26 November 2015.

### ***Unsecured, Non-preferential Creditors***

The Statement of Affairs anticipated unsecured, non-preferential claims of £2,261,644 33. The current position regarding creditor claims is summarised below.

<b><i>Category of Creditor</i></b>	<b><i>Anticipated on Statement of Affairs (£)</i></b>	<b><i>Received (£)</i></b>	<b><i>Admitted (£)</i></b>	<b><i>Rejected (£)</i></b>	<b><i>Unsettled (£)</i></b>
Trade & Expense	1,911,289 33	2,377,319.13	2,283,897 15	93,421 98	Nil
HM Revenue & Customs	302,355 00	Nil	Nil	Nil	Nil
RPS / Employee Claims	Uncertain	117,180 18	93,656 63	Nil	23,523 55
Contingent Creditor (landlord)	48,000 00	Nil	Nil	Nil	Nil
<b>TOTALS</b>	<b>2,261,644 33</b>	<b>2,494,499 31</b>	<b>2,377,553 78</b>	<b>93,421 98</b>	<b>23,523 55</b>

HM Revenue & Customs and the contingent creditor have confirmed that they do not have a claim in the Liquidation.

A Second Dividend of 25p in the £ was declared on 27 January 2016 and funds totalling £553,203 03 were distributed to creditors as part of this dividend in the Period. Total dividends of 50p in the £ have been paid to date.

I expect to be in a position to make a further distribution to creditors. I am unable to estimate the timing and quantum at this stage as this will be subject to the level and timing of any tax refund received.

### **6. Liquidators' remuneration**

On 27 November 2014, the Committee agreed that the Joint Liquidators' remuneration should be on a time cost basis and my firm's costs would be drawn as and when authorised by the Committee. Please refer to the enclosed receipts and payments account for details of the amounts drawn in the Period and as agreed with the Committee.

I enclose a summary of my firm's time costs, subject to the posting of timesheets, for the Period. I also enclose a schedule of my firm's current charge out rates.

There are certain tasks that have to be undertaken on nearly every Liquidation. 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 have to be carried out. A description of the routine work undertaken in the liquidation to date is as follows:

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
- Dealing with all routine correspondence and emails relating to the case
- 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 regular 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

2 Creditors

- Obtaining information from the case records about employee claims
- Corresponding with employees regarding their claims
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims
- Maintaining up to date creditor information on the case management system
- Issuing a notice of intended dividend
- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims
- Calculating and paying a dividend to creditors, and issuing the notice of declaration of dividend
- Paying tax deducted from the dividends paid to employees

7. **Liquidation Expenses**

I enclose a schedule of my expenses for the Period, which includes Category 2 disbursements

The following professionals were used in the Period

<i>Name</i>	<i>Nature of Work</i>	<i>Fee Agreement</i>
Ashteds Solicitors	Legal services	Time costs plus disbursements

The choice of professionals was based on my perception of their experience and ability to perform this type of work and the complexity and nature of the assignment

## **8. Creditors' Rights**

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/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>. Alternatively a hard copy can be provided on request.

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 Liquidators' remuneration and expenses, within 21 days of 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 creditors (including the creditor in question), apply to Court to challenge the amount and/or basis of the Liquidator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

## **9. Summary**

The Liquidation will remain open until I have determined whether there is a tax refund due to the Company and a final distribution is made to creditors. I am unable to estimate when this will be at this stage.

## **10. Miscellaneous**

### ***Insolvency Code of Ethics***

I would advise you that I am bound by the Insolvency Code of Ethics ("the Code") when carrying out all professional work relating to an insolvency appointment. No threats have been identified to the fundamental principles of the Code, which would prevent me from continuing in office.

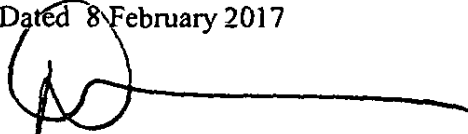
### ***Provisions of Services Regulations 2009***

In order to comply with the Provisions of Services Regulations 2009, the necessary disclosure is available at my firm's head office at 38 De Montfort Street, Leicester LE1 7GS.

## **11. Disclaimer**

This report has been prepared for the sole purpose of updating creditors and shareholders of the Company for information purposes to fulfil the necessary statutory requirements of the Liquidators. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, or otherwise used by creditors or shareholders for any purpose other than updating them for information purposes, or any other person for any purpose whatsoever.

Dated 8 February 2017

A handwritten signature in black ink, consisting of a circular loop followed by a horizontal line extending to the right.

**Devesh Ramesh Raikundalia**  
Joint Liquidator



**Positive Clothing (London) Limited**  
**(In Liquidation)**  
**Joint Liquidators' Abstract of Receipts & Payments**

Statement of Affairs	From 11/12/2015 To 10/12/2016	From 11/12/2014 To 10/12/2016
<b>TRANSFER FROM ADMINISTRATION</b>		
Transfer from Administration	NIL	483,771 52
	NIL	483,771.52
<b>ASSET REALISATIONS</b>		
Antecedent Transactions	NIL	1,470,000 00
Book Debts	4,805 58	15,341 68
VAT from Admin	NIL	17,173 69
Interest on Settlement Funds	NIL	68,115 21
Bank Interest Gross	294 92	820 76
	5,100 50	1,571,451 34
<b>COST OF REALISATIONS</b>		
Legal Fees & Disbursements	2,587 50	178,153 54
Specific Penalty Bond	NIL	1,304 00
Adverse Cost Insurance	NIL	108,650 00
Transcription Costs	290 43	1,249 34
Meeting Room Hire	200 00	600 00
Joint Liquidators' Remuneration	160,000.00	360,000 00
Joint Administrator's Fee	NIL	35,756 00
Printing and Photocopying	294 00	1,576 90
Land Registry Fees	NIL	45 00
Agents/Valuers Fees	NIL	40 81
Computer Forensics	NIL	5,250 00
Courier Costs	NIL	198 44
Corporation Tax	NIL	7 56
Interviewee Expenses	NIL	855 40
Postage	130 85	130 85
Mileage	NIL	99 00
Storage Costs	556 40	1,321 38
Statutory Advertising	NIL	131 84
Tax Appeal Fees	NIL	500.00
Computer Data Recovery	NIL	3,400 00
Travelling expenses	NIL	1,710 01
Bank Charges	12 50	12 50
	(164,071 68)	(700,992 57)
<b>PREFERENTIAL CREDITORS</b>		
Preferential Distribution (See Note 1)	NIL	20,458 70
	NIL	(20,458 70)
<b>UNSECURED CREDITORS</b>		
Unsecured Distribution (See Note 2)	661,521 31	1,188,683 41
	(661,521 31)	(1,188,683 41)
	<b>(820,492.49)</b>	<b>145,088.18</b>
<b>REPRESENTED BY</b>		
Current A/c - Bank 1		145,088 18
		<b>145,088.18</b>

**Positive Clothing (London) Limited  
(In Liquidation)  
Joint Liquidators' Abstract of Receipts & Payments**

<b>Statement of Affairs</b>	<b>From 11/12/2015 To 10/12/2016</b>	<b>From 11/12/2014 To 10/12/2016</b>
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Note 1

The preferential creditors were paid in full on 26 November 2015

Note 2

A First Dividend of 25p in the £ was declared and paid to the unsecured, non-preferential creditors on 26 November 2015. A Second dividend declared of 25p in the £ was declared on 27 January 2016 and paid to the unsecured, non-preferential creditors on 28 January 2016.

# Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

PO1563 - Positive Clothing (London) Limited  
From 11/12/2015 To 10/12/2016  
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£Average Hourly Rate (£)	Hours Cum (POST Only)	Time Costs Cum (POST Only)
-- 100 Administration & Planning	0.00	0.00	0.00	0.00	0.00	0.00	20.10	3,566.00
101 Case Planning	0.00	0.30	1.00	0.00	1.30	178.46	21.70	4,018.00
-- 102 Administrative set-up	0.00	0.00	0.00	0.00	0.00	0.00	4.00	1,330.00
-- 103 Appointment Notification	0.00	0.00	0.00	0.00	0.00	0.00	2.40	573.00
104 Maintenance of Records	0.00	0.00	4.70	0.00	5.50	192.00	11.00	2,168.50
105 Statutory Reporting	0.00	0.00	0.00	0.00	0.00	144.00	3.80	923.00
106 VAT & Tax Returns	1.70	11.50	1.20	0.00	14.40	309.58	28.30	7,353.00
107 Case Monitoring	0.60	4.60	4.30	0.00	9.50	2,084.00	34.20	8,888.50
Administration & Planning	2.30	17.80	11.20	0.00	31.30	7,974.00	125.50	28,818.00
-- 600 Case Specific	0.00	0.00	0.00	0.00	0.00	0.00	0.80	126.00
-- 602 Case Specific 2	0.00	0.00	0.00	0.00	0.00	0.00	10.90	1,635.00
Case specific matters	0.00	0.00	0.00	0.00	0.00	0.00	11.70	1,761.00
-- 500 Creditors	0.00	0.00	0.00	0.00	0.00	0.00	8.70	1,685.00
501 Communication	0.00	0.30	0.40	0.00	0.70	205.71	26.70	8,932.50
502 Claims Inc emp. pres's	25.00	65.10	14.03	0.00	104.13	31,615.40	320.13	96,019.90
504 Committee Reporting	1.80	10.80	0.00	0.00	12.60	4,088.00	60.30	20,558.00
-- 505 Final Report	0.00	0.00	0.00	0.00	0.00	0.00	1.80	531.00
Creditors	26.80	76.20	14.43	0.00	117.43	35,845.40	417.63	127,724.40
-- 200 Investigations	0.00	0.00	0.00	0.00	0.00	0.00	71.70	10,800.00
-- 201 SIP 2 review	0.00	0.00	0.00	0.00	0.00	0.00	0.70	105.00
202 CDDA reports	1.10	0.80	0.00	0.00	1.90	643.00	44.40	8,460.00
203 Antecedent transactions	0.00	0.00	11.80	0.00	11.80	1,868.00	542.90	171,807.00
Investigations	1.10	0.80	11.80	0.00	13.70	2,531.00	659.70	191,172.00
-- 301 Ident Sec. Insuring	0.00	0.00	0.00	0.00	0.00	0.00	0.40	156.00
-- 302 RDT	0.00	0.00	0.00	0.00	0.00	0.00	0.30	48.00
-- 303 Debt collection	0.00	0.00	0.00	0.00	0.00	0.00	4.90	982.50
-- 305 Legal matters	0.00	0.00	0.00	0.00	0.00	0.00	70.50	20,835.00
Realisation of Assets	0.00	0.00	0.00	0.00	0.00	0.00	76.10	22,021.50
-- 401 Management of operations	0.00	0.00	0.00	0.00	0.00	0.00	0.40	124.00
Trading	0.00	0.00	0.00	0.00	0.00	NAN	0.40	124.00
Total Hours	30.20	94.80	37.43	0.00	162.43	46,350.40	1,291.03	371,620.90
Total Fees Claimed						368,000.00		

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

PO1563 - Positive Clothing (London) Limited  
From 11/12/2015 To 10/12/2016  
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£\Average Hourly Rate (£)	Hours Cum (POST Only)	Time Costa Cum (POST Only)
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\*\* - Denotes codes included in cumulative data that are not present in the period

## **Springfields Advisory LLP**

### **Charge out rates and disbursements policy for Insolvency Department**

**With effect from 1<sup>st</sup> August 2016 (subject to periodic review)**

#### **Hourly Rate effective 1 August**

<b>Grade</b>	<b>2016</b>	<b>2015</b>
	<b>(£)</b>	<b>(comparative) (£)</b>
Partner	425	410
Manager	250 – 320	240 – 310
Administrator	145 – 215	140 – 210

Time is recorded in units of 6 minutes (prior to 08/01/2007 this was 15 minutes)

In some instances where there is undue risk to the firm in recovering its standard hourly rates in full, typically as a consequence of the pursuit of causes of action where the outcomes are far from certain, or where there are considered to be undue risks associated with the conduct of an assignment, then approval for a percentage uplift on standard hourly rates may be sought. The percentage uplift sought will vary depending upon the circumstances of each case.

#### **Disbursements policy**

Disbursements incurred in the course of an appointment are recharged to the case in accordance with SIP 9 on all insolvency appointments. These fall into two categories.

Category 1 disbursements are costs which comprise external supplies and are paid to an independent third party. These generally include, for instance, advertising, bond, travel expenses (excluding mileage) and external storage of records.

Category 2 disbursements are costs which are directly referable to the appointment but not a payment to an independent third party. These may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, e.g. business mileage. Category 2 disbursements require approval by creditors before they can be drawn.

#### **Category 2 disbursements**

Photocopying / printing	10p per sheet
Internal storage of books and records:	Initial charge for intake: £6.10 per box
	Storage: £0.40 per month per box in storage at month end
Internal storage of PC/IT equipment:	Storage: £3.60 per month per item in storage at month end
Internal room hire.	£100 per statutory meeting
Mileage (own car usage)	45p per mile

#### **Creditors' Guide to Fees**

**(Produced by the Association of Business Recovery Professionals)**

Creditors should note that a copy of the appropriate Creditors' Guide to Fees is available on request from this office or a copy can be accessed on the Insolvency Practitioners Association website [www.insolvency-practitioners.org.uk](http://www.insolvency-practitioners.org.uk) under the heading 'Regulation and Guidance' and then by following the link to 'Creditors' Guides'.

All amounts detailed above are shown exclusive of VAT, which will be charged at the prevailing rate.

**Positive Clothing (London) Limited - In Creditors' Voluntary Liquidation**

**Details of expenses incurred from 11 December 2015 to 10 December 2016**

**Expenses**

**Category 1**

Type	Outstanding b/f (£)	Incurred in Period (£)	Paid in Period (£)	Outstanding c/f (£)
Legal Fees & Disbursements	-	2,587 50	2,587 50	-
Transcription Costs	-	290 43	290 43	-
Postage Costs	-	130 85	130 85	-
<b>TOTAL</b>	<b>-</b>	<b>3,008 78</b>	<b>3,008 78</b>	<b>-</b>

**Category 2**

Type	Outstanding b/f (£)	Incurred in Period (£)	Paid in Period (£)	Outstanding c/f (£)
Meeting Room Hire	100 00	200 00	200 00	100 00
Storage Costs*	66 40	883 60	556 40	393 60
Internal Photocopying & Printing	96 30	230 80	294 00	33 10
<b>TOTAL</b>	<b>262 70</b>	<b>1,314 40</b>	<b>1,050 40</b>	<b>526 70</b>

**Notes**

- \* Please note these costs continue to accrue and are billed periodically.