

In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986.

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

TUESDAY



A22 \*A7KJGR34\* 11/12/2018 #125  
COMPANIES HOUSE

### 1 Company details

Company number 0 6 5 1 0 3 4 4

Company name in full WIGS AND WARPAINT LIMITED

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

### 2 Liquidator's name

Full forename(s) ANTHONY

Surname SARGEANT

### 3 Liquidator's address

Building name/number c/o A J SARGEANT & CO LTD

Street 108 RANBY ROAD

Post town SHEFFIELD

County/Region SOUTH YORKS

Postcode S 1 1 7 A L

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	d 0	d 7	m 1	m 2	y 2	y 0	y 1	y 7
To date	d 0	d 6	m 1	m 2	y 2	y 0	y 1	y 8

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X

*Sefergeant*

X

Signature date

d 0	d 6	m 1	m 2	y 2	y 0	y 1	y 8
-----	-----	-----	-----	-----	-----	-----	-----

## **WIGS AND WARPAINT LIMITED – In Creditors' Voluntary Liquidation**

### **LIQUIDATORS' PROGRESS REPORT TO CREDITORS AND MEMBERS**

**For the year ending 6 December 2018**

#### **STATUTORY INFORMATION**

Company Name: Wigs and Warpaint Limited  
Registered office: 108 Ranby Road, Sheffield S11 7AL  
Former registered office: 11 West One Plaza, Sheffield S1 4JB  
Company no. 06510344  
Liquidator: Anthony Sargeant  
Date of appointment: 7 December 2017

#### **LIQUIDATORS' ACTIONS SINCE APPOINTMENT**

Since my appointment I have been arranging for a valuation and sale of the assets which was reported previously. I have also been involved in obtaining the records to establish a claim against the Directors for an overdrawn loan account. Once this was established and agreed, monthly repayments have been made which are reflected in the receipts and payments account attached to this report. Further payments are due over the next twelve months following which a small dividend should be payable to creditors. There is certain work that I am required by the insolvency legislation to undertake work in connection with the liquidation that provides no financial benefit for the creditors. A description of the routine work undertaken since my appointment as Liquidator is contained in Appendix 1.

#### **RECEIPTS AND PAYMENTS**

My Receipts & Payments Account for the period from 7 December 2017 to 6 December 2018 is attached at Appendix 2. The balance of funds are held in an interest bearing

#### **ASSETS**

A connected party sale was reported to creditors in my first report following my appointment on 7 December 2017. The Directors loan account has taken a considerable amount of work to establish and reconcile from bank statements and company records. The loan account was agreed on the basis of what would be recoverable should the directors be adjudged bankrupt. A figure of £32,388 was agreed as payable of which £16,391 has been paid to date.

#### **LIABILITIES**

##### Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company has granted a fixed and floating charge to Lloyds Bank Plc dated 18 November 2010. A payment of £1,000 has been paid to the Bank under its fixed charge on goodwill. This is reflected in the receipts and payments account.

##### Preferential Creditors

*The statement of affairs did not anticipated any preferential creditors and no claims have been received.*

### Crown Creditors

The statement of affairs included £250,00 owed to HMRC. HMRC's final claim of £359,395 has been received. This contains significant increases to reflect surcharges, penalties and interest for unpaid Corporation Tax following an inspection during 2017.

### Non-preferential unsecured Creditors

The statement of affairs included 16 creditors non-preferential unsecured creditors with an estimated total liability of £347,605. I have received claims from 5 creditors at a total of £426,427. I have not received claims from 11 creditors with original estimated claims in the statement of affairs of £84,605. The main reason for the increase in claims is due to the HMRC claim following their investigation during 2017.

## **DIVIDEND PROSPECTS**

### **Secured creditors**

It is likely that a payment in full will be made to Lloyds Bank under their floating charge. This is a relatively small outstanding balance of approximately £3,000.

### **Preferential creditors**

There are no preferential claims to date.

### **Non-preferential unsecured creditors**

As previously advised, the Company gave a floating charge to Lloyds Bank Plc and the prescribed part provisions will apply. On the basis of realisations to date the floating charge creditor of £4,500 will be paid in full and the balance from future realisations will be used to pay a small dividend to unsecured creditors.

## **INVESTIGATION INTO THE AFFAIRS OF THE COMPANY**

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. In particular I investigated the last three years bank statements to establish an overdrawn directors loan account. As a result of this investigation, it became apparent that the directors were insolvent both because of the loan account of £291,000 but also due to personal guarantee and personal debts amounting to over £290,000. As a result I agreed a settlement of the loan account based upon what would be recoverable in bankruptcy. Additionally, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 3 years prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the liquidation and made enquiries about the reasons for the changes.

Within three months of my appointment as Liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

## **PRE-APPOINTMENT REMUNERATION**

The creditors previously authorised the payment of a fee of £6,000 plus disbursements and VAT for my assistance with preparing the statement of affairs and arranging the decision procedure for creditors to appoint a liquidator. Of this £2,000 was to be paid to J A White & Co for their assistance with preparing the statement of affairs. The fee for preparing the statement of affairs and arranging the decision procedure for creditors to appoint a liquidator was paid from first realisations on appointment and is shown in the enclosed receipts and payments account.

## **LIQUIDATOR'S REMUNERATION**

My remuneration was approved on a time cost basis based on a fees estimate of £19,200. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors. My total time costs to 6 December 2018 amount to £17,005, representing 80.9 hours work at a blended charge out rate of £210 per hour. A detailed schedule of my time costs incurred to date and since my appointment on 7 December 2017 compared with my original fees estimate is attached as Appendix 2.

As at 6 December 2018 I do not anticipate that the total time costs I will incur in this matter in respect of the categories of work for which I am being remunerated on a time cost basis will exceed the total estimated remuneration I set out in my fees estimate when my remuneration was authorised by the creditors.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Liquidators' Fees' also published by R3, together with an explanatory note are available at the R3 website.

## **LIQUIDATOR'S EXPENSES**

I have incurred expenses to 7 December 2018 of £289.80 for statutory advertising, £150 in Valuers fees and £1,400 for my insurance bond. I do not anticipate any further expenses.

## **FURTHER INFORMATION**

An unsecured creditor may, with the permission of the Court, or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the Liquidator's remuneration and expenses within 21 days of their receipt of this 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 unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Liquidator as being excessive, and/or the basis of the Liquidator's remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about A J Sargeant & Co Limited can be found in the attached summary sheet.

## **SUMMARY**

The Liquidation will remain open until the remainder of the directors loan account has been fully resolved. I estimate that this will take approximately 12 months and once resolved the Liquidation will be finalised and our files will be closed. If creditors have any queries regarding the conduct of the Liquidation, or if they want hard copies of any of the documents made available on-line, they should contact me as above.

Yours faithfully



**Anthony Sargeant**  
**Liquidator**

## **Appendix 1**

### **1. Administration**

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up case files
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Convening and holding general meetings of creditors and members (as applicable).
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a quarterly basis.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing annual progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

### **2. Creditors**

- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.
- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend.
- Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims.

### **3. Investigations**

- Submit an online return on the conduct of the directors as required by the Company Directors Disqualification Act.
- Investigating and collecting a directors loan account

## **PROVISION OF SERVICES REGULATIONS SUMMARY SHEET FOR A J SARGEANT & CO LIMITED**

The following information is designed to draw the attention of interested parties to the information required to be disclosed by the Provision of Services Regulations 2009.

### **Licensing Body**

Anthony Sargeant is licensed to act as Insolvency Practitioners in England & Wales by the ICAEW.

### **Rules Governing Actions**

All IPs are bound by the rules of their professional body, including any that relate specifically to insolvency. The rules of the professional body that licences Anthony Sargeant can be found at ICAEW - <http://www.icaew.com/en/members/regulations-standards-and-guidance/insolvency/insolvency-regulations-and-guidance>; In addition, IPs are bound by the Statements of Insolvency Practice (SIPs), details of which can be found at <https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice>.

### **Ethics**

All IPs are required to comply with the Insolvency Code of Ethics and a copy of the Code can be found at ICAEW - <http://www.icaew.com/en/technical/insolvency/insolvency-regulations-and-standards>;

### **Complaints**

At A J Sargeant & Co Limited we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of a particular case then in the first instance you should contact the IP acting as office holder.

If you consider that the IP has not dealt with your comments or complaint appropriately you should then put details of your concerns in writing]. This will then formally invoke our complaints procedure and we will endeavour to deal with your complaint as a matter of urgency.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at [www.gov.uk/complain-about-insolvency-practitioner](http://www.gov.uk/complain-about-insolvency-practitioner); or you can email [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk); or you may phone 0300 678 0015 - calls are charged at up to 10p per minute from a land line, or for mobiles, between 3p and 55p per minute if you're calling from the UK.

### **Professional Indemnity Insurance**

A J Sargeant & Co Limited's Professional Indemnity Insurance is provided by Barbican Protect Limited of Kings House, 42 King Street West, Manchester M3 2NU. This professional indemnity insurance provides worldwide coverage, excluding professional business carried out from an office in the United States of America or Canada, and any action for a claim brought in any court in the United States of America or Canada.

### **Data Protection**

Please note that under General Data Protection Regulations, A J Sargeant & Co Limited may hold your data for use in its legitimate work as insolvency practitioners. If you would like a copy of the Privacy Notice and Policy, please contact me at; [tony@ajsargeant.co.uk](mailto:tony@ajsargeant.co.uk)

### **VAT**

A J Sargeant & Co Limited is registered for VAT under registration no. 270 4813 13

**WIGS AND WARPAINT LIMITED**

**Liquidator's SIP 9 time cost schedule**

**Liquidator's time cost schedule from 07.12.2017 to 6 12.2018**

<u>Classification of work function</u>	<u>IP</u>	<u>Admin</u>	<u>Total</u>	<u>Rate £</u>	<u>Time Cost £</u>	<u>Av. Hourly Rate</u>
Administration	39.7		28.2 11.5	200 250	5640 2875	
Case Specific	0.0		0.0	200	0	
Creditors	8.2		3.2 5.0	200 250	640 1250	
Realisation	17.0		17.0	200	3400	
Investigations	16.0		16.0	200	3200	
other	0.0		0.0	200	0	
	<u>80.9</u>	<u>0.0</u>	<u>80.9</u>		<u>17005</u>	<u>210</u>
<b>Total Fees claimed</b>					<b>-10416</b>	
<b>Total Disbursements claimed</b>					<b>-1689</b>	



**CASE NAME: WIGS AND WARPAINT LIMITED****LIQUIDATOR'S RECEIPTS & PAYMENTS ACCOUNT  
PERIOD FROM 7 DECEMBER 2017 TO 6 DECEMBER 2018**

<b>S of A</b>	<b>RECEIPTS</b>	<b>To 6.12.18</b>	<b>Future</b>	<b>Total</b>
4,000.00	ASSET	4,000.00		4,000.00
1,000.00	GOODWILL	1,000.00		1,000.00
	CASH AT BANK	1,250.00		1,250.00
40,000.00	LOAN ACCOUNT	16,391.05	15996.95	32,388.00
	INTEREST	1.90		1.90
	VAT	800.00		800.00
	VAT REFUNDS	794.68		794.68
<u>45,000.00</u>		<u>24,237.63</u>	<u>15996.95</u>	<u>40,234.58</u>
<b>PAYMENTS</b>				
	STAT ADVERT	(289.80)		(289.80)
	BOND	(1,400.00)		(1,400.00)
	VALUATION	(150.00)		(150.00)
	FIXED CHARGE	(1,000.00)		(1,000.00)
	FLOATING CHARGE	-	(4500.00)	(4,500.00)
	SOA Fee	(6,000.00)		(6,000.00)
	LIQ FEE	(10,416.35)	(8783.65)	(19,200.00)
	VAT	(3,354.68)		(3,354.68)
		<u>(22,610.83)</u>	<u>(13283.65)</u>	<u>(35,894.48)</u>
	<b>BALANCE</b>	<u><b>1,626.80</b></u>	<u><b>2713.30</b></u>	<u><b>4,340.10</b></u>