

LIQ03

Notice of progress report in voluntary winding up



Companies House

THURSDAY



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22/06/2017

#187

COMPANIES HOUSE

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use

1 Company details

Company number 0 6 6 9 1 7 3 6

Company name in full A & I Manchester Knitwear Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Alex

Surname Kachani

3 Liquidator's address

Building name/number Units 13 -15 Brewery Yard

Street Deva City Office Park

Trinity Way

Post town Salford

County/Region

Postcode M 3 7 B B

Country United Kingdom

4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator

Use this section to tell us about
another liquidator.

LIQ03

Notice of progress report in voluntary winding up

6	Period of progress report															
From date	d	1	d	1	m	0	m	5	y	2	y	0	y	1	y	6
To date	d	1	d	0	m	0	m	5	y	2	y	0	y	1	y	7
7	Progress report															
<input checked="" type="checkbox"/> The progress report is attached																
8	Sign and date															
Liquidator's signature	<div>Signature</div> <div> <div>X</div> <div><i>J. Kechan</i></div> <div>X</div> </div>															
Signature date	d	2	d	0	m	0	m	6	y	2	y	0	y	1	y	7

LIQ03

Notice of progress report in voluntary winding up

**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	Alex Kachani				
Company name	Crawfords Accountants LLP				
Address	Units 13 -15 Brewery Yard				
	Deva City Office Park				
	Trinity Way				
Post town	Salford, Manchester				
County/Region	Lancashire				
Postcode	M	3		7	B B
Country					
DX					
Telephone	0161 828 1000				

**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

A & I MANCHESTER KNITWEAR LIMITED IN CREDITORS' VOLUNTARY LIQUIDATION

LIQUIDATOR'S ANNUAL PROGRESS REPORT

CONTENTS

1. Introduction
2. Background
3. Asset realisations
4. Investigations
5. Creditors' claims
6. Dividend prospects
7. Costs and expenses
8. Conclusion

APPENDICES

1. Statutory Information
2. Receipts and Payments Account
3. A Summary of the Liquidator's Time Costs
4. Narrative Description of Work Undertaken during the Reporting Period
5. Costs and Expenses Incurred to Date

20 June 2017

1. INTRODUCTION

The purpose of this report is to detail my acts and dealing as Liquidator and it should be read in conjunction with my previous correspondence to creditors.

2. BACKGROUND

The members' and creditors' meetings were held on 11 May 2015, when I was appointed Liquidator of the company.

The company's former registered office was 18B Harkness Street, Ardwick, Manchester, M12 6BT and this was changed to Stanton House, 41 Blackfriars Road, Salford, Manchester, M3 7DB and then to Units 13-15 Brewery Yard, Deva City Office Park, Trinity Way, Salford, M3 7BB.

The company's former trading address was 18B Harkness Street, Ardwick, Manchester, M12 6BT.

The company's principal activity was in the manufacturing of knitwear.

The main causes of failure were due to increased in level of competition in the industry principally due to cheaper import of knitwear from overseas and cheaper labourer from China. Both of these factors contributed to the decline of the company's sales and in turn its cash flow position. The company was then unable to meet its liabilities as and when they fell due.

The company's statutory information is appended at Appendix 1.

3. ASSET REALISATIONS

According to the Directors' Statement of Affairs verified by a Statement of Truth lodged in these proceedings, there were no realisable assets reported on the Statement of Affairs as there were purportedly two charges attached to the company's plant and machinery, which if valid would have meant that these assets could not be realised in the liquidation. However, the validity of the two charges was unclear at the outset of the liquidation in the absence of sight of legal charge documents and other associated supporting evidence.

Plant and Machinery

As previously reported, I made detailed enquires into the company's plant and machinery and in particular, the validity of the two legal charges in favour of G D Yarns Limited. Having reviewed the two charges at great length with my legal advisor, Freeths LLP, I was advised that the two charges were invalid and therefore void against the Liquidator. I subsequently instructed Freeths LLP to approach G D Yarns Limited to advise them of the same who in turn appointed their own legal advisor to dispute my claim over the company's plant and machinery.

My legal advisor entered into correspondence with their legal representative to obtain further particulars about the charges together with all other relevant information but not all of the information was received despite several reminders. Given the apparent lack of progress made in progressing this, my legal advisor recommended legal proceedings to be issued against to G D Yarns Limited to set aside the two charges. An application was filed in Court and a Court Hearing date was listed on 22 December 2015.

Following the commencement of formal legal proceedings, I can confirm that a settlement was reached with their legal representative who eventually accepted my claim about the company's plant and machinery and confirmed that their client agreed to mark their two charges as satisfied at the Registrar of Companies. On 5 January 2016, the two charges in favour of G D Yarns Limited were marked as satisfied at the Registrar of Companies, which in turn allowed me to sell the company's plant and machinery as unencumbered assets.

I then appointed independent agent, Robson Kay and Company Limited, a firm of Chartered Surveyors and Valueers, who sold the company's plant and machinery in the sum of £28,000 plus VAT and this amount was paid into the liquidation before deducting the agent's reasonable costs.

Bank Interest

Bank interest in the sum of £8.47 has been earned in the liquidation during the reporting period, totalling £10.85.

Deposit for Costs

The sum of £6,000 was received from the director to contribute towards the costs of the liquidation.

4. INVESTIGATION

The appropriate investigation into the company's affairs has been conducted and the relevant form submitted to the Department for Business, Innovation and Skills in accordance with the Company Directors Disqualification Act 1986. The contents of this report are confidential.

I am continuing my investigation into the affairs of the company and will report the outcome of my investigation to creditors when it is appropriate to do so.

In accordance with Statement of Insolvency Practice 13, I can confirm that there were no company's assets sold to any connected party as defined by Section 435 of the Insolvency Act 1986 and therefore disclosure is not applicable in this case.

5. CREDITORS' CLAIMS

The creditors, as per the Statement of Affairs totalled £101,737.

There are still a number of outstanding claims and claims will be followed up once my investigation into the affairs of the company has been substantially completed.

6. DIVIDEND PROSPECTS

Section 176A of the Insolvency Act 1986 (as amended) requires the Liquidator to set aside a percentage of a company's assets for the benefit of the unsecured creditors in cases where the company gave a "qualifying floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property." A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge.

A Liquidator has to set aside: -

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property up to a maximum of £600,000.

There is no qualifying floating charge in this case so the prescribed part provisions do not apply.

Based on current information, I believe there is a likelihood of a dividend to creditors but until I have concluded my investigation work I am not in a position to advise the likely value or timing of such a dividend to creditors at this stage.

7. COSTS AND EXPENSES

A resolution was passed by creditors at the meeting of creditors on 11 May 2015 fixing the Statement of Affairs fee in the sum of £5,000 plus VAT.

Liquidator's remuneration was fixed in accordance with the time spent and authorising payments on account. I have not drawn any post-appointment remuneration to date.

The payments shown on the summary of the attached receipts and payments account are in the main self-explanatory.

Payments

Specific Bond

The sum of £144 was paid in respect of specific bonding for the insolvent estate.

Statement of Affairs

I have drawn on account £3,000 plus VAT in respect of the Statement of Affairs fee during the reporting period, totalling £5,000 plus VAT. I have drawn my Statement of Affairs in full in accordance with the approved fee resolution.

Agents/Valuers Fees

I made a payment of £3,500 plus VAT to Robson Kay & Company Limited, a firm of Chartered Surveyors and Valueers, who had valued and realised the company's assets on my behalf in the liquidation.

Legal Fees and Disbursements

I made a payment of £3,619.80 plus VAT and disbursements of £281 to Freeths LLP who had provided legal assistance in setting aside two legal charges in respect of the company's plant and machinery, as well as issuing court proceedings in this matter but the matter was resolved before Court Hearing stage.

Statutory Advertising

The sum of £236 plus VAT was paid in respect of statutory advertising.

Case Management Fee

The sum of £110 has been paid during the reporting period for the use of case management software provided by an independent external software provider.

Summary of Costs

The total time spent on this case amounts to 36.80 hours reflected in a total time cost of £9,141.50 plus VAT equating to an average hourly rate of £248. As at the date of my last report, my remuneration was £7,494.50 plus VAT. My remuneration charged during the period of the report is £1,647 plus VAT. I have not drawn any post-appointment remuneration to date.

Crawfords rate of hourly charges are: Partner £295, manager £185, assistant £115, cashier £95, junior assistant £80 exclusive of VAT.

In common with all professional firms, charge out rates may increase from time to time over the period of the liquidation.

A summary of time spent in accordance with SIP 9 is attached.

I have set out below a summary of the additional information which will provide creditors with some guidance in respect of work which is likely to be incurred during the remaining period of the liquidation until I am in a position to conclude the liquidation. I must emphasise that these guidance are based solely on present information available and are therefore estimates only. The final position of the liquidation and actual costs may well be different to the guidance provided below.

Anticipated Work

I am continuing with my investigation into the affairs of the company with a view to recovering funds for the benefit of the insolvent estate but the outcome of such investigation remains uncertain.

Based on current information, I believe there is a likelihood of a dividend to creditors but until I have concluded my investigation work I am not in a position to advise the likely value or timing of such a dividend to creditors at this stage. I will therefore need to chase outstanding claims and agree creditor claims once I have substantially concluded my investigation work.

Anticipated Costs of Work

My on-going costs will primarily relate to on-going investigation works, on-going administrative matters, as well as discharging the costs and expenses of the liquidation.

Actual Work Done

I have set out the asset realisations achieved in the liquidation in this report, as well as my other statutory and non-statutory work which I am required to undertake as Liquidator of the company. It should be noted that the work set out in this report is intended to provide an overall summary of work carried out by my staff and myself as Liquidator of the company, and does not intend to provide a full and comprehensive coverage of all the work which has been undertaken as to do so would be too onerous and therefore give rise to unnecessary costs.

Actual Costs of Work and Expenses

Please refer to the attached receipts and payments account detailing all the receipts and payments incurred in the liquidation up to the period of reporting. These are all necessary costs which have been incurred during the course of the liquidation.

Financial Benefit of Work to Creditors

I believe there is a likelihood of a dividend to creditors in the liquidation and will report to creditors further once I have concluded my investigation into the affairs of the company. If there are further recoveries of funds as a result of my investigation, this would enhance the value of dividend to creditors. I will up-date creditors further on the dividend prospect at the next available report. I can confirm that all the work which has been undertaken in the liquidation is necessary in order to wind-up the affairs of the company.

Disbursements

Crawfords disbursement policy is as follows:

Category 1 Disbursements:

- Category 1 expenses are expenses directly attributable to the insolvent case. These include insolvency bonds, advertising, company searches, post redirection orders, postages and travelling and accommodation costs incurred by staff whilst attending to the administration of the insolvent estate.
- Postage will be charged at the first class postage rate prevailing.
- The list as stated above is not exhaustive and any other external supplies and services, specifically identifiable to the case will also be recovered as a category 1 disbursement at cost.

Category 2 Disbursements:

- Category 2 expenses are additional overheads that relate to the insolvent estate but are not directly attributable to it.

- These expenses include, inter alia, stationery, photocopying, storage costs and travel which will be charged at up to 50p per mile.
- Crawfords Accountants LLP does not seek to recover Category 2 disbursements except for travel and business mileage directly attributable to the case.

In accordance with Statement of Insolvency Practice No.9 (SIP 9), creditors must be provided with a statement of all expenses incurred during the period irrespective of whether payment was made during the period. The expenses incurred are itemised in the enclosed receipts and payments account and represent only those expenses properly chargeable and necessarily disbursed in the course of the Liquidation.

Within 21 days from receipt of this report creditors may request further information about the remuneration and expenses. The request must be made in writing and made either by a secured creditor or an unsecured creditor or creditors that total at least 5% in value of unsecured creditors or with the permission of the Court. Other than in specific circumstances, which if applicable I would explain, I will provide this within 14 days.

A copy of the creditors' guide to Liquidator's fees, Crawfords' disbursements policy, creditors' and members' rights to request further information, are available to download from <http://www.crawfordsinsolvency.co.uk/>. Alternatively you may request a copy from this office free of charge by post or e-mail. Information about this insolvency process may be found on the R3 website at <http://www.creditorinsolvencyguide.co.uk/>.

Other professional Costs

As sanctioned at the initial meeting of creditors, solicitors and agents may be appointed at my discretion. Agents and debt collectors have been paid on a combination of time spent and level of realisations, where appropriate.

I have engaged the services of the following professional firm: -

Freeths LLP – solicitors – time cost basis

Robson Kay & Company Limited – Agents and Valueers – Percentage basis

8. CONCLUSION

The following matter remains to be done in the liquidation: -

- On-going investigation into the affairs of the company
- Agreeing creditors' claims, where appropriate.

For and on behalf of
A & I Manchester Knitwear Limited



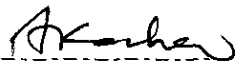
Alex Kachani
Liquidator

Statutory Information

Company Name	A & I Manchester Knitwear Limited
Trading Name	N/A
Company Number	06691736
Date of Incorporation	8 September 2008
Previous Name	None
Principal Activity	Knitwear Manufacturer
Former Registered Office	18B Harkness Street, Ardwick, Manchester, M12 6BT
Current Registered Office	Units 13-15 Brewery Yard, Deva City Office Park, Trinity Way, Salford, Manchester, M3 7BB
Trading Address	18B Harkness Street, Ardwick, Manchester, M12 6BT
Officeholder	Alex Kachani
Officeholder's address	Units 13-15 Brewery Yard, Deva City Office Park, Trinity Way, Salford, Manchester, M3 7BB
Date of appointment	11 May 2015
Changes to Officeholder	None

A & I Manchester Knitwear Ltd - In Creditors Voluntary Liquidation
Liquidator's Abstract of Receipts & Payments

From 11 May 2016 To 10 May 2017

S of A £		From 11/05/16	From 11/05/15
		To 10/05/17	To 10/05/17
ASSET REALISATIONS			
NIL	Plant & Machinery	NIL	28,000.00
NIL	Bank Interest Gross	8.47	10.85
NIL	Security for Costs	NIL	6,000.00
		8.47	34,010.85
COST OF REALISATIONS			
	Specific Bond	NIL	(144.00)
	Statement of Affairs Fee	(3,000.00)	(5,000.00)
	Agents/Valuers Fees	NIL	(3,500.00)
	Legal Fees	NIL	(3,619.80)
	Statutory Advertising	NIL	(236.00)
	Case Management Fee	(110.00)	(110.00)
	Legal Disbursements	NIL	(281.00)
		(3,110.00)	(12,890.80)
		(3,101.53)	21,120.05
REPRESENTED BY			
	VAT Recoverable		1,323.96
	Balance at Bank		19,796.09
			21,120.05
		 Alex Kachani Liquidator	

**A & I MANCHESTER KNITWEAR LIMITED - IN
LIQUIDATION**

LIQUIDATOR'S TIME AND CHARGEOUT SUMMARY

Classification of Work Function	Partner	Manager	Assistants & Support Staff	Total Hours	Time Cost £	Average Hourly Rate £
Administration & Planning	4.90	3.20	1.30	9.40	2,184.50	232
Investigations	11.30	4.70	-	16.00	4,203.00	263
Realisation of Assets	5.20	0.20	-	5.40	1,571.00	291
Creditors	1.10	0.80	-	1.90	472.50	249
Trading	-	-	-	-	-	-
Bank	-	2.00	0.60	2.60	427.00	164
Tax	0.30	0.90	0.30	1.50	283.50	189
	22.80	11.80	2.20	36.80	9,141.50	248

Current Individual Hourly Charge Out Rate £	295.00	185.00	115.00
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A & I MANCHESTER KNITWEAR LIMITED - IN CREDITORS VOLUNTARY LIQUIDATION WORK UNDERTAKEN BY THE LIQUIDATOR DURING THE REPORTING PERIOD

I have set-out below the key areas of work which have been undertaken by the Liquidator and his staff during the reporting period in the liquidation. This list is a summary of the routine work undertaken during the reporting period and is not intended to be an exhaustive list.

Administration and Planning

Work
Undertaken

Case set-up and case planning;
 Review of case strategy;
 Review ethics and money laundering checks;
 Regular case management and reviewing of progress, including regular team update meetings;
 Reviewing and authorising case workers correspondence and other work;
 Dealing with queries arising on appointment;
 Allocating and managing staff/case resourcing and budgeting exercises and reviews;
 Liaising with legal advisors regarding various instructions, including agreeing content of engagement letters;
 Maintenance of office holder's case management records;
 Internal notification of administration of the insolvent estate;
 Complying with internal filing and information recording practices
 Reviewing matters affecting the outcome of the liquidation;

✓

✓
✓

✓
✓
✓

Statutory Compliance

Liaising with the post-appointment insurance broker to provide information, assess risks and ensure appropriate cover in place and on-going monitoring of the adequacy of the level of insurance premiums;
 Notifying creditors of appointment of Liquidator and complying with statutory requirements including but not limited to advertising the appointment of Liquidator and special resolution for winding-up the affairs of the company in London Gazette; filing of Notice of Appointment of Liquidator, special resolutions for the winding-up of the company, Statement of Affairs of the company accompanying by a Statement of Truth, and notice of change of the company's registered office at the Registrar of Companies, circulating a report to creditors following the appointment of Liquidator, notifying HM Revenue and Customs and all interested parties of the appointment of Liquidator;
 Obtaining searches and documentary evidence to verify identity of stakeholders to ensure compliance with all applicable current laws and legislations;
 Agreeing the basis of the Liquidator's remuneration in accordance with the current applicable legislations, laws and current best practice;
 Requesting the delivery of the company's statutory and non-statutory books and records and scheduling of the records received;
 Preparing annual reports to creditors and shareholders and reporting on the progress of the efficacy of the liquidation, including filing of receipts and payments account at the Registrar of Companies within the relevant timescales;
 Preparing final report to creditors and shareholders and reporting on the progress of the efficacy of the liquidation, including filing of receipts and payments account at the Registrar of Companies within the relevant timescales;
 Preparing minutes of meetings of creditors and shareholders;
 Ensuring compliance with all statutory obligations within the relevant timescales;
 Finalising administrative matters and diarise for destruction of company's records in accordance with applicable laws and legislations

✓

✓

Asset Realisation

Reviewing, insuring, and realising assets into the liquidation;
 Liaising with agents regarding the sale of business assets;
 Reviewing outstanding debtors and management of debt collection strategy;
 Instructing agents to assist with assets realisations and subsequent communications with the agents on the efficacy of the assets realisations;
 Instructing solicitors to assist with assets realisations and subsequent communications with the solicitors on the efficacy of the assets realisations;

Investigation

Reviewing the company's books and records;
Reviewing the directors' questionnaire;
Preparing CDDA Checklists;
Preparing a statutory report on the conduct of the directors and submitting the report within the relevant timescales.
Reviewing and recovering potential antecedent transactions for the benefit of creditors in the liquidation. ✓

Creditors

Liaising with employees regarding their employment claims;
Dealing with employees' claims and filing of all relevant redundancy forms with the Redundancy Payments Office;
Up-dating the list of secured, preferential, and unsecured creditors; ✓
Responding to enquiries from creditors regarding the administration and submission of their claims; ✓
Reviewing completed forms submitted by creditors, recording claims amounts and maintaining claim records; ✓
Dealing with assignment of debts;
Reviewing and assessing of retention of title claims

Distribution

Based on preliminary information available, there is a likelihood of a dividend to creditors in the liquidation but the value and timing depends on the outcome of the investigation work. ✓

Cashiering

Opening of the Liquidator's bank account for the liquidation;
Preparing and processing vouchers for the payment of post-appointment invoices; ✓
Creating remittances and sending payments to settle post-appointment invoices; ✓
Reconciling post-appointment bank accounts to internal systems; ✓
Maintenance of accounting records onto a computerised system (e.g. Visionblue Solutions Software); ✓
Monitoring cheque presentations and re-issuing replacement cheques of any unrepresented cheques, where applicable; ✓
Ensuring compliance with appropriate risk management procedures in respect of receipts and payments; ✓

Tax

Analysing VAT related transactions; ✓
Collating information and preparing VAT returns for the post-appointment periods; ✓
Analysing Corporation Tax related transactions; ✓
Collating information and preparing Corporation Tax returns for the post-appointment periods. ✓
Dealing with post-appointment tax compliance ✓

Other

Where applicable - disclaiming of the company's lease and filing of Notice of Disclaimer to all interested parties under the lease;

A & I MANCHESTER KNITWEAR LIMITED - IN CREDITORS VOLUNTARY LIQUIDATION

SUMMARY OF COSTS AND EXPENSES

Below are details of the Liquidator's costs and expenses for the period under review and the total to date.

	Actual Expenses incurred in the Review Period	Actual Expenses incurred to date	Notes
	£	£	
Statutory Bonding	0.00	144.00	
Statement of Affairs (Pre- appointment Fee)	3,000.00	5,000.00	
Agents/Valuers Fees	0.00	3,500.00	
Legal Fees	0.00	3,619.80	
Statutory Advertising	0.00	236.00	
Case Management Fee (Visionblue Solutions)	110.00	110.00	
Legal Disbursements	0.00	281.00	

Note 1 – The Liquidator has incurred total time cost £9,141.50 plus VAT as stated under section 8 of the attached report but no post-appointment fee has been drawn to date.