

LIQ02

Notice of statement of affairs



Companies House

THURSDAY



A14 *A7YAJH0G* 31/01/2019 #181
COMPANIES HOUSE

base
use

1 Company details

Company number 0 7 1 5 9 5 0 1

Company name in full Frock Art Limited

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

2 Liquidator's name

Full forename(s) Philip

Surname Booth

3 Liquidator's address

Building name/number Coopers House

Street Intake Lane

Post town Ossett

County/Region

Postcode W F 5 0 R G

Country

4 Liquidator's name ①

Full forename(s)

Surname

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

5 Liquidator's address ①

Building name/number

Street

Post town

County/Region

Postcode

Country

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

LIQ02

Notice of statement of affairs

6 Date of statement of affairs

Date

d	2	d	8	m	0	m	1	y	2	y	0	y	1	y	9
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7 Statement of affairs

I attach:

- ☐ Statement of affairs by the liquidator under section 95(1A) of the Insolvency Act 1986
- ☒ Statement of affairs by a director under section 99(1) of the Insolvency Act 1986
- ☐ Statement of concurrence

8 Sign and date

Liquidator's signature

Signature

X *P. BODAK*

X

Signature date

d	2	d	8	m	0	m	1	y	2	y	0	y	1	y	9
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LIQ02

Notice of statement of affairs



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

Alistair Barnes

Company name

Booth & Co

Address

Coopers House

Intake Lane

Post town

Ossett

County/Region

Postcode

W F 5 0 R G

Country

DX

Telephone

01924 263777



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

**Explanatory Information for the Creditors of
Frock Art Limited t/a Obi**

**Decision Date for the appointment of a Liquidator
28 January 2019**

FROCK ART LIMITED T/A OBI

Statutory Information

Company Name: Frock Art Limited ("the Company")

Company Number: 07159501

Date of Incorporation: 16 February 2010

Principal Activity: Design and Manufacture of Women's Fashion Garments

Registered Office: 9 Thorne Road
Doncaster
South Yorkshire
DN1 2HJ

Trading Address: 2a Mill Street
Armthorpe
Doncaster
DN3 3DL

		<u>Appointed</u>	<u>Resigned</u>
Directors:	Lynn Witton	16/02/2010	-
	Tracey Anne Storr	16/02/2010	31/12/2010

Share Capital: The authorised share capital is £200 comprising 200 ordinary shares of £1.

The allotted, issued and fully paid up share capital is £200 comprising 200 ordinary shares of £1.

Shareholders:	Lynn Witton	100 ordinary shares (50%)
	Tracey Ann Storr	100 ordinary shares (50%)

Mortgages & Charges: The Company has not granted any mortgages or charges.

FROCK ART LIMITED T/A OBI

Introduction

Frock Art Limited ('the Company' or 'Frock Art') incorporated on 16 February 2010 and Lynn Witton and Tracey Storr were appointed as Directors on incorporation. Mrs Storr resigned her directorship on 31 December 2010 and there have been no other Director appointments. There have been no changes of name since incorporation.

Trading History

The following history has been prepared by Mrs Witton, the Director of the Company.

Before forming the Company Mrs Witton had been employed by a company called Arinwade Limited ('Arinwade')(Co. No. 02891240) which was incorporated on 25 January 1994 and traded as 'OBI' from leasehold premises situated at 28a Scot Lane, Doncaster. The Directors of Arinwade were Mrs Witton's husband, Mr A Witton, and Mrs Storr. The Company was owned by Mr and Mrs Witton and Mrs Storr.

Arinwade designed, manufactured and sold mid-market ladies wear aimed primarily at the 18 to 35 age group, but in 2010 it became insolvent and on 4 February 2011 was placed into Creditors Voluntary Liquidation, when Philip Booth of Booth & Co was appointed as Liquidator.

Mrs Witton decided to form Frock Art in February 2010 in order to develop a new high level design brand which it was intended would be aimed at the 30 to 60 age group, and on 18 February 2011 Frock Art purchased the assets of Arinwade from the Liquidator.

The assets purchased comprised of stock, machinery and the trading name 'OBI'. Following the purchase Frock Art continued trading from the premises formerly leased to Arinwade at 28 Scot Lane, Doncaster under the terms of a licence at an annual rental of £12,000 per year.

At this stage the main focus was on design, with a small amount of manufacturing, and most of the garments manufactured were supplied to customers in Ireland.

The Company had eight members of staff, and banking facilities, comprising a current account with no loan or overdraft facilities, were provided by the Royal Bank of Scotland plc.

In its first year of trading the Company was profitable and made modest profits in the years ended 28 February 2012 and 2013 respectively.

In December 2013 the Company moved to its current location at 2a Mill Street, Armthorpe, Doncaster.

These premises, which comprise of a boutique style shop with a small manufacturing facility at the rear were occupied under a 6 year lease at an annual rental of £9,000 per annum.

However, due to a lack of passing business which resulted in shop sales falling, the Company incurred a loss in the sum of £4,240 for the year ended 29 February 2015. The Director believed that turnover could be improved by increasing production, which would allow the Company to supply larger shops. Although a UK agent instructed by the Company identified a number of suitable outsourced production facilities, these proved to be too expensive to be feasible.

Following the loss Mrs Witton and Mrs Storr began to spend more time in the shop, meeting customers and conducting sales, and the Company's agent in Ireland continued to develop the business there. The Company was subsequently restored to profitability, and reported profits of £3,584 and £15,261 for the years ended 29 February 2016 and 28 February 2017 respectively.

However, during the year ended 28 February 2018, the Director noticed that footfall at the shop had reduced significantly. This was partly attributable to the adverse weather conditions during the 2017/18 Winter, but it was also felt that there were fewer fashionable events such as race meetings, weddings and balls taking place, and many of the Company's customers had decided not to participate in those that were held.

This was followed by a general slowdown during 2018, particularly through the Summer months, with many of the customers in Ireland placing much smaller orders and also not taking the balance of the orders originally placed. This was believed to be partly attributable to the higher than usual temperatures which occurred through the Summer, with customers preferring lighter weight garments over those in the Company's collection. This was followed by much smaller orders being placed for Winter, especially the Company's largest customer, who had reduced their buying for all labels following a difficult trading period in the previous Winter.

The Director believes that the situation with customers in Ireland has been made worse by the uncertainty surrounding Britain's proposed exit from the European Union. In previous years the customers in Ireland would have been shown the Spring/Summer season's collection in December, January and February, but there were real concerns shown about the Company's ability to meet order delivery deadlines post Brexit.

As a result of the above, towards the end of 2018 the Company became unable to pay creditors as they fell due and in particular amounts owed to HM Revenue & Customs. In order to ease the cash flow position, the Director has made loans to the Company, both from savings and by the use of personal credit cards, but was unwilling to commit further funds given the lack of confidence and uncertainty going forward.

The Director first received advice from representatives of Booth & Co on 19 October 2018, when the various options available to the Company were considered. Cash flow forecasts prepared by the Director indicated that the Company would be able to trade for a short period in anticipation that the trading position would improve, without causing any detriment to creditors.

However, the Company's circumstances did not improve, and following a discussion with a representative of Booth & Co on 19 December 2018, the Director instructed Booth & Co to assist her in taking the steps necessary to place the Company into Creditors Voluntary Liquidation.

The Company ceased trading on 29 December 2018.

Liquidation Proceedings

At a meeting of directors held on 2 January 2019, Philip Booth of Booth & Co was requested to provide assistance in convening a meeting of members pursuant to Section 100 of the Insolvency Act 1986 for the purposes mentioned in Sections 99, 100 and 101 of that Act.

Prior to the initial consultation with representatives of Booth & Co, none of the employees or company officers of Booth & Co had any material professional relationship with the Company or its Directors or Shareholders.

Creditors will be aware from the history provided that Philip Booth was appointed as Liquidator of Arinwade Limited (Co. No. 02891240) on 4 February 2011. It is not considered that this previous appointment gives rise to any conflict of interest.

Legal Notices

The Company has not received any County Court Claims, warrants or any other similar legal notices.

Banking and Funding

The Company banked with the Royal Bank of Scotland plc which provided a current account with no loan or overdraft facilities.

Financial Information

Unaudited and abbreviated financial accounts have been prepared for the years ended 29 February March 2016, and 28 February 2017 and 2018 which disclose that the Company was solvent as at those dates with net assets of £272, £4,533 and £582 respectively.

The Director's emoluments and other benefits were £8,050, £8,060 and £8,309 for the years ended 29 February 2016, 28 February 2017 and 28 February 2018 respectively.

Profit and Loss Account Extracts

	28/02/18	28/02/17	28/02/16
Turnover	165,175	157,452	142,659
Cost of sales	(65,268)	(58,649)	(53,988)
Gross profit	99,907	98,803	88,671
Administrative expenses	(89,871)	(79,702)	(85,037)
Operating Loss	10,036	19,101	3,634
Taxation	(1,986)	(3,840)	(49)
Profit on ordinary activities after taxation	8,050	15,261	3,585

Balance Sheet Extracts

	28/02/18	28/02/17	28/02/16
<u>Fixed Assets</u>			
Tangible Assets	615	821	1,096
<u>Current Assets</u>			
Stock	8,571	12,489	8,204
Debtors	2,348	1,760	3,056
Cash at bank & in hand	7,322	8,170	4,862
Creditors falling due within 1 year	18,241 (18,274)	22,419 (18,707)	16,122 (16,946)
Net current assets/(liabilities)	(33)	3,712	(824)
Net assets	582	4,533	272
<u>Capital and Reserves</u>			
Profit and loss account b/f	4,333	72	(13)
Profit (loss) for year	8,050	15,261	3,585
Dividends	(12,000)	(11,000)	(3,500)
Profit and loss account c/f	382	4,333	72
Called up equity and share capital	200	200	200
Shareholders' funds/Net assets (liabilities)	582	4,533	272

Notes to the Statement of Affairs

Assets

Furniture & Equipment

The Company's tangible assets have been valued by C W Harrison & Son, an independent firm of valuers and auctioneers.

The furniture and equipment consists of a small number of sewing machines and shop/workshop fixtures and fittings.

Stock

The stock consists of a number of dresses and assorted fabrics.

Liabilities

Preferential Liabilities

There are estimated employee preferential claims of £2,921 in respect of employees' unpaid wages and holiday pay.

Unsecured Liabilities

Employees

There are estimated unsecured employee claims of £24,315 in respect of redundancy and notice pay entitlements.

HM Revenue & Customs ('HMRC')

HMRC's unsecured claim relates to unpaid VAT which has accrued during the period from 30 September 2018.

Landlord

The liability to the Company's Landlord, Mill Street Stores (Avonthorpe) Ltd, has been estimated at £8,250. This has been calculated as the rent due to the end of the lease which is 19 December 2019, although it is anticipated that the property will be re-let during that period. No account has been taken of any claim the Landlord may have in respect of dilapidations, as it has not been possible to quantify that element of the Landlord's claim at this stage.

Deficiency Account

Please see the attached deficiency account at Appendix I.

General

Mrs Witton has confirmed that she has not held directorships with any other failed companies.

Statement of Affairs

Statement as to affairs of

Frock Art Limited t/a Obi

on the 28 January 2019 being a date not more than 14 days before the date of the resolution for winding up

Statement of truth

I believe that the facts stated in this Statement of Affairs are true.

Full Name

LYNN WITTON

Signed

L. Witton

Dated

23.1.2019

Frock Art Limited
Statement Of Affairs as at 28 January 2019

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Assets subject to floating charge:		
Uncharged assets:		
Furniture & Equipment	615.00	1,100.00
Stock	3,700.00	3,700.00
Cash at Bank	3,300.00	3,300.00
Estimated total assets available for preferential creditors		8,100.00

Signature J. Wilton Date 23.1.2019

Frock Art Limited
Statement Of Affairs as at 28 January 2019

A1 - Summary of Liabilities

		Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)		8,100.00
Liabilities		
Preferential Creditors:-		
RPS (Holiday Pay)	2,921.00	2,921.00
Estimated deficiency/surplus as regards preferential creditors		5,179.00
Debts secured by floating charges pre 15 September 2003		
Other Pre 15 September 2003 Floating Charge Creditors		NIL
		5,179.00
Estimated prescribed part of net property where applicable (to carry forward)		NIL
Estimated total assets available for floating charge holders		5,179.00
Debts secured by floating charges post 14 September 2003		
		NIL
Estimated deficiency/surplus of assets after floating charges		5,179.00
Estimated prescribed part of net property where applicable (brought down)		NIL
Total assets available to unsecured creditors		5,179.00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors	4,208.00	
RPS (Notice & Redundancy)	24,315.00	
Landlord	8,250.00	
Director	3,940.00	
HM Revenue & Customs	3,964.00	
		44,677.00
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		(39,498.00)
Estimated deficiency/surplus as regards creditors		(39,498.00)
Issued and called up capital		
Ordinary Shareholders	200.00	200.00
Estimated total deficiency/surplus as regards members		(39,698.00)

Signature

J. W. H. A.

Date

23.1.2019

Booth & Co
Frock Art Limited
B - Company Creditors

Key	Name	Address	£
CD00	DPD Local	15th Floor, Castlemead, Lower Castle Street, Bristol, BS1 3AG	60.66
CH00	HM Revenue & Customs	Insolvencies & Securities, 3rd Floor, Euston Tower, 286 Euston Road, London, NW1 3UQ	3,963.78
CH01	Penelle Hanley	35 The Rise, Dunshaughlin, County Meath, IRELAND	3,600.00
CM00	Mill Street Stores (Avonthorpe) Ltd	4 The Glebe, Brent Eleigh, Sudbury, Suffolk, CO10 9PP	8,250.00
CQ00	Quality Textiles	Gallersweg 7, 5349 AT OSS, The Netherlands	426.00
CR00	Royal Bank of Scotland plc	15 St Sepulchre Gate, Doncaster, DN1 1TF	1.00
CR01	Redundancy Payments Service	PO Box 16685, Birmingham, B2 2LX	27,236.18
CS00	Scottish Power	320 St Vincent Street, Glasgow, G2 5AD	1.00
CT00	Talk Talk	PO Box 674, Salford, M5 0NJ	66.12
CW00	Mrs L Witton	2 Avondale Road, Town Moor, Doncaster, DN2 6DE	3,940.53
CW01	Worldpay	Gateshead Card Centre, Fifth Avenue, Gateshead, NE11 0EL	52.65
CY00	Yorkshire Water Plc	1 Midpoint, Midpoint Business Park, Thornbury, Bradford, BD3 7AY	1.00
12 Entries Totalling			47,598.92

Signature



**Booth & Co
Frock Art Limited
C - Shareholders**

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HS00	Mrs Tracey Anne Storr	132 Mansfield Crescent, Armthorpe, Doncaster, DN3 2AS	Ordinary	1.00	100	1.00	100.00
HW00	Mrs Lynn Witton	2 Avondale Road, Town Moor, Doncaster, DN2 6DE	Ordinary	1.00	100	1.00	100.00
2 Ordinary Entries Totalling				1.00	200		

L. Witton

Signature

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23 January 2019 10:34

FROCK ART LIMITED T/A OBI
ESTIMATED DEFICIENCY ACCOUNT FOR THE PERIOD
1 MARCH 2018 TO 28 JANUARY 2019

	£	£
Profit & Loss Account as at 01.03.18		382
Amounts written off in the Statement of Affairs contributing to deficiency:		
On realisation of Plant and Machinery		(485)
		867
<u>Claims arising due to cessation of trade:</u>		
On Termination of Lease	(8,250)	
Employees' Notice & Redundancy	(24,315)	
		(32,565)
		(31,698)
Estimated trading profit/(loss) for the period 01.03.18 to 28.01.19		(8,000)
Deficiency as per Statement of Affairs at 29.01.19		(39,698)