

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

MONDAY



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A16

24/08/2020

#215

COMPANIES HOUSE

### 1 Company details

Company number 0 9 6 6 1 2 5 9

Company name in full Sledhead Custom Cycles Limited

→ Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) J. M.

Surname Evans

### 3 Liquidator's address

Building name/number 44 St. Helens Road

Street

Post town Swansea

County/Region

Postcode S A 1 4 B B

Country

### 4 Liquidator's name

Full forename(s)

Surname

● Other liquidator

Use this section to tell us about  
another liquidator.

### 5 Liquidator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

● 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	0	1	0	8	2	0	1	9	
To date	3	1	0	7	2	0	2	0	

### 7 Progress report

<input checked="" type="checkbox"/> The progress report is attached	
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### 8 Sign and date

Liquidator's signature	Signature	
X		X
Signature date	d	m
	2	0
	4	8
	2	0
	2	0

## 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.

J. M. Evans

H R Harris & Partners

44 St. Helens Road

Swansea

Postcode

S

A

1

4

B

B

DX

01792 643311



#### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

**2<sup>ND</sup> ANNUAL PROGRESS REPORT**

**SLEDHEAD CUSTOM CYCLES LIMITED IN CREDITORS VOLUNTARY LIQUIDATION**

**PERIOD 1<sup>ST</sup> AUGUST 2019 TO 31<sup>ST</sup> JULY 2020**

## **Content**

- Executive Summary
- Administration and Planning
- Enquires and Investigations
- Realisation of Assets
- Creditors
- Fees and Expenses
- Creditors' Rights
- EC Regulations
- Conclusion

## **Appendices**

- Appendix I– Receipts and Payments account [and trading account] for the period 1<sup>st</sup> August 2019 to 31<sup>st</sup> July 2020
- Appendix II - Detailed list of work undertaken in the period
- Appendix III - Time cost information for period 1<sup>st</sup> August 2019 to 31<sup>st</sup> July 2020 (Review Period) and 1<sup>st</sup> August 2018 to 31<sup>st</sup> July 2020 (Period of Appointment)
- Appendix IV - Time costs summary for period together with firm's charge out rates
- Appendix V - Expenses summary for 1<sup>st</sup> August 2019 to 31<sup>st</sup> July 2020 (Review Period) and 1<sup>st</sup> August 2018 to 31<sup>st</sup> July 2020 (Period of Appointment)

## Introduction

This is my 2<sup>nd</sup> Annual Report on the progress in this Liquidation following my appointment as Liquidator on the 1<sup>st</sup> August 2018. The executive summary set out below tells you basically what we have achieved, what we have left to do and the prospects for a dividend payment. The report includes more details on the work completed since my initial report to creditors.

## Statutory information

Company Name	Sledhead Custom Cycles Limited
Former Trading Name	N/A
Company Number	09661259
Registered Office	Dock Road, Port Talbot, SA13 1RS
Former Registered Office	Dock Road, Port Talbot, SA13 1RS
Officeholders	J. M. Evans
Officeholders address	44 St. Helens Road, Swansea, SA1 4BB
Date of appointment	01/08/2018
Changes to Officeholder	N/A

## EXECUTIVE SUMMARY

A summary of key information in this report is detailed below.

### Assets

Asset	Estimated to realise per Statement of Affairs	Realisations to date	Anticipated future realisations	Total anticipated realisations
Plant & Machinery	2,500.00	1,290.00	0.00	1,290.00
Cash at Bank	0.00	2,094.03	0.00	2,094.03
Cash in Hand	1,000.00	1,000.00	0.00	1,000.00
<b>Total</b>	<b>3,500.00</b>	<b>4,384.03</b>	<b>0.00</b>	<b>4,384.03</b>

### Dividend prospects

Creditor class	Distribution / dividend paid to date	Anticipated distribution / dividend, based upon the above
Secured creditor	None	Personal Guarantee Provided by Director
Preferential creditors	None	Insufficient funds to cover administration costs
Unsecured creditors	None	Insufficient funds to cover administration costs

### Summary of key issues outstanding

- Obtain approval from creditors to draw Liquidator's remuneration on a time costs basis. Information on this is enclosed within this report.
- Prepare final report to creditors

### Closure

Based on current information, it is anticipated that the liquidation will be concluded once I have obtained approval from creditors for my fees. Once this is obtained, the final report can be completed and the subsequently the case can be finalised.

## ADMINISTRATION AND PLANNING

### Statutory information

The Liquidator is 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. A detailed list of these tasks may be found in Appendix III.

## Annual Progress Report of Sledhead Custom Cycles Limited in Creditors Voluntary Liquidation

During the Review Period, the following key documents have been issued:

- This progress report together with a Notice of Decision Procedure in relation to seeking approval from creditors in regard to my fees as Liquidator.

### Other administration tasks

During the Review Period, the following material tasks in this category were carried out:

- Conducting periodic case reviews to ensure that the liquidation is progressing efficiently.
- Monitoring and maintaining an adequate statutory bond;
- Maintaining and updating the estate cash book processing receipts and payments;
- Uploading of relevant documents for creditors viewing, via Creditors Portal Login <https://www.hrharris-insolvency.co.uk/>
- Filing of relevant documents Companies House;
- Marketing of plant and machinery on Gumtree and meeting with potential purchasers
- Issuing invoices after plant & machinery has been purchased

### ENQUIRES AND INVESTIGATIONS

During the Review Period, I have carried out investigations with regards to the Company's affairs. This included seeking information and explanations from the director by means of questionnaires and interviews; making enquiries of the Company's accountants; reviewing information received from creditors; and collecting and examining the Company's bank statements, accounts and other records.

*Although this work did not generate any financial benefit to creditors, it was necessary to meet the statutory duties as well as conduct appropriate enquiries and investigations into potential rights of actions to enhance realisations.*

### REALISATION OF ASSETS

Detailed below is key information about asset realisation and strategy, however, more details about the work undertaken may be found at Appendix III. The Liquidator formulated and worked through a realisation strategy that sought to maximise realisations net of costs. The financial benefit of those efforts is described further below.

#### Cash in Hand

I attended the premises of Sledhead Custom Cycles Limited in order to supervise the clearance of the stock and plant & equipment that were being removed to be kept in safe storage. Whilst at the premises various items of stock were sold as a job lot for the sum of £1,000.00. These funds were deposited in a client account and held as cash in hand.

#### Plant and machinery

According to the Directors Statement of Affairs, these assets were estimated to realise £2,500.00. All items were valued then held in storage while being marketed on Gumtree.

*It came to light that some of the machinery was not working and others were in poor condition, therefore taking in for account the decreased value of the items, I made the decision to sell some as a job lot for a lesser sum than originally anticipated.*

To date the sum of £1,290.00 has been realised and plant and machinery has now been sold.

#### Cash at Bank

We received £2,094.03 from Barclays Bank on 27<sup>th</sup> January 2020 in relation to post liquidation credits.

### CREDITORS

Irrespective of whether sufficient realisations are achieved to pay a dividend to creditors, the Liquidator has had to carry out key tasks which are detailed in the list at Appendix III. The following sections explain the anticipated outcomes to creditors and any distributions paid.

### **Secured creditors**

The Company has not granted any charges over its assets.

### **Dividend in Relation to the Prescribed Part**

This provision only applies where the Company has granted a floating charge to a creditor after 15<sup>th</sup> September 2003. There is no prescribed part in this matter, as there is no qualifying charge.

### **Preferential creditors**

#### **Employee claims**

There were four employees that were made redundant on 3<sup>rd</sup> August 2018. The relevant information for employees to submit claims was made to the Redundancy Payments Office and information and help was provided to the employees to enable them to submit their claims online.

Employees were shown to be owed £3,004.00. Claims of £1,150.48 have been received of which £994.48 is claimed preferentially.

### **Unsecured creditors**

HMRC was shown to be owed £1,002.80. A claim of £3,373.86 has been received.

There were no trade or expense creditors as per the directors Statement of Affairs. Barclays Bank PLC provided an overdraft facility to the company in the sum of £20,000.00, for which the director had provided a personal guarantee. The balance owed to the Bank at the time of the Liquidation was £18,343.54. The Bank has not submitted a claim within the Liquidation, they are relying on the security of the directors' personal guarantee.

The company also benefitted from a personal investment loan of £20,000.00, provided by Mr A Brown a friend of the director. I can confirm that a claim for £20,000.00 has been received from the creditor.

All other creditor's claims totalling £66,790.00 are in relation to deposits made by customers of Sledhead Custom Cycles Limited, in order to secure their personal Custom Build Cycle made to their own specifications.

Due to the insolvency of the company, these customers are now creditors, as they have not received the goods that they had paid for.

### **Dividend prospects**

It is anticipated that there will be insufficient funds realised in order to cover the costs of the administration in this case, the Liquidator anticipates that there will be no funds available for a dividend distribution to any class of creditor.

## **FEES AND EXPENSES**

### **Pre-Appointment Costs**

#### **Fixed fee agreed with the Directors and ratified by members and creditors.**

A resolution for a fixed fee of £2,000.00 plus VAT plus disbursements estimated to be approximately £430.00 in respect of pre appointment work was approved at the virtual meeting of creditors, held remotely on the 17<sup>th</sup> August 2018.

The fee for assisting with the Statement of Affairs and meetings was paid from first realisations of assets, as detailed in the receipts and payments attached at Appendix I.

### **The Liquidator's fees**

It is the firm's practice to ensure that work is conducted by the appropriate staff member at the appropriate level of experience. Junior members of staff deal with the day to day administration on cases and a manager and (director/partner) then oversees the work undertaken. Where the issues are complex and litigious, the work will be closely supervised or undertaken by a (senior) manager or (director/partner).

The time costs for the period 1<sup>st</sup> August 2019 to 31<sup>st</sup> July 2020 total £4,429.00 representing 53:54 hours at an average hourly rate of £82.17.



The total time costs during the period of appointment amount to £14,850.00 representing 152:54 hours at an average hourly rate of £97.12. A detailed analysis of my time costs is given at Appendix III.

#### **Disbursements**

There are no disbursements that have been incurred and not yet paid during the period.

Category 1 disbursements paid for in the period 1<sup>st</sup> August 2019 to 31<sup>st</sup> July 2020 amount to £492.32 and these represent the simple reimbursement of actual out of pocket payments made in relation to the assignment, as detailed in my receipts and payment account detailed at Appendix I.

There are no category 2 disbursements for the period of this report. These are expenses that may include an element of overhead charges. I have not yet obtained approval from creditors to draw category 2 disbursements.

#### **PROPOSED DECISIONS**

Within this report the Liquidator is seeking creditors' approval of the proposed decisions by means of Correspondence.

A Notice of Decision Procedure, which sets out the following decisions that the Liquidator is asking the creditors to consider the following: -

- That the Liquidator's fees be fixed by reference to the time given by him and his staff in attending to matters arising in the Liquidation, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken; and
- That the Liquidator be authorised to recover all Category 2 disbursements, calculated on the bases detailed in H R Harris & Partners Summary.

Creditors are invited to vote on the proposed decisions by means of Correspondence. A letter has been circulated to all creditors under separate cover from this report, which provides Notice of Decision together with relevant voting form and information in respect of this process.

Please note that we are holding £1,735.44 which is available for me to draw as my remuneration. All of my remaining time costs will need to be written off due to insufficient funds realised in the liquidation.

If you wish to vote on the proposed decisions, please ensure that you complete and return the enclosed Vote by Correspondence form so that it is received by me by 23.59pm on 23<sup>rd</sup> October 2020. Forms may be returned by post, fax or email. Please see the notice enclosed for further details.

If you have not already submitted a proof of debt form, you will also need to complete and return this to me by the above date.

Information about this insolvency process may be found on the R3 website at <http://www.creditorinsolvencyguide.co.uk/>. "A Creditors' Guide to Liquidators' Fees" is available to download at <https://bit.ly/2SiFT9N>. Should you require a paper copy, please send your request in writing and a copy will be provided at no cost.

#### **PROFESSIONAL COSTS**

There are no professional costs incurred in this liquidation.

### **CREDITORS' 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 J M Evans's 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 J M Evans's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

At HR Harris & Partners Ltd we always strive to provide a professional and efficient service however we recognise that disputes will arise from time to time. If you should have cause to complain, you should, in the first instance, put details of your complaint in writing to HR Harris & Partners Ltd, 44 St Helens Road, Swansea SA1 4BB for the attention of Mr Rhidian Davies. This will ensure that all complaints received will be dealt with by a partner of the firm which is unconnected with the appointment.

Most disputes can be resolved amicably however in the event that you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the Insolvency Service Complaints Gateway. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 1 City Walk, Leeds, LS11 9DA, you can also make a submission of your complaint online available at [www.gov.uk/complain-about-insolvency-practitioner](http://www.gov.uk/complain-about-insolvency-practitioner)

### **EU REGULATIONS**

The Company's centre of main interest was in Dock Road, Port Talbot, Swansea, SA13 1RS, this was also the former registered office of the company, and therefore it is considered that the EU Regulations will apply. These proceedings are main proceedings as defined in Article 3 of the EU Regulation.

### **CONCLUSION**

The administration of the case will be continuing to finalise the following outstanding matters that are preventing this case from being closed:

- Obtain fee approval from creditors to draw Liquidator's Remuneration

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



**J.M Evans BSc FCA FABRP**  
**Liquidator**

Date: 21<sup>st</sup> August 2020

Appendix I

**Sledhead Custom Cycles Limited - In Creditors Voluntary Liquidation**  
**Liquidator's Abstract of Receipts & Payments**

**From 01 August 2019 To 31 July 2020**

<b>S of A £</b>		<b>As Previously Reported</b>	<b>01/08/19 to 31/07/20</b>	<b>Total £</b>
<b>RECEIPTS</b>				
2,500.00	Plant & Machinery	20.00	1,270.00	1,290.00
NIL	Cash at Bank	NIL	2,094.03	2,094.03
1,000.00	Cash in Hand	1,000.00	NIL	1,000.00
<u>3,500.00</u>		<u>1,020.00</u>	<u>3,827.75</u>	<u>4,384.03</u>
<b>PAYMENTS</b>				
	Statement of Affairs Fee	(2,000.00)	NIL	(2,000.00)
	Statutory Advertising	NIL	(248.60)	(248.60)
	Courier Charges	(219.99)	NIL	(219.99)
	Specific Bond	NIL	(70.00)	(70.00)
	Case Management Fee	NIL	(110.00)	(110.00)
		<u>(2,619.99)</u>	<u>(492.32)</u>	<u>(2,648.59)</u>
<b>FUNDS HELD IN NON INTEREST BEARING ACCOUNT</b>		<u>(1,599.99)</u>	<u>3,335.43</u>	<u>1,735.44</u>

## Appendix II

### Detailed list of work undertaken for Sledhead Custom Cycles Limited - In Creditors' Voluntary Liquidation for the review period 1 August 2019 to 31 July 2020

Below is detailed information about the tasks undertaken by the Liquidator.

General Description	Includes
<b>Statutory and General Administration</b>	
Statutory/advertising	Filing of documents to meet statutory requirements including annual receipts and payments accounts Annual corporation tax returns Bonding the case for the value of the assets
Document maintenance/file review/checklist	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 administration	Bank account reconciliations Maintenance of the estate cash book
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Pension scheme	Identifying whether there is a pension scheme S120 Search
Books and records / storage	Dealing with records in storage Sending job files to storage
Reports	Preparing annual progress report
<b>Investigations</b>	
SIP 2 Review	Collection and making an inventory of company books and records Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reviewing company's records Preparation of deficiency statement Review of specific transactions and liaising with directors regarding certain transactions Liaising with major creditors about further action to be taken
Statutory reporting on conduct of director	Preparing statutory investigation reports Liaising with Insolvency Service Submission of report with the Insolvency Service Preparation and submission of supplementary report Assisting the Insolvency Service with its investigations Providing requested documentation to the Insolvency Service Scheduling Bank transactions, bank withdrawals, timing of deposits, creditor complaints and money transactions made by each creditor (for custom built) bikes paid for but goods not received. Completion of online directors' conduct report to Insolvency Service
<b>Realisation of Assets</b>	
Cash in Hand	Receive cash in hand from director Updating our records after funds received
Plant and Equipment	Marketing of items on Gumtree Liaising interested parties Reviewing asset listings
Cash at Bank	Corresponding with Barclays Bank Updating our records after funds received
<b>Creditors</b>	
Creditor	Receive and follow up creditor enquiries via telephone/email

# Annual Progress Report of Sledhead Custom Cycles Limited in Creditors Voluntary Liquidation

General Description	Includes
Communication	Review and prepare correspondence to creditors and representatives via facsimile, email and post Assisting employees to pursue claims via the RPO
Dealing with proofs of debt	Receipting and filing POD when not related to a dividend Corresponding with RPO regarding POD when not related to a dividend
Processing of Creditors questions put to director	Preparation of creditors questionnaire forms – matters put to Mr Jones Collating documentation provided by individual creditors – attaching to each individuals questionnaire form. Arranging meeting with Director, Mr Jones Attending meeting with Mr Jones to put creditors questions to him. Logging the responses from Mr Jones to all questions raised by each individual creditor Responding to each individual creditor by correspondence and email providing them with the responses from Mr Jones to the questions they raised.

**Appendix III**

**H R HARRIS & PARTNERS**

**Insolvency report, date range 01/08/2018 to 31/07/2020**

**Client: S1513**

**Sledhead Custom Cycles Limited**

<u>Work Type</u>	<u>Partner</u>	<u>Manager</u>	<u>Senior Professionals</u>	<u>Assistants &amp; Support</u>	<u>Total Time</u>	<u>Charge</u>	<u>Avg. hr</u>
Administration and planning			36:12	57:18	93:30	8234.00	8.
Creditors			23:30	4:42	28:12	3337.00	11.
Investigations	0:24		13:54	7:30	21:48	2393.00	10.
Realisation of assets	0:12		3:48	5:24	9:24	886.00	9.
	0:36	0:00	77:24	74:54	152:54	14850.00	9
<b>Total time costs for period</b>						<b>£14,850.00</b>	



# Annual Progress Report of Sledhead Custom Cycles Limited in Creditors Voluntary Liquidation

## Appendix IV

### Time costs summary for period, cumulative & comparison with estimate for Sledhead Custom Cycles Limited - In Creditors Voluntary Liquidation

Work category	Actual time costs incurred during the Review Period			Total time costs incurred to date		
	Number of hours	Average hourly rate £ per hour	Total time costs £	Number of hours	Average hourly rate £ per hour	Total time costs £
Administration (including statutory reporting)	47:24	84.03	3983.00	93:30	88.06	8234.00
Realisation of assets	5:24	70.00	392.00	9:24	94.26	886.00
Creditors	0:54	60.00	54.00	28:12	118.33	3337.00
Investigations	-	-	-	21:48	109.77	2393.00
<b>TOTAL</b>	<b>53:54</b>	<b>82.17</b>	<b>4429.00</b>	<b>152:54</b>	<b>97.12</b>	<b>14850.00</b>

### Current Charge-out Rates for the firm – Period 2018 to 2020

#### Time charging policy

Support staff do charge their time to each case.

Support staff include cashier, secretarial

The minimum unit of time recorded is 6 minutes.

Staff	Charge out Rates for 2018 (£)	Charge out Rates for 2019 (£)	Charge our rates for 2020(£)
Insolvency Practitioner/Partners	340.00	340.00	340.00
Manager	180.00	180.00	180.00
Senior Administrator	130.00	130.00	130.00
Assistant and support staff	60.00-110.00	60.00-110.00	60.00-110.00
Secretarial/Administration support staff	Nil	Nil	Nil



## Appendix V

### Expenses summary for period, cumulative & comparison with estimate for Sledhead Custom Cycles Limited - In Creditors' Voluntary Liquidation

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

Expenses	Actual expenses incurred in the Review Period £	Actual expenses incurred to date £
<b>Category 1 Expenses</b>		
Statutory Advertising	£248.60	£248.60
Courier Charges re Transport of Plant & Machinery to H R Harris & Partners	-	£219.99
Specific Bind	£70.00	£70.00
Case Management Fee	£110.00	£110.00
<b>TOTAL</b>	<b>£492.32</b>	<b>£648.60</b>
<b>Category 2 Expenses</b>		
<b>No category 2 disbursements incurred to date.</b>		