

**In the Matter of Adjamiba Clubwear Limited
And in the Matter of the Insolvency Act and Rules 1986**

Company Number: 06166072
Trading As: Adjamiba Clubwear Limited
Registered Office: Adjamiba House, Holmfield Industrial Estate, Weston-Super-Mare,
Somerset, BS24 7BE
Trading Address: 19 Orchard Street, Weston-Super-Mare, BS23 1RG

In accordance with Rule 4.106, I, Eric Walls of KSA Group Limited, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, give notice that on 26 August 2010 I was appointed joint liquidator of Adjamiba Clubwear Limited by resolutions of members and creditors.

Notice is hereby given that the creditors of the above named company, which is being voluntarily wound up, are required, on or before 31 January 2011 to send in their full forenames and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned E Walls (IP No. 9113) and W Harrison (IP No. 9703) of KSA Group Limited, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, Alternative Contact: E Walls, insolvency@ksagroup.co.uk, 0191 482 3343, the liquidators of the said company, and, if so required by notice in writing from the said liquidators, are, personally or by his Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution.

Dated: 22 October 2010

E Walls
Joint Liquidator of Adjamiba Clubwear Ltd

**Report To a Meeting Of Creditors Held Pursuant To Section 98 Of The Insolvency Act 1986
At The Beachlands Hotel, 17 Uphill Road North, Weston-Super-Mare, Somerset,
BS23 4NG
On 19 October 2010 At 1.00 pm**

1. Statutory Information

1.1 Detailed below is information extracted either from the statutory books of the company or from records held by the Registrar of Companies.

Previous Names:	None known						
Company Number:	06166072						
Date of Incorporation:	16/03/2007						
Registered Office:	was Adjamiba House, Holmfield Industrial Estate, Weston-Super-Mare, BS24 7BE but recently changed to C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU						
Shareholdings:	100 Ordinary Shares of £1 each, all of which have been issued and fully paid.						
Shareholders:	<table><thead><tr><th></th><th>£1 Ordinary Shares</th></tr></thead><tbody><tr><td>Emma Pook</td><td>50</td></tr><tr><td>Lee Pook</td><td>50</td></tr></tbody></table>		£1 Ordinary Shares	Emma Pook	50	Lee Pook	50
	£1 Ordinary Shares						
Emma Pook	50						
Lee Pook	50						
Directors:	Emma Pook						
Company Secretary:	Emma Pook						
Nature of Business:	Supplier and Manufacturer of Clothing						
Trading Address:	19 Orchard Street, Weston-Super-Mare, BS23 1RG						

2. History of the Company

2.1 The company was incorporated on 16 March 2007 and began trading shortly thereafter. The company operated from Adjamiba House, Holmfield Industrial Estate, Weston-Super-Mare, BS24 7BE.

2.2 The company supplied and manufactured clothing specifically for the adult clubbing market. Originally the director was the sole employee of the company and sold merchandise via the internet. The company developed a good reputation and relied on word of mouth to build on its initial success. The rising demand for products meant the director was able to take on more employees to keep up with the orders. The director believed the company was unique as they made all their clubbing garments to order and match exact requirements. The company continued to be successful and gradually grew as the director took on more staff, which included 9 employees.

2.3 The company began experiencing problems when it was discovered the original accountant acting on their behalf had failed to meet filing date deadlines and did not fully inform the director of her tax obligations or when returns or accounts had to be submitted. Further to

this the accountant's bookkeeper failed to correctly carry out duties required, which resulted in heavy penalties and fines for late payment of HMRC tax demands.

- 2.4** The company's difficulties were further compounded by the onset of the economic downturn. Retail sales dropped and the company was struggling to find custom in the niche market it occupied. Despite the decline in income the director continued to operate the company with all 9 members of staff at a large cost to the business.
- 2.5** As the director kept on 9 members of staff the overheads proved too much for the company. The money needed to cover the employees meant the director did not have the funds to pay VAT and Corporation Tax and subsequently fell behind in payments. The director did take action to remedy the situation and made cut backs in the numbers of employees in an attempt to reduce costs. However, this came too late and the company was already technically insolvent.
- 2.6** The director considers that the main reasons for the company's failure were as follows:
1. The failure of the company's previous accountant and bookkeeper;
 2. A reduction in turnover as a result of the economic downturn.

3. Meetings of Members and Creditors

- 3.1** At a meeting of the board of directors held on 30 September 2010 it was agreed that meetings of members and creditors should be summoned for the purposes of placing the company into Creditors Voluntary Liquidation. Notices were signed summoning the meetings for 19 October 2010. The notices were issued to shareholders and creditors on 30 September 2010.
- 3.2** Accordingly, on 19 October 2010 at a meeting of the shareholders, duly convened at The Beachlands Hotel, 17 Uphill Road North, Weston Super Mare, Somerset, BS23 4NG at 12.30 pm resolutions were passed placing the company into Voluntary Liquidation and appointing E Walls, who is licensed to act as an insolvency practitioner by the Insolvency Practitioners Association, liquidator.
- 3.3** Prior to being asked to advise the directors on the affairs of the company the partners and staff of KSA Group Limited had had no material professional relationship with the company, its director or shareholders.

4. Transactions with Associated Companies or Trading Organisations

- 4.1** There are no known associated companies or trading organisations.

5. Extracts from Accounts and other Financial Information

- 5.1** A summary of the company's recent financial history is attached at Appendix 1 to this report.

6. Statement of Affairs

- 6.1** The statement of affairs of the company as at 19 October 2010 has been prepared by the director and is included with this report. The original affidavit accompanying the statement of affairs was sworn by Emma Pook on 19 October 2010. A summary of the statement of affairs is attached to this report, along with accompanying notes, and an estimated deficiency account in respect of the final period of trading.
- 6.2** As a result of The Enterprise Act 2002 the preferential creditor status of HM Revenue and Customs in respect of PAYE, NIC and VAT, was abolished. This change in legislation also introduced provisions for the liquidator to set aside a certain proportion of the company's

net property to deal with the claims of unsecured creditors in advance of the claims of the holder of a floating charge. This is known as the Prescribed Part. **These provisions only apply if a floating charge was created after implementation of The Enterprise Act on 15 September 2003.**

- 6.3** The statement of affairs takes no account of the cost and expenses of the liquidation or of realising the company's assets.

7. Business conducted at the meeting

7.1 A number of creditors attended the meeting and several proxies were received naming the chairman of the meeting as proxy holder.

7.2 The chairman opened the meeting and Eric Walls of KSA Group Ltd, who had been appointed liquidator of the company by the shareholders of Hotdog and Mustard Films Limited, presented a brief report to the meeting and reviewed the statement of affairs of the company which had been drawn up to the date of liquidation on his behalf.

7.3 There being no further issues raised by the creditors the chairman moved to the formal business of the meeting. Accordingly, creditors approved the following resolutions:

- the appointment of E Walls of KSA Group Ltd, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, was confirmed.
- a creditors' committee was not established.

In the absence of a creditors committee:

- the meeting was informed that no monies had yet been paid in respect of the costs of calling the meetings of shareholders and creditors and assisting the directors in the preparation of the statement of affairs. It was agreed that a charge of £4,500 plus VAT plus disbursements would be levied by KSA Group Limited, in respect of these costs.
- it was agreed that liquidator's remuneration would be calculated by reference to time costs incurred by the liquidator and his staff and authorisation was given for the liquidator to draw remuneration on account of those time costs when he felt it was appropriate.
- The liquidator informed the meeting that the current charge out rates for staff likely to deal with matters pertaining to this liquidation were as follows:

	£ per hour
Administrators	35 – 80
Managers	80 – 120
Partners	120 - 225

- It was agreed that all disbursements incurred by the liquidator's firm should be reimbursed at direct cost save in the case of postage, stationery and telephone for which a charge of £7.50 per creditor would be levied, and motor travel where a charge of 40p per mile would be made.
- it was agreed that the level of the liquidator's specific performance bond should be set at £10,000

	Book Value £	Estimated to Realise £
ASSETS		
Plant & Machinery & Goodwill	8,057.00	3,000.00
		<u>3,000.00</u>
LIABILITIES		
PREFERENTIAL CREDITORS:-		
		NIL
		<u>3,000.00</u>
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003		
		NIL
		<u>3,000.00</u>
Estimated prescribed part of net property where applicable (to carry forward)		
		NIL
		<u>3,000.00</u>
DEBTS SECURED BY FLOATING CHARGE		
		NIL
		<u>3,000.00</u>
Estimated prescribed part of net property where applicable (brought down)		
		NIL
		<u>3,000.00</u>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors	37,905.87	37,905.87
		<u>37,905.87</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		
		(34,905.87)
		<u>(34,905.87)</u>
Issued and called up capital		
Ordinary Shareholders	100.00	100.00
		<u>100.00</u>
TOTAL SURPLUS/(DEFICIENCY)		<u><u>(35,005.87)</u></u>



KSA Group Ltd
Adjamiba Clubwear Limited
B - Company Creditors

Unsecured Creditor		
Name	Address	£
First Data Global Leasing	Britannia House, 1st Floor, Christopher Martin Road, Basildon, Essex, SS14 9AA	284.29
HM Revenue & Customs	Insolvency Operations, Queens Dock, Liverpool, L74 4AF	15,077.30
HM Revenue and Customs	Durrington House, Barrington Road, West Sussex, BN12 4SE	21,506.83
UPS	UPS House, Forest Road, Feltham, Middx, TW13 7DY	1,037.45
	Total	<u>37,905.87</u>

Signature _____ Date _____

1. Chattel Assets

- 1.1** Book values attributed to the companies chattel assets in the statement of affairs have been taken from the annual accounts for the year ended 2010 and the evaluations have been provided by the directors

2. Trade and Expense Creditors

- 2.1** Details of amounts due to creditors have been taken from the books and records of the company. Inclusion in the statement of affairs of the company does not constitute agreement that these amounts are, or were at any time, owed by the company and does not entitle a creditor to participate in any future distribution.

3. Costs and Expenses of Liquidation and Asset Realisation

- 3.1** The statement of affairs takes no account of the costs and expenses of the liquidation or realising the assets of the company.

Estimated Deficiency Account
For the period from 1 April 2010 to 19 October 2010.

	£	£
Reserves Balance at 31 July 2010		(33,217)
Amounts written off for the purposes of the statement		
Plant & Machinery & Goodwill	5,057	
	<hr/>	<hr/>
		(5,057)
		(38,274)
Extraordinary Items		
Employees - Notice Pay & Redundancy		
		<hr/>
		(38,274)
ASSUMED TRADING LOSS FOR THE PERIOD		<hr/>
		(51,843)
CREDITORS DEFICIENCY PER STATEMENT OF AFFAIRS		<hr/>
		(26,514)