

# WHEEL REPAIR CENTRE LIMITED

## Report for Creditors

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(This Report is for use by the Members and Creditors of the Company only and must not be published or provided to any other party without the written permission of T H Financial Recovery)

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T H Financial Recovery  
Suite 101 & 102, Empire Way Business Park  
Liverpool Road  
Burnley  
BB12 6HH

T H Financial Recovery 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.

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# Wheel Repair Centre Limited

## GENERAL INFORMATION

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### Prior Relationship

The firm was contacted by the directors 7 July 2017 to discuss the financial situation of the company and the options available. The directors initially wished to propose a Company Voluntary Arrangement but this proved to be unviable and so the directors then took the decision to place the company into creditors' voluntary liquidation. The proposed Liquidator has had no other involvement with the company or its directors.

### Shareholders meeting

A notice to shareholder calling a general meeting of the company was sent on the 2 August 2017. The general meeting of shareholders will be held on 15 August 2017 at 14:00.

The following resolutions have been proposed:

### Special Resolution

"That the company be wound up voluntarily".

### Ordinary Resolution

"That Jonathan Mark Taylor of T H Financial Recovery, Suite 101 & 102, Empire Way Business Park, Liverpool Road, Burnley, BB12 6HH, be appointed liquidator of the company for the purposes of the winding-up".

### Instructions from the Board of Directors

The board of directors instructed this firm on 1 August 2017 to convene the creditors' decision procedure on 15 August 2017.

### Details of payments of costs paid by the company or on its behalf

The following payments have been made:

Work	Name of Recipient	Amount £	Source of the Payment
The preparation of the statement of Affairs		£	

## STATUTORY INFORMATION

**Company Number:** 03478107  
**Date of Incorporation:** 09/12/1997  
**Nature of Business:** Alloy Wheel Restoration & Repair

**Registered Office:** Unit 4  
Old Mill Industrial Estate  
Preston  
PR5 6SY

**Trading address:** Unit 4  
Old Mill Industrial Estate  
Preston  
PR5 6SY

<b>Directors in the last 3 years:</b>	<b>Appointed</b>	<b>Resigned</b>
Lesley Walsh	03/03/1998	To Date
Jeremy Walsh	18/05/2001	To Date

<b>Company Secretaries in the last 3 years:</b>	<b>Appointed</b>	<b>Resigned</b>
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**Auditors:** Meiring Chartered & Certified Accountants, Strands Barn,  
Strands Farm Lane, Hornby, Lancaster, LA2 8JF

**Debentures:** None

<b>Name of Shareholder</b>	<b>Shares Held</b>
Wheel Repair Centre Holdings Limited	50000 Ordinary shares

<b>Names and company numbers of parent, subsidiary and associated companies</b>	Wheel Repair Centre Holdings Limited 06914298
	High Meadow Services Limited 06929168

WHEEL REPAIR CENTRE LIMITED

**Extracts from the Profit and Loss Accounts  
For the Years Ended 31 December 2014, 2015, 2016**

	<b>Year Ended 31/12/16</b>	<b>Year Ended 31/12/15</b>	<b>Year Ended 31/12/14</b>
Sales			
Cost of Sales	435,102 (87,775)	484,800 (94,907)	361,265 (81,478)
<b>Gross Profit</b>	<u>347,327</u>	<u>379,893</u>	<u>279,807</u>
Administrative expenses	(356,790)	(348,523)	(207,410)
<b>Operating profit</b>	<u>(9,463)</u>	<u>31,370</u>	<u>71,397</u>
Interest payable and similar charges	(2,724)	(3,820)	(5,961)
Interest receivable			
<b>Profit on ordinary activities before taxation</b>	<u>(12,187)</u>	<u>27,550</u>	<u>65,436</u>
Tax on profit on ordinary activities	(-----)	(3,996)	(997)
<b>Net profit/(loss)</b>	<u>(12,187)</u>	<u>23,554</u>	<u>64,439</u>

WHEEL REPAIR CENTRE LIMITED

**Extracts from Balance Sheet  
As at 31 December 2014, 2015 & 2106**

Fixed Assets			
Tangible	29,281	39,154	35,437
Current assets	29,281	39,154	35,437
Stock	5,550	5,550	12,450
Debtors	74,407	51,685	31,132
Cash at bank and in hand	74,963	10,708	5,784
	154,920	67,943	49,366
Liabilities			
Creditors – less than one year	(223,668)	(128,038)	(75,689)
Net current assets / liabilities	(68,748)	(60,095)	(26,323)
Creditors - more than one year	(-----)	(-----)	(59,948)
Net assets/(liabilities)	(39,467)	(27,280)	(50,834)
Represented by			
Share Capital	50,000	50,000	50,000
Reserves	(89,467)	(77,280)	(100,834)
	(39,467)	(27,280)	50,834

# **Wheel Repair Centre Limited**

## **DIRECTOR'S REPORT ON THE HISTORY OF THE COMPANY**

At a shareholders meeting held earlier today, the members passed a resolution to place the company into liquidation and to appoint Mr J M Taylor as Liquidator. Mrs Lesley Walsh, a director will act as Chairman and Mr Taylor will present the report.

Wheel Repair Centre Limited was formed in 1997 by the Mrs Walsh, then being Miss Lesley Jameson. Mr Jeremy Walsh was appointed director in May 2001. The company has authorised share capital of 50,000 ordinary £1 shares, these being held by a connected company, Wheel Repair Centre Holdings Limited. The company was formed with the intention of supplying alloy wheel repair and refurbishing services.

The company traded from premises at leased premises at Unit 4, Old Mill Industrial Estate, Preston, PR5 6SY.

The filed accounts to 31 December 2013 show that the balance sheet was in a negative position, shareholders' funds being (£115,273).

Year ending 31 December 2014 showed that the company had a turnover of £361,285, an increase of 49% on 2013. This resulted in a gross profit of £279,807 and an operating profit of £71,397. Profit before tax was £65,436 with a profit after tax of £64,439. The balance sheet position at year end therefore improved, the deficit reducing to £50,834.

Sales improved again in the year ending 31 December 2015, turnover being reported at £474,800 with a gross profit of £379,893. However, administrative rose sharply and the operating profit reduced to £31,370. Profit before taxation was £27,550, Net profit after tax declined to £23,554. Although the balance sheet deficit was reduced to £27,280, the directors' loan ended the financial year in an overdrawn position of (£15,321).

Turnover for the year ending 31 December 2016 showed a drop in turnover to £435,102 with a gross profit of £347,327. Administrative expenses rose to £356,790, this resulting in an operating loss of (£9,463). The net loss after tax was (£12,187) and the balance sheet deficit increased to (£39,467). However, the overdrawn balance on the director's loan increased to £54,010.

The balance sheet also showed a sharp rise in the amounts due to HMRC for PAYE and VAT.

In the latter quarter of 2016 and through 2017, the directors sought to cut costs and improve efficiency. However, the trial balance at 30 June 2017 showed that the total debt to HMRC had risen to in excess of £100,000 and pressure from creditors, especially HMRC also began to increase. On 29<sup>th</sup> June 2017, the company received correspondence stating that unless outstanding Revenue debts of £96,450 were paid within 14 days, a petition for the winding up of the company would be issued.

Initial consultations to investigate the viability of a company voluntary arrangement were held but it became clear that both the level of debt and the impossibility of repaying the directors' loan meant that presenting a proposal with a realistic level of repayment to creditors would not be achievable.

As a result, the Directors decided that continued trade would only worsen the position and therefore ceased to trade on 14 July 2017.

As a consequence, Lesley Walsh signed notices dated 1 August 2017 convening statutory meetings of members and creditors to place the company into Creditors Voluntary Liquidation, with the assistance of T H Financial Recovery.

**Material Transactions**

The Directors confirm that in the early part of 2017, the company entered into a finance agreement with the Funding Circle for an unsecured loan, the balance outstanding at 30 June 2017 being £70,962.

These funds were used in part to pay deposits on more modern equipment, agreements being entered into with Investec Asset Finance and Kennett Equipment Leasing.

In accordance with Rule 6.4 of the  
Insolvency (England & Wales) Rules 2016  
& Section 99(1) of the Insolvency Act 1986

Statement of Affairs

CREDITORS VOLUNTARY LIQUIDATION

Statement as to affairs of Wheel Repair Centre Limited

on the 11 August 2017 being a date not more than 14 days before the date of the resolution for winding up

Statement of truth

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

Full Name

Lesley Walsh

Signed



Dated

11.8.17

Signature



Date

11/8/17

**Wheel Repair Centre Limited**

**A – Summary of Assets**

**Assets**

**Assets subject to fixed charge:**

**Assets:**

Cash Balances

7,200

7,200

Directors Loans

54,010

0

**Estimated total assets available for preferential creditors**

**7,200**

Book Value £	Estimated to Realise £
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Signature\_\_\_\_\_

Date\_\_\_\_\_

# A1 -- Summary of liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (carried from page A)	7,200
<b>Liabilities</b>	
Preferential creditors:	
Employees' Claims (1)	(4,775)
Total Preferential Claim	(4,775)
Estimated deficiency / surplus as regards preferential creditors:	2,425
Estimated total assets available for floating charge holders	2,425
Debts secured by floating charges	
None	(0)
Estimated deficiency/surplus of assets after floating charges	(0)
Total assets available to unsecured creditors	2,425
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	2,425
Bank (2)	(16,407)
Employees' Claims (2)	(14,952)
Landlord (1)	(6,626)
Lease/Loan (1)	(70,962)
Local Authority / Council (1)	(1,117)
PAYE/PRSI (1)	(52,594)
Trade Creditor (35)	(46,688)
Utility Creditor (2)	(1,088)
VAT (1)	(54,328)
Estimated surplus / deficiency as regards non-preferential creditors	(264,763)
Issued and called up capital	(262,338)
Ordinary	(50,000)
Estimated total deficiency / surplus as regards members	(50,000)
	(312,338)

Signature



Date

11/8/17

**B**  
**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)	Creditor Type	Amount of debt	Details of any security held by creditor	Date security given	Value of security £
A & A Fire Protection	154 City Road, Kitt Green, Wigan, WN5 0B5	Trade Creditor	£50.00			0
Ajax Machine Tools	Unit 360, Ampress Lane, Ampress Park, Lymington, S014 8JX	Trade Creditor	£500.00			0
Akzo Nobel Coatings Limited t/a Cromadex	Unit 1, Kansas Avenue Trading Estate, Salford, M50 2GL	Trade Creditor	£3,133.33			0
Allthread Tools & Fasteners Limited	Owen Street, Preston, PR1 5DN	Trade Creditor	£71.19			0
Avon Electrical Limited	9 Farrington Court, Farrington Road Industrial Estate, Burnley, BB11 5SS	Trade Creditor	£1,100.00			0
Axis Business Services	Utility House, 32 36 Prospect Street, Hull, HU2 8PX	Trade Creditor	£82.19			0
B & M Waste Services Limited	Astra Business Centre, Ribbleson, Preston, PR2 5AP	Trade Creditor	£86.98			0
BITS	Unit 15, The Old Mill, School Lane, Preston, PR5 6SY	Trade Creditor	£1,387.04			0
Black Box Security Alarm Systems Limited	Poplar Court, 1A Chorley North Business Park, Drumhead Road, Chorley, PR6 7BX	Trade Creditor	£490.80			0
BOC Limited	P O Box 12, Priestley Road, Worsley, Manchester, M28 2UT	Trade Creditor	£9.12			0
British Gas - Insolvency Team	Spinneyside, Penman Way, Grove Park, Leicester, LE19 1SZ	Utility Creditor	£730.34			0
British Gas Trading Limited	Bankruptcy & Liquidation Section, P O Box 94, Hyde, Cheshire, SK124 3FE	Utility Creditor	£357.66			0
Conister Bank	Clarendon House, Victoria Street, Douglas	Bank	£727.63			0
Delcam	Small Heath Business Park, Talbot Way, Birmingham, B10 0HH	Trade Creditor	£600.00			0
Employee		Employee	£2,240.00			0
Express Cutting & Welding	245 Walton Summit Centre, Oldfield Road, Bamber Bridge, Preston, PR5 8BG	Trade Creditor	£22.50			0
Funding Circle	71 Queen Victoria Street, London, EC4V	Lease/Loan	£70,962.00			0

	4AY					
Grove Group	Oakcroft Road, Chessington, KT9 1RH	Trade Creditor	£232.61			
H R Partner Limited	Peel Street, Clitheroe, BB7 1RA	Trade Creditor	£344.00			0
Hanson Cleaning Equipment Limited	Unit 1 & 2, Brierley Court, Brierley Street, Preston, PR2 2AU	Trade Creditor	£82.80			0
Harvie Tyres Limited	Unit 1, The Old Mill, Boundary Road, Lytham St Annes, FY8 5HU	Trade Creditor	£496.08			0
HM Revenue & Customs	ICHU, RM BP3202, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	PAYE/PRSI	£52,594.00			0
HM Revenue & Customs	ICHU, RM BP3202, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1ZZ	VAT	£54,328.00			0
In the Zone Leyland Limited	Oak House, 317 Golden Hill Lane, Leyland, PR25 2YJ	Trade Creditor	£186.60			0
Ingersoll Rand	Sefton House, Northgate Close, Middlebrook Business Park, Bolton, BL6 6PQ	Trade Creditor	£1,630.00			0
LLOYD BMW Blackpool	Whitehills Business Park, Lytham St Annes Way, Blackpool, FY4 5PQ	Trade Creditor	£342.05			0
Lucky Six Marketing Limited	Unit 5, Cart Shed, Clifton Fields, Preston, PR4 OXG	Trade Creditor	£405.00			0
Meiring Accountants	1 Strands Barn, Strands Farm Lane, Hornby, Lancaster, LA2 8JF	Trade Creditor	£29,398.45			0
MFG Walton le Dale	Victoria Road, Walton le Dale, Preston, PR5 4BA	Trade Creditor	£80.07			0
North West Screen & Design Limited	Unit 10a, Tardy Gate Mill, Coote Lane, Lostock Hall, Preston, PR5 5HS	Trade Creditor	£42.00			0
One Call Business Services Limited	Dewan Industrial Estate, York Avenue, Helmshore, Rossendale, BB4 4JG	Trade Creditor	£1,080.00			0
Pallet Online	Suite 3, Ravensdale, Tunstall, Stoke On Trent, ST6 4NU	Trade Creditor	£60.60			0
Performance Chemicals Limited	Fishers Way, Belvedere, DA17 6BS	Trade Creditor	£1,000.00			0
Pristine Wheels Limited	Newport Road, Woburn Sands, Milton Keynes, MK17 8UD	Trade Creditor	£72.00			0
Professional Finishing Supplies Limited	17 Thornton Drive, Houghton, Preston, PR5 0LX	Trade Creditor	£48.00			0
RMS Terminal Hire	Matrix House, North Fourth Street, Milton	Trade Creditor	£204.66			0

	Keynes, MK9 1NJ				
Royal Bank of Scotland	Maidenhead Branch, 40-42 High Street, Maidenhead, SL6 1QE	Bank	£15,679.00		
Smart Image Workwear	40 Chorley Road, Preston, PR5 4JA	Trade Creditor	£529.36		
South Ribble Borough Council	Civic Centre, West Paddock, Leyland, PR25 1DH	Local Authority / Council	£1,117.38		
St Modwen Corporate Services Limited	Park Point, 17 High Street, Longbridge, Birmingham, B31 2UQ	Landlord	£6,626.30		
Thomas Higgins Limited	19-21 Seaview Road, Wallasey, CH45 7TH	Trade Creditor	£124.10		
Water Plus	Two Smithfield, Leonard Coates Way, Stoke On Trent, ST1 4FD	Trade Creditor	£136.61		
Wheelpaints Limited	Unit 5, Millbrook Close, St James Business Park, Northampton, NN5 5JF	Trade Creditor	£2,077.79		
WNT (UK) Limited	Sheffield Airport Business Park, Europa Link, Sheffield, S9 1XU	Trade Creditor	£282.37		
Yellow Jigsaw	59 Bridgeman Place, Bolton, BL2 1DW	Trade Creditor	£300.00		

Totals			£252,050.61		
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\* Denotes a Creditor claiming Retention of Title

Signature 

Date 11/8/17

C

# COMPANY CREDITORS (EMPLOYEES FORMER EMPLOYEES & CONSUMER CLAIMING AMOUNTS PAID IN ADVANCE FOR THE SUPPLY OF GOODS OR SERVICES)

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)	Creditor Type	Amount of debt	Details of any security held by creditor	Date security given	Value security £
Bennett, Ms Laura	1 Manor Close, Hoghton, Preston, PR5 0EN	Employee	£1,057.28			
Heaps, Mr Lewis	27 Cowley Road, Ribblesdale, Preston, PR2 6BE	Employee	£721.28			
Hodson, Mr Oliver	Rockfield House, High Street, Elswick, Preston, PR4 3ZB	Employee	£3,269.28			
Jackson, Mr David	110 Blackburn Road, Chorley, PR6 8JJ	Employee	£1,393.28			
Matuski, Mr Tomasz	56 Coronation Crescent, Preston, PR1 4TY	Employee	£1,686.16			
Monaghan, Mr Kevin	8 Morston Avenue, Bispham, Blackpool, FY2 0TB	Employee	£5,649.28			
Myerscough, Mr Marlon	70 Bam Meadow, Bamber Bridge, Preston, PR5 8DY	Employee	£777.28			
Stephenson, Mr Malcolm	7 Salcombe Avenue, Bispham, Blackpool, FY2 0PU	Employee	£5,173.28			
Walsh, Mr Jeremy	24, High Meadow, Walton Park, Preston, PR5 4WR	Employee	?			
Walsh, Mrs Lesley	24 High Meadow, Walton Park, Preston, PR5 4WR	Employee	?			

Totals			£19,727.12			
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\* Denotes a Creditor claiming Retention of Title

Signature 

Date

11/8/17

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## COMPANY MEMBERS

Name of shareholder or member	Address (with postcode)	Type of share	Nominal value	No. of shares	Amount per share called up	Total amount called
Wheel Repair Centre Holdings Limited	Unit 4, Old Mill Industrial Estate, Preston, PR5 6SY	Ordinary	£50,000.00	50,000	£1.00	£50,000

Signature



Date

11/8/17

## **WHEEL REPAIR CENTRE LIMITED**

### **COMMENTS ON THE DIRECTORS' STATEMENT OF AFFAIRS**

The Statement of Affairs does not reflect the costs of insolvency and realisation.

#### **Agents and Valuers**

The company instructed independent chartered surveyors to carry out a valuation of the company assets, these having been sold to an unconnected third party for £6,000 plus VAT prior to the issuing of notices convening meetings of members and creditors

#### **Assets**

All unencumbered assets were sold to an unconnected third party prior to the date of this report.

The overdrawn directors' loan is shown on the Statement of Affairs with a book value £54,010. The directors have stated that they are not in a position to repay these monies and so, for the purposes of the Statement of Affairs, the estimated to realise figure is shown at "Nil". This position will need to be reviewed by the liquidator on appointment.

#### **Purchaser**

The Company's unencumbered assets were sold to Karl Vella Autobody Repairs Preston Limited on 20 July 2017 for £6,000 (exclusive of any VAT), the agents holding sale proceeds for onward transmission to the duly appointed liquidator.

The purchaser is an unconnected party.

#### **Creditors:**

##### **Secured creditors**

There are no secured creditors.

##### **Preferential creditors**

The preferential creditors are employee claims for unpaid wages for the period 7 July 2017 to 14 July 2017 are £2,240. There are also preferential claims for unpaid holiday totalling £2,535.

##### **Prescribed Part**

The prescribed part only applies where the company has granted a floating charge to a creditor after 15 September 2003. Where a floating charge over the company's assets has been given a prescribed amount of the company's net property after paying the preferential creditors must be made available to the unsecured creditors and the basis of this calculation is detailed below:-

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

There is no prescribed part applicable in this case

##### **Unsecured creditors**

The unsecured claims total £269,538. I would point out that the amounts shown have been provided by the director and the company accountant, which may not necessarily agree with your own records. However, the amounts stated will not prejudice your claim as it will be agreed by the Liquidator in due course. Creditors may also be entitled to claim VAT Bad Debt Relief on their claims.

##### **Shares**

The issued and fully paid up share capital is £50,000 resulting in an overall total deficiency of £312,338.

## WHEEL REPAIR CENTRE LIMITED

### DEFICIENCY ACCOUNT FOR THE PERIOD

1<sup>st</sup> January 2017 to 11<sup>th</sup> August 2017

	£	£
<b>Reserves per audited accounts as at 31 December 2016</b>		<b>(39,467)</b>
Less :		
Asset Values written off as a consequence of Liquidation		
Goodwill		
Freehold property		
Book debts		
Motor Vehicles		
		<u>(39,467)</u>
Less :		
Liabilities arising as a consequence of Liquidation		
Employee claims – pay in lieu of notice	(6,720)	
Employee claims – redundancy	<u>(8,680)</u>	
		<u>(15,400)</u>
		<u>(54,867)</u>
<b>Balance being estimated trading losses for the period</b>		<u><b>(257,471)</b></u>
 Deficiency as regards members per the statement of affairs as at		<u> (312,338)</u>

## **Wheel Repair Centre Limited**

### **PRE APPOINTMENT FEE INFORMATION**

A resolution for pre appointment fees is being sought.

A resolution for a fixed fee of £6,000.00 in respect of pre appointment work will be put to the meeting of creditors. Details of the pre-appointment work are below:

- Advising the Board of directors
- Attendance at the Board Meeting and advising on the relevant action to be taken to wind-up the company and the corresponding resolutions to be passed
- Producing and circulating notices within statutory time limits to shareholders and creditors
- Assistance with preparing the Statement of Affairs
- Assistance with preparing the report to be presented to the Meeting of Creditors
- Preparing the relevant documents and advising on the conduct of the meeting of shareholders
- Preparing the relevant documents and advising on the conduct of the meeting of creditors