

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

WEDNESDAY



A14 \*A6DFZCBN\* #85  
23/08/2017  
COMPANIES HOUSE

### 1 Company details

Company number 0 2 8 4 6 2 5 9

Company name in full KEVLEY MARKETING LIMITED

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Liquidator's name

Full forename(s) STEPHEN MARK

Surname ROUT

### 3 Liquidator's address

Building name/number MENTA BUSINESS CENTRE

Street 5 EASTERN WAY

Post town BURY ST EDMUNDS

County/Region SUFFOLK

Postcode I P 3 2 7 A B

Country UNITED KINGDOM

### 4 Liquidator's name ①

Full forename(s)

Surname

① Other liquidator  
Use this section to tell us about  
another liquidator.

### 5 Liquidator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other liquidator  
Use this section to tell us about  
another liquidator.

LIQ03

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**6** Period of progress report

From date	d	2	d	7	m	0	m	6	y	2	y	0	y	1	y	6
To date	d	2	d	6	m	0	m	6	y	2	y	0	y	1	y	7

**7** Progress report

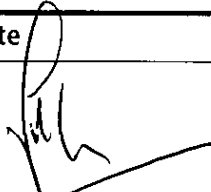
☒ The progress report is attached

**8** Sign and date

Liquidator's signature

Signature

X



X

Signature date	d	2	d	1	m	0	m	8	y	2	y	0	y	1	y	7
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## **KEVLEY MARKETING LIMITED- In Liquidation**

(Company Number 02846259)

Registered office: Menta Business Centre, 5 Eastern Way, Bury St Edmunds IP32 7AB

Former trading address: Baptist Road, Upwell, Wisbech, Cambs PE19 9EY

SM Rout appointed liquidator 27 June 2013

## **LIQUIDATORS REPORT FOR THE YEAR TO 26 JUNE 2017**

### **ASSET REALISATIONS**

#### ***Plant, Machinery, Fixtures & Fittings (estimated to realise £30,000)***

It proved to be difficult to establish what assets belong to the company in view of the connected businesses and the inaccuracies in the accounting records. I instructed an agent, Edward Wells, a specialist in such matters, to assist with the sale of the items which were believed to be owned by the company. A price of £25,000 plus vat was agreed (of which £10,000 was paid prior to the liquidation) and the balance of £15,000 has now been paid in this year.

#### ***Trade Debtors (estimated to realise £Nil)***

Book debts totalling £10,591 were identified as being outstanding but it was considered that they may not be recoverable. I have previously advised that the sum of £7,142 had been recovered but there has been no further recovery this year and none is expected.

#### ***Pallet deposit (estimated to realise £Nil)***

I identified from the company's records a deposit paid of £6,365 in relation to the supply of pallets. An associated company received the benefit of this deposit and has repaid this amount this year.

#### ***Other receipts***

Interest of £6 has been received in this year on the funds held.

### **LIABILITIES**

#### ***Preferential Creditors (estimated claim £Nil)***

I have not been notified of any preferential claims.

#### ***Unsecured Creditors (estimated claim £1,956,495)***

I have to date received 12 claims totalling £955,754 as per the attached.

### **INVESTIGATIONS**

I have carried out an initial investigation and have noted the following:

- Comparing the directors estimated statement of affairs as at 27 June 2013 to the last filed accounts to 31 December 2011 the estimated deficiency account indicates that losses of over £2m have been incurred since 1 January 2012

- There has been considerable trading activity between the connected businesses KJ Curson Farms, KJ Curson Growers Ltd and Worzals Farm Shop Ltd.
- Trading activity with KJ Curson Farms commenced in 2006 and increased significantly from 2009. There have been both sales and purchases and it appeared that the company was paying accounts on behalf of Farms. The position as at the end of 2011 showed Farms as a creditor for £453k, at the end of 2012 a debtor for £70k and at closure in 2013 as a creditor for £391k. Following a review of the inter company invoices some significant transactions were noted between the two businesses including a charge for land rent from Farms of £400k in 2012.
- Trading activity with KJ Curson Growers Ltd commenced in 2006 and increased since 2012. The position as at the end of 2011 showed Growers as a debtor for £13k, at the end of 2012 a creditor for £287k and at closure in 2013 a creditor for £290k.
- In 2012 an amount of £525k due from Farms was transferred to Growers. It also appears that in 2013 an amount of £508k relating to stock was transferred to Growers.
- Trading activity with Worzals Farm Shop Ltd commenced in 2011 and it appears that the company had been paying accounts on behalf of Worzals. The position as at the end of 2011 showed Worzals as a debtor for £446k, at the end of 2012 a nil balance and at closure in 2013 as a creditor for £122k.
- It is noted that a significant part of the debt owed by Worzals was incurred in 2010 following the payment of Worzal suppliers totalling £419k. It is noted that a liability of £568k due from Worzals was transferred to Farms in 2012.
- Worzals went into voluntary liquidation on 16 April 2015
- The directors loan account in 2011 recorded a liability of £46k, in 2012 £12k and at closure £4k.
- During 2013 there have been payments or credits totalling £1.5m excluding an intercompany credit of £557k. During 2013 suppliers invoices totalled £980k and therefore the payments made in 2013 reduced creditors by approx £560k. It is noted that payments totalling £639k have been paid by associated businesses.
- It was noted that some suppliers have received payment in full and that other suppliers have liabilities that have been incurred during 2013 that have not been settled.
- It is noted from the proof of debt received from A Donek En Zonen that their liability appears to have been incurred in 2011 and they obtained judgement on 25/10/12.
- A review of the bank account from March 2013 to closure shows receipts of £934k (sales £582k/intercompany £343k/other £9k) and payments of £908k
- The PAYE account appears to show that during the calendar year a liability of £562k was incurred in 2010, £47k in 2011, £94k in 2012 and a reduction of £39k in 2013 making a total liability of £664k. There appears to have been a time to pay arrangement entered into September 2011 which was not completed. PAYE liabilities continued to be incurred through to March 2013.
- Based on the information provided by HMRC the VAT liability commenced with a failure to settle the return ended July 2011. At the end of 2011 the liability was £21k, at 2012 £57k and at closure 2013 £110k.

The directors believe the failure of the company to be due to the following:-

- a) The adverse weather of the past two years – 2011 drought effecting vegetable crops followed by cold wet spring of 2012 continuing to 2013 and the coldest spring for 100 years.
- b) Lost sales – supermarkets reduced buying programmes in spring 2012 alone costing the company £700k in lost sales and the dumping of plants. In both 2011 and 2012 the pumpkin crop was adversely effected the combined cost to the business being c£350k

You will note from the above that there are concerns about whether the company was trading whilst insolvent, the non payment of government debts, the transactions with associated companies and whether some creditors may have been preferred. Further enquires could be made but ultimately the lack of resources may prevent matters being taken any further. If creditors would like any further information or for my investigations to continue please let me know.

In addition to carrying out a review of the company's records I am required by statute to submit a report to the Insolvency Service concerning the conduct of every director of a company that is subject to liquidation. Whilst the content of this report is confidential I can confirm that this report has been submitted.

## **LIQUIDATORS REMUNERATION**

At the first meeting of creditors it was resolved that unless agreed otherwise the Liquidator is authorised to draw remuneration according to time properly incurred by him and his staff on the administration of the liquidation. To date no fees have been drawn and details of the time incurred is attached. Time costs of £975 (6.5 hours) have been incurred during the year principally involving the realisation of assets and reporting to creditors. At the first meeting of creditors it was resolved that the costs of the convening of the meetings and assisting the directors with the preparation of the statement of affairs and the report to creditors should be treated as a cost of the liquidation and agreed in the sum of £4,500 plus VAT and disbursements which has been settled. Time has principally been incurred in dealing with the following matters:

- Accepting the appointment, case set up and completing statutory requirements.
- Visiting site, investigating asset position and instructing agents.
- Carrying out the standard investigation and reporting requirements.
- Dealing with creditor's claims and queries.
- Dealing with VAT matters.
- Dealing with post liquidation tax matters and general cashiering.
- Reporting to creditors and general correspondence.

The R3 guidance on agreeing liquidator's fees can be located at [www.insolvency-practitioners.org.uk](http://www.insolvency-practitioners.org.uk) or a hard copy will be provided on request. Creditors have the right to request information under Rule 18.9 (see attached) and have the right to challenge the liquidator's remuneration and expenses under Rule 18.34.

## **DISBURSEMENTS**


Detailed below are the total disbursements incurred at cost and paid to date. There have been no disbursements incurred in the current year.

	£
<b>Paid</b>	
Insolvency bond	343.00
Statutory notices	165.00
Room hire	83.33
<b>Outstanding</b>	
Searches	5.00
Postage	7.31
<b>Total</b>	<u>603.64</u>

During the year a payment of £2,400 plus vat was made to Edward Wells chartered surveyors based on time incurred in valuing, advising and negotiating the sale of the remaining assets.

## RECEIPTS AND PAYMENTS

I enclose a summary of the receipts and payments for the year to 26/06/2017 showing a balance of £31,045.08. The funds are held on an interest bearing account with Barclays Bank plc.



S M Rout  
Liquidator

Dated 21 August 2017

Kevley Marketing Limited  
(In Liquidation)  
Liquidator's Abstract of Receipts & Payments

Statement of Affairs	From 27/06/2016 To 26/06/2017	From 27/06/2013 To 26/06/2017
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ASSET REALISATIONS

30000.00	Plant & Machinery	15000.00	25000.00
NIL	Book Debts	NIL	7142.00
NIL	Cash at Bank	NIL	7.12
NIL	Deposit refund	6365.00	6365.00
NIL	Bank Interest Gross	6.15	8.25
NIL	Bank Interest Net of Tax	NIL	15.70

	21371.15	38538.07
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COST OF REALISATIONS

Specific Bond	NIL	343.00
Preparation of S. of A.	4500.00	4500.00
Agents/Valuers Fees (1)	2400.00	2400.00
Corporation Tax	NIL	1.66
Room hire	83.33	83.33
Statutory Advertising	165.00	165.00

	( 7148.33)	( 7492.99)
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30000.00

	14222.82	31045.08
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REPRESENTED BY

VAT Receivable	1429.67
Bank 1 - Current	34615.41
VAT Payable	( 5000.00)

31045.08

  
 .....  
 Stephen Mark Rout  
 Liquidator

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Kevley Marketing Limited  
Creditors with Held Claims

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CA00	Agriculture & Horticulture Dev	18857.00
CB00	Birmingham Fuel Oils Ltd	22771.05
CC01	CHEP UK Limited	3228.77
CD00	A Donk En Zonen	26803.55
CE00	EDF Energy Networks Ltd	5067.79
CE01	E-on UK plc	14420.53
CH00	HMRC-Tax	679135.03
CH01	HMRC-VAT	151203.63
CN00	NV Van Speybroek NOE	10403.70
CT00	Teal International Ltd	12189.52
CV00	V & J Knitwear Ltd	8171.71
CZ00	Zonneveld Trading BV	3502.37

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12 Entries Totalling £ 955754.65

Signature \_\_\_\_\_ Date \_\_\_\_\_

## KEVLEY MARKETING LIMITED- In Liquidation

### LIQUIDATORS TIME COSTS FOR THE YEAR TO 26 JUNE 2017

Classification of work function	Hours Liquidator	Time cost £	Average hourly rate £
Admin & Planning b/fwd for the year	12.90	1,935	150
Investigations for the year	0.70	105	
Asset Realisations b/fwd for the year	86.60	12,990	150
Creditors b/fwd for the year	67.10	10,065	150
	1.20	180	
	11.70	1,755	150
	4.60	690	
Total hours	184.80		
Total time costs		27,720	150

#### Standard Activities - example of work/case specific for the year

Administration and planning- Case planning, Administrative set-up, Appointment notification, Maintenance of records. Statutory reporting

Investigations - SIP2 review, CDDA reports & investigating antecedent transactions.

Realisation of assets- Identifying, securing, insuring assets, Retention of title, Debt collection, Property, business and asset sales.

Creditors- Communication with creditors, collating and agreeing creditors claims (including employees and other preferential creditors)

#### Charge out rates

Time has been charged at 6 minute intervals at an hourly rate of £150 per hour.  
Support staff has not been charged separately.

***Creditors' and members' requests for further information in administration, winding up and bankruptcy***

**18.9.** (1) The following may make a written request to the office-holder for further information about remuneration or expenses (other than pre-administration costs in an administration) set out in a progress report under rule 18.4(1)(b), (c) or (d) or a final report under rule 18.14---

(a) a secured creditor;

(b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question);

(c) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company;

(d) any unsecured creditor with the permission of the court; or

(e) any member of the company in a members' voluntary winding up with the permission of the court.

(2) A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the report by the person, or by the last of them in the case of an application by more than one member or creditor.

(3) The office-holder must, within 14 days of receipt of such a request respond to the person or persons who requested the information by---

(a) providing all of the information requested;

(b) providing some of the information requested; or

(c) declining to provide the information requested.

(4) The office-holder may respond by providing only some of the information requested or decline to provide the information if-

(a) the time or cost of preparation of the information would be excessive; or

(b) disclosure of the information would be prejudicial to the conduct of the proceedings;

(c) disclosure of the information might reasonably be expected to lead to violence against any person; or

(d) the office-holder is subject to an obligation of confidentiality in relation to the information.

(5) An office-holder who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

(6) A creditor, and a member of the company in a members' voluntary winding up, who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of-

(a) the office-holder giving reasons for not providing all of the information requested; or

(b) the expiry of the 14 days within which an office-holder must respond to a request.

(7) The court may make such order as it thinks just on an application under paragraph (6).