

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

Company number 0 6 7 3 3 0 0 7

Company name in full Skins Services Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Louise

Surname Brittain

3 Liquidator's address

Building name/number Gladstone House

Street 77-79 High Street

Post town Egham

County/Region Surrey

Postcode T W 2 0 9 H Y

Country

4 Liquidator's name ①

Full forename(s) Stephen

Surname Grant

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Regis House

Street 45 King William Street

Post town

County/Region London

Postcode E C 4 R 9 A N

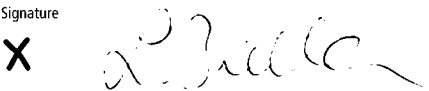
Country

② Other liquidator

Use this section to tell us about
another liquidator.

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6	Period of progress report															
From date	d	1	d	9	m	0	m	2	y	2	y	0	y	2	y	1
To date	d	1	d	8	m	0	m	2	y	2	y	0	y	2	y	2
7	Progress report															
<input checked="" type="checkbox"/> The progress report is attached																
8	Sign and date															
Liquidator's signature	Signature 															
Signature date	d	1	d	5	m	0	m	3	y	2	y	0	y	2	y	2

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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

Address

Post town

County/Region

Postcode

Country

DX

Telephone



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

Joint Liquidators' Annual Progress Report to Creditors & Members

Skins Services Limited - In Creditors' Voluntary Liquidation

For the Period ending 18 February 2022

Dated: 15 March 2022

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1 Introduction and Statutory Information

- 1.1 I, Louise Brittain, and Nicholas Parsk of Azets Holdings Ltd ('Azets') (formerly Wilkins Kennedy), 77-79 High Street, Egham, Surrey, TW20 9HY were appointed as Joint Liquidators of Skins Services Limited ('the Company') on 19 February 2020, following the move from Administration to Creditors' Voluntary Liquidation. This progress report covers the period from 19 February 2021 to 18 February 2022 ('the Period') and should be read in conjunction with any previous reports which have been issued.
- 1.2 Nicholas Parsk has since been replaced as Joint Liquidator by Stephen Grant following a Court Order dated 2 March 2021.
- 1.3 Information about the way that we will use, and store personal data on insolvency appointments can be found at <https://www.azets.co.uk/about-us/privacy-cookie-policy/>. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.4 The principal trading address of the Company was Suite 10, Barberry Court Parkway, Centrum One Hundred, Staffordshire, DE14 2UE.
- 1.5 The registered office of the Company has been changed to Gladstone House, 77-79 High Street, Egham, Surrey TW20 9HY and its registered number is 06733007.

2 Receipts and Payments

- 2.1 At Appendix A is our Receipts and Payments Account covering the Period of this report as well as a cumulative Receipts and Payments Account for the period from the date of our appointment as Joint Liquidators to the end of the Period.

3 Progress of the Liquidation

- 3.1 This section of the report provides creditors with an update on the progress made in the Liquidation during the Period and an explanation of the work done by the Joint Liquidators and their staff.

Administration (including statutory compliance & reporting)

- 3.2 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work the Joint Liquidators anticipated would need to be done in this area was outlined to creditors in the initial fees estimate/information which was previously agreed by the creditors.
- 3.3 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Joint Liquidators.
- 3.4 As noted in our initial fees estimate/information, this work will not necessarily bring any financial benefit to creditors but is required on every case by statute.

Realisation of Assets

Transfer from Administration

Funds totalling £14,760.31 representing a final VAT refund due in respect of input VAT charged by the former Joint Administrators.

Dividend Recoveries

A dividend in the sum of £59.40 has been received in respect of an unsecured debt due from PB Elle & Sport.

Cash at Bank set off by HSBC Bank Plc ('HSBC')

- 3.5 As previously reported, a settlement was reached in the Administration between the director and the former Joint Administrators that any amount refunded by HSBC would be apportioned 50:50 between the respective parties with each side to be responsible for their own legal costs.
- 3.6 A letter of authority was addressed to HSBC asking them to liaise directly with the director and her solicitors in this matter.
- 3.7 It would appear that as at the date of this report HSBC are exercising their right to set off and are claiming that there is no refund and this remains unresolved.

Bank Interest

- 3.8 Bank interest totalling £3.69 has been received.

Creditors (claims and distributions)

- 3.9 The Joint Liquidators are not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 3.10 Work undertaken by the Joint Liquidators in dealing with the company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however the Joint Liquidators are required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Joint Liquidators in dealing with those claims.
- 3.11 More information on the anticipated outcome for all classes of creditor in this case can be found in Section 4 below.

Investigations

- 3.12 There are no areas that have been identified that would lead to further asset realisations for the benefit of the creditors.

Matters still to be dealt with

- 3.13 The Joint Liquidators will continue to liaise with the director's solicitors concerning their correspondence with HSBC referred to above at Section 3.5.
- 3.14 As previously reported, there are several French employees with claims for unpaid notice pay, holiday pay and redundancy pay. Further details can be found at Section 4.3 below.

4 Creditors

Secured Creditors

- 4.1 There are no secured creditors in the Liquidation.

Skins Services Limited – In Creditors Voluntary Liquidation

Preferential Creditors

- 4.2 The Redundancy Payments Service have submitted their preferential claim in the Liquidation totalling £4,052.25.
- 4.3 As previously reported, the Company had employees in France who have issued proceedings in France in respect of their claims relating to notice pay, holiday pay and redundancy. At a hearing held in the French court on the 9 July 2020, judgment was passed in their favour and their claims were passed to the AGS to effect payment of their claims.
- 4.4 AGS rejected the employees claims on the grounds that they had not been informed of the Liquidation and are now challenging the amounts awarded to the employees at the hearing in July 2020. The French employees have engaged a solicitor who has filed a legal claim against the Company and AGS in France request that they be paid by the AGS due to the lack of funds in the Liquidation. The hearing was originally listed to be heard on 4 November 2021 however this was adjourned and has been relisted for the 9 June 2022. The Joint Liquidators' solicitors remain instructed to assist them in this regard.
- 4.5 Until these claims are resolved the Joint Liquidators are not able to comment any further on dividend prospects.

Unsecured Creditors

- 4.6 Claims totalling £1,773,777.12 have been received from 31 creditors compared to the Statement of Affairs figure totalling £1,598,669.00.
- 4.7 The Company has not granted a floating charge to any creditor after 15 September 2003 and therefore the prescribed part does not apply.
- 4.8 Based on the current information available the Joint Liquidators are not able to comment any further in relation to dividend prospects until the claims are resolved under Section 4.

5 Joint Liquidators' Remuneration and disbursements

- 5.1 As previously reported, on 14 February 2020 the creditors approved that the Joint Liquidators' fees be fixed on a fixed fee basis in the sum of £25,000.
- 5.2 The Joint Liquidators have drawn £25,000 plus VAT against the fixed fee agreed by the creditors in the prior period.
- 5.3 The Joint Liquidators time costs are as follows:
- For the Period are £16,378.83 which represents 71.92 hours at an average hourly rate of 227.74 per hour. and
 - Total time costs since our appointment are £28,616.36 which represents 133.19 hours at an average hourly rate of £214.85 per hour.
- 5.4 The Joint Liquidators do not anticipate seeking any further fee approval at this juncture however should be it necessary to seek further approval to the Joint Liquidators' remuneration, we will notify creditors accordingly.
- 5.5 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from https://www.azets.co.uk/media/lybj2if4/liquidation-_a_guide_for_creditors_on_insolvency_practitioners_fees-_version_1_april_2021.pdf.

5.6 Please find attached the following appendices:

- Appendix B - Additional information in relation to the Joint Liquidators' expenses
- Appendix C – Azets Holdings Ltd Fees and Expense Policy

6 Creditors' Rights

6.1 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 Joint Liquidators provide further information about their remuneration or expenses which have been itemised in this progress report.

6.2 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 Joint Liquidators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Joint Liquidators, as set out in this progress report, are excessive.

7 Next Report

7.1 The Joint Liquidators are required to provide a further report on the progress of the Liquidation within two months of the next anniversary of the Liquidation, unless they have concluded matters prior to this, in which case they will write to all creditors with their final account.

7.1 Should you have any queries, please contact Michele Lockyer or Anthony Young via email michele.lockyer@azets.co.uk or anthony.young@azets.co.uk and include them both in all responses. You can also call us at the office on 01784 435561.

7.2 Finally, to comply with the Provision of Services Regulations, some general information about Azets including about our Professional Indemnity Insurance and the Insolvency Code of Ethics, can be found at <https://www.azets.co.uk/about-us/legal-regulatory-information/>.

Yours faithfully



Louise Brittain
Joint Liquidator

Appendix A

Receipts and Payments Account for the Period from 19 February 2021 to 18 February 2022 incorporating a Cumulative Receipts and Payments Account since the Joint Liquidators' Appointment

Skins Services Limited (In Liquidation) Joint Liquidators' Summary of Receipts & Payments		
Statement of Affairs £	From 19/02/2021 To 18/02/2022 £	From 15/02/2019 To 18/02/2022 £
ASSET REALISATIONS		
Bank Interest Gross	4.03	87.37
Corporation tax refund	NIL	31,386.21
Council Tax Refund	NIL	887.67
Dividend recoveries	59.40	59.40
Transfer from Administration	14,760.31	118,062.46
	<u>14,823.74</u>	<u>150,483.11</u>
COST OF REALISATIONS		
Former Joint Administrators' Fees	NIL	10,000.00
Legal Fees	NIL	1,377.25
Office Holders Fees	NIL	25,000.00
Statutory Advertising	NIL	86.65
	<u>NIL</u>	<u>(36,463.90)</u>
	<u>14,823.74</u>	<u>114,019.21</u>
REPRESENTED BY		
Bank 1 Current		66,577.47
Bank 1 Money Market		40,148.96
Vat Control Account		7,292.78
		<u>114,019.21</u>

NOTE:

1. The above figures are shown net of VAT as this is recoverable

Appendix B

Additional Information in Relation to the Joint Liquidators' expenses

1 Staff Allocation and the use of Subcontractors

- 1.1 The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 The Joint Liquidators have not utilised the services of any subcontractors on this case.

Trinity IP Solutions

- 1.4 On this assignment, it is proposed that Trinity IP Solutions will be utilised to undertake work that could otherwise be done by the office holders or their staff. If further 3rd party's are utilised during the assignment that are not foreseen at this stage, this will be reported in subsequent progress reports.
- 1.5 The reasons why it is felt appropriate to utilise Trinity IP in this case for the proposed work is also explained below.

	What work does this relate to and why is a third party being used?	Anticipated cost of the services to be provided £
Trinity Solutions Limited	Final report to be sent to creditors. This third party is used as this will be a more cost effective method of providing the final report to creditors in this case.	435.00

2 Professional Advisors

- 2.1 On this assignment the Joint Liquidators have used the professional advisors listed below and they have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
JMW Solicitors	Hourly rate and disbursements. It has been agreed that the fee basis of JMW Solicitors be capped up to £17,000 plus VAT. This fee cap shall increase to £20,000 plus VAT should any recovery be made from HSBC Bank Plc in excess of £20,000. Please see Section 3.5 for further details regarding the HSBC Bank plc recovery.

- 2.2 Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

3 Joint Liquidators' Expenses

- 3.1 An analysis of the expenses paid to the date of this report, together with those incurred but not yet paid at the date of this report is provided below:

Expense	Estimated overall cost £	Paid in Prior Period £	Paid in the period covered by this report £	Incurred but not paid to date £
Category 1 Disbursements				
Legal fees & expenses*	10,000.00	1,377.25	-	2,472.75
Statutory advertising	75.60	86.65	-	-
Specific Penalty Bond	-	-	-	500.00
Former Administrators' Fees	-	10,000.00	-	-
External storage costs	3,000	-	-	370.00
Bank Charges	20.00	-	-	-
Category 2 Disbursements				
Mileage	20.00	-	-	-
Postage	30.00	-	-	73.68
Stationery	30.00	-	-	3.20
Total	13,175.60	11,463.90	-	3,419.63

*JMW Solicitors had previously billed £15,622.75 plus VAT in January 2020. Under the terms of the Settlement Agreement previously reached in the Administration between the director and the former Joint Administrators, it was agreed that they could bill up to £17,000 plus VAT, subject to the above mentioned HSBC Bank Plc recoveries. Fees in excess of £17,000 will need creditor approval.

Appendix C

AZETS HOLDINGS LIMITED – FEES AND EXPENSES POLICY

Introduction

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>.

Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency 9 (SIP 9) and can be accessed at <https://www.azets.co.uk/restructuring-and-insolvency-downloads/>. A hard copy may be requested from Azets Holdings Limited, Gladstone House, 77-79 High Street, Egham, Surrey, TW20 9HY or Anthony.Young@azets.co.uk.

Staff Allocation and Charge Out Rates

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. Work carried out by all staff is subject to the overall supervision of the office holders.

The constitution of the case team will usually consist of a Partner/Director, Manager and an Administrator as well as support staff. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several members of staff may be allocated to meet the demands of the case.

We operate a time recording system which allows staff working on the assignment along with the office holders to allocate their time to an assignment in 6 minute units.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and planning
- Investigations
- Realisation of assets
- Creditors
- Trading
- Case specific matters

Time costs are recorded at the individual's hourly rate in force at that time. Our charge out rates increased on 1 February 2022 and are shown below, exclusive of VAT.

1 February 2022 to date	£	3 December 2018 to 31 January 2022	£
Partner/Director	400.00 – 580.00	Partner	430.00 - 470.00
Manager	280.00 – 375.00	Directors/Manager	210.00 - 390.00
Administrator	130.00 – 275.00	Administrator	110.00 - 210.00
Support Staff	120.00	Junior/Trainee Administrator	95.00 - 200.00
		Cashiers/Secretaries	60.00 - 100.00

Included within the manager grade are Senior Manager, Manager and Assistant Manager. Included within the Administrator grade are Senior Administrator and Assistant. Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.

Please note that charge out rates are reviewed annually and may be subject to change.

Expenses

On insolvency appointments, an office holder will typically incur expenses which relate to that assignment. Expenses (or costs) are amounts properly payable by an office holder from an insolvency estate which are not otherwise categorised as the office holder's remuneration or a distribution to a creditor or shareholder. These expenses may include, but are not limited to, agent's costs for disposal and realisation of assets, legal costs, specialist pension advice, tax services or other routine expenses associated with an insolvency appointment such as statutory advertising costs, the office holder's specific penalty bond and costs associated with storing the books and records. Expenses also include disbursements which are payments that are first met by the office holder and then reimbursed at a later date from the estate, usually when realisations permit. Details of the anticipated expenses on an insolvency assignment will be outlined in the office holder's fees estimate or other information provided to creditors about the fee basis or bases being proposed.

Expenses recharged to, or incurred directly by, an insolvent estate are subject to VAT at the applicable rate where appropriate.

Some expenses can be paid without prior approval from creditors (referred to as Category 1 expenses) and other expenses which may have an element of shared costs or are proposed to be paid to an associate of the office holder, require approval before they can be paid (referred to as Category 2 expenses).

Category 1 expenses are directly referable to an invoice from a third party that is not an associate of the office holder or the firm, which is either in the name of the estate or Azets Holdings Limited; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the insolvency estate. These costs are recoverable without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party.

Category 2 expenses are directly attributable to the estate but include an element of shared costs or is a payment to an associate of the office holder or the firm. These expenses are recoverable from the estate, subject to the prior approval of the creditors, in the same manner as the approval of the office holder's remuneration.

The Category 2 expenses which include an element of shared costs and are charged by this firm are as follows:

- Postage – charged in accordance with the current Royal Mail price guide for first class.
- Business mileage – charged at standard rates which comply with HM Revenue & Customs limits. The current rate is 45 pence per mile.
- Internal photocopying - charged at 5 pence per sheet for reports and circulars issued to creditors, shareholders, employees and other stakeholders. No additional charge is made for individual items of correspondence.

Please note that these category 2 expenses are reviewed annually and may be subject to change.

Payments to associates (as defined in Section 435 of the Insolvency Act 1986 and the Insolvency Code of Ethics), which are also classified as a category 2 expense requiring creditor approval, are not routinely made by this firm. Any such payments will be considered on a case by case basis and when seeking approval for the payments, the office holder will provide creditors with an explanation of the work to be done, why the work is necessary and the estimated payment that will be made. The form and nature of the relationship with the associate will also be provided.

Provision of Services Regulations

When carrying out all professional work relating to an insolvency appointment, Insolvency Practitioners are bound by the Insolvency Code of Ethics.

Skins Services Limited – In Creditors Voluntary Liquidation

To comply with the Provision of Service Regulations, some general information about Azets Holdings Limited, including our complaints policy and Professional Indemnity Insurance and the Insolvency Code of Ethics, is available on our website using the following link: www.azets.co.uk/about-us/legal-regulatory-information/.