

The Insolvency Act 1986

# **Notice of move from administration to creditors' voluntary liquidation**

# 2.34B

Name of Company
Bodycare Toiletries Limited

Company number
02188629

In the High Court of Justice Chancery Division, Manchester District Registry (full name of court)
---

Court case number
3659 of 2009

(a) Insert full  
name(s) and  
address(es) of  
administrator(s)

We (a) William Kenneth Dawson  
Deloitte LLP  
PO Box 500  
2 Hardman Street  
Manchester  
M60 2AT

Ian Brown  
Deloitte LLP  
1 City Square  
Leeds  
LS1 2AL

(b) Insert name and  
address of the  
registered office of  
company

having been appointed administrators of (b) Bodycare Toiletries Limited  
C/o Deloitte LLP, PO Box 500, 2 Hardman Street Manchester M60 2AT

(c) Insert date of  
appointment

on (c) 2 October, 2008

(d) insert name of  
appointor/applicant  
(e) Insert name(s)  
and address(es) of  
liquidator(s)

by (d) High Court of Justice, Chancery Division, Manchester District Registry  
hereby give notice that:

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is  
proposed that (e) W K Dawson of Deloitte LLP, PO Box 500, 2 Hardman Street, Manchester M60  
2AT and I Brown of Deloitte LLP, 1 City Square, Leeds LS1 2AL

will be the liquidators of the company (IP Nos 8266 and 7236)

We attach a copy of the final progress report

Signed

  
Joint Administrator(s)

Dated

14/8/2009

## Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form.

The contact information that you give will be visible to searchers of the

William Kenneth Dawson  
Deloitte LLP  
PO Box 500  
2 Hardman Street  
Manchester  
M60 2AT

DX Number DX: 14324 - Manchester 1  
Exchange

Tel: 0161 832 3555  
DX Exchange

SATURDAY



A22

15/08/2009

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COMPANIES HOUSE

When you have completed and signed this form, please send it to the  
Registrar of Companies at:-  
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

**BODYCARE TOILETRIES LIMITED  
(IN ADMINISTRATION)  
("the Company")**

**Court No. 3659 of 2008**

**FINAL PROGRESS REPORT TO CREDITORS  
PURSUANT TO RULE 2.110 OF THE INSOLVENCY RULES 1986**

**14 August 2009**

**This report has been prepared for the sole purpose of advising the Creditors. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by Creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.**

**The Administrators act as agents of the Company without personal liability**

**William Kenneth Dawson and Ian Brown  
Joint Administrators  
Deloitte LLP  
2 Hardman Street  
Manchester  
M60 2AT**

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#### **APPENDICES**

- 1. Statutory information**
- 2. Administrators' estimated final receipts and payments account as at 14 August 2009**

## **ABBREVIATIONS**

For the purpose of this report the following abbreviations shall be used:

"The Act"	Insolvency Act 1986 (as amended)
"The Rules"	Insolvency Rules 1986 (as amended)
"the Administrators"	William Kenneth Dawson and Ian Brown
"the Company"	Bodycare Toiletries Limited (in Administration)
"Deloitte"	Deloitte LLP
"Hamsard"	Hamsard 3137 Limited. The Company changed its name to B3 International Limited on 13 October 2008
"Group"	Bodycare Group BV and its subsidiaries
"Venture"	Venture Finance PLC

## **1. INTRODUCTION**

### **1.1 Introduction**

This report has been prepared in accordance with Rule 2.110 of The Rules to provide creditors with a summary of the Administration of the Company.

A schedule of statutory information in respect of the Company is attached at Appendix 1.

### **1.2 Details of the appointment of the administrators**

William Kenneth Dawson and Ian Brown, both partners of Deloitte, were appointed Joint Administrators of the Company by Venture, following the filing of a Notice of Appointment of Administrators, on 2 October 2009, in its capacity as a Qualifying Charge Holder.

The Court of the proceedings is the High Court of Justice, Chancery Division, Manchester District Registry (case number 3659 of 2008).

For the purposes of Paragraph 100(2) of Schedule B1 of the Act, the Administrators confirm that they have been authorised to carry out all functions, duties and powers by either of them jointly and severally.

## **2. THE ADMINISTRATORS' PROPOSALS**

### **2.1 Introduction**

As previously reported to creditors, the Administrators concluded that the first prescribed objective under paragraph 3(1)(a) of Schedule B1 of the Act, namely "rescuing the company (the legal entity) as a going concern" was not achievable in respect of the Company in Administration.

Consequently, the Administrators have performed their functions in relation to the Company with the objective set out in Paragraph 3(1)(b), which is for the Administrators to perform their functions with the objective of achieving a better result for the Company's creditors, as a whole, than would be obtained through an immediate liquidation of the Company. The purpose of the Administration was achieved through a sale of the business and the assets of the Company.

As it was expected that there would be insufficient funds for a distribution to the unsecured creditors of the Company, and in accordance with Paragraph 52 (1)(b) of Schedule B1, the Administrators notified creditors in their report dated 7 November 2008, that they would not be convening a meeting of creditors to consider the Administrators' proposals, and unless requested to do so within 12 days of the issue of the report, the proposals would be deemed approved. No request in the prescribed manner was received and therefore the Administrators' proposals were deemed approved.

The Administrators' proposals approved by the creditors of the Company are as follows:

1. the Administrators continue to manage the affairs and assets of the Company, collect any recoverable outstanding pre and post appointment book debts as required, utilising realisations of assets where appropriate, settle any administration expenses where such expenses are incurred for the purpose of the administration and realise the remaining assets of the Company;
2. the Administrators be authorised to compromise any debtor balances where applicable;
3. the Administrators continue with their enquiries into the conduct of the directors of the Company and continue to assist any regulatory authorities with their investigation into the affairs of the Company;
4. the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors of the Company (where applicable);
5. the Administrators be authorised to distribute funds to the secured and preferential creditors of the Company (where applicable), as and when claims are agreed;
6. the Administrators' fees and expenses be approved by the secured creditors and preferential creditors of the Company (where applicable) in

accordance with rule 2.106(5A), based on the Administrators time costs and expenses incurred, on a monthly basis;

7. the Administrators be discharged from liability in respect of any action of theirs as Administrators on vacation of office (whether because they vacate office by reason of resignation, death or otherwise, because they are removed from office or because their appointment ceases to have effect), in accordance with schedule B1 paragraphs 98 and 99 of the Act;
8. the Administrators be authorised to seek an extension to their term of office if deemed necessary by them; firstly by consent from the secured creditors (and the requisite majority of preferential creditors if the Administrators think that there will be a distribution to them) under paragraph 76(2)(b) of schedule B1 to the Act for a six month period and, if a further extension is required, by an application to court under paragraph 76(2)(a) of schedule B1 to the Act;
9. When it is considered that no further distributions to creditors will be made and that the Administrators have concluded their duties, the Administrators be authorised to take the necessary steps to move the Company from Administration to dissolution, pursuant to paragraph 84 of schedule B1 to the Act, and cease to act;
10. If the Administrators think that a distribution will be made to unsecured creditors of a Company, that they be authorised to take the necessary steps to move that Company into creditors' voluntary liquidation pursuant to paragraph 83 of schedule B1 to the Act. If this route is deemed appropriate, the Joint Administrators will seek the appointment of William Kenneth Dawson and Ian Brown both of Deloitte & Touche LLP as Joint Liquidators of that Company. In accordance with paragraph 83(7) of Schedule B1 to the Act and rule 2.117(3) of the Rules, creditors may nominate a different person as proposed Liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved; and
11. If the Administrators deem it appropriate, that they be authorised to make an application to court pursuant to paragraph 79 of schedule B1 to the Act to end the Administration and petition the court for the winding up of that Company. If appropriate, the Administrators will apply to be appointed as Joint Liquidators pursuant to section 140(1) of the Act.

## **2.2 Amendments to the Proposals**

We can confirm that there has been no amendment to, or any deviations from, the proposals other than within proposal 10 above where it should be noted that Deloitte & Touche LLP has subsequently renamed as Deloitte LLP from 1 December 2008.

### 2.3 Progress on and achievement of the approved proposals

We have summarised below the progress and current status in respect of each of the approved proposals:

Proposal	Current status
1	A sale of the business and assets of the Company to Hamsard was concluded by the Administrators on 2 October 2008. The Administrators continued to manage the affairs of the Company including the intercompany balances and settlement of administration expenses.
2	Trade debtor balances were realised as part of the sale of the business and assets of the Company on 2 October 2008.
3	The Administrators have submitted their confidential report of the conduct of the director to the Insolvency Service. The contents of this report are legally privileged and cannot be disclosed to creditors.
4	The claims of creditors are in the process of being agreed where appropriate.
5	Secured creditor: A distribution to Venture was made on 2 October 2008 following the sale of the business and assets of the Company.  Preferential creditors: A preferential dividend of 100 pence in the pound was paid in March 2009.
6	The Administrators' remuneration has been approved in accordance with rule 2.106(5A) based on the Administrators' time costs and expenses incurred.
7	The Administrators confirm that they will be discharged from liability in respect of any action of theirs as Administrators on their vacation of office. This will take place on their ceasing to act following the notice given to the registrar of companies of the moving of the Company from Administration to Creditors Voluntary Liquidation, pursuant to paragraph 83 of schedule B1 to the Act.
8	The Administration has been in progress for ten months and hence no extension has been necessary.
9	Not applicable.
10	Funds have been realised and are available for distribution to unsecured creditors of the Company. The Administrators will take the necessary steps to move the Company from Administration to Creditors Voluntary Liquidation pursuant to paragraph 83 of schedule B1 to the Act. The Joint Administrators will seek the appointment of William Kenneth Dawson and Ian Brown, both partners of Deloitte, as Joint Liquidators of the Company as set out in the Proposals.
11	Not applicable.

Further information in respect of the realisation of assets, the status of liabilities and the estimated outcome for creditors is contained in the following sections of this report.



### **3. STEPS TAKEN DURING THE ADMINISTRATION**

#### **3.1 Sale of business and realisation of assets**

As this report focuses on progress in the Administration since our reports dated 7 November 2008 and 3 April 2009, we will not set out the circumstances and background of the sale of the business and assets of the Company.

For ease of reference, we can confirm that the sale of the business and assets to Hamsard 3137 Limited was concluded by the Administrators on 2 October 2008. The detailed terms of the sale and purchase agreement are confidential. We can confirm, however, that the sum of £2.35m in consideration for the plant and equipment, intellectual property, trade debts, stock and fixture and fittings of the Company was received as set out in Appendix 2.

#### **3.2 Meeting of creditors**

As it was expected there would be insufficient funds for a distribution to the unsecured creditors of the Company, and in accordance with Paragraph 52 (1)(b) of Schedule B1, the Administrators notified creditors in their report dated 7 November 2008, that they would not be convening a meeting of creditors to consider the Administrators' proposals, and unless requested to do so within 12 days of the issue of the report, the proposals would be deemed approved. No request in the prescribed manner was received and therefore the Administrators' proposals were deemed approved.

#### **3.3 Exit**

Funds have been realised and are available for distribution to unsecured creditors of the Company. The Administrators will take the necessary steps to move the Company from Administration to Creditors Voluntary Liquidation pursuant to paragraph 83 of schedule B1 to the Act. The Joint Administrators will seek the appointment of William Kenneth Dawson and Ian Brown, both partners of Deloitte, as Joint Liquidators of the Company as set out in the Proposals.

## **4. JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**

### **4.1 Introduction**

Attached at Appendix 2 is an estimated final Receipts and Payments account covering the period from 2 October 2008 to 14 August 2009.

In this section, we have summarised the main asset realisations during the period since our last report to creditors.

### **4.2 Asset realisations**

In the period since last reporting on 3 April 2009, the Company's bank accounts have been closed and the balance of £946.13 has been transferred to the Administration account.

A sundry refund was obtained that amounted to £715.77.

Balances that were held on behalf of third parties have been repaid. Of this £17.28 was paid to Hamsard in relation to Escrow funds and £86,189.49 has been paid to customers where they had paid the wrong account in error.

### **4.3 Payments**

Payments relating to final accounts for professional fees have been paid in the period. Payment has been made to the Administrators in relation to fees (£28,500.00 plus VAT) and expenses and disbursements (£605.18 plus VAT), as approved by the secured lender and preferential creditors, and to legal advisers for legal fees that amounted to £1,000.00 plus VAT.

### **4.4 Outcome for creditors**

A balance in hand of £82,998.38 is held, comprising cash in hand of £78,482.60 and VAT receivable of £4,515.78. The balances will be transferred to the Liquidation account when the Company has moved from Administration to Liquidation.

Once realisations have been finalised and creditor claims agreed, a distribution will be made to unsecured creditors.

## **5. DISTRIBUTIONS TO CREDITORS**

### **5.1 Secured creditors**

As advised in our reports dated 7 November 2008 and 3 April 2009, Venture is a secured creditor of the Company having been granted a debenture conferring fixed and floating charges over the assets of the Company.

This priority over unsecured creditors is subject to payments to preferential creditors and unsecured creditors under the prescribed part (see section 5.3 below).

The Company's debts to Venture as at the appointment of the Administrator amounted to £2.218m. As a result of the successful sale of business and assets, Venture has been repaid in full.

### **5.2 Preferential creditors**

Preferential creditors relate to employee liabilities for arrears of wages, holiday pay and certain pension contributions and are paid in priority to unsecured creditors out of net floating charge realisations.

One preferential claim has been received which amounted to £2,122. This claim has been agreed and a distribution of 100 pence in the pound was paid in March 2009.

No further preferential claims are expected to be received or paid.

### **5.3 Prescribed Part**

By virtue of Section 176A(2)(a) of the Act, the Administrators must make a Prescribed Part of the Company's net property available for the satisfaction of unsecured debts. Net property is the amount of the Company's property which would, but for this section, be available for the holders of floating charges created by the Company.

The value of the prescribed part cannot exceed £600,000 per company. It is not envisaged that the prescribed part for the Company will exceed the maximum amount of £600,000 as illustrated below.

The funds available for creditors, as set out in the receipts and payments account at Appendix 2, currently amount to £82,998.38.

Unsecured claims per the Director's Statement of Affairs amounted to £2,121,771. Claims received to date amount to £5,585,032, this balance includes intercompany balances. This would indicate a distribution of c. 1p in the pound for unsecured creditors.

However, as all unsecured claims are yet to be agreed, this is only an illustrative estimate. The agreement of claims will be carried out prior to a distribution to creditors when the Company enters Creditors Voluntary Liquidation.

## **6. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS**

### **6.1 Extensions to original period of appointment**

An extension to the original period of the Administrators' appointment has not been required. All Administration matters will have been dealt with within the original 12 month period of appointment.

### **6.2 Administrators' discharge**

The Administrators confirm that they will be discharged from liability in respect of any action of theirs as Administrators on their vacation of office. This will take place on their ceasing to act following the notice given to the registrar of companies of the moving of the Company from Administration to Creditors Voluntary Liquidation, pursuant to paragraph 83 of schedule B1 to the Act.

### **6.3 SIP 13 – Transactions with connected parties**

In accordance with the guidance given in Statement of Insolvency Practice Number 13, details of the Company's transactions with connected parties in the period are provided below:

<b>Date</b>	<b>Details of transaction</b>	<b>Sales / (Purchases) (£m)</b>	<b>Name of counterparty</b>	<b>Connection</b>
2 Oct 2008	Sale of the assets of the Company, to include stock, debtors, plant & machinery and fixtures and fittings.	2.35	Hamsard 3137 Limited	John Carrington, director of the Company, is also a director of Hamsard 3137 Limited.

### **6.4 EC Regulations**

As stated in the Administration Order in respect of the Company, Council Regulation (EU) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

## **7. JOINT ADMINISTRATORS' FEES AND EXPENSES**

### **7.1 Joint Administrators' Fees**

There will be no funds available to the unsecured creditors other than by virtue of Section 176A(2)(a) of the Act; therefore, fixing of Administrators' remuneration will be approved in accordance with Rule 2.106(5A) of the Rules, which is outlined as follows:

- Where the Administrators have made a statement under paragraph 52(1)(b) the Administrators' remuneration may be fixed by approval of:
  - each secured creditor; or
  - if the Administrators intend to make a distribution to preferential creditors, with the approval of each secured creditor and 50% of preferential creditors who respond to an invitation to consider approval.

The Administrators have written to the secured and preferential creditors separately to agree their remuneration in respect of fixed and floating charge realisations.

In line with paragraph 52(1)(b) of Schedule B1 of the Act outlined above there is no requirement for unsecured creditors to pass a resolution in respect of Administrators' remuneration.

### **7.2 Other professional costs**

Halliwell's LLP were instructed by the Administrators to advise on appropriate legal matters. Costs of £1,000.00 have been incurred and have been paid in the period since last reporting.

All professional costs are reviewed and analysed before payment is approved.

**BODYCARE TOILETRIES LIMITED (IN ADMINISTRATION)**

**SUMMARY OF STATUTORY INFORMATION**

<b>Company name</b>	Bodycare Toiletries Limited
<b>Previous names</b>	Norit Bodycare Toiletries Limited
<b>Company number</b>	02188629
<b>Date of incorporation</b>	4/11/1987
<b>Registered office</b>	2 Hardman Street Manchester M60 2AT
<b>Ordinary issued and called up share capital</b>	
Allotted, called up and fully paid ordinary shares of £1 each	126,000
<b>Shareholder</b>	Hamsard 3137 Limited
<b>Directors (as at appointment)</b>	John Andrew Carrington
<b>Directors (previous in last three years)</b>	n/a
<b>Company secretary</b>	n/a
<b>Bankers</b>	Venture Finance Plc
<b>Auditors</b>	PWC LLP

**Bodycare Toiletries Limited - In Administration**  
**Estimated Final Receipts and Payments Account for period**  
**2 October 2008 to 14 August 2009**

	Note	Estimated to Realise Per SOA £	Movement 2 Apr '09 to 14 Aug '09 £	Cumulative to 14 Aug '09 £
<b>Receipts</b>				
Trade Debtors	1	1,808,336	0.00	0.00
Stock	2	340,525	0.00	111,105.00
Plant & Equipment	3	180,039	0.00	0.00
Fixtures and Fittings		15,000	0.00	15,000.00
Computer Equipment		5,000	0.00	5,000.00
Cash at Bank		0	946.13	10,840.49
Sundry Refund		0	715.77	36,476.55
Bank Interest Gross		0	75.16	2,028.09
Third Party Monies - Escrow Account Interest	4	0	(17.28)	0.00
Third Party Monies - Other	5	0	(86,189.49)	0.00
		<u>2,348,900</u>	<u>(84,469.71)</u>	<u>180,450.13</u>
<b>Payments</b>				
Statutory Advertising			0.00	184.41
Bank Charges			0.00	40.00
Joint Administrators' Fees			28,500.00	93,500.00
Joint Administrators' Expenses & Disbursements			605.18	605.18
Legal Fees			1,000.00	1,000.00
Distribution to Preferential Creditors			0.00	2,122.16
	6		<u>30,105.18</u>	<u>97,451.75</u>
Balances in Hand			<u>(114,574.89)</u>	<u>82,998.38</u>
<b>Made up as follows</b>				
Fixed Charge Interest Bearing Current Account				£ 0.00
Floating Charge Interest Bearing Current Account				78,482.60
VAT Receivable				<u>4,515.78</u>
				<u>82,998.38</u>
Escrow Account				0.00
Third Party Monies				<u>0.00</u>
				<u>82,998.38</u>

**Notes**

- 1 Proceeds of £1,808,336 were received in consideration of the Company's book debts but were received directly by Venture - see Note 6.
- 2 Proceeds of £340,525 were received in consideration of the Company's stock and of this £111,105 was received by the Administrators with the balance of £229,420 being received directly by Venture - see Note 6.
- 3 Proceeds of £180,039 were received in consideration of the Company's plant and equipment but were received directly by Venture - see Note 6.
- 4 Third party monies have been repaid to Hamsard. This represented the final interest amount that had been applied to the Escrow account. This account originally amounted to £250,000 but funds were repaid to Hamsard following the settlement of ROT liabilities.
- 5 The Administrators have repaid £86,189 of third party monies that had been paid in to the Company's bank account, since the appointment of Administrators, in error. These funds have been repaid to the relevant party.
- 6 By virtue of Venture repaying it's facilities, a distribution on account to the secured lender of £2,217,796 has been made to date.