

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1	Company details		→ Filling in this form Please complete in typescript or in bold black capitals.
Company number	1 1 8 9 8 2 6 2		
Company name in full	City Clothing Limited		
2	Liquidator's name		
Full forename(s)	George		
Surname	Michael		
3	Liquidator's address		
Building name/number	601 High Road Leytonstone		
Street			
Post town			
County/Region	London		
Postcode	E 1 1 4 P A		
Country			
4	Liquidator's name ①		
Full forename(s)	Harjinder		① Other liquidator Use this section to tell us about another liquidator.
Surname	Johal		
5	Liquidator's address ②		
Building name/number	601 High Road Leytonstone		② Other liquidator Use this section to tell us about another liquidator.
Street			
Post town			
County/Region	London		
Postcode	E 1 1 4 P A		
Country			

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Period of progress report

From date	^d 1	^d 5	^m 1	^m 1	^y 2	^y 0	^y 2	^y 2
To date	^d 1	^d 4	^m 1	^m 1	^y 2	^y 0	^y 2	^y 3

7

Progress report

☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X



X

Signature date

^d 1	^d 0	^m 0	^m 1	^y 2	^y 0	^y 2	^y 4
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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

Company name **Ashcrofts**

Address

601 High Road Leytonstone

Post town

County/Region **London**

Postcode

E 1 1 4 P A

Country

DX

Telephone

020 8556 2888



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

Your Ref:

Our Ref: C204

10 January 2024

TO: ALL MEMBERS & CREDITORS

Dear Sir/Madam,

City Clothing Limited (Creditors' Voluntary Liquidation ("CVL"))

As you are aware, Harjinder Johal and I were appointed as Joint Liquidators of the Company on 15 November 2022.

I enclose for your attention a copy of the progress report for the first year of the liquidation. This is an insolvent liquidation and further information on creditors rights in insolvency and the insolvency process can be found at <http://www.creditorinsolvencyguide.co.uk/>. This site is provided by R3, the professional trade body for Insolvency Practitioners.

Information about the basis of charging fees in a CVL is also available at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/>.

Communication

For administrative ease, you are able to receive statutory correspondence by email if you would prefer. Where this is the case, kindly inform this office in writing.

Kindly keep me informed of any changes to address or other contact details during my administration of the Company's affairs.

Distributions

As detailed in the receipts and payments account, there will be insufficient funds available to enable a dividend to be paid to the unsecured creditors.

Yours faithfully,


George Michael
Joint Liquidator

Enc: Progress Report



Harjinder Singh Johal FIPA FABRP and George Nicholas Michael FIPA FABRP are authorised to act as Insolvency Practitioners by the Insolvency Practitioners Association (IPA) under office holder numbers 9175 and 9230 respectively and do so without personal liability.

When acting as Administrator(s), Insolvency Practitioners manage the affairs, business and assets of the company, acting as agents of the company.

Insolvency Practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to insolvency appointments.
Ashcrofts Limited t/a Ashcrofts is registered with the Information Commissioner's Office (ICO) under registration number ZA272152.

The firm's privacy policy can be found on its website.

Ashcrofts Limited t/a Ashcrofts is registered in England and Wales (registered number 06375972) Registered office: 601 High Road Leytonstone, London, E11 4PA.



**Insolvency
Practitioners
Association**

CITY CLOTHING LIMITED ("the Company")
IN CREDITORS' VOLUNTARY LIQUIDATION ("CVL")

Annual Progress Report to the Members and Creditors
Pursuant to Section 104A of the Insolvency Act 1986

For the period 15 November 2022 to 14 November 2023

Contents

- Progress of the Liquidation
- Receipts and Payments
- Realisation of Assets
- Investigations
- Creditors' Claims and Dividends
- Liquidators Remuneration
- Liquidators' Expenses
- Creditors Rights
- Conclusion

Appendices

Receipts and Payments Account for the period from 15 November 2022 to 14 November 2023

Appendix I Statutory Information

Appendix II Additional Information on Charge Out Rates and Expenses

Information about the way that we will use, and store personal data on insolvency appointments can be found at [https://www.cityclothing.co.uk/insolvency-appointments](#). If you are unable to download this, please contact us and a hard copy will be provided to you free of charge.

Progress of The Liquidation

This report is to provide creditors with an update on the progress made in the liquidation during the period from 15 November 2022, the date of appointment, to 14 November 2023 ("the review period").

City Clothing Limited was incorporated on 22 March 2019. The company traded in childrens' and mens' retail clothing from premises at Unit 18, 111 High Street, Barnet, EN5 5XY. The company ceased trading on 31 July 2022. The liquidators disclaimed the lease of the trading premises on 15 January 2023.

The director's Statement of Affairs indicated realisable assets of £3,500, secondary preferential creditors of £22,095.17 and unsecured creditors of £94,889.29 without any prospect of a dividend.

Additional investigations have been undertaken in respect of a Bounce Back Loan the company obtained to establish how the funds had been used our investigations are continuing.

We are currently waiting for post liquidation VAT repayments to be processed.

We shall continue our administration of this liquidation and hope to finalise the outstanding matters that are preventing this case from being closed.

Receipts and Payments Account

I attach a copy of our receipts and payments account for the review period, please note that the figures are shown net of VAT.

Work undertaken in period:

Details of work undertaken is given in the table below. I would comment on the following specific aspects:

Realisation of Assets

Cash in Hand

The director's statement of affairs estimated cash in hand to realise £3,500. This was received from the director.

VAT Repayment

This relates to a repayment from H M Revenue & Customs in respect of liquidation expenses.

Investigations

The joint liquidators have a statutory obligation under the Company Directors Disqualification Act 1986 to consider the directors conduct and submit a report and/or return to the Department for Business, Energy & Industrial Strategy (formerly the Department for Business, Innovation & Skills). This report remains confidential however I can confirm that we have completed our investigations and discharged our duties under the act.

Creditors' Claims and Dividends

We have received the following claims in the liquidation so far:

<u>Preferential</u>	<u>Secondary- preferential</u>	<u>Non-preferential</u>	<u>Total</u>
<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Nil	Nil	£64,081.09	£64,081.09
===	===	=====	=====

Secured Creditors

There are no charges registered against the Company and therefore the provisions relating to the prescribed part for creditors do not apply in this case.

Secondary-preferential Creditors

Claims in this category being a secondary preferential creditor for HMRC in relation to certain types of taxes such as unpaid PAYE and VAT.

The statement of affairs indicated a potential claim of approximately £22,095.17. No claim has been received to date from HMRC in this respect.

Unsecured Creditors

The claims from five unsecured creditors were acknowledged when received. However, as there is no likelihood of a dividend being available to the unsecured creditors, these claims have not been formally agreed.

Pre-appointment Fee

The pre-appointment fee of £3,000, plus VAT, for assisting the directors in preparing the Statement of Affairs and convening a creditors decision procedure to nominate a liquidator were approved by creditors at the Virtual Meeting held on 15 November 2022. These costs have been paid in full.

Liquidators Remuneration

Details of our remuneration are set out below. You may also find it useful to read "A guide to Liquidators' fees" which can be downloaded from the R3 website at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/guide-to-liquidators-fees/>.

Alternatively, please contact our office and we will arrange for a hard copy to be sent to you, free of charge if you would prefer.

Fixed Fee Basis

We were authorised to draw a fixed fee of £15,000 plus VAT at the Virtual Meeting of Creditors held on 15 November 2022, for our work in dealing with the liquidation.

To date we have drawn fees of £192.00 on account of our fees. Unless assets are recovered as a result of our investigation work, no further fees will be drawn.

A copy of our charge out rates and information on the recovery of expenses are set out in Appendix II.

A description of the routine work undertaken in the liquidation to 14 November 2023 is as follows:

General Description	Includes
Admin & Planning	<p>This work will not necessarily bring any financial benefit to creditors but is required on every case by statute and contributes to the efficient and effective administration of the estate.</p> <p>Statutory filings with the Registrar of Companies of the notice of appointment, statement of affairs, change of registered office and resolutions. Dealing with the company's premises and where necessary the disclaim of the lease. Advertising in accordance with statutory requirements. Dealing with post liquidation VAT issues. Maintaining physical case files and electronic case details on IPS. Obtaining and monitoring bonding. Pension checks, regulatory reporting and auto-enrolment cancellation. Updating checklists and diary management system.</p>
Cashiering	<p>Open liquidation bank account. Dealing with receipts into and payments out of the bank account. Monthly bank statement reconciliations.</p>
Creditors	<p>This work will not necessarily bring any financial benefit to creditors unless a distribution is anticipated, however, this work is required by statute.</p> <p>Creditor correspondence and maintaining creditor information on IPS and case files. Responding to enquiries from creditors regarding the liquidation and submission of their claims.</p>
Investigations	<p>This work may not necessarily bring any financial benefit to creditors unless these investigations reveal potential asset recoveries that I can pursue for the benefit of creditors.</p> <p>Sending out questionnaires to the company's directors as part of the Company Director Disqualifications Act (CDDA) work the liquidator is obligated to perform. Correspondence to the director regarding the books and records. Listing books and records received. Identify the company's bank accounts. Obtained and reviewed copy bank statements for the company's bank. Schedule the level of account balance at each month end. List standing orders and direct debits. Bank analysis and various reports. Filing a statutory return to the Department of Business, Energy & Industrial Strategy (BEIS) under the CDDA legislation. Ongoing investigations and correspondence to the director regarding the bounce back loan.</p>

Liquidators Expenses

The following category 1 expenses were incurred and have been paid:

<u>Expenses</u>	<u>Amount incurred</u>
Indemnity Bond	£50.00
Statutory Advertising	£258.00

Matters still to be dealt with

- Refund of VAT
- Conclusion of our investigations
- Statutory closing requirements

Creditors' Rights


Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors), may request in writing that the Liquidator provides further information about their remuneration or expenses which have been itemised in this progress report.

Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors), may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged, or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

Conclusion

The joint liquidators will provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation unless we have concluded matters prior to this. In which case we will write to all creditors with our final account prior to dissolution.

If you wish to discuss the issues raised in this report or require any additional information, please contact this office.



George Michael
Joint Liquidator

Encs:

**City Clothing Limited Trading As: City Clothing
(In Liquidation)**

JOINT LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

	Statement of affairs £	From 15/11/2022 To 14/11/2023 £	From 15/11/2022 To 14/11/2023 £
RECEIPTS			
Cash in Hand	3,500.00	3,500.00	3,500.00
VAT Repayment		617.20	617.20
		4,117.20	4,117.20
PAYMENTS			
Specific Bond		50.00	50.00
Pre Appointment Fees		3,000.00	3,000.00
Liquidators Fees		192.00	192.00
Statutory Advertising		258.00	258.00
HM Revenue & Customs	(22,095.17)	0.00	0.00
Trade & Expense Creditors	(40,635.90)	0.00	0.00
Directors	(12,270.00)	0.00	0.00
Banks/Institutions	(41,983.39)	0.00	0.00
Ordinary Shareholders	(100.00)	0.00	0.00
Input VAT		617.20	617.20
		4,117.20	4,117.20
BALANCE - 14 November 2023			0.00

Appendix I

Statutory Information

Company Details

Company Name	City Clothing Limited
Trading as:	City Clothing
Principal Activity:	Childrens and Mens Retail Clothing
Registered office:	601 High Road Leytonstone London E11 4PA
Former Registered Office:	Unit 18 111 High Street Barnet EN5 5XY
Principal Trading Address:	Unit 18 111 High Street Barnet EN5 5XY
Registered number:	11898262
Contact Details for Case:	Amrit Johal Tel: 020 8556 2888 Email: a.johal@ashcrofts.co.uk

Appointment Details

Joint Liquidators:	Harjinder Johal IP Number: 9175 George Michael IP Number: 9230
Address:	Ashcrofts, 601 High Road, Leytonstone, London, E11 4PA Tel: 020 8556 2888 Email@ info@ashcrofts.co.uk
Date of Appointment:	15 November 2022
Actions of Joint Liquidators:	Any act required or authorised under any enactment to be done by a Liquidator may be done by either or both of the Liquidators acting jointly or alone

Ashcrofts

CHARGE OUT RATES & POLICY REGARDING THE RECOVERY OF EXPENSES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9

The following information applies to all appointments of Insolvency Practitioners of Ashcrofts to act as any of the following:-

- Liquidator, Receiver, Administrator or Administrative Receiver of a Limited Company
- Trustee in Bankruptcy
- Supervisor of an Individual, Company or Partnership Voluntary Arrangement
- Administrator under the Insolvent Estates Order
- Monitor

When acting as Nominee, the provisions of the Insolvency Act require that the amount of the fees payable to the Office-holder be specified within the Debtor's proposals. Such fees will nevertheless be fixed to take account of the Office-holder's expected time costs arising as referred to below.

1. POLICY ON FEES

Fees are either fixed by reference to time costs, or as a percentage of realisations and distributions, or a set amount or any combination of all three. Where fees are agreed on a time cost basis, rates may be varied from time to time, at the sole discretion of Ashcrofts, and such changes will be notified in retrospect with each report to Creditors. It is the policy of Ashcrofts to use as junior grade of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum.

1.1. Charge-out rates

Where the approved basis of remuneration is on a time costs basis, work undertaken on cases is recorded in 6 minute units. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. Details of charge-out rates effective from January 2021 are as follows:

	Rate from 1 April 2022
	Per Hour (£)
Directors/Consultant	395
Manager	300
Administrator	180-210
Cashier	140 -395
Assistant	140

Rates vary between individuals, reflecting experience and qualification. Please note that support staff time is charged to the case at the rate indicated where work undertaken is directly attributable to the case. Rates are subject to review and may increase periodically. Any change in rates will be advised to creditors.

For further information on the manner in which an Office Holder's fees may be fixed, please refer to the guidance notes in relation to fees which can be downloaded from <https://www.r3.org.uk/technical-library/en-gb/land-wales/technical-guidance/fees/more/29114/article/1/guide-to-liquidators-fees/>.

1.2. Fixed and % fees

Where fees are authorised and approved as a fixed fee and/or % fee this fee is to cover the costs incurred by the Insolvency Practitioner and his staff and does not include any additional direct costs. Once agreed, the fixed or percentage fee can only be increased where there has been a material and substantial change in the circumstances in the case. If this is not the case, any request for an increase can only be approved by the Court.

2. RECOVERY OF EXPENSES

An expense is a directly attributable cost to the estate which is neither an office holder's remuneration nor a distribution to creditors or members. Expenses can include disbursements, payments met by the office holder and subsequently recovered from the estate, and are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

Category 1 expenses are payments to independent third parties and do not have to be approved prior to payment, but when reporting to the liquidation committee and creditors during the course of the liquidation the actual expenses incurred will be compared with the original estimate provided with any material difference explained (e.g. where legal costs rise due to escalated recovery action). This will include any case related travel or subsistence properly incurred by staff working on this case and re-imbursed to the firm as a disbursement.

Category 2 expenses are payments to associates, or parties with a professional or personal relationship, or payments which have an element of shared costs. These expenses require approval in the same manner as an office holder's remuneration. Where it is necessary for staff to travel from the office in connection with the administration of the estate, business mileage may be charged at the HMRC standard rate of 45p per mile.

An estimate of expenses (including disbursements) is provided to creditors when the basis of the office-holder's fees are approved.

The expenses recovered by Ashcrofts are as follows:-

Expenses	Charge
Category 1	
Bond	At cost
Statutory Advertising	At cost
External postage	At cost
External storage	At cost
Other travel charges are recharged at 100% of the fare/cost incurred by the office holder, his staff or relevant party	At cost in accordance with internal policy
Category 2	
Mileage (where any staff or office holder of Ashcrofts utilises their own vehicle)	45p/mile

2.1. Professional Advisors

Professional advisers are selected with regard to the specific requirements of the case and based upon the office-holders professional judgement of their experience and ability to perform the necessary work, the complexity and nature of the assignment and the basis of the fee arrangement. The Office-holder is obliged to ensure that such advice or work is warranted and that the advice or work reflects the best value and service for work undertaken.

Expenses incurred in respect of specialist advisers are subject to independent assessment prior to engagement and reported in accordance with current guidance. Unless a significant personal or professional relationship, that may give rise to a potential threat or conflict, has been identified with any Advisor their costs are regarded as category 1 expenses.

2.2. The use of Subcontractors

The liquidator may sub-contract some of the work they are required to undertake to specialist providers where the Liquidator is satisfied that taking this approach ensure that the best value and service is provided to creditors because specific expertise is required and it is more cost effective. The rates charged are comparable with the market rate for such services and the work to be undertaken, the need for the work and the cost are reported to creditors.