

Board of Directors Approval of Explanatory Information

**Holbrook Joinery Limited ("the Company")
Company Registration Number: 10910250**

The Board of Directors ("the Board") of the above-named Company confirm that the attached explanatory information to be delivered to the creditors is approved and reflects the information to the best of the Board's knowledge and belief.

Signed:



For and on behalf of the Board

Name:

Mr Daniel John Williams

Position held:

Director

Dated:

31 10 23



Explanatory information for the creditors of

Holbrook Joinery Limited ("the Company")
Company Registration Number: 10910250

This explanatory information is designed to supplement the Statement of Affairs prepared by the Director and to provide creditors with sufficient information so that they can make an informed decision in respect of the appointment of a Liquidator.

STATUTORY INFORMATION

The Company was incorporated on 10 August 2017 in the name Holbrook Joinery Limited and the Company Registration Number is 10910250.

The Company has not had any other names since incorporation.

The Company's business was Manufacture of joinery and kitchens.

The registered office has been located as follows:

From	To	Registered Office Address
10.08.2017	date	2a Park View Park View, Sutton Veny, Warminster, BA12 7AN

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

Name of member	Ordinary	Percentage
Mr Daniel John Williams	10.00	100%

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

Name	Position	Appointed	Resigned
Mr Daniel John Williams	Director	10.08.2017	N/A

OTHER INFORMATION

Bankers: Lloyds Bank Plc

Security held: None

Accountants: Michelle Williams

HISTORY

The company was set up in August 2017 to manage a number of building and renovation projects that had come in, due to my background in building and construction.

However, the company developed to manufacture architectural joinery products such as sash windows, casement windows and doors, we also manufactured cabinetry such as kitchens and cupboards.

Signed: 

My role in the company was as the Director, however, as a 'micro' company I was responsible for advertising, client liaisons, design, material sourcing and ordering, manufacture, painting and finishing, delivery, installation, invoicing, general bookkeeping, paying bills and so on.

We had a couple of strong years through 2020, 2021, and the first part of 2022 where work seemed plentiful. We took out a bounce back loan as the rates were extremely reasonable. This gave me the confidence and capital to take on a new larger premises, an employee and lease some new machinery in order to improve the consistency of quality in the finished products and to help speed up the manufacturing process. This all went well for the next year or so.

During the latter part of 2022, we took on a relatively large construction job. This was based on the premise that we would sub-contract the building works and then move on to the significant joinery works on the same site in early 2023. Sadly, this did not go as planned, material and sub-contractor costs skyrocketed during the course of the job, the client's constant decision changing and interference with the plans and processes caused a great deal of additional work and friction between all involved. The client's consistent changes to material choices and styles also put a huge strain on the contract. This combined with the client being very reluctant to compromise and share these additional costs, left me significantly out of pocket.

The further upshot of this was that we didn't end up getting to carry out the joinery works promised for early 2023 as the client claimed he had 'run out of money' despite knowing the costs involved prior to us commencing works. We continued to work on various projects in the hope that we could turn this around but we were not able to. This combined with the ever-increasing overhead costs we were facing, and a general downturn in sales, meant that we were unable to continue trading.

I sought advice from my accountant who recommended speaking to Samantha Hawkins, an insolvency practitioner for some further advice after which I made the decision to liquidate the Company.

The Company ceased trading on 25 August 2023.

TRADING RESULTS

The most recent accounts prepared for the Company show.

ABBREVIATED PROFIT & LOSS ACCOUNT	Unaudited Financial Statements	Unaudited Financial Statements
	Y/E 31.08.22	Y/E 31.08.21
Turnover	190,411	98,332
Cost of raw materials and consumables	(42,991)	(36,931)
Staff costs	(31,236)	(8,090)
Depreciation and other amounts written off assets	(7,080)	(3,882)
Other charges	(41,508)	(29,396)
Tax	(10,857)	(1,609)

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Profit for the year

56,739

18,424

ABBREVIATED BALANCE SHEET

	Y/E 31.08.22	Y/E 31.08.21
Fixed Assets	24,750	28,128
Current Assets	52,911	29,928
Prepayments and accrued income	2,890	3,415
Creditors: amounts falling due within one year	(32,514)	(9,139)
Net Current Assets (Liabilities)	23,287	24,204
Total Assets Less Current Liabilities	48,037	52,332
Creditors amounts falling due after more than one year	(27,768)	(41,650)
Provisions for liabilities	(18,694)	(8,080)
Net assets (liabilities)	1,575	2,602
Capital and reserves	1,575	2,602

INSOLVENCY

The Director attributes the failure of the Company to:

- Increasing overheads
- Lack of new work

The Director were advised by the Company's accountant to seek advice from an Insolvency Practitioner. Hawkins Insolvency Limited were instructed by Daniel Williams on 24 July 2023 to assist in preparing a Statement of Affairs, convening a meeting of the Company's members, and seeking a decision from the creditors on the appointment of a Liquidator.

£3,500 plus VAT has been paid by Daniel Williams, th director, to Hawkins Insolvency Limited in respect of the instructions given to prepare a Statement of Affairs and seek a decision from the creditors on the appointment of a Liquidator.

STATEMENT OF AFFAIRS

Hawkins Insolvency Limited assisted the Director in preparing an Estimated Statement of Affairs. A copy of the Estimated Statement of Affairs was delivered to creditors with this explanatory information on 07 November 2023.

Signed:



INSOLVENCY PRACTITIONERS' COMMENTS ON THE STATEMENT OF AFFAIRS

Samantha Hawkins of Hawkins Insolvency Limited would comment on the Statement of Affairs as follows:

Assets

Tools and equipment

There are a number of tools and equipment owned by the Company and these have been given an estimated value of £6,000. These will be purchased by the director on appointment.

Cash in clients' account

The sum of £279.52 is held in a clients' account controlled by Hawkins Insolvency Limited. These funds represent monies deposited by the director for the expenses of the liquidation.

Liabilities

Secured Liabilities

There are provisions of the insolvency legislation that require 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 "qualifying 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." A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. Liquidator has to set aside:

- 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

The Company had employed 1 member of staff 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.

HMRC are secondary preferential creditors for certain specified debts, such as VAT, PAYE, employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. Secondary preferential debts are payable after all ordinary preferential debts have been paid in full, and before non-preferential unsecured debts. It is estimated that £30,000 is owed to HM Revenue & Customs in respect of secondary preferential debts, as follows:

Liability	Period	Amount
VAT		£ 30,000.00
		<hr/> 30,000.00

Unsecured Liabilities



Signed: 

Trade & Expense Creditors - The Company has 14 known 'trade & expense' creditors owed a total of approximately £10,811.52.

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.

Landlord - It is understood that a total of £1,600 is owed to the landlord in respect of rent arrears on the trading property.

Bank & institutions - a total of £21,819.92 is owed to Lloyds Bank Plc. £19,444.48 in respect of a bounce back loan and £2,375.44 in respect of an unsecured business loan.

HM Revenue & Customs - It is estimated that £11,000 is owed to HM Revenue & Customs in respect of debts that are not preferential, as follows:

Liability	Period	Amount £
Corporation Tax		11,000.00
		<u>£11,000.00</u>

Comments on Material Transactions in the previous 12 months

The Director has indicated that, during the 12 months prior to the winding up resolution no material transactions, other than in the ordinary course of business, have taken place involving the Company.

Deficiency Account

A deficiency account is attached for the period from 31 August 2022 to 31 October 2023.

August 2022	September 2022	October 2022
100,000.00		100,000.00
		<u>100,000.00</u>



Signed: 

ESTIMATED DEFICIENCY ACCOUNT

for the period from 31 August 2022 to 31 October 2023

	£	£
Profit and Loss Account Balance at 31 August 2022 (Unaudited Financial Statements)		56,739
		<hr/> 56,739
Exceptional losses incurred or amounts written off since the date of the last accounts: -		
Tools & Equipment	(21,750)	(21,750)
		<hr/> 34,989
ESTIMATED TRADING PROFIT/ (LOSS) FOR THE PERIOD 31 August 2022 to 31 October 2023		(45,412)
DEFICIENCY AS PER ESTIMATED STATEMENT OF AFFAIRS		<u><u>(80,401.44)</u></u>

Signed: 