

# WICKFORD HOBBIES AND CRAFT LIMITED

## Report for Meeting of Creditors (Section 98 Insolvency Act 1986)

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Private & Confidential

(This Report is for use by the Members and Creditors of the Company only and must not be published or provided to any other party without the written permission of DCA Business Recovery LLP)

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DCA Business Recovery LLP  
2 Nelson Street  
Southend-on-Sea  
Essex  
SS1 1EF  
United Kingdom

DCA Business Recovery LLP have not carried out anything in the nature of an audit of this information nor sought to verify the existence of, title to and value of the company's assets and liabilities. We have however discussed a draft of this report with the Directors and they have confirmed that there are no material errors or omissions.

  
18/11/2015

**DIRECTORS' REPORT TO THE MEETING OF CREDITORS OF****WICKFORD HOBBIES AND CRAFT LIMITED****HELD ON 18<sup>TH</sup> NOVEMBER 2015****STATUTORY INFORMATION**

The Company was incorporated on 14<sup>th</sup> December 2004 in the name Wickford Hobbies And Craft Limited and the Company Registration No. is 05312498.

The Company has not had any other names since incorporation.

The Company's business was Hobby and Craft Shop and it traded under the name In2crafting.

The registered office has been located as follows:

<u>From</u>	<u>To</u>	<u>Registered Office Address</u>
06/08/2012	Present	Millhouse, 32-38 East Street, Rochford, Essex, SS4 1DB
14/12/2004	06/08/2012	83 High Street Rayleigh Essex SS6 7EJ

The authorised share capital is 2ordinary shares of £1 each, of which all have been issued and fully paid as follows:

<u>Name of member</u>	<u>Ordinary</u>	<u>Percentage</u>
John Young	1	50%
Irene Young	1	50%

Aside from the formation agents, the officers of the Company have been as follows: -

<u>Name</u>	<u>Position</u>	<u>Appointed</u>	<u>Resigned</u>
Irene Young	Director	14/12/2004	
John Young	Director	14/12/2004	
Irene Young	Secretary	17/12/2004	

**OTHER INFORMATION**

Bankers: Barclays Bank, 19 Town Square, Basildon, SS14 1BA

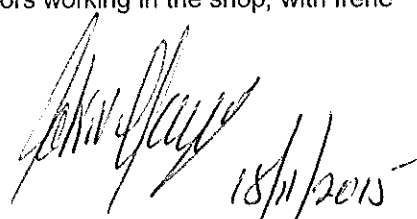
Security held: No Security Held

Accountants: Venthams, Millhouse, 32-38 East Street, Rochford, Essex, SS4 1DB

**HISTORY**

The company was formed after a hobby of the directors began to form a business and in turn growing rapidly with demand.

They started their craft shop in a small wooden unit in a garden centre on the outskirts of Wickford and opened to the public in February 2005. Initially it was just the two directors working in the shop, with Irène starting workshops to teach card making to adults.



The main product ranges stocked were card making and scrapbooking materials, art & craft supplies and plastic model kits and paints plus some kids craft items.

They soon needed other staff to assist them as well as self-employed tutors to run more classes and workshops. They added regular demonstration days using supplier demonstrators to fulfil this role and promote sales of products and ideas. The shop soon became too small and they were able to enlarge it by 30% to cope with the customer demand as well as make room for a self-contained workshop area adjacent to the shop to teach up to twelve people at a time. The company soon outgrew this space and as there were not any larger units on the site they decided to look elsewhere for a larger shop.

In January 2011 they agreed to move into a derelict former bar / restaurant building in Wickford town centre which was in a prime location close to the main supermarket. This needed a lot of renovation work as it had been vandalised severely in its 5 years of closure. This was undertaken jointly by the landlord and Wickford Hobbies and Craft with most costs being shared to some extent.

They moved into this shop in August 2011, this was a ground floor shop with a large 1st floor area for use as a workshop/demonstration area. This allowed more classes, sometimes up to 8 per week and regular demonstration days and fundraising events for Marie Curie cancer Care Charity.

As the shop was larger they added jewellery making supplies, Craft/hobby magazines, jigsaw puzzles, printer cartridges, stationery items, Wool and patterns, doubled the size of ribbon choices and then more children's kits.

A loyalty card scheme was introduced when they purchased an EPOS till system and integrated website. The shop soon became a destination for crafters from local and distant areas. The quality of the workshops and the staff customer service and product knowledge were the main reasons for repeat business.

As the profile of the town changed, with independent shops closing and more people were shopping at the other supermarket at the other end of town the shop started to find trade reducing. The proliferation of online only craft sellers and four TV craft channels was also taking a toll on shop sales. Workshops remained buoyant and it was as much a social destination for many regular craft customers. Costs were stripped down, staffing reduced and a program of events, promotions and enhanced loyalty scheme put into place to try to redress the loss of turnover, which unfortunately continued to decline despite valiant efforts of the owners and all the staff. The landlord agreed that the company could remain in the shop, even though they had fallen behind in paying rent as that saved them from paying the business rates to Basildon Council if the unit became empty.

A mains water pipe in an adjoining wall burst in July 2015 causing severe damage to the laminate flooring which was the focal reason for reviewing all options for the business and deciding if it was financially viable and worth continuing.

The decision was made to close in October 2015 as it was clear that there was no hope of a rescue plan.

## TRADING RESULTS

The most recent accounts prepared for the Company show:

### ABBREVIATED PROFIT & LOSS ACCOUNT

	Y/E 31/12/13	Y/E 31/12/12	Y/E 31/12/11
Turnover	126,309	162,724	187,511
Cost Of Sales	<u>(73,697)</u>	<u>(98,998)</u>	<u>(106,294)</u>
Gross Profit	52,612	63,726	81,217

  
18/11/2015

Administration Expenses	<u>(89,240)</u>	<u>(86,872)</u>	<u>(88,311)</u>
<b>Operating Profit</b>	<b>(36,628)</b>	<b>(23,146)</b>	<b>(7,094)</b>
Other Interest Receivable and Similar Income	-	1	-
Interest Payable and Similar Charges	<u>(9,563)</u>	<u>(6,342)</u>	<u>(6,747)</u>
<b>Profit/(loss) on Ordinary Activities before Taxation</b>	<b>(46,191)</b>	<b>(29,487)</b>	<b>(13,841)</b>
Tax on Profit on Ordinary Activities	-	-	-
<b>Profit/(loss) on Ordinary Activities after Taxation</b>	<b>(46,191)</b>	<b>(29,487)</b>	<b>(13,841)</b>
Dividends	-	-	-
<b>Retained Profit/(Loss) for the Year</b>	<b>(46,191)</b>	<b>(29,487)</b>	<b>(13,841)</b>
Accumulated Profit/(Loss) Brought Forward	<u>(29,487)</u>	<u>(13,841)</u>	<u>(32,970)</u>
<b>Retained Profit/(loss) Carried Forward</b>	<b><u>(75,678)</u></b>	<b><u>(43,328)</u></b>	<b><u>(46,811)</u></b>
<b>DIRECTORS' REMUNERATION</b>	<b>14,290</b>	<b>12,646</b>	<b>11,843</b>

#### ABBREVIATED BALANCE SHEET

	Y/E 31/12/13	Y/E 31/12/12	Y/E 31/12/11
<b>Fixed Assets</b>			
Intangible Assets	7,632	10,182	13,575
Tangible Assets	<u>7,632</u>	<u>10,182</u>	<u>13,575</u>
<b>Current Assets:</b>			
Stocks	33,313	40,309	56,755
Debtors	1,470	-	-
Cash at Bank and in Hand	<u>712</u>	<u>2,766</u>	<u>3,026</u>
	35,495	43,075	59,781
<b>Creditors: amounts falling due within one year</b>	<b>(132,226)</b>	<b>(90,184)</b>	<b>(75,984)</b>
<b>Net Current Liabilities</b>	<b><u>(96,731)</u></b>	<b><u>(47,109)</u></b>	<b><u>(16,203)</u></b>
<b>Total Assets Less Current Liabilities</b>	<b>(89,099)</b>	<b>(36,927)</b>	<b>(2,628)</b>
<b>Net Assets</b>	<b><u>(92,351)</u></b>	<b><u>(46,160)</u></b>	<b><u>(16,673)</u></b>
<b>Capital and Reserves</b>			
Called Up Share Capital	2	2	2
Profit and Loss Account	<u>(92,353)</u>	<u>(46,162)</u>	<u>(16,675)</u>
<b>Shareholders' Funds</b>	<b><u>(92,351)</u></b>	<b><u>(46,160)</u></b>	<b><u>(16,673)</u></b>

*John G. G. G.*  
18/11/2015

## INSOLVENCY

The Directors attribute the failure of the Company to:

- Takings have reduced over the last couple of years while the costs of running the business have increased
- Recent burst water pipe which caused considerable damage to the shop flooring which would cost too much to put right
- Lack of mixed retail shopping in the town
- Council business rates are very high, inflexible and make trading for independent shops challenging and expensive
- Difficult to compete with online sellers using low overheads, plus TV shopping channels that unfairly demand suppliers provide them new items weeks before anyone else is allowed to buy them

The Directors were advised by the Company's accountant to seek advice from a licensed insolvency practitioner. In this regard a meeting of the Board of Directors was held with Deborah Ann Cockerton of DCA Business Recovery LLP on 23<sup>rd</sup> September 2015. Deborah Ann Cockerton advised the Board of the options available and following a discussion DCA Business Recovery LLP were instructed to assist the Directors in preparing a Statement of Affairs and convening meetings of the Company's members and creditors. The notices were despatched on 5<sup>th</sup> November 2015.

## STATEMENT OF AFFAIRS

DCA Business Recovery LLP assisted the Directors in preparing an Estimated Statement of Affairs. John Young signed a Statement of Truth in respect of the Estimated Statement of Affairs prior to the meeting of creditors. A copy of the Estimated Statement of Affairs is attached and forms part of this report.

## INSOLVENCY PRACTITIONERS' COMMENTS ON THE STATEMENT OF AFFAIRS

Deborah Ann Cockerton of DCA Business Recovery LLP would comment on the Statement of Affairs as follows:

### Assets

Mr Ken Lammas, a qualified valuer and auctioneer of General Auctions Limited, a firm of professional, independent valuation agents were instructed to provide an independent professional valuation of the Company's tangible and intangible assets for the purposes of the Estimated Statement of Affairs.

### Fixtures and Fittings

The last set of accounts included Fixtures and Fittings of £7,632.00, however due to the age of the accounts and the assets it is expected that the sum of £500 will be realised in Liquidation.

### Stocks

It is understood that £8,689.98 of stock is owned by the company, this figure has been obtained from the detailed stock list held by the directors. The last set of accounts as at 31<sup>st</sup> December 2013 showed stock with a value of £33,313. The figure used for the book value is the current stock list. The stock was valued in the accounts at the lower of costs and realisable value. The agent believes that stock with a value of £5,520.05 is subject to retention of title claims, leaving £3,169.93 of unencumbered stock at cost. The agent has placed a conservative value of £350 on this asset type due to the nature

  
18/11/2015

of the assets. However once the company is in liquidation the agent will approach other hobby shops to realise a higher value.

### Debtors

The last set of accounts included debtors with a value of £1,470.00. The directors have advised that they believe no monies are outstanding to the company. The directors attribute this as the amount due from credit debit cards taken as payment but had not been credited by the payment provider yet.

### Cash at Bank

It is understood that there is currently £33.38 held in the Company's bank account with Barclays Bank Plc.

### **Liabilities**

#### Secured Liabilities

There are provisions of the insolvency legislation that require a Liquidator to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a "floating charge" over its assets to a lender on or after 15 September 2003. This is known as the "prescribed part of the net property" ("prescribed part"). A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. Any costs of the liquidation that are payable before the Liquidator has reached a position to make a distribution to the floating charge holder have to be deducted from floating charge realisations before arriving at an amount for the "net property" of the Company. As a result, the costs associated with realising floating charge assets, paying preferential claims in full, the general costs of winding up and the costs of confirming the validity of the floating charge will have to be deducted before the "net property" is calculated. The "prescribed part" that the Liquidator then has to set aside for unsecured creditors is:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property up to a maximum of £600,000.

As there are no charges registered over the assets of the Company, the prescribed part provisions will not apply.

#### Preferential Liabilities - Employees

The Company had employed 4 staff including the Directors and it is understood that monies will be owed to them in respect of outstanding holiday pay and wages. The outstanding holiday pay and wages of employees are, subject to statutory limits, preferential claims in the liquidation.

#### Unsecured Liabilities


Trade & Expense Creditors - The Company has 33 known 'trade & expense' creditors owed a total of approximately £167,919.45. Of this figure £107,541.75 is owed to the landlord in respect of unpaid rent arrears.

Employees - It is anticipated that monies will be owed to employees in respect of redundancy pay, pay in lieu of notice and arrears of wages.

Directors - Mr and Mrs Young are owed approximately £6,551.11 in respect of debts paid by the directors in respect of company liabilities and therefore owed to the directors.

HM Revenue & Customs - PAYE/NIC/CT - It is estimated that no monies are owed in respect of PAYE/NIC/CT.

HM Revenue & Customs - VAT - Approximately £300 is owed to HM Revenue & Customs in respect of unpaid VAT for the periods July, August and September 2015.

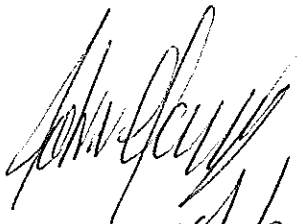
  
18/11/2015

### **Comments as to Transactions with Associated Companies or Individuals**

The Directors have indicated that, in the last 12 months, other than in the ordinary course of business there have been no transactions with, or assets acquired by any companies or individuals associated with the Company.

### **Deficiency Account**

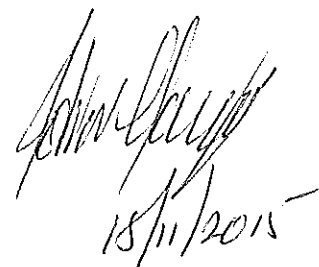
A deficiency account is attached for the period from 31<sup>st</sup> December 2013 to 18<sup>th</sup> November 2015.

  
18/11/2015

## ESTIMATED DEFICIENCY ACCOUNT

For the period from 1<sup>st</sup> January 2014 to 18<sup>th</sup> November 2015

	£	£
Shareholders funds as at 31st December 2013		(92,351)
Total deficiency as regards shareholders as at 18th November 2015		(176,284)
		<hr/>
<b>Deficiency</b>		<b>(83,933)</b>
<hr/>		
<u>Explained by</u>		
<u>Less: Amounts written down for the purposes of the Statement of Affairs</u>		
Stocks	(8,339)	
Fixtures and Fittings	(732)	
	<hr/>	(9,071)
		<hr/>
		(9,071)
<u>Less: Items arising not in the course of trading</u>		
Statement of Affairs Fee	(4,800)	
	<hr/>	(4,800)
		<hr/>
		(13,871)
Estimated trading loss incurred in the period 1st January 2014 to 18th November 2015		(70,062)
		<hr/>
		<b>(83,933)</b>

  
18/11/2015



# Statement of Affairs

Wickford Hobbies and Craft Limited

Statement as to affairs of Wickford Hobbies and Craft Limited

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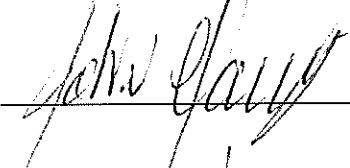
on the 18<sup>th</sup> November 2015 being a date not more than 14 days before the date of the resolution for winding up

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### Statement of truth

I believe that the facts stated in this Statement of Affairs are true.

Full Name John Young

Signed 

Dated 18 NOVEMBER 2015

WICKFORD HOBBIES AND CRAFT LIMITED

Summary of Assets

Assets

Book Value £	Estimated to Realise £
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Assets subject to fixed charge:

None

0

0

Assets:

Stocks

8,689

350

Fixtures and Fittings

7,632

500

Cash at Bank

33

33

Estimated total assets available for preferential creditors

888

Signature



Date

18/11/2015

## Summary of liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (carried from previous page)	888
<b>Preferential creditors:</b>	
Arrears of Wages	2,400
Total Preferential Claim	<u>(2,400)</u>
Estimated deficiency as regards preferential creditors:	(1,512)
Estimated prescribed part of net property where applicable (to carry forward)	-
Estimated total assets available for floating charge holders	-
Debts secured by floating charges	
None	<u>-</u>
Estimated deficiency of assets after floating charges	<u>(1,512)</u>
Estimated prescribed part of net property where applicable (brought down)	<u>-</u>
Total assets available to unsecured creditors	NIL
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Trade Creditors	7,876
Company Credit Cards	10,002
Loans to Business	42,500
Directors	6,551
Landlord	107,542
HMRC (VAT)	<u>300</u>
Estimated deficiency as regards non-preferential creditors (excluding any shortfall to floating charge holders)	<u>(174,771)</u>
Issued and called up capital	
2 Ordinary £1 Shares	<u>2</u>
Estimated total deficiency as regards members	<u>(2)</u> <u>(176,284)</u>

Signature

Date

**WICKFORD HOBBIES AND CRAFT LIMITED  
COMPANY CREDITORS**

Note: You must include all creditors and identify any creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession.

Name of creditor or claimant	Address (with postcode)	Amount of debt	Details of any security held by creditor	Date security given	Value of security £
Accounts Office Cumbermauld	Cumbermauld, Glasgow, G67 1YZ				0
Anglian Water	Lancaster House, Lancaster Way, Ermine Business Park, Cambridgeshire, PE29 6YJ	£89.37			0
Artsat	Creative House, Tilson Road, Roundthorn Industrial Estate, Manchester, M23 9WR	£113.12			0
Barclaycard	PO BOX 4000, SAFFRON ROAD, WIGSTON, LE18 9EN	£4,923.93			0
Barclaycard	PO BOX 4000, Saffron Road, Wigston, LE18 9EN	£5,078.53			0
Basildon Council	Revenues Services, P.O Box 4, Basildon, Essex, SS14 1BY	£700.00			0
British Gas Business C/O Lynn Taylor	c/o KPMG LLP, National Client Service Centre, 2 Cornwall Street, Birmingham, B3 2DL				0
BT UK Insolvency	Dept W, Durham TE, Providence Row, Durham, DH1 1RR				0
City Gate East	Tollhouse, Nottingham, NG1 5FS				0
Collector of Taxes	Accounts Office Shipley, Bradford, West Yorkshire, BD98 8AA				0
Commidea	100 Eureka Park, Ashford, Kent, TN25 4AZ	£98.36			0
Craft Creations Ltd	Ingersoll House, Delamare Rd, Cheshunt, Waltham Cross, EN8 9HD	£487.54			0

*John Gyles* 18/11/2015

**WICKFORD HOBBIES AND CRAFT LIMITED  
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Craft UK Ltd	PO Box 1017, Bradford, West Yorkshire, BD1 9GR	£239.58			0
Crafters Companion	Collingwood House, Collingwood Street, Coundon, Bishop Auckland, Durham, DL14 8LG	£255.81			0
Crafts Too Ltd	Kingstons Industrial Estate, Eastern Rd, Aldershot, GU12 4YA	£216.25			0
Creative Expressions	Vernon Court, Henson Way, Telford Way Industrial Estate, Kettering, NN16 8PX	£1,081.28			0
Debt Management, Essex Office	Dencora Court, Tylers Avenue, Southernd on Sea, Essex, SS1 2BE				0
Design Objectives Ltd	Unit 90, Woolbridge Industrial Park, Three Legged Cross, Wimborne, Dorset, BH21 6SP	£1,106.42			0
Groves & Banks	Long Crendon Industrial Park, Aylesbury, Buckinghamshire, HP18 9BA	£211.56			0
Habico Ltd	Tong Road Industrial Estate, Amberley Road, Leeds, LS12 4BD	£553.85			0
HMRC	3rd Floor, Euston Tower, 286 Euston Road, London, NW1 3UQ				0
Intelligent Retail Ltd	Consort House, 42 Bone Lane, Newbury, Berks, RG14 5RD	£146.38			0
KH Distributors	Unit 2, Station Approach, Windmill Lane, Cheshunt, Hertfordshire, EN8 9AX	£206.46			0
Magmaker Ltd	West Street, Bourne, Lincolnshire, PE10 9PH	£234.26			0

*John Taylor*  
18/11/2015

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Name of creditor or claimant	Address (with postcode)	Amount of debt	Details of any security held by creditor	Date security given	Value of security £
Mr & Mrs B Uby	8 St Charles Drive, Wickford, Essex, SS11 8EZ	£34,500.00			0
Mr & Mrs Young	Little Chantry, 26a Rectory Grove, Wickford, Essex, SS11 8ER	£6,551.11			0
Mrs K Young	55 Grenfell Avenue, Hornchurch, Essex, RM12 4DN	£8,000.00			0
Payper Box Ltd	Unit 8, The Metro Centre, Ronsons Way, St Albans, Herts, AL4 9QT	£113.16			0
Personal Impressions	10 Curzon Rd, Sudbury, CO10 2XW	£283.34			0
Pinflair	Unit 9, 10 and 10A Warehams Lane, Hertford, Herts, SG14 1LA	£130.47			0
Portman PM Ltd	15 Dover Road, Northfleet, Kent, DA11 9PH	£107,541.75			0
Practical Publishing	Suite G2 St Christopher House, 217 Wellington Road South, Stockport, SK2 6NG	£225.50			0
HMRC	Queens Dock, Liverpool, L74 4AA				0
Reliable Fire Protection Services	56 Glendale Gardens, Leigh on Sea, Essex, SS9 2AS	£55.92			0
Revell GmbH & Co. KG	Henschelstrasse 20-30, Bunde, Germany	£234.12			0
The House of Handicrafts	24-26 Silks Way, Braintree, CM7 3GB	£155.41			0
Thomas B Ramsden	Netherfield Rd, Guiseley, Leeds, West Yorkshire,	£250.16			0

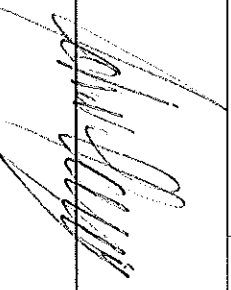
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18/11/2015

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COMPANY CREDITORS**

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Name of creditor or claimant	Address (with postcode)	Amount of debt	Details of any security held by creditor	Date security given	Value of security £
	LS20 9PD				
UK Industrial Tapes Ltd	Brunwell House, Westway Industrial Estate, Newcastle upon Tyne, NE15 9EW	£177.58			0
VAT Central Unit	Alexander House, 21 Victoria Avenue, Southend on Sea, Essex, SS9 1AT	£300.00			0
Verifone Services UK & Ireland Ltd	100 Eureka Park, Ashford, Kent, TN25 4AZ	£122.95			0
Viking Direct	501 Beaumont Leys Close, Leicester, LE4 2BN	£98.71			0
World Wide Magazine	Unit 1/Griffin Business Park/Malmer Way, helmsley Wood, Solihull, B37 7UX	£287.68			0
Root, Hazel	59 Deepdene Avenue, Rayleigh, Essex, SS6 9LF				
Wright, Michelle	129 Elizabeth Drive, Wickford, Essex, SS12 0DS				
Young, Mr John	Little Chantry, 26a Rectory Grove, Wickford, Essex, SS11 8ER				
Young, Mrs Irene	Little Chantry, 26a Rectory Grove, Wickford, Essex, SS11 8ER				
<b>Totals</b>		<b>£174,770.56</b>			<b>0</b>

Signature



Date

18/11/2015

Wickford Hobbies and Craft Limited  
 COMPANY MEMBERS

Name of shareholder or member	Address (with postcode)	Type of Share	No. of Shares	Nominal Value
John Young	Little Chantry, 26a Rectory Grove, Wickford, Essex, SS11 8ER	Ordinary	1	£1
Irene Young	Little Chantry, 26a Rectory Grove, Wickford, Essex, SS11 8ER	Ordinary	1	£1

Signature  \_\_\_\_\_

Date 18/11/2015 \_\_\_\_\_