

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 3 2 9 9 6 3 5

Company name in full F & M Garden Machinery Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Mark

Surname Reynolds

3 Liquidator's address

Building name/number c/o Valentine & Co

Street Galley House,

Post town Moon Lane

County/Region Barnet

Postcode E N 5 5 Y L

Country

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.

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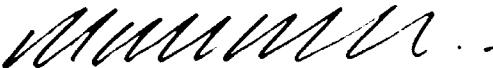
6 Period of progress report

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

7 Progress report

<input checked="" type="checkbox"/> The progress report is attached	
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8 Sign and date

Liquidator's signature	Signature X  X								
Signature date	^d 1	^d 9	^m 0	^m 8	^y 2	^y 0	^y 2	^y 2	

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Mark Reynolds**

Company name **Valentine & Co**

Address **1st Floor Galley House**

Moon Lane

Post town **London**

County/Region

Postcode **E N 5 5 Y L**

Country

DX

Telephone **0203 959 9595 / 0208 343 3710**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Valentine&Co

**Liquidator's Annual Progress Report
to Creditors and Members**

**F & M Garden Machinery Limited
- In Liquidation**

16 August 2022

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APPENDICES

- A Receipts and Payments Account for the Period from 2 July 2021 to 1 July 2022
- B Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9 (SIP 9)

1 Introduction and Statutory Information

- 1.1 I, Mark Reynolds, of Valentine & Co, Galley House, Moon Lane, Barnet EN5 5YL, was appointed as Liquidator of F & M Garden Machinery Limited (the Company) on 2 July 2021.
- 1.2 This report provides an update on the progress in the liquidation for the year ended 1 July 2022 (the Period).
- 1.3 Information about the way that we will use, and store personal data on insolvency appointments can be found at <https://www.valentine-co.com/resources/>. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.4 The principal trading address of the Company was Park View Nursery, Crews Hill, Enfield, EN2 9BQ.
- 1.5 The registered office of the Company was changed to c/o Valentine & Co, Galley House, Moon Lane, London, EN5 5YL and its registered number is 03299635.

2 Receipts and Payments

- 2.1 At Appendix A, I have provided an account of my Receipts and Payments for the period ended 1 July 2022 with a comparison to the Statement of Affairs values, which provides details of the remuneration charged and expenses incurred and paid by the Liquidator.

3 Progress of the Liquidation

- 3.1 This section of the report provides creditors with an update on the progress made in the liquidation during the Period.

Administration (including statutory compliance & reporting)

- 3.2 An office holder must comply with certain statutory obligations under the Insolvency Act 1986 and other related legislation. Details about the work I anticipated would need to be done in this area was outlined to creditors in my initial fees information.
- 3.3 This work may not necessarily bring any financial benefit to creditors but is required on every case by statute.
- 3.4 In the period under review, I have opened and maintained the required practice files, estate cashbook and bank account, notified creditors of my appointment and completed all statutory and regulatory duties following my appointment.

Realisation of Assets

- 3.5 Work undertaken to date to recover assets may bring a financial benefit to creditors through the distribution of funds available to creditors after settlement of properly authorised costs and expenses.
- 3.6 Herts. Valuations, Independent Agents, were instructed to value and dispose of the Company's assets.

Plant & Machinery

- 3.7 Plant & Machinery comprised of racking and showroom display plinths, which were expected to realise approximately £250. These items were sold for £200 to a third party.

Fixtures & Fittings

- 3.8 Fixtures & Fittings were sold for £50, as anticipated.

Motor Vehicles

- 3.9 The Agent advised that the Company owned two aged unencumbered motor vehicles with a total realisable value of approximately £1,800. Both vehicles had covered substantial mileage and were in a condition commensurate with 12 plus years of delivering often bulky machinery.
- 3.10 The local mechanical garage claimed a lien over the Ford Transit van, as they had an outstanding claim against the Company for work that had been carried out on the vehicle. It was therefore considered uneconomic to seek to collect the vehicle due to the poor second-hand value and, ultimately, the Ford Transit was abandoned at the workshop.
- 3.11 The Mitsubishi L200 Warrior Pick Up was sold to a connected party for £1,000.

Connected Party Transactions

- 3.12 In accordance with Statement of Insolvency Practice 13, I would advise you that the following assets were sold to a connected party of the Company during the period covered by this report:

Date of transaction	Assets involved & nature of transaction	Consideration paid & date	Sold to	Relationship
16/07/2021	Mitsubishi L200 Warrior Pick Up	£1,000 paid on 29/10/21	Ben Deakin	Director's son

- 3.13 I obtained an independent valuation of the vehicle from Herts Valuations. The Agent considered the alternatives of making a sale to a connected/willing party and the value achievable via auction.
- 3.14 The Agent confirmed that the net realisable value of the above asset was increased by selling to a willing purchaser (i.e. a connected party), as opposed to selling the vehicle at auction. This was because the connected party was willing to purchase the asset in situ, reducing the costs of removal and likely lower sale value at auction, particularly given the age and condition of the motor vehicle.
- 3.15 It was therefore considered to be in the best interests of the estate to make the sale to a connected party and maximise realisations

Stock

- 3.16 The Agent advised that the Company's stock consisting of assorted gardening equipment had a realisable value of approximately £400.
- 3.17 Further stock with an estimated realisable value of circa £5,000 was expected to be subject to Retention of Title claims, however, these ROT claims were unsuccessful and the stock was sold to third parties, for a total of £5,929.

Office Furniture and Equipment

- 3.18 The Company's computer equipment, which was expected to have a nil realisable value, was sold for £50.

Book Debts

- 3.19 The Director advised that there were book debts due to the Company with a book value of approximately £10,000. The total sum of £8,039.89 has been realised during the period. There are no further recoveries anticipated in this matter.
- 3.20 All funds received within the liquidation are placed in a specifically designated interest bearing account and the gross interest received in this reporting period totals £0.19.

Investigations

- 3.21 Some of the work the Liquidator is required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Liquidator can pursue for the benefit of creditors.
- 3.22 I can confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986. As this is a confidential report, I am unable to disclose the contents.
- 3.23 Shortly after appointment, I made an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial creditors' meeting or as a response to my request to complete an investigation questionnaire.
- 3.24 My investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

Creditors (claims and distributions)

- 3.25 Further information on the anticipated outcome for creditors in this case can be found at section 4 of this report. A Liquidator is required to deal with correspondence and claims from all classes of creditor (which may include retention of title claims).
- 3.26 If a distribution is to be paid to any class of creditor, work will be required to agree claims and process the dividend payments to each relevant class of creditor. Claims will only be adjudicated where a distribution is anticipated to that class of creditor.
- 3.27 This work may not necessarily bring any financial benefit to creditors unless a distribution is anticipated, however, this work is required by statute.
- 3.28 The time spent on this case during the period of this Progress Report relates to the following matters:
- Attending to correspondence and telephone calls with creditors
 - Recording and acknowledging creditors claims
 - Investigations into the affairs of the Company
 - Preparation and submission of statutory report to the Secretary of State
 - Obtaining bonding and completing bond reviews to enable the Liquidator to continue to act
 - Cashiering and updating insolvency computer system
 - Reviews of case
 - Statutory compliance which includes submissions to Companies House
 - Liaising with valuation agents

Matters still to be dealt with

- 3.29 There are no outstanding matters and case closure proceedings will begin following the filing of this report.

4 Outcome for Creditors

Secured Creditors

- 4.1 There are no registered charges against the Company and no secured creditors.

Preferential Creditors

- 4.2 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 4.3 Where employees make a successful claim to the Redundancy Payments Service (RPS) for monies due, the RPS will stand in place of the employees for the claim as paid.
- 4.4 A claim/breakdown of payments made to the employees has yet not been received from the RPS and therefore the employees excess preferential claims cannot be calculated.
- 4.5 There is no prospect of a dividend to preferential creditors.

Secondary Preferential Creditors

Secondary preferential claims are claims from HMRC in respect of VAT and other amounts due to HMRC through a deduction by the business, such as student loan payment, PAYE, Employee NIC and Construction Industry Scheme deductions. A summary of secondary preferential claims is detailed below.

Secondary Preferential claim	Agreed Claim £	Statement of Affairs Claim £	Dividend paid p in the £1
HMRC	0.00	34,000.00	No dividend paid

- 4.6 No dividend to secondary preferential creditors is anticipated.

Unsecured Creditors

- 4.7 I received claims totalling £165,029.88 from thirteen creditors. I am yet to receive claims from nine creditors, whose claims total £157,684.00 according to the Statement of Affairs.
- 4.8 At this stage, it appears that there is no prospect of a dividend to unsecured creditors. I would confirm that it is anticipated there will be insufficient funds realised after defraying the expenses of the liquidation to pay a dividend to unsecured creditors.

5 Liquidator's Remuneration and Expenses

Pre-appointment costs

- 5.1 The Liquidation creditors authorised the payment of £7,500, plus VAT and disbursements for my assistance with preparing the statement of affairs and convening the decision procedure to seek the creditors nomination for the appointment of a liquidator.

5.2 Post appointment fees

The Creditors approved that the basis of the Liquidator's remuneration be fixed by £15,000 plus VAT followed by 20% of all realised assets. My fees information was originally provided to creditors when the basis of my remuneration was proposed and was based on information available to me at that time.

- 5.3 The Liquidator has drawn £3,500 against the total set fee agreed of £15,000 plus VAT. It is anticipated that a proportion of the balance will be drawn prior to the closure of the liquidation, however the final amount paid to my firm against the agreed set fee will be confirmed in my final progress report in due course.
- 5.4 The Liquidator has made the following realisations upon which the creditors have approved a percentage be taken as remuneration. Details of the realisations to date and associated remuneration drawn on account of those realisations is set out below:

Asset category	Value of assets realised in period	Total value of assets realised since appointment	Remuneration % agreed	Total fees invoiced to date	Fees not yet drawn
Plant & Machinery	£0.00	£200.00	20%	£0.00	£40.00
Fixtures & Fittings	£0.00	£50.00	20%	£0.00	£10.00
Motor Vehicles	£0.00	£1,000	20%	£0.00	£200.00
Stock	£0.00	£5,929.00	20%	£0.00	£1,185.80
Office furniture & equipment	£0.00	£50.00	20%	£0.00	£10.00
Book debts	£0.00	£8,039.89	20%	£0.00	£1,607.98

Professional Advisors

- 5.5 On this assignment I have used the professional advisors listed below. I have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis. No significant personal or professional relationships that may give rise to a potential threat or conflict have been identified with any Advisor and their costs are regarded as category 1 expenses.

Name of Professional Advisor	Basis of Fee Arrangement	Estimated total cost (£)
Herts Valuations (valuation and disposal advice)	Hourly rate and disbursements	2,629.20

- 5.6 My choice 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 the fee arrangement with them.

Use of Sub-Contractors

- 5.7 We have not utilised the services of any subcontractors on this case.

Liquidator's Expenses

- 5.8 An estimate of the expenses (including disbursements) which were anticipated at the outset of the liquidation was provided to creditors when the basis of remuneration was proposed.
- 5.9 An analysis of the expenses paid to the date of this report, together with those incurred but not paid at the date of this report, is provided below:

Expenses (Category 1)	Original Estimate £	Paid in prior period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Agents' costs *	500.00	0.00	2,629.20	0.00	2,629.20
Statutory advertising	267.60	0.00	267.60	0.00	267.60
Specific penalty bond	24.00	0.00	110.00	0.00	110.00

- 5.10 * Agents costs were estimated to be £500 which represented the costs incurred in attending the Company's premises to prepare an inspection and valuation of the Company's assets.
- 5.11 The Agents additional expenses relate to 10% commission on the sale of assets, dealing with retention of title claims, expressions of interest and negotiations, 5 additional visits to site, supervising clearance of the Company's premises over a 2 day period and liaising with the landlord to prevent distraint. There were also additional costs incurred in hiring 2 x 7 cubic yard skips, Luton van hire, performing a secure destruction of data files (38 boxes of paperwork), delivery of pallet from Stevenage to Stockport, as well as travel, telephone and miscellaneous expenses.
- 5.12 Additional information in relation to the Liquidator's expenses is given at Appendix B.
- 5.13 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <http://www.valentine-co.com/resources/>.

- 5.14 An estimate of the expenses (including disbursements) which were anticipated at the outset of the liquidation was provided to creditors when the basis of remuneration was approved. Attached as Appendix B is additional information in relation to the Liquidator's fees and expenses, including where relevant, information on the use of subcontractors and professional advisers.

6 Opting out

- 6.1 Creditors have the right to elect to opt out of receiving further documents about the Liquidation, however where you choose to opt out, please be aware that you will continue to receive documents where:

- The Insolvency Act requires me to deliver a document to all creditors,
- It is notification of change in the appointed Liquidator or the Liquidator's contact details,
- It is notification about a dividend or proposed dividend, or
- It is a notice which the court orders to be sent to all creditors

- 6.2 Opting-out will not affect your entitlement to receive a dividend, in circumstances where a dividend is to be paid.

- 6.3 Although a creditor who has opted out is entitled to participate in the making of decisions in relation to the Liquidation (or any subsequent insolvency proceedings), please note that by opting out you will not be given notice of decisions being sought.

- 6.4 In order to opt out of receiving further documents, please make your request in writing, signed and dated by you or (if a company) someone entitled to sign on the creditor company's behalf. You will become an opted-out creditor when the notice is received by my office. You may at any time revoke your election to opt out by a further notice in writing, sent in the same way.

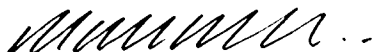
7 Creditors' Rights

- 7.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Liquidator provide further information about their remuneration or expenses which have been itemised in this progress report.

- 7.2 Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Liquidator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Liquidator, as set out in this progress report, are excessive.

8 Next Report

- 8.1 I am required to provide a further report on the progress of the liquidation within two months of the next anniversary of the liquidation, unless I have concluded matters prior to this, in which case I will write to all creditors with my final account.



Mark Reynolds

Liquidator

Appendix A

Receipts and Payments Account for Period from 2 July 2021 to 1 July 2022

**F & M Garden Machinery Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments**

Statement of Affairs £	From 02/07/2021 To 01/07/2022 £	From 02/07/2021 To 01/07/2022 £
	ASSET REALISATIONS	
250.00	Plant & Machinery	200.00
50.00	Fixtures & Fittings	50.00
1,800.00	Motor Vehicles	1,000.00
400.00	Stock	5,929.00
NIL	Office furniture and equipment	50.00
Uncertain	Book Debts	8,039.89
Uncertain	Goodwill	NIL
	Bank Interest Gross	0.19
	15,269.08	15,269.08
	COST OF REALISATIONS	
	Specific Bond	110.00
	Pre-Appointment Fees/Expenses	7,500.00
	Office Holders Fees	3,500.00
	Agents/Valuers Fees (1)	2,629.20
	Statutory Advertising	267.60
	(14,006.80)	(14,006.80)
	PREFERENTIAL CREDITORS	
(4,898.88)	DE Arrears & Holiday Pay	NIL
	NIL	NIL
	SECONDARY PREFERENTIAL CREDITORS	
(34,000.00)	HM Revenue & Customs	NIL
	NIL	NIL
	UNSECURED CREDITORS	
(172,851.00)	Trade & Expense Creditors	NIL
(37,562.80)	Employees	NIL
(50,000.00)	Directors	NIL
(50,000.00)	Barclays Bank Plc	NIL
	NIL	NIL
	DISTRIBUTIONS	
(97.00)	Ordinary Shareholders	NIL
	NIL	NIL
(346,909.68)	1,262.28	1,262.28
	REPRESENTED BY	
	Vat Receivable	1,250.00
	Fixed Current A/c	1,262.28
	Vat Control Account	(1,250.00)
		1,262.28
		1,262.28

Appendix B

Additional Information In Relation To Liquidator's Fees Pursuant To Statement Of Insolvency Practice 9 (SIP 9)

CHARGE OUT RATES & POLICY REGARDING THE RECOVERY OF EXPENSES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9

The following information applies to all appointments of Insolvency Practitioners of Valentine & Co to act as any of the following:-

Liquidator, Receiver, Administrator or Administrative Receiver of a Limited Company
Trustee in Bankruptcy
Supervisor of an Individual, Company or Partnership Voluntary Arrangement
Administrator under the Insolvent Estates Order
Monitor

When acting as Nominee, the provisions of the Insolvency Act require that the amount of the fees payable to the Office-holder be specified within the Debtor's proposals. Such fees will nevertheless be fixed to take account of the Office-holder's expected time costs arising as referred to below.

1. POLICY ON FEES

Fees are either fixed by reference to time costs, or as a percentage of realisations and distributions, or a set amount or any combination of all three. Where fees are agreed on a time cost basis, rates may be varied from time to time, at the sole discretion of Valentine & Co, and such changes will be notified in retrospect with each report to Creditors. It is the policy of Valentine & Co to use as junior grade of staff as compatible with the efficient conduct of the matter in order to ensure costs are kept to a minimum.

1.1. CHARGE-OUT RATES

Where the approved basis of remuneration is on a time costs basis, work undertaken on cases is recorded in 6 minute units in an electronic time recording system. Time properly incurred on cases is charged at the hourly rate of the grade of staff undertaking the work that applies at the time the work is done. Details of this firm's charge-out rates are as follows:

	Rate from 12 January 2021 per hour (£)	Rate from 1 April 2022 per hour (£)
Managing Director	475	525
Other Directors/Consultant	325-450	375-495
Manager	200-300	285 -375
Senior	150-200	195-250
Administrator	50-150	150-195
Support	50	50

Rates vary between individuals, reflecting experience and qualification. For certain more complex tasks, Valentine & Co may seek to apply a higher rate in respect of work undertaken, but subject to prior authorisation in accordance with the Act. Please note that support staff time is charged to the case at the rate indicated. Rates are subject to review and may increase periodically. Any change in rates will be advised to creditors.

For further information on the manner in which an Office Holder's fees may be fixed, please refer to the guidance notes in relation to fees which can be downloaded from www.valentine-co.com/resources

1.2. FIXED AND % FEES

Where fees are authorised and approved as a fixed fee and/or % fee this fee is to cover the costs incurred by the Insolvency Practitioner and his staff and does not include any additional direct costs.

2. RECOVERY OF EXPENSES

An expense is a directly attributable cost to the estate which is neither an office holder's remuneration nor a distribution to creditors or members. Expenses can include disbursements, payments met by the office holder and subsequently recovered from the estate, and are divided into those that do not need approval before they are charged to the estate (category 1) and those that do (category 2).

Category 1 expenses are payments to independent third parties and do not have to be approved prior to payment, but when reporting to the creditors committee and creditors during the course of the liquidation the actual expenses incurred will be compared with the original estimate provided with any material difference explained (e.g. where legal costs rise due to escalated recovery action).

Category 2 expenses are payments to associates, or parties with a professional or personal relationship, or payments which have an element of shared costs. These expenses require approval in the same manner as an office holder's remuneration. This will include any case related travel or subsistence incurred by staff working on this case. Where it is necessary for staff to travel from the office, business mileage may be charged at the HMRC rate of 45p per mile.

An estimate of expenses (including disbursements) is provided to creditors when the basis of the office-holder's fees are approved.

The expenses recovered by Valentine & Co are as follows:-

Expenses	Charge
Bond	At cost
Statutory Advertising	At cost
Postage/postworks (see below)	At cost
External storage	At cost
Mileage (where any staff of office holder of Valentine & Co utilises their own vehicle)	45p/mile
Other travel charges are recharged at 100% of the fare/cost incurred by the office holder, his staff or relevant party	At cost in accordance with internal policy
Subsistence and any other miscellaneous disbursements, where appropriately incurred, are charged/recharged at 100% of the cost incurred by the office holder, his staff or relevant party	At cost in accordance with internal policy

It should be noted that the firm now uses the services of a postal communication agent for delivery of documents. Where this is used the fee is a category 1 expense and recharged to the estate. The rate charged is regularly reviewed to ensure it provides best value for creditors at a fair market rate.

3. Professional Advisors

On occasion it is necessary for the office holder to engage with specialist professional advisers. Professional advisers are selected with regard to the specific requirements and based upon the office-holders professional judgement of their experience and ability to perform the necessary work, the complexity and nature of the assignment and the basis of the fee arrangement with to ensure a fair and reasonable cost to the estate.

Expenses incurred in respect of specialist advisers are subject to independent assessment prior to engagement and reported in accordance with current guidance. Unless a significant personal or professional relationship, that may give rise to a potential threat or conflict, has been identified with any Advisor their costs are regarded as category 1 expenses.

4. The use of Subcontractors

The liquidator may sub-contract some of the work required to be undertaken to specialist providers where the Liquidator is satisfied that taking this approach ensures that the best value and service is provided to creditors and it is more cost effective for the estate. The rates charged are comparable with the market rate for such services and the work to be undertaken. The need for the work and the cost are reported to creditors.

There is no duplication of costs with work undertaken by the Liquidator and his staff however it is still necessary for the Liquidator to oversee and review the work undertaken as part of his statutory duties.