

Liquidator's Progress Report**Pursuant to Sections 92A, 104A and 192 of the
Insolvency Act 1986****S.192**

To the Registrar of Companies

Company Number

06895395

Name of Company

(a) Insert full name
of company

(a) Hemp Technology Limited

(b) Insert full
name(s) and
address(es)

I/We (b)
John Arthur Kirkpatrick and David William Tann of Wilkins Kennedy LLP
92 London Street
Reading
Berkshire
RG1 4SJ

the liquidator(s) of the company attach a copy of my/our Progress Report under
section 192 of the Insolvency Act 1986

The Progress Report covers the period from 13 May 2015 to 12 May 2016

Signed



Date 1 July 2016

Presenter's name,
address and
reference
(if any)

John Arthur Kirkpatrick
Wilkins Kennedy LLP
92 London Street
Reading
Berkshire
RG1 4SJ

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COMPANIES HOUSE

**Hemp Technology Limited
In Liquidation
("the Company")**

**Annual Progress Report to the Members and Creditors
Pursuant to Section 104A of the Insolvency Act 1986 for the year ending 12 May
2016**

Wilkins Kennedy LLP
92 London Street
Reading
Berkshire
RG1 4SJ

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- I Receipts and payments account
- II Analysis of time costs, explanation of time charging and disbursements recovery policy and complaints procedure

1. INTRODUCTION

The anniversary of my appointment as joint liquidator has passed and I am required to send you a report on what has happened in the liquidation in the past year

In summary my solicitor has now undertaken a review of the charges in favour of Hazel Renewable Energy VCT1 Plc, Hazel Renewable Energy VCT2 Plc and Neptune-Calculus Income & Growth VCT Plc. Following the solicitor's initial review, it has been necessary to request further information from the chargeholders to establish the validity and quantum of debt being demanded under the terms of the respective charges. Once this information has been received and the further advice of my solicitor sought, I anticipate that I will be in a position to make an interim distribution under the terms of these floating charges and calculate the distribution to unsecured creditors in accordance with the prescribed part provisions as detailed below.

2. BACKGROUND

The joint liquidators were appointed on 13 May 2014, following the conclusion of the previous administration.

The Company's registration number is 06895395 and its current registered office is 92 London Street, Reading, Berkshire, RG1 4SJ.

The Company's former registered office was Halesworth Business Centre, Norwich Road, Halesworth, IP19 8QJ. This was also the former trading address.

3 RECEIPTS AND PAYMENTS ACCOUNT

Appendix I is a summary of receipts and payments for the year from 13 May 2015 to 12 May 2016. As at 12 May 2016 a total of £201,865.48 was held in the liquidation account. This account is held at Metrobank Plc. It is interest bearing and I confirm that it has been reconciled to the bank statements.

4 ASSET REALISATIONS

4.1 Transfer from Administration

As at the date of liquidation, £200,324.75 was transferred from the administration account.

4.2 Plant & Machinery

The majority of the Company's plant and machinery was subject to a lease agreement with Valtech NV. However, some of the components of this equipment belonged to the Company. Total Asset Recovery Limited ('the agent') valued the remaining equipment and estimated it would realise approximately £5,000. Sales of the plant and machinery total £9,775.30 and these funds have been transferred by the agent into the liquidation account. Realisations are greater than anticipated as part of the equipment used to process the hemp that was initially thought to be covered by the lease agreement with Valtech NV was not. As such this was not available to sell while the Company was in administration.

4.3 Stock

At the date of administration the Company held on site some raw hemp material which was ready for processing, which the agent estimated would realise approximately £40,000. Sales total £53,034.47 and this sum was transferred to the liquidation account on 23 May 2014.

5. EXPENDITURE

5.1 Joint liquidators' remuneration

My remuneration was authorised by creditors during the administration of the Company at a meeting held on 24 December 2013 to be drawn on a time costs basis. My total time costs to 12 May 2016 amount to £22,362.05, representing 121.75 hours which have been charged at an average hourly charge out rate of £183.67. Of this balance, £12,499.30 was incurred in the period 13 May 2015 to 12 May 2016, representing 61.45 hours at an average hourly charge out rate of £203.41.

I have drawn £16,985.50 to date, £7,312.75 of which was drawn in this reporting period.

A description of the routine work undertaken in the liquidation is set out at Appendix II.

A creditors' guide to liquidators' fees is available at the following internet link, www.r3.org.uk/index.cfm?page=1210. A hard copy of this document is available free of charge upon request to my office.

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question), request further details of the joint liquidators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the joint liquidators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

5.2 Joint liquidators' expenses

My expenses to 12 May 2015 amount to £680.37, all of which have been paid.

The following agents and professional advisors have been used in the liquidation.

<u>Agent / professional advisor</u>	<u>Nature of work</u>	<u>Fee arrangement</u>
Total Asset Recovery	Attendance on site and valuation of the business and assets	Valuation fee of £1,500 plus VAT
	Assistance in establishing what costs should be incurred during the period prior to the administrators appointment	Commission fee of 10% plus VAT on sale proceeds over £100,000 or 15% plus VAT on sale proceeds under £100,000
	Assistance in negotiating a sale of the business and/or assets	
Clifton Ingram Solicitors LLP	Review of charges in favour of Hazel Renewable Energy VCT2 Plc, Neptune-Calculus Income & Growth VCT Plc and Hazel Renewable Energy VCT1 Plc	Time costs

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

5.3 Book Debts

The amount of £13,094.84 has been repaid to Lloyds TSB Commercial Finance under the terms of its fixed charge security as some of the funds received during the liquidation were incorrectly calculated by Lloyds TSB Commercial Finance in pounds sterling rather than euros.

6 INVESTIGATION

6.1 I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. I considered in particular transactions which took place at the time of and immediately prior to the Company ceasing to trade.

There were no matters that justified further investigation in the circumstances of this appointment.

6.2 Within six months of my appointment, I was required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present director would make them unfit to be concerned with the management of the Company. I confirm that my report has been submitted.

7. CREDITORS' CLAIMS

7.1 Secured creditors

The Company granted an all assets debenture to Lloyds TSB Commercial Finance on 27 July 2012 in support of their invoice finance agreement. As previously advised, all sums outstanding to Lloyds TSB Commercial Finance have been collected in full under the terms of their agreement.

The Company also gave fixed and floating charges to Hazel Renewable Energy VCT1 Plc, Hazel Renewable Energy VCT2 Plc and Neptune-Calculus Income & Growth VCT Plc on 14 July 2011 in respect of various loans provided to the Company.

As Lloyds TSB Commercial Finance have been discharged in full from debt collections, the remaining asset realisations are subject to the floating charges held by Hazel Renewable Energy VCT1 Plc, Hazel Renewable Energy VCT2 Plc and Neptune-Calculus Income & Growth VCT Plc.

My solicitor has undertaken an initial formal review of these charges to establish the validity of these charges prior to my declaring any distributions under the terms of the respective chargeholders' security. Following my solicitor's initial review, further information has been requested from the chargeholders in order to establish validity and the quantum of the debt being demanded under the terms of their security, and we are awaiting a response.

Section 176A(1)(a) of the Insolvency Act 1986 requires that, where the Company has created a floating charge after 15 September 2003, the liquidator(s) must make a prescribed part of the Company's net property available for the unsecured creditors and not distribute it to the floating charge holder except in so far as it exceeds the amount required for the satisfaction of unsecured claims. "net property" means the amount which would, were it not for this provision, be available to floating charge holders (i.e. after accounting for preferential debts and the costs of the liquidation).

The prescribed part is calculated as 50% of the first £10,000 of net property and 20% of the balancing net property (up to a maximum amount to be made available of £600,000). A liquidator will not be required to set aside the prescribed part if

- the net property is less than £10,000 and he thinks the cost of distributing the prescribed part would be disproportionate to the benefit (Section 176A(3)), or
- he applies to the court for an order on the grounds that the cost of distributing the prescribed part would be disproportionate to the benefit and the court orders that the provision shall not apply (Section 176A(5))

The floating charge was created after 15 September 2003 and so the prescribed part will be applied pursuant to Section 176A of the Insolvency Act 1986 and made available to unsecured creditors. My current estimate of the prescribed part is c. £40,000 before costs associated with the agreement of unsecured creditor claims.

7.2 Preferential creditors

Since my last report, the claims of preferential creditors have been paid in full.

Preferential creditor claims totalled £1,834.72 and the dividend of 100p in the £ was paid on 11 May 2016.

7.3 Unsecured creditors

To date, I have received 74 unsecured claims totalling £3,415,347.90 compared to £4,234,301.36 estimated in the statement of affairs. The reason for this discrepancy is that not all creditors listed in the statement of affairs have submitted a claim in the proceedings.

Claims have not yet been agreed or admitted for dividend purposes.

8. DIVIDEND PROSPECTS

Based on current information, there will be sufficient funds to enable a dividend to the unsecured creditors of the Company in accordance with the prescribed part provisions.

9. CONCLUSION

The liquidation will remain open until my solicitor is able to ascertain the exact amounts to which the chargeholders Hazel Renewable Energy VCT1 Plc, Hazel Renewable Energy VCT2 Plc and Neptune-Calculus Income & Growth VCT Plc are entitled. Once this has been established I will make a distribution to the secured creditors and calculate the dividend available to unsecured creditors in accordance with the prescribed part provisions. Once these matters have been finalised then my files will be closed.

The next formal report is due after the next anniversary of the liquidation, or the conclusion of the liquidation, whichever is sooner. However, I will be happy to respond to any specific request for further information submitted in the meantime.

When contacting this office about the liquidation, please ask for Sean Cox.



John Arthur Kirkpatrick
Joint Liquidator

Hemp Technology Limited - In Creditors Voluntary Liquidation
Joint Liquidators' Abstract of Receipts & Payments

From 13 May 2015 To 12 May 2016

S of A £		As Previously Reported	13/05/15 to 12/05/16	Total £
RECEIPTS				
NIL	Plant & Machinery	9,775 30	NIL	9,775 30
NIL	Stock	53,034 47	NIL	53,034 47
NIL	Bank Interest Gross	543 51	519 47	1,062 98
NIL	Transfer From Administration	200,324 75	NIL	200,324 75
NIL		<u>263,678 03</u>	<u>519 47</u>	<u>264,197 50</u>
PAYMENTS				
	Book Debts	13,094 84	NIL	13,094 84
	Office Holders Fees	11,120 50	7,312 75	18,433 25
	Agents/Valuers Fees (1)	24,855 44	NIL	24,855 44
	Corporation Tax	23 32	NIL	23 32
	Storage Costs	334 86	370 89	705 75
	Postage	78 00	72 96	150 96
	IT Administration Fee	110 00	NIL	110 00
	Administrators Fees	NIL	2,168 25	2,168 25
	Vat Receivable	294 80	(13 10)	281 70
	Vat Control Account	NIL	673 79	673 79
	Preferential Creditors	NIL	1,834 72	1,834 72
		<u>49,911 76</u>	<u>12,420 26</u>	<u>62,332 02</u>
CASH IN HAND		<u>213,766 27</u>	<u>(11,900 79)</u>	<u>201,865 48</u>

WILKINS KENNEDY LLP

Schedule of joint liquidators' remuneration and disbursements

for

Hemp Technology Limited

as at 12 May 2016

JOINT LIQUIDATORS' FEES

Classification Of work function	HOURS					Time Cost £	Average hourly rate £
	Partner	Manager	Other senior Professionals	Assistants & support staff	Total Hours		
Administration & planning	4 60	5 70	5 40	16 10	31 80	5,297 00	166 57
Investigations	-	1 20	-	-	1 20	372 00	310 00
Realisation of assets	-	2 80	9 50	-	12 30	2,236 00	181 78
Cashiering	5 70	0 50	2 70	17 35	26 25	3,811 55	145 20
Creditors	2 60	10 30	13 90	1 70	28 50	6,425 00	225 43
Statutory	2 90	2 60	13 30	2 90	21 70	4,220 50	194 49
Total hours	15 80	23 10	44 80	38 05	121 75	22,352 05	183 67
Total fees claimed (£)						(16,983 50)	

Wilkins Kennedy LLP Charge-Out Rates

28 April 2014 to 28 February 2015

£

1 March 2015 to date

£

Partners/Directors 400 00 - 450 00
 Senior Managers/Managers 270 00 - 300 00
 Supervisors 205 00
 Case Managers/Senior Administrators 145 00 - 195 00
 Administrators/Investigators 100 00 - 160 00
 Junior/Trainee Administrators 25 00 - 100 00
 Cashiers/Secretaries 75 00 - 90 00

Partners 400 00 - 450 00
 Directors/Managers 250 00 - 350 00
 Senior Administrators 145 00 - 195 00
 Administrators 100 00 - 160 00
 Junior/Trainee Administrators 50 00 - 110 00
 Cashiers/Secretaries 75 00 - 90 00

WILKINS KENNEDY LLP

Schedule of joint liquidators' remuneration and disbursements

for

Hemp Technology Limited

For the period 13 May 2015 to 12 May 2016

JOINT LIQUIDATORS' FEES

HOURS						Time Cost £	Average hourly rate £
Classification Of work function	Partner	Manager	Other senior Professionals	Assistants & support staff	Total Hours		
Administration & planning	0 70	5 65	1 40	6 20	13 95	2,649 00	189 89
Investigations	-	1 20	-	-	-	-	-
Realisation of assets	-	2 00	-	-	2 00	500 00	250 00
Cashiering	3 20	0 30	1 50	7 40	12 40	1,666 30	134 38
Creditors	2 60	10 30	10 50	0 70	24 10	5,806 00	240 91
Statutory	0 80	2 60	1 60	2 80	7 80	1,506 00	193 08
Total hours	7 30	22 05	15 00	17 10	61 45	12,499 30	203 41
Total fees claimed (£)						(7,312 75)	

Wilkins Kennedy LLP Charge-Out Rates

28 April 2014 to 28 February 2015

£

1 March 2015 to date

£

Partners/Directors
Senior Managers/Managers
Supervisors
Case Managers/Senior Administrators
Administrators/Investigators
Junior/Trainee Administrators
Cashiers/Secretaries

400 00 - 450 00
270 00 - 300 00
205 00
145 00 - 195 00
100 00 - 160 00
25 00 - 100 00
75 00 - 90 00

Partners
Directors/Managers
Senior Administrators
Administrators
Junior/Trainee Administrators
Cashiers/Secretaries

400 00 - 450 00
250 00 - 350 00
145 00 - 195 00
100 00 - 160 00
50 00 - 110 00
75 00 - 90 00

Explanation of officeholders time charging policy

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), the charge out rates detailed on the previous page are applicable to this appointment exclusive of VAT. Rates are normally reviewed on an annual basis and adjustments made accordingly where deemed appropriate.

Time is recorded in 6 minute units by each staff member working on the case. A description of the routine work undertaken which time will be recorded for is detailed as follows:

1 Administration and planning

- Preparing documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details
- Reviewing the ongoing progression of case files
- Arranging the collection and storage of company records
- Ensuring an appropriate case bordereau is in place
- Case planning and administration
- Preparing reports to members and creditors
- Convening and holding meetings of members and creditors where appropriate

2 Investigations

- Review and storage of the Company's books and records
- Preparation of returns / reports pursuant to the Company's Directors Disqualification Act 1986
- Conduct investigations into any suspicious transactions
- Reviewing the books and records to identify any transactions or actions that the officeholder may take in order to recover funds for the benefit of creditors

3 Realisation of assets

- Identifying, securing and obtaining sufficient insurance in respect of company assets
- Dealing with any retention of title or other third party claims
- Debt collection functions
- Negotiating and completing property, business and asset sales

4 Trading

- Management of trading operations
- Maintaining and preparing accounting records for the period of trade
- Dealing with ongoing employee issues

5 Creditors

- Dealing with creditor correspondence and telephone conversations
- Maintaining creditor information and claims (including those submitted by secured creditors, employees and other preferential creditors)

Explanation of officeholders disbursement recovery policy

SIP 9 also requires that the office holder provide a statement of the officeholder's policy in relation to the recharging of disbursements. SIP 9 defines disbursements as either Category 1 or Category 2 disbursements, further details of which are below:

Category 1 disbursements will generally comprise external supplies of incidental services specifically identifiable to the case, typically for items such as identifiable telephone calls, postage, case advertising,

invoiced travel and properly reimbursed expenses incurred by personnel in connection with the case. Also included will be services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage.

Category 2 disbursements will generally comprise costs which, whilst being in the nature of expenses or disbursements, include elements of shared or allocated costs.

Charging and disbursement recovery policy

Category 1 disbursements are recoverable without approval, and will be recovered by the officeholder as they are incurred.

Category 2 disbursements do require approval, and should be identified and subject to approval by those responsible for approving remuneration. SIP 9 provides that the officeholder may make a separate charge for expenses in this category, provided that

- such expenses are of an incidental nature and are directly incurred on the case, and there is a reasonable method of calculation and allocation, it will be persuasive evidence of reasonableness, if the resultant charge to creditors is in line with the cost of external provision, and
- the basis of the proposed charge is disclosed and is authorised by those responsible for approving his remuneration.

Payments to outside parties in which the officeholder or his firm or any associate (as defined by Section 435 of the Insolvency Act 1986) has an interest should be treated as category 2 disbursements.

The following items of expenditure are recharged on this basis and are believed to be in line with the cost of external provision.

Photocopying	5p per sheet
Mileage	45p per mile (40p per mile prior to 6 April 2011)
Meeting Room	£50

Complaints procedure

Details of our complaints procedure are available on our website using the following link
<http://www.wilkinskennedy.com/services/wk-restructuring-recovery/insolvency/complaints-procedure>