

In accordance with Rule 6.28 of the Insolvency (England & Wales) Rules 2016 and Section 106(3) of the Insolvency Act 1986.

LIQ14

Notice of final account prior to dissolution in CVL



For further information, please refer to our guidance at www.gov.uk/companieshouse

1

Company details

Company number

02722136

Company name in full

Positive Clothing (London) Limited

→ Filling in this form

Please complete in typescript or in bold black capitals.

2

Liquidator's name

Full forename(s)

Situl Devji

Surname

Raithatha

3

Liquidator's address

Building name/number

38 De Montfort Street

Street

Leicester

Post town

County/Region

Postcode

LE17GS

Country

4

Liquidator's name ❶

Full forename(s)

Surname

❶ Other liquidator

Use this section to tell us about another liquidator.

5

Liquidator's address ❷

Building name/number

Street

Post town

County/Region

Postcode


Country

❷ Other liquidator

Use this section to tell us about another liquidator.

LIQ14

Notice of final account prior to dissolution in CVL

6	Liquidator's release	
	<input type="checkbox"/> Tick if one or more creditors objected to liquidator's release.	
	:	
7	Final account	
	<input checked="" type="checkbox"/> I attach a copy of the final account.	
8	Sign and date	
Liquidator's signature	<div><div>Signature</div><div>X</div><div><div>DocuSigned by:</div><div></div><div>E89BBE62CEE040E...</div></div></div> <div>X</div>	
Signature date	<div><div><div><div>d</div><div>2</div><div>d</div></div><div>3</div></div><div><div><div>m</div><div>1</div><div>m</div></div><div>1</div></div><div><div><div>y</div><div>2</div><div>y</div></div><div>0</div></div><div><div><div>y</div><div>2</div><div>y</div></div><div>2</div></div><div>2</div></div>	

LIQ14

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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 **Luke Littlejohn**

Company name **Springfields Advisory LLP**

Address
38 De Montfort Street
Leicester

Post town **LE1 7GS**

County/Region

Postcode

Country

DX

Telephone **0116 299 4745**

**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

Positive Clothing (London) Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments
From 11 December 2021 To 23 November 2022

Statement of Affairs	£	£	£
TRANSFER FROM ADMINISTRATION			
Transfer from Administration	483,771.52		483,771.52
ASSET REALISATIONS			
Antecedent Transactions	1,470,000.00		
Book Debts	15,341.68		
Tax Refund	135,678.93		
VAT from Admin	17,173.69		
Interest on Settlement Funds	68,115.21		
Bank Interest Gross	1,115.81		
			1,707,425.32
COST OF REALISATIONS			
Legal Fees & Disbursements	178,153.54		
Specific Penalty Bond	2,029.00		
Adverse Cost Insurance	108,650.00		
Transcription Costs	1,249.34		
Meeting Room Hire	700.00		
Liquidator's Remuneration	436,719.86		
Joint Administrator's Fee	35,756.00		
Printing and Photocopying	1,762.50		
Land Registry Fees	45.00		
Agents/Valuers Fees	40.81		
Computer Forensics	5,250.00		
Legal Fees	43.48		
Courier Costs	198.44		
Corporation Tax	227.08		
VAT Assignment	21,332.14		
Interviewee Expenses	855.40		
Postage	190.16		
Mileage	99.00		
Storage Costs	7,803.47		
Statutory Advertising	149.20		
Tax Appeal Fees	500.00		
Computer Data Recovery	3,400.00		
Travelling expenses	1,710.01		
Accountancy / tax costs	14,070.37		
Bank Charges	12.50		
			(820,947.30)
PREFERENTIAL CREDITORS			
Preferential Distribution (See Note 1)	20,458.70		
			(20,458.70)
UNSECURED CREDITORS			
Unsecured Distribution (See Note 2)	1,349,790.84		
			(1,349,790.84)
			(0.00)

23 November 2022 09:55

COPY



Private and Confidential

**TO ALL KNOWN CREDITORS AND
SHAREHOLDERS**

Our ref PO1563/SDR/LL/11B

Your ref

Date 26 September 2022

Dear Sirs

Positive Clothing (London) Limited (“the Company”) – In Creditors’ Voluntary Liquidation

I am now able to conclude the winding up of the affairs of the Company and enclose my final account and notice to creditors and members, together with a receipts and payments account for the whole of the period I was in office. This report should be read in conjunction with my previous reports.

Also enclosed is a formal notice setting out the final dividend position in respect of the liquidation, although the information in that notice is summarised below.

There will not be any further dividend declared to non-preferential unsecured creditors as the funds realised have been used to pay prior dividends to creditors, and to meet the expenses of the Liquidation.

Creditors and members should note that provided no objections to my release is received, I shall obtain my release as Liquidator following the delivery of the final notice to the Registrar of Companies, following which my case files will be placed in storage.

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 Luke Littlejohn by email at luke.l@springfields-uk.com, or by phone on 0116 299 4745 before my release.

Yours faithfully
For and on behalf of
Positive Clothing (London) Limited

A handwritten signature in black ink, appearing to read 'SDR', with a long horizontal flourish extending to the right.

**Situl Devji Raithatha
LIQUIDATOR**

Enc.

In case of query contact: **Luke Littlejohn** Direct line: **0116 249 2018** Email: LUKE.L@SPRINGFIELDS-UK.COM

www.springfields-uk.com

Springfields Advisory LLP 38 De Montfort St Leicester LE1 7GS

Limited Liability Partnership Registered in England & Wales number OC404694. Any reference to Partner means a member of the LLP
All officeholders are licensed in the United Kingdom by the Insolvency Practitioners Association and are bound by the Insolvency Code of Ethics
Details about our privacy policy and general information about the firm can be found at <https://www.springfields-uk.com/regulatory>



Notice about final dividend position

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

There will not be any further dividend declared to non-preferential unsecured creditors as the funds realised have been used to pay prior dividends to non-preferential unsecured creditors, and to meet the expenses of the Liquidation.

Creditors requiring further information regarding the above, should either contact me at 38 De Montfort Street, Leicester, LE1 7GS, or contact Luke Littlejohn by telephone on 0116 299 4745, or by email at luke.l@springfields-uk.com.

DATED THIS 26TH DAY OF SEPTEMBER 2022

A handwritten signature in black ink, appearing to be 'SD' followed by a long horizontal stroke.

Situl Devji Raithatha
Liquidator

Notice of Final Account of

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

Company registered number: 02722136

NOTICE IS GIVEN by the Liquidator, Situl Devji Raithatha, under rule 6.28 of The Insolvency (England and Wales) Rules 2016 and section 106 of The Insolvency Act 1986, that the company's affairs have been fully wound up.

1. Creditors have the right under rule 18.9 of The Insolvency (England and Wales) Rules 2016 to request further details of the Liquidators' remuneration and expenses. That request must be made to the Liquidator within 21 days of receipt of the final account, and with either the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question). Secured creditors may also request further details.
2. Creditors have the right under rule 18.34 of The Insolvency (England and Wales) Rules 2016 to apply to Court to challenge the amount and/or basis of the Liquidator's fees, and/or the amount of any expenses incurred. That application must be made within 8 weeks of receipt of the final account, and with either the permission of the Court, or with the concurrence of 10% in value of the creditors (including the creditor in question). Secured creditors may also make an application.
3. Creditors may object to the release of the Liquidator by giving notice in writing to the Liquidator at the address given below before the end of the prescribed period. The prescribed period will end at the later of: 8 weeks after delivery of this notice; or, if any request for information regarding the Liquidator's remuneration and/or expenses is made under rule 18.9, or if any application is made to Court to challenge the Liquidator's fees and/or expenses under rules 18.34 or 18.35, when that request or application is finally determined.
4. The Liquidator will vacate office under section 171 of the Insolvency Act 1986 when, upon expiry of the prescribed period that creditors have to object to their release, they deliver to the Registrar of Companies the final account and a notice saying whether any creditor has objected to his release.
5. The Liquidator will be released under section 173 of the Insolvency Act 1986 at the same time as vacating office, unless any creditors objected to his release.

Creditors requiring further information regarding the above, should either contact me at 38 De Montfort Street, Leicester, LE1 7GS, or contact Luke Littlejohn by telephone on 0116 299 4745, or by email at luke.l@springfields-uk.com.

DATED THIS 26TH DAY OF SEPTEMBER 2022



Situl Devji Raithatha
Liquidator

Positive Clothing (London) Limited – In Creditors' Voluntary Liquidation

LIQUIDATOR'S FINAL ACCOUNT TO CREDITORS AND MEMBERS

EXECUTIVE SUMMARY

Extensive investigations were undertaken on this case involving solicitors and specialist agents resulting in rights of action being identified against associated parties. A legal settlement was reached in respect of these matters resulting in substantial recoveries for the benefit of creditors. More recently, efforts were made to bring the Company's tax-affairs up-to-date in order to recover a substantial tax refund from HM Revenue & Customs ("HMRC"). After substantial delays, I am pleased to report that this matter has been concluded. I am not aware of any further assets to realise.

The claims of the preferential creditors have been paid in full, and significant dividends have been paid to the non-preferential unsecured creditors.

I am now in a position to conclude the Liquidation, and this is my report on the conduct of the Liquidation.

STATUTORY INFORMATION

Company name:	Positive Clothing (London) Limited
Company number:	02722136
Trading address:	20 Wells Mews London W1T 3HQ
Registered office:	38 De Montfort Street Leicester LE1 7GS
Former registered office:	26-28 Bedford Row London WC1R 4HE
Principal trading activity:	Wholesale of clothing & footwear
Liquidator's name:	Situl Devji Raithatha
Liquidator's address:	38 De Montfort Street Leicester LE1 7GS
Liquidator's date of appointment:	11 December 2014

Please note that Deviesh Ramesh Raikundalia has retired from Springfields Advisory LLP and was released and ceased to act as joint office holder in this matter by way of a Court Order effective 31 July 2020. Situl Devji Raithatha continues to act.

LIQUIDATOR'S ACTIONS SINCE LAST REPORTING

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 in the period from 11 December 2021 to date ("the Period") as Liquidator is contained in Appendix 1.

Since my appointment, extensive investigations were undertaken into the affairs of the Company involving the instruction of solicitors and specialist agents. This culminated in a substantial settlement with associated parties, which has enabled the claims of the preferential creditors to be paid in full and a significant return to the non-preferential unsecured creditors. With the instruction of accountants, the Company's tax affairs were brought up-to-date, which has resulted in a significant tax refund. This matter became extremely protracted and was eventually concluded in the Period.

In the Period, I have liaised with the instructed accountant and HMRC to recover the tax refund, liaised with the Liquidation Committee ("the Committee") to agree the final costs of the Liquidation, and paid a final dividend to the non-preferential unsecured creditors.

RECEIPTS AND PAYMENTS ACCOUNT

I enclose at Appendix 2 a Receipts & Payments Account for the Period, which also includes cumulative figures for the period from 11 December 2014 to date. I have reconciled the account with the financial records I am required to maintain.

All amounts are shown exclusive of VAT. An interest-bearing bank account was utilised to hold estate funds.

ASSET REALISATIONS

Transfer from Administration

Prior to the Liquidation, the Company was in Administration. The sum of £483,771.52 was received from the Joint Administrators representing the balance of funds held. This amount was received in an earlier reporting period.

Antecedent Transactions

With the consent of the Committee, extensive investigations were undertaken on the case involving the instruction of solicitors and computer forensic specialists. Interviews of the officeholders and other parties believed to hold information pertinent to my investigations were also undertaken.

As a result of my investigations, rights of action were identified and letters of claim were issued to associated parties. These claims were initially disputed and therefore arrangements were made to issue legal proceedings, which involved obtaining an After-the-Event Insurance policy to protect against adverse costs in the event that the legal proceedings were unsuccessful (shown as "Adverse Cost Insurance" on the enclosed Receipts & Payments Account). This policy was essential to bringing the claims as well as for signalling intent to the opposition.

After protracted correspondence between the solicitors representing the various parties, a formal mediation was suggested as a way to settle the matter. Mediation meetings were held on 6 and 7 July 2015 and a settlement was reached with the associated parties involving payment of £1,220,000 plus £250,000 towards the legal costs (including the After-the-Event Insurance premium) and interest.

The settlement sum was received in instalments with security taken over a property personally owned by one of the associated parties. All amounts due under the settlement were received in earlier reporting periods.

As a result of the settlement, the After-the-Event Insurance premium became payable.

Book Debts

The Joint Administrators' Final Progress Report indicated that there were outstanding book debts to collect of £105,174. I took custody of the Joint Administrators' files and, on review, it appeared that the balance of debts related to early payment discounts applied to the original balances by customers and

were therefore not recoverable. In addition to the above, the largest customer had entered into Administration with only £15,341.68 recoverable, which included invoices paid in full as the orders were placed by the Administrators and therefore payable as an expense of the Administration. These amounts were recovered in earlier reporting periods.

Tax Refund

It was agreed with 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. Mark J Rees LLP were instructed to undertake this work. The final VAT, PAYE and Corporation Tax returns were submitted to HMRC. After substantial delays, exacerbated by the Covid-19 Pandemic and the re-deployment of HMRC resources, a refund of £135,678.93 was received in the Period.

The level of refund received from HMRC is lower than the amount initially anticipated by the accountant, which was expected to be in the region of £174,000. Having consulted with the accountant, and in view of the significant delays experienced thus far, the decision was made not to pursue any further amounts.

VAT from Admin

The sum of £17,173.69 was received representing VAT reclaimed on the costs and expenses of the Administration. These funds were received in a previous reporting period.

Interest on Settlement Funds

This represented interest payable as part of the legal settlement referred to above. These funds were received in a previous reporting period.

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company had granted various charges, which have been extensively detailed in previous reports. In summary, all charges had been discharged and released prior to the Company entering into Liquidation.

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 were therefore not applied.

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. No further distribution is anticipated to the preferential creditors.

Crown Creditors

The Statement of Affairs included £302,355 owed to HMRC. As a result of the submission of outstanding tax returns, HMRC have submitted a nil claim in the Liquidation. As detailed above, a significant tax refund was recovered for the benefit of creditors.

Non-preferential unsecured Creditors

The Statement of Affairs included 61 non-preferential unsecured creditors with an estimated total liability of £2,367,733.33. I have received claims from 77 creditors at a total of £2,494,578.19. I have not received claims from 14 creditors with original estimated claims in the Statement of Affairs of £77,089.58. The increase in the claims received compared with those shown on the Statement of Affairs can be explained by the management accounts not having been updated prior to the date of Administration.

DIVIDENDSPreferential

As detailed above, the claims of the preferential creditors were paid in full on 26 November 2015.

Non-preferential unsecured

The following dividends have been paid to the non-preferential unsecured creditors during the course of the Liquidation:

Date Declared	Rate of Dividend
26/11/2015	25p in the £
27/01/2016	25p in the £
22/09/2022	6.77p in the £
TOTAL	56.77p in the £

Amounts distributed to the non-preferential unsecured creditors during the course of the Liquidation total £1,349,790.84.

There will not be any further dividends declared to the non-preferential unsecured creditors as the funds realised have been used to pay prior dividends to non-preferential unsecured creditors, and to meet the expenses of the Liquidation.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

As detailed above, extensive investigations were undertaken on this case culminating in a substantial legal settlement. There are no outstanding investigatory matters.

LIQUIDATOR'S REMUNERATION

On 27 November 2014, the Committee agreed that the Liquidator's 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 & Payments Account for details of the amount drawn in the Period and earlier periods. A VAT Refund of £21,332.14 is due, which will go towards these costs once received.

A schedule of my time costs incurred in the Period (subject to the posting of timesheets) is attached at Appendix 3. This also includes cumulative figures for the period from 11 December 2014 to date.

You will note that at the end of the period, time costs of £459,313.10 had been incurred. I have authorisation from the Committee to draw the sum of £458,052 on account of these costs. No further authorisation will be sort.

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' published by the R3 is available at the link <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>. Please note that there are different versions of the Guidance Notes, and in this case, you should refer to the November 2011 version. An explanatory note which shows Springfields Advisory LLP's fee policy is attached. A hard copy of both documents can be obtained on request from this office.

LIQUIDATOR'S EXPENSES

Expenses are any payments from the estate which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder's remuneration.

The following professional advisors were used in the Period:

Professional Advisor	Nature of Work	Fee Arrangement
Mark J Rees LLP	Accountancy Services	Fixed fee plus % of realisations

Mark J Rees LLP were instructed to bring the Company's tax affairs up-to-date in order to claim a refund from HMRC. Their instruction was based on a fixed fee payment of £10,000, which was paid in earlier reporting periods, and 3% of recoveries. Their instruction has resulted in a significant net recovery for the benefit of creditors.

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. I also considered that the basis on which they will charge their fees represented value for money. I have reviewed the charges they have made and am satisfied that they are reasonable in the circumstances of this case.

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 final account. 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 his receipt of this final account. Any secured creditor may make a similar application to court within the same time limit.

As an Insolvency Practitioner, when carrying out all professional work relating to an insolvency appointment, I am bound by the Insolvency Code of Ethics, as well as by the regulations of my professional body. More details about these matters and general information about Springfields Advisory LLP that is of relevance can be found at <https://www.springfields-uk.com/regulatory>.

SUMMARY

The winding up of the Company is now for all practical purposes complete and I am seeking the release of myself as Liquidator of the Company. Creditors and members should note that provided no objections to my release is received I shall obtain my release as Liquidator following the delivery of the final notice to the Registrar of Companies, following which my case files will be placed in storage.

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 Liquidator. 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.

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 Luke Littlejohn by email at luke.l@springfields-uk.com, or by phone on 0116 249 2018 before my release.

Yours faithfully
For and on behalf of
Positive Clothing (London) Limited



Situl Devji Raithatha
LIQUIDATOR

Enc

Appendix 1

Administration

This represents the work 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.

- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holder's estate bank account.
- 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.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.
- Seeking closure clearance from HMRC and other relevant parties.
- Preparing, reviewing and issuing a final account of the liquidation to creditors and members.
- Filing a final return at Companies House.

Creditors

Claims of creditors - the office holder needs to 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 also needs 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 their statutory functions

Dividends - the office holder has to undertake certain statutory formalities in order to enable them to pay a dividend to creditors. This includes 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. This work is primarily undertaken for the benefit of creditors, but it also includes work that the office holder is required to undertake as part of their statutory functions.)

- 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.

Positive Clothing (London) Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments

Statement of Affairs	From 11/12/2021 To 26/09/2022	From 11/12/2014 To 26/09/2022
TRANSFER FROM ADMINISTRATION		
Transfer from Administration	NIL	483,771.52
	NIL	483,771.52
ASSET REALISATIONS		
Antecedent Transactions	NIL	1,470,000.00
Book Debts	NIL	15,341.68
Tax Refund	135,678.93	135,678.93
VAT from Admin	NIL	17,173.69
Interest on Settlement Funds	NIL	68,115.21
Bank Interest Gross	9.00	1,115.81
	135,687.93	1,707,425.32
COST OF REALISATIONS		
Legal Fees & Disbursements	NIL	178,153.54
Specific Penalty Bond	NIL	2,029.00
Adverse Cost Insurance	NIL	108,650.00
Transcription Costs	NIL	1,249.34
Meeting Room Hire	NIL	700.00
Liquidator's Remuneration	76,719.86	436,719.86
Joint Administrator's Fee	NIL	35,756.00
Printing and Photocopying	NIL	1,762.50
Land Registry Fees	NIL	45.00
Agents/Valuers Fees	NIL	40.81
Computer Forensics	NIL	5,250.00
Legal Fees	NIL	43.48
Courier Costs	NIL	198.44
Corporation Tax	4.37	227.08
Interviewee Expenses	NIL	855.40
Postage	15.52	190.16
Mileage	NIL	99.00
Storage Costs	1,942.62	7,803.47
Statutory Advertising	NIL	149.20
Tax Appeal Fees	NIL	500.00
Computer Data Recovery	NIL	3,400.00
Travelling expenses	NIL	1,710.01
Accountancy / tax costs	4,070.37	14,070.37
Bank Charges	NIL	12.50
	(82,752.74)	(799,615.16)
PREFERENTIAL CREDITORS		
Preferential Distribution (See Note 1)	NIL	20,458.70
	NIL	(20,458.70)
UNSECURED CREDITORS		
Unsecured Distribution (See Note 2)	160,937.00	1,349,790.84
	(160,937.00)	(1,349,790.84)
	(108,001.81)	21,332.14

Vat Receivable

21,332.14

21,332.14

Note:

Note 1

The preferential creditors were paid in full on 26 November 2015.

Note 2

The following dividends have been declared and paid to the non-preferential unsecured creditors:

26/11/2015 - 25p in the £
27/01/2016 - 25p in the £
22/09/2022 - 6.77p in the £

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

PO1563 - Positive Clothing (London) Limited
From: 11/12/2021 To: 26/09/2022
All Post Appointment Project Codes

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Avg 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	0.00	20.10	3,566.00
** 101 : Case Planning	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45.20	8,343.30
** 102 : Administrative set-up	0.00	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	0.00	2.40	573.00
104 : Maintenance of Records	0.00	0.20	2.90	0.00	3.10	717.60	231.48	24.50	5,373.00
105 : Statutory Reporting	0.00	1.30	0.10	0.00	1.40	446.20	318.71	28.40	9,311.90
106 : VAT & Tax Returns	0.00	0.00	1.40	0.00	1.40	297.40	212.43	131.00	37,701.70
107 : Case Monitoring	0.00	2.30	0.10	0.00	2.40	852.20	355.08	78.90	22,822.90
Administration & Planning	0.00	3.80	4.50	0.00	8.30	2,313.40	278.72	334.50	89,021.80
** 600 : Case Specific	0.00	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	0.00	10.90	1,635.00
Case specific matters	0.00	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	0.00	8.70	1,685.00
501 : Communication	0.00	0.20	0.10	0.00	0.30	94.10	313.67	30.20	9,948.00
502 : Claims inc emp, prefs	0.00	8.80	0.30	0.00	9.10	3,311.00	363.85	340.73	101,598.00
** 503 : Report/secured creditor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.60	599.40
504 : Committee Reporting	0.80	4.50	0.60	0.00	5.90	2,175.10	368.66	75.40	25,838.00
505 : Final Report	0.00	4.30	0.00	0.00	4.30	1,616.80	376.00	7.10	2,422.80
Creditors	0.80	17.80	1.00	0.00	19.60	7,197.00	367.19	464.73	142,091.20
** 200 : Investigations	0.00	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	0.00	0.70	105.00
** 202 : CDDA reports	0.00	0.00	0.00	0.00	0.00	0.00	0.00	44.40	8,460.00
** 203 : Antecedant transactions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	542.90	171,807.00
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	659.70	191,172.00
** 301 : Ident, Sec, Insuring	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.20	12,543.30
** 302 : ROT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	48.00
303 : Debt collection	0.00	0.60	0.00	0.00	0.60	219.00	365.00	5.80	1,336.80
** 304 : Sale of prop, bus, assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.80	380.00
** 305 : Legal matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	70.50	20,835.00
Realisation of Assets	0.00	0.60	0.00	0.00	0.60	219.00	365.00	107.60	35,143.10
** 401 : Management of operations	0.00	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	0.00	NAN	0.40	124.00
Total Hours	0.80	22.20	5.50	0.00	28.50	9,729.40	341.38	1,578.63	459,313.10
Total Fees Claimed						458,052.00			

Time Entry - Cumulative Detailed SIP9 Time & Cost Summary

PO1563 - Positive Clothing (London) Limited
From: 11/12/2021 To: 26/09/2022
All Post Appointment Project Codes

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

Positive Clothing (London) Limited - In Creditors' Voluntary Liquidation**Details of expenses incurred and paid from 11 December 2021 to date ("the Period")****Category 1 Disbursements**

Type	Outstanding b/f (£)	Incurred in Period (£)	Paid in Period (£)	Outstanding c/f (£)
Corporation Tax	-	4.37	4.37	-
Postage Costs	-	15.52	15.52	-
Storage Costs	-	1,942.62	1,942.62	-
Accountancy / tax costs	-	4,070.37	4,070.37	-
TOTAL	-	6,032.88	6,032.88	-

SPRINGFIELDS ADVISORY LLP

PRACTICE FEE RECOVERY POLICY FOR INSOLVENCY APPOINTMENTS

Introduction

This sheet explains the alternative fee bases allowed by the insolvency legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court. The report accompanying the request to fix the basis of remuneration will indicate the basis, or bases, being requested in that particular case and will make it clear what work is to be undertaken in respect of each basis.

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. Please note that we have provided further details in this policy document.

SIP 9 also contains various requirements that the office holder has to comply with in connection with their remuneration, both when seeking approval and when reporting to creditors and other interested parties after approval. One of the matters that an office holder has to comply with is that they must also seek approval for any payments that could reasonably be perceived as representing a threat to the office holder's objectivity or independence by virtue of a professional or personal relationship, including to an associate. Where it is anticipated that such payments will be made in a case they will be separately identified when seeking approval for the basis of the office holder's remuneration.

Other than in respect of Voluntary Arrangements an office holder is required to record the time spent on casework in all cases, even if they are being remunerated for that work on a basis other than time costs. Time is recorded directly to the relevant case and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Case Administration
- Realisation of Assets
- Investigations.
- Creditors
- Trading
- Case specific matters.

Time cost basis

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Charge-out Rates

Grade of staff	Current charge-out rate per hour, effective from 1 August 2022 £	Previous charge-out rate per hour, effective from 1 August 2021 £
Partner	496	482
Manager	298-376	289-365
Administrator	170-252	165-245

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

These charge-out rates charged are reviewed periodically and are adjusted to take account of inflation and the firm's overheads.

When we seek time costs approval, we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work. The blended rate is calculated as the prospective average cost per hour, based upon the estimated time to be expended by each grade of staff at their specific charge out rate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

A report accompanying the request to fix the basis of remuneration will include the fees estimate, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will summarise that information in an average or "blended" rate for all of the work being carried out within the estimate, and by reference to each separate category of work, and will also say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

Percentage basis

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. A report accompanying the request to fix the basis of remuneration will set out the potential assets in the case, the remuneration percentage proposed in respect of any realisations and the work covered by that remuneration, which may solely relate to work undertaken in connection with the realisation of the assets, but might also include other categories of work as listed

above. The report will also include details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

A percentage of distributions made to unsecured creditors may also be requested, in order to cover the work associated with the agreement of claims and making the distribution.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 it will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

Fixed fee

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. A report accompanying the request to fix the basis of remuneration will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as details of the expenses that will be, or are likely to be, incurred. Further information about expenses is given in a separate section below.

The disclosure that we make will include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal. In order to meet the requirements of SIP 9 we will also explain why the basis requested is expected to produce a fair and reasonable reflection of the work that we anticipate will be undertaken on the case.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances, then an increase can only be approved by the Court.

Mixed basis

If remuneration is to be sought on a mixed basis, we will make it clear in the report accompanying the request to fix the basis of remuneration which basis will be charged for each category of work that is to be undertaken on the case.

Members' voluntary liquidations and Voluntary Arrangements

The legislation is different for members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) and Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee, and SIP 9 does not apply unless the members specifically request it. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

All bases

With the exception of IVA's and CVA's, which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Expenses

As already indicated, a report will accompany the request to fix the basis of remuneration and that will include details of expenses to be incurred, or likely to be incurred. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

Expenses are any payments from the insolvent estate that are neither an office holder's remuneration nor a distribution to a creditor, or a member. Expenses also include disbursements. Disbursements are payments that are first paid by the office holder and then reimbursed from the insolvent estate. Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do (Category 2).

Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder. They can be paid by the office holder without obtaining prior approval. Examples of costs that may amount to Category 1 expenses are professional advisors (who are not associates), statutory advertising, external meeting room hire (where the room is only hired for that meeting), external storage, specific penalty bond insurance, insolvency case management software fees charged on a per case basis, and Company search fees.

Category 2 expenses are either payments to associates, or payments in respect of expenses that have an element of shared costs, such as photocopying and mileage. Category 2 expenses require approval in the same manner as an office holder's remuneration before they can be paid.

From 1 April 2021, the practice does not propose to recover any Category 2 expenses that include an element of shared costs.

Professional advisors may be instructed to assist the office holder on the case where they consider that such assistance is necessary to enable them to appropriately administer the case. The fees charged by any professional advisors used will be recharged at cost to the case. Where the professional advisor is not an associate of the office holder it will be for the office holder to agree the basis of their fees. Where the professional advisor is an associate of the office holder it will be for those responsible for fixing the basis of the office holder's remuneration to approve payments to them. The fees of any professional advisors are subject to the rights of creditors to seek further information about them or challenge them as summarised below. Professional advisors that may be instructed on a case include:

- Solicitors/Legal Advisors;
- Auctioneers/Valuers;
- Accountants;
- Quantity Surveyors;
- Estate Agents;
- Pension specialists;
- Employment Claims specialists; and
- GDPR/Cyber Security specialists.

Reporting and rights to challenge

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration charged by the office holder in the period covered by the report, i.e., the amount that the office holder is entitled to draw, together with the amount of remuneration actually drawn. If approval has been obtained for remuneration on a time costs basis, the time costs incurred will also be disclosed, whether drawn or not, together with the "blended" rates of such costs. The report will also compare the actual time costs incurred with those included in the fees estimate prepared when fixing the basis of the remuneration, and indicate whether the fees estimate is likely to be exceeded. If the fees estimate has been exceeded, or is likely to be exceeded, the report will explain why that is the case.

The report will also provide information about expenses incurred in the period covered by the report, together with those actually paid, together with a comparison with the estimated expenses. If the expenses incurred, or anticipated to be incurred, have exceeded the estimate provided the report will explain why that is the case.

Under the insolvency legislation the report must also include a statement of the legislative rights of creditors to request further information about the remuneration charged and expenses incurred in the period covered by the report, or to challenge them on the grounds that they are excessive. Extracts of the relevant insolvency rules dealing with these rights are set out below. Once the time period to seek further information about the office holder's remuneration and/or expenses for the period covered by the report has elapsed, then a Court Order is required to compel the office holder to provide further information about the remuneration and expenses. A Court order is required to challenge the office holder's remuneration and/or expenses for the period covered by the report. Once that period has elapsed, then a separate Court Order is required to allow an application out of time.

Under rule 18.9 of the Insolvency (England and Wales) Rules 2006, 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 office holder's remuneration and expenses, within 21 days of receipt of any report for the period. Any secured creditor may request the same details in the same time limit.

Under rule 18.34, 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 and/or basis of the office holder's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of any report for the period. Any secured creditor may make a similar application to court within the same time limit.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.