

LIQ14

Notice of final account prior to dissolution in CVL



Companies House

TUESDAY



A33 *A84GRS8X* 30/04/2019 #297
COMPANIES HOUSE

1	Company details	
Company number	0 5 9 5 3 0 6 0	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Trekwear Limited	
2	Liquidator's name	
Full forename(s)	James William	
Surname	Stares	
3	Liquidator's address	
Building name/number	St Ann's Manor	
Street	6-8 St Ann Street	
Post town	Salisbury	
County/Region	Wiltshire	
Postcode	S P 1 2 D N	
Country		
4	Liquidator's name ①	
Full forename(s)	Rupert Graham	① Other liquidator Use this section to tell us about another liquidator.
Surname	Mullins	
5	Liquidator's address ②	
Building name/number	St Ann's Manor	② Other liquidator Use this section to tell us about another liquidator
Street	6-8 St Ann Street	
Post town	Salisbury	
County/Region	Wiltshire	
Postcode	S P 1 2 D N	
Country		

LIQ14

Notice of final account prior to dissolution in CVL

6

Liquidator's release

☐ Tick if one or more creditors objected to liquidator's release.

:

7

Final account

☒ I attach a copy of the final account.

8

Sign and date

Liquidator's signature

Signature

X 

X

Signature date

d

2

d

9

m

0

m

4

y

2

y

0

y

1

y

9

NOTICE OF NO FURTHER DIVIDEND

Company Name: Trekwear Limited ("the Company") – In Liquidation
Company Number: 05953060

This Notice is given under Rule 14.36 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Liquidators' of the Company, James William Stares and Rupert Graham Mullins of JWS Business Recovery Limited, St Ann's Manor, 6-8 St Ann Street, Salisbury, Wiltshire, SP1 2DN (telephone number: 01722 333599), who were appointed by the members and creditors.

The Joint Liquidators give notice confirming that no further dividend will be declared in the Liquidation of the Company.

The funds realised have already been distributed or used or allocated for paying the expenses of the Liquidation.

The Joint Liquidators will now proceed to conclude the Liquidation and therefore any claims against the assets of the Company are required to be established by 26 March 2019.

Signed: _____


James Stares
Joint Liquidator

Dated: 26 February 2019

NOTICE THAT THE COMPANY'S AFFAIRS ARE FULLY WOUND UP

Company Name: Trekwear Limited ("the Company") – In Liquidation
Company Number: 05953060

This Notice is given under Rule 6.28 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Liquidators of the Company, James William Stares and Rupert Graham Mullins, of JWS Business Recovery Limited St Ann's Manor, 6-8 St Ann Street, Salisbury, Wiltshire, SP1 2DN (telephone number: 01722 333599), who was appointed by the members and creditors.

The Joint Liquidators give notice that the Company's affairs are fully wound up.

Creditors have the right:

- (i) to request information from the Joint Liquidators under Rule 18.9 of the Rules;
- (ii) to challenge the Joint Liquidators' remuneration and expenses under Rule 18.34 of the Rules; and
- (iii) to object to the release of the Joint Liquidators by giving notice in writing below before the end of the prescribed period to:

James Stares
JWS Business Recovery Limited
St Ann's Manor, 6-8 St Ann Street, Salisbury, Wiltshire, SP1 2DN

The prescribed period ends at the later of: (i) eight weeks after delivery of this notice, or (ii) if any request for information under Rule 18.9 of the Rules or any application to court under that Rule or Rule 18.34 of the Rules is made, when that request or application is finally determined.

The Joint Liquidators will vacate office under Section 171 of the Insolvency Act 1986 ("the Act") on delivering to the Registrar of Companies the final account and notice saying whether any creditor has objected to their release. At this time, the Joint Liquidators will also secure their release from office pursuant to Section 173 of the Act, unless any of the creditors objected to their release.

Relevant extracts of the Rules referred to above are provided overleaf.

Signed: 

James Stares
Joint Liquidator

Dated: 26 February 2019

**RELEVANT EXTRACTS OF RULES 18.9 AND 18.34 OF
THE INSOLVENCY (ENGLAND & WALES) RULES 2016**

Rule 18.9

- (1) The following may make a written request to the office-holder for further information about remuneration or expenses set out in a final report under rule 18.14:
- a secured creditor;
 - an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question); or
 - any unsecured creditor with the permission of the court.
- (2) A request or an application to the court for permission by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one creditor.

Rule 18.34

- (1) This rule applies to an application in a winding-up made by a person mentioned in paragraph (2) on the grounds that:
- the remuneration charged by the office-holder is in all the circumstances excessive;
 - the basis fixed for the office-holder's remuneration under rules 18.16, 18.18, 18.19, 18.20 and 18.21 (as applicable) is inappropriate; or
 - the expenses incurred by the office-holder are in all the circumstances excessive.
- (2) The following may make such an application for one or more of the orders set out in rule 18.36 or 18.37 as applicable:
- a secured creditor; or
 - an unsecured creditor with either
 - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
 - (ii) the permission of the court.
- (3) The application by a creditor must be made no later than eight weeks after receipt by the applicant of the final report or account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question.

**Trekwear Limited
(Creditors' Voluntary Liquidation)**

**Joint Liquidators' final account
pursuant to Rule 18.14 of the
Insolvency (England & Wales) Rules 2016**

24 May 2018 to 26 February 2019

Trekwear Limited

Creditors' Voluntary Liquidation

Registered Office: St Ann's Manor, 6-8 St Ann Street, Salisbury, Wiltshire, SP1 2DN
Registered Number: 05953060

Final account

**Pursuant to section 106 of the Insolvency Act 1986
and rule 18.14 of the Insolvency (England & Wales) Rules 2016**

Officeholders: James William Stares & Rupert Graham Mullins
Address: St Ann's Manor, 6-8 St Ann Street, Salisbury, Wiltshire, SP1 2DN
Contact details: 01722 333599
Date of appointment: 24 May 2016

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- Conclusion

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- Detailed list of work undertaken in the period
- Time cost information for the period, cumulative & comparison with estimate

Introduction

I am writing to submit the Joint Liquidators' final account for the period ended 26 February 2019. This report should be read in conjunction with our previous progress reports.

Asset realisations

Please find enclosed within this report a summary of the Joint Liquidators' receipts and payments account for the period ended 26 February 2019.

Long Leasehold Premises

Prior to the date of Liquidation, the Company's interest in the leasehold premises from where trade was conducted was under offer at £525,000, having been marketed by Woolley & Wallis estate agents on instructions given by the Company. The Company's indebtedness at the date of Liquidation to Lloyds Bank Plc ("the Bank") was secured by way of; a fixed and floating charge debenture dated 9 April 2008, a mortgage dated 21 May 2008 and a further fixed and floating charge debenture dated 16 April 2015. All of these charges were valid and enforceable. As a result of the aforementioned secured position, the Bank held priority rights over any proceeds of sale from the property until such time as their claim against the Company was paid in full.

Following our appointment, we consulted with the Bank to ascertain whether they wished to proceed with the existing offer, or whether the property should be re-marketed. Having also consulted with the appointed agents, the Bank indicated their willingness to proceed with the offer on the basis that it was unlikely that the agreed selling price would be materially improved, taking into account market conditions and the fact that the property was now vacant.

Accordingly, solicitors were instructed by the Bank to progress a contract for sale at the agreed price of £525,000. Given that the total indebtedness to the Bank at the date of Liquidation was in excess of this figure, there was no financial interest for other creditors of the Company in respect of the property. As such, the Joint Liquidators did not become deeply engaged in the sale process other than to provide assistance and information relating to the property when requested.

The progression to exchange and completion of contracts was somewhat drawn out, but eventually concluded in December 2016. In addition to the direct costs deductible from the proceeds of sale (legal costs and agents fees), other costs associated with the building, such as unpaid management and maintenance fees were required to be settled as a condition by the freeholder of the building in return for consenting to the assignment of the leasehold interest to the purchaser. Consequently, the shortfall suffered by the Bank increased. A claim has been received from the Bank (representing their shortfall), of £45,840.98.

Goodwill

Prior to the date of Liquidation, agents appointed by the Company had progressed negotiations with a potential purchaser for the "business". However, this specific interest in the business was subsequently withdrawn, and no other tangible interest was forthcoming.

Furniture, computers and equipment

The Company's furniture, computers and equipment was valued by Asset Recovery & Insolvency LLP, a firm of independent valuers appointed by the Company prior to the date of Liquidation. The equipment was valued on a going concern basis in the sum of circa £3,000. We understand that the agents hoped to negotiate a sale of the equipment as part of the wider sale of the business mentioned above, however, following the withdrawal of this interest the assets were disposed of on a forced sale basis which, after taking into account the costs of removal resulted in no tangible value for the insolvent estate.

Stock

The book value and estimated to realise value of the stock shown on the director's SoA was £5,500. In the period immediately prior to the date of Liquidation, the Company, with the agreement in writing of consignment stock suppliers ("stock suppliers"), took the decision to continue to trade the Company with a view to maximising stock value. As the majority of the stock held was supplied under consignment agreements by the stock suppliers, the cost of the stock was to be paid to the stock suppliers following the cessation of trade and a reconciliation process. We should mention that the Joint Liquidators were neither advising, nor assisting, the Company in relation to events prior to their appointment.

Reconciling the pre Liquidation trading period with the stock suppliers was both time and cost intensive. Records didn't match, certain goods had been returned for credits, the claims from the stock suppliers did not reconcile with Company records, and, "real time" stock information was not, in our view a reliable source.

As mentioned above, the majority of stock was held under consignment agreements and/or retention of title clauses. We therefore instructed solicitors, Lester Aldridge LLP, to assist us in reviewing each and every agreement before any remaining stock was released back to the stock suppliers. Once this process was completed, the majority of the remaining stock was collected by the stock suppliers. The validity of retention of title clauses was examined, and where claims were found to be valid the suppliers have been advised and all approved retention stock collected. The suppliers with invalid claims were notified accordingly.

Finally, we were required to validate payments to the stock suppliers for stock sold during the period of trading prior to the date of Liquidation. The stock suppliers were put to reasonable tests to validate and substantiate their claims. Ultimately, given the challenges referred to above we offered to compromise certain stock supplier claims which were agreed and settled.

Book debts

Book debts reported as being due to the Company as shown on the director's Statement of Affairs ("SoA") had a book value of £237,872 and estimated to realise value marked as "uncertain".

There were several small debts comprised in the overall total of which the sum of £123.75 has been recovered, and the remaining small debts have been written off as uncollectable or financially unviable to pursue further. There remained one significantly large debt due to the Company from Skiwear Limited (a connected company) in the sum of £190,550, as per the Company's records.

Following a detailed review of the Company's financial records, a request for payment was issued to Skiwear Limited. This claim was rejected by Skiwear Limited in correspondence. An explanation was provided as to why this amount, as shown in the SoA, was not payable. We rejected this explanation and continued to review our options for recovery of this debt. We were informed that Skiwear Limited had no financial means to repay the debt shown as due and payable to the Company. Although this debt was established in our minds, it has not been possible to recover the debt. We have therefore concluded that there is no financial benefit to creditors in pursuing this matter further.

Cash at bank

The Bank agreed to hold all trading receipts accrued in the period from 4 May 2016 to 27 May 2016 in a separate account pending the appointment of a Liquidator. Upon closure of the account, the sum of £72,558.81 was received on 27 May 2016.

As mentioned above in more detail, the Company considered that it would be beneficial to continue to trade up to the date of Liquidation in order to realise a higher value for stock. As also mentioned above, following a review of these agreements and that of the trading account period, we agreed the total sum of £24,736.66 would be paid in respect of the consignment stock to several stock suppliers.

Customer database

The Company's customer database had been valued by Asset Recovery & Insolvency LLP at £15,000. The agents marketed the database and an offer was received from a third party in the sum of £21,000. This was to include the domain name of trekwear.co.uk at a price of £1,000. This offer was duly accepted. These sums have been received.

Leasehold equipment

Our agents had previously advised a purchaser for some racking that remained at the former trading premises had been located. Due to the high costs involved in the removal of the racking, it was subsequently agreed that the sum of £650 was a fair offer which was duly accepted on our behalf by my agents. This amount was transferred to the Liquidation account on 27 June 2017.

Domain Name

Our agents advised a purchaser was found for the domain name of the Company and an offer was received in the sum of £500. This was duly accepted and funds transferred to the Liquidation account on 2 October 2018.

Additional realisations

No bank interest accrued during this period, total interest has accrued during the Liquidation in the sum of £29.35.

Creditors' claims and dividend prospects

Secured creditor

As referenced in our previous progress report, Lloyds Bank PLC held in their favour a number of security documents supporting the Company's overall indebtedness to the Bank. They were reported in the SoA to have an outstanding sum due at the date of Liquidation of £525,000. This was not an exact figure correct to the pound, but a best estimate at that date. As a result of their part recovery of the debt from the sale of the Company's Leasehold property as detailed in our previous report, the Bank subsequently submitted a claim in the Liquidation for £45,840.98.

We understand that the Bank were initially seeking recovery of their shortfall from other security held in addition to the Company's charges. We sought to establish with the Bank whether this was possible and were advised that no recovery had been made at that time. The Bank's claim therefore fell under the floating charge security still in force, as conferred in their security documents.

Preferential claims

Any preferential creditors would be in respect of former employees of the Company for both arrears of wages or salary and holiday pay. A number of former employees submitted claims to the Redundancy Payments Office ("the RPO") on termination of their employment. I have been advised that these employees have received payment in full in respect of the element of their claims which rank as a preferential claim. A subsequent claim was received from the RPO in the sum of £9,925.41. This claim was paid to the RPO on 15 January 2018.

Section 176A of the Insolvency Act 1986

The provision of section 176A of the Insolvency Act 1986 provides for a share of "floating charge assets" which are realised to be made available for the general body of unsecured creditors. This slice of assets is known as the "prescribed part". This applies where a company has granted a floating charge to any secured creditor after 15 September 2003. The prescribed part will apply in this Liquidation on the assumption that the Bank will be reliant on their floating charge security to recover their debt. All of the funds remaining in the liquidation at the date of this report are considered to be floating charge asset realisations.

Unsecured creditors

HM Revenue & Customs was estimated to be owed £21,299.55 at the date of Liquidation. A claim of £135,942.87 has subsequently been received. The trade and expense creditors of the Company as per the Statement of Affairs totalled £684,611.42. We have received claims to date totalling £1,056,477.74. I will not be adjudicating or agreeing any claims in the Liquidation as there is no prospect of a return to unsecured creditors.

Distributions

A dividend of 100p/£ was declared on 15 January 2018 and paid to preferential creditors.

Due to insufficient realisations after the deduction of fees and expenses it is not possible to issue any further dividends to any class of creditor. I therefore confirm that there will be no further dividend payable.

Fees and expenses

The basis of the Joint Liquidators fees was approved by creditors on 24 May 2016 in accordance with the following decision:

"That the Joint Liquidator's are authorised to draw their remuneration on the basis of time properly spent by them and their staff, such time costs to be drawn on account from time to time as funds permit to a maximum of £20,605 as shown on the attached estimate of fees."

Our fee estimate was based on our limited knowledge of the Company at the date of our appointment and without detailed information of the considerable work required to resolve the pre liquidation trading period as detailed in our previous report. As a consequence of this and other matters previously advised, we have incurred a significant amount of time above and beyond our estimate. We therefore sought a further fee agreement from Lloyds Bank Plc as the funds held would fall under their floating charge and be due to them at that point in time. It was subsequently agreed that the remaining funds held be drawn against unbilled time of £39,025.01.

The time costs for the period from 24 May 2018 to 26 February 2019 total £3,158, representing 14.10 hours at an average hourly rate of £223.97. The total time costs during the period of our appointment amount to £65,734.01 representing 276.37 hours at an average hourly rate of £237.84. Please find enclosed a summary of time cost information and a comparison between the original estimate and time costs to date.

Fees were drawn within the second year of the Liquidation in the sum of £20,605 and further fees in the final period in the sum of £12,287.61. Overall fees have therefore been drawn during the period of the Liquidation in the sum of £32,892.61, leaving outstanding time costs of £32,841.40 which have been written off. An analysis of the principal work carried out during the period is also attached.

Disbursements

The Liquidators' are entitled to pay Category 1 disbursements from the funds held in the Liquidation estate without approval. These disbursements represent the simple reimbursement of actual out of pocket payments made in relation to the assignment.

The disbursements that have been incurred and not yet paid during the period are detailed below:

Disbursement	Amount incurred during review period	Amount incurred to date	Amount still to be paid
	£	£	£
Joint Liquidators' specific bond	Nil	189.60	Nil
Postage	61.62	141.60	Nil
Photocopying	37.44	137.52	Nil
Storage of records & collection	1,904.26	871.56	Nil
Land registry fees	Nil	6.00	Nil
Statutory advertising	Nil	169.20	Nil
Total	2,003.32	3,518.80	Nil

Creditor's rights

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 Joint 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 Joint Liquidators' 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.

Information about this insolvency process may be found on the R3 website at <http://www.creditorinsolvencyguide.co.uk>. A copy of "A Creditors' Guide to Fees" may be found at <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees> or a hard copy of this form can be provided upon request by email to salisbury@jwsbr.com.

The Company's centre of main interest was in Unit 6 Whaddon Business Park, Whaddon, Salisbury, Wiltshire, SP5 3HF and therefore it is considered that the EC Regulations will apply. These proceedings are main proceedings as defined in Article 3 of the EC Regulation.

Conclusion

There are no further matters outstanding and the affairs of the Company have been fully wound up.

If you require any further information then please contact this office.



James Stares
Joint Liquidator

26 February 2019

Trekwear Limited
(Creditors' Voluntary Liquidation)

Joint Liquidators' receipts and payments account to 26 February 2019

	Statement of Affairs £	From 24/05/16 To 23/05/18 £	From 24/05/18 To 26/02/19 £	Total £
Receipts				
Leasehold property	525,000.00	0.00	0.00	0.00
Goodwill	5,000.00	0.00	0.00	0.00
Furniture, computers & equipment	2,800.00	650.00	0.00	650.00
Sale of Domain Name		0.00	500.00	500.00
Stock	5,500.00	2,600.00	0.00	2,600.00
Book debts	Uncertain	123.75	0.00	123.75
Cash at bank	Uncertain	72,558.81	0.00	72,558.81
Customer database	15,000.00	21,000.00	0.00	21,000.00
Rates refund		321.19	0.00	321.19
Bank interest (gross)		29.35	0.00	29.35
		<u>97,283.10</u>	<u>500.00</u>	<u>97,783.10</u>
Payments				
Statement of Affairs fee (HJS Recovery (UK) Ltd)		7,500.00	0.00	7,500.00
Joint Liquidators' fees		20,605.00	12,287.61	32,892.61
Specific bond insurance		189.60	0.00	189.60
Accountancy fees		1,350.00	0.00	1,350.00
Agent's fees		9,435.25	350.00	9,785.25
Legal fees		6,648.50	0.00	6,648.50
Postage		141.60	61.62	203.22
Photocopying		137.52	37.44	174.96
Land Registry fees		6.00	0.00	6.00
Storage costs		604.26	1,904.26	2,508.52
Redirection of mail		175.00	0.00	175.00
Advertising		169.20	0.00	169.20
Insurance of assets		590.73	0.00	590.73
Consignment stock		24,736.66	0.00	24,736.66
Wages & salaries		1,404.97	0.00	1,404.97
PAYE & NI		152.47	0.00	152.47
Distribution to preferential creditor		9,295.41	0.00	9,295.41
Distribution to floating charge holder		0.00	0.00	0.00
		<u>83,142.17</u>	<u>14,640.93</u>	<u>97,783.10</u>
Balance in hand		<u>14,140.93</u>	<u>(14,140.93)</u>	<u>0.00</u>
Represented by:				
Current account				<u>0.00</u>
				<u>0.00</u>

Detailed list of work undertaken for Trekwear Limited in Creditors' Voluntary Liquidation for the review period 24 May 2018 to 26 February 2019

Below is detailed information about the tasks undertaken by the Joint Liquidators

The Joint Liquidators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progressing of the administration of the case, which ensures that work is carried out to high professional standards

	Filing of documents to meet statutory requirements including annual receipts and payments accounts Annual corporation tax returns Quarterly VAT returns
	Filing of documents Periodic file reviews documenting strategy Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
	Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments Preparing correspondence closing account
	Dealing with records in storage Sending job files to storage
	Review case to ensure all matters have been finalised Draft final report Obtain clearance to close case from HMRC together with submitting final tax return Obtain final accounts from agents solicitors and others instructed File documents with Registrar of Companies
	Liaising with agents re sale of domain name
	Receive and follow up creditor enquiries via telephone
	Receipting and filing POD when not related to a dividend

Current Charge-out Rates for the firm Time charging policy

The minimum unit of time recorded is 6 minutes.

Insolvency Practitioners	300 – 320
Managers	190 – 250
Administrators	50 - 190

Trekwear Limited
(Creditors Voluntary Liquidation)

Time costs summary for period, cumulative and comparison with estimate

[illegible]

LIQ14

Notice of final account prior to dissolution in CVL

**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	Terena Ellis
Company name	JWS Business Recovery Limited
Address	St Ann's Manor
	6-8 St Ann Street
Post town	Salisbury
County/Region	Wiltshire
Postcode	S P 1 2 D N
Country	
DX	
Telephone	01722 333599

**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