

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

03453065

Name of Company

Haxnicks Limited

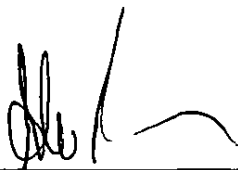
I / ~~We~~

Alan Simon AFA MIPA FABRP, Langley House, Park Road, London, N2 8EY

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 09/10/2014 to 08/10/2015

Signed



Date

8/12/15

AABRS Limited
Langley House
Park Road
London
N2 8EY

Ref H0782/AS/NR/HS/MA/NS/SC

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COMPANIES HOUSE

Liquidator's Annual Progress Report to Members & Creditors

**Haxnicks Limited
- In Liquidation
07 December 2015**

Haxnicks Limited - In Liquidation

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- A Receipts and payments account from 9 October 2014 to 8 October 2015 and cumulative receipts and payments account for period from 9 October 2012 to 8 October 2015
- B Time analysis for the period 9 October 2014 to 8 October 2015 and cumulative time analysis for the period from 9 October 2012 to 8 October 2015
- C Additional Information in relation to Liquidator's fees pursuant to Statement of Insolvency Practice No 9 (SIP9)

Haxnicks Limited - In Liquidation

1 Introduction

- 1.1. I, Alan Simon of AABRS Limited, Langley House, Park Road, London N2 8EY was appointed as Liquidator of Haxnicks Limited ('the Company') on 09 October 2012. This report provides a summary of the outcome of the Liquidation of the Company which has now been completed and is to be read in conjunction with my previous progress reports.
- 1.2. The trading address of the Company was Beaumont Business Centre, Woodlands Road, Mere, Wiltshire, BA12 6BT. The business traded under the name Haxnicks Limited. The Company's principal activity was that of the manufacture and distribution of garden plant care and plant protection products.
- 1.3. The registered office of the Company was changed to Langley House, Park Road, East Finchley, London, N2 8EY and its registered number is 03453065.
- 1.4. The liquidation has estimated asset values of £110,000 and anticipated liabilities of £990,413.77 which subject to the cost of liquidation expected a return to preferential creditors of 100 pence in the pound and a return to unsecured creditors of 2.50 pence in the pound. The actual return to preferential creditors was 100 pence in the pound and the return to unsecured creditors was 1.69 pence in the pound.

2. Progress of the Liquidation

- 2.1. At Appendix A, I have provided an account of my receipts and payments for the period 9 October 2014 to 8 October 2015 with a comparison to the Director's Statement of Affairs values, together with a cumulative account since my appointment, which provides details of the remuneration charged and expenses incurred and paid by the Liquidator during the period of this report.
- 2.2. Further information on the Liquidator's remuneration can be found in section 7 below.
- 2.3. The Company's assets have been realised as follows -
- 2.4. **Goodwill**
 - 2.4.1. The Director's Statement of Affairs indicated that there was uncertainty surrounding the realisable value of the Company's goodwill. Realisations of £5,000 have been achieved.
 - 2.4.2. Millbank Consultants Limited, an independent firm of valuers, was instructed to value the business on an open market basis. The Director of the Company owns the product license to the Haxnicks brand and as such expressed his intention to continue to trade as a product development company. Given this, no interest for the purchase of the goodwill was received from any other party and a sale of the asset was achieved with Haxnicks International Limited, a connected party by reason of the common directorship of Mr D Cardozo.
 - 2.4.3. National Westminster Bank plc holds a fixed charge over the goodwill of the Company which was granted on 26 November 1998. At the date of the liquidation the indebtedness to National Westminster Bank plc was estimated at £190,000.

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- 2.4.4 A repayment of £5,000 has been made to the charge holder on account of its indebtedness

2.5 Book Debts

- 2.5.1. The Director's Statement of Affairs indicated that book debts were estimated to realise £110,000 and £98,448.86 has been recovered. Approximately £14,000 of the remaining ledger is subject to bad debts.

- 2.5.2. I enlisted the assistance of the Director in the collection of the book debts given his knowledge of the customer base and products. Those book debts that proved difficult to collect were assigned to Outstanding Results Limited, an independent firm of book debt collection agents.

- 2.5.3 Based upon information available to date no further book debts are collectable.

3. Unrealisable Assets

- 3.1 All known assets have been realised and there are no known additional unrealised assets.

4. Duty as Liquidator

- 4.1 I have carried out the following duties in my capacity as Liquidator -

- 4.1.1. Advertised in the London Gazette the fact that the Company is now in creditors' voluntary liquidation.

- 4.1.2. Sent to the Registrar of Companies, a copy of the Statement of Affairs, together with a Notice of my appointment and special resolution to wind up the Company

- 4.1.3. Sent to all proving unsecured creditors a copy of the report and statement of affairs that were presented at the meeting of creditors

- 4.1.4. Contacted the Company's Bankers in order to close all accounts held by the Company and request that they confirm certain information necessary for my investigation

- 4.1.5. Advised HM Revenue & Customs of the Liquidation and requested details of VAT, Corporation Tax and PAYE information relating to the Company.

- 4.1.6 Co-ordinated the collection of book debt process.

- 4.1.7. Performed monthly bank reconciliations on the designated liquidation account.

- 4.1.8. Instructed agents to deal with the sale of assets.

- 4.1.9. Advertised a Notice of Intended Dividend to unsecured creditors.

- 4.1.10. Paid a first and final dividend to all proving unsecured creditors.

- 4.1.11. Dealt with the investigation as detailed below

- 4.1.12 Circulated annual progress reports and a final progress report to all known creditors.

Haxnicks Limited - In Liquidation

5. Investigations

- 5.1. In accordance with the Company Directors Disqualification Act 1986 I would confirm that I have submitted a report on the conduct of the Directors of the Company to the Department for Business Innovation & Skills. As this is a confidential report, I am not able to disclose the contents.
- 5.2. 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 meeting or as a response to my request to complete an investigation questionnaire. My investigations have not revealed any issues requiring further report.
- 5.3. This investigation included the following work:-
- 5.3.1. A review of the Company books and comparing them to the company search ensuring all directors are included in the investigation.
- 5.3.2. Examination of the financial records (last accounts and movements since) to ensure movements on assets and any unusual payments are accounted for.
- 5.3.3. Consideration of the trading position in light of any material deficiency since the last financial statement.
- 5.3.4. A review of transactions with associated companies or connected persons, ensuring that all transactions are at arms length.
- 5.3.5. Checking the movements on directors' loan accounts or other accounts where they have given a guarantee.
- 5.3.6. A review of all information supplied by creditors, who have expressed particular concern over the Company's dealings or to the directors' conduct.
- 5.4. No opportunity to pursue cash recoveries arose from my investigations.

6. Outcome for Creditors

Secured Creditors

- 6.1. National Westminster Bank plc holds a fixed charge which was granted on 26 November 1998 and registered on 2 December 1998. At the date of the liquidation the indebtedness to National Westminster Bank plc was estimated at £190,000.
- 6.2. A repayment of £5,000 has been made to the charge holder on account of its indebtedness from fixed charge realisations.
- 6.3. The Company granted a floating charge to National Westminster Bank plc on 7 February 2012. Accordingly, under the provisions of s176A of the Insolvency Act 1986, I was required to create a fund out of the Company's net floating charge property for unsecured creditors and I would confirm that as at the date of this report, the value of the Company's net floating charge property was £51,588.40.
- 6.4. From this net property, the value of the unsecured creditors' fund was calculated to be

Haxnicks Limited - In Liquidation

£13,317.68 and a distribution of 1.69 pence in the pound was made to creditors from this fund on 13 August 2015.

- 6.5. A repayment of £39,551.69 has been made to National Westminster Bank plc in respect of floating charge realisations on account of its indebtedness.

Preferential Creditors

- 6.6. A summary of preferential claims and the dividend paid out to the preferential creditors (where applicable) is detailed below. This shows that preferential creditors were paid in full on 13 August 2015.

Preferential claim	Agreed Claim £	Statement of Affairs Claim - £	Dividend paid pence to the £1
Employee claims (Total number of claims 11)	£1,630.35	£Nil	£1,630.35
Department for Business Innovation & Skills (BIS)	£20,104.69	£Nil	£20,104.69

Unsecured Creditors

- 6.7. I received claims totalling £1,198,850.20 from sixty six creditors
- 6.8. I can confirm that a first and final dividend of 1.69 pence in the pound was paid to proving unsecured creditors on 13 August 2015 from the amount paid out from the unsecured creditors' fund noted at point 6.4 above.

- 6.9. No further dividend will be declared

7 Liquidator's Remuneration

- 7.1. The Creditors approved that the basis of the Liquidator's remuneration be capped at £10,000 plus VAT and disbursements
- 7.2. My time costs for the period from 9 October 2014 to 8 October 2015 are £20,814. This represents 95 hours at an average rate of £219.09 per hour. Attached as Appendix B is a Time Analysis, which provides details of the activity costs incurred by staff grade during this period in respect of the costs fixed by reference to time properly spent by me in managing the Liquidation.
- 7.3. Also attached as Appendix B is a cumulative time analysis for the period from 9 October 2012 to 8 October 2015, which provides details of my total time costs since the date of my appointment. My time costs for the period from 9 October 2012 to 8 October 2015 are £46,338. This represents 219.30 hours at an average rate of £211.29 per hour.
- 7.4. I would confirm that the amount of £10,000 plus VAT has been drawn in total and that no further fees will be taken.
- 7.5. With reference to Appendix B, included within the work performed under 'Administration and Planning' are various statutory filing duties and obligations, case

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planning and strategy; and certain cashiering. Work contained within 'Investigations' include the time spent on CDDA and SIP2 reporting. Included within the category of 'Realisation of Assets' is work performed in recovering tangible and intangible assets, payment of costs, banking of all realisations; and insurance and Bonding. Finally, included within 'Creditors' has been time spent in dealing with creditors, including preparation of progress reports; dealing with creditors' claims; liaising with preferential creditors; secured creditors, landlords and agreeing and payment of dividends

7 6 A copy of 'A Creditors' Guide to Liquidators' Fees' is available on request or can be downloaded from <http://www.aabrs.com/resources/creditors-guides>.

7 7 Attached as Appendix F is additional information in relation to this firm's policy on staffing, the use of subcontractors, disbursements and details of our current charge-out rates by staff grade.

7 8 The following expenses have been incurred since my appointment as Liquidator:

7 9

Charged By	Brief Description of Services provided	Total amount charged - £	Amount paid - £
AUA Insolvency Risk Services Ltd	Bonding	£330	£330
Outstanding Results Limited	Book debt collection	£799.32	£799.32
Millbank Consultants Limited	Valuation of assets & disposal advice	£2,000	£2,000
Outstanding Results Limited	Legal fees	£172.24	£172.24
Sylvester Amiel Lewin & Horne LLP	Provision of security reports in relation to the debentures	£750	£750
Courts Advertising Limited	Statutory advertising	£352	£352

8. Creditors' rights

8 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 his remuneration or expenses which have been itemised in this progress report.

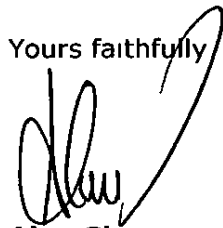
8 2. Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the basis fixed for the Liquidator's remuneration, the remuneration charged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

9. Conclusion

Haxnicks Limited - In Liquidation

- 9.1 This report together with final meetings of members and creditors will conclude my administration. Details of the final meetings and resolutions to be considered have been circulated with this report.

Yours faithfully



Alan Simon
Liquidator



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Appendix A

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

Statement of Affairs		From 09/10/2014 To 08/10/2015	From 09/10/2012 To 08/10/2015
	GENERAL FIXED CHARGE		
Uncertain	Goodwill	NIL	5,000 00
(190,000 00)	Nat West Bank Plc	(5,000 00)	(5,000 00)
		(5,000.00)	NIL
	ASSET REALISATIONS		
110,000 00	Book Debts	NIL	96,948 86
	Bank Interest Gross	338 85	1,022 70
		338 85	97,971 56
	COST OF REALISATIONS		
	Specific Bond	NIL	330 00
	Statement of Affairs Fee	NIL	10,000 00
	Liquidators Fees	NIL	9,000 00
	Book Debt Collection Fee	NIL	799 32
	Agents/Valuers Fees	NIL	2,000 00
	Legal Fees	NIL	922 24
	Corporation Tax	91 88	150 28
	Statutory Advertising	150 00	277 00
		(241 88)	(23,478 84)
	PREFERENTIAL CREDITORS		
(708 04)	Employees Wage Arrears	21,735 04	21,735 04
		(21,735 04)	(21,735 04)
	FLOATING CHARGE CREDITORS		
	National Westminster Bank plc	38,270 73	38,270 73
		(38,270 73)	(38,270 73)
	UNSECURED CREDITORS		
(529,802 00)	Trade & Expense Creditors	9,727 77	9,727 77
(6,078 43)	Employees	264 21	264 21
(392,000 00)	Directors	2,340 34	2,340 34
(25,472 85)	HM Revenue & Customs (PAYE)	360 20	360 20
(37,060 49)	HM Revenue & Customs (VAT)	625 16	625 16
		(13,317 68)	(13,317 68)
	DISTRIBUTIONS		
(50,000 00)	Preference Shares	NIL	NIL
(2 00)	Ordinary Shares	NIL	NIL
		NIL	NIL
(1,121,123.81)		(78,226.48)	1,169.27
	REPRESENTED BY		
	VAT Receivable		30 00
	Natwest - Non Interest Bearing Accoun		1,139 27
			1,169.27

Time Entry - SIP9 Time & Cost Summary + Cumulative

Appendix B

H0782 - Haxnicks Limited
Project Code POST
From 09/10/2014 To 08/10/2015

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)	Total Hours Cum (POST Only)	Total Time Costs Cum (POST Only)
Administration & Planning	0.70	3.40	0.00	2.30	6.40	1,556.00	243.13	44.30	9,153.00
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	2.30	40.40	0.00	37.50	80.20	17,246.50	215.04	109.40	23,528.50
Investigations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.60	1,167.50
Realisations of Assets	0.00	6.40	0.00	2.00	8.40	2,011.50	239.46	58.00	12,489.00
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours / Costs	3.00	50.20	0.00	41.80	95.00	20,814.00	219.09	219.30	46,338.00
Total Fees Claimed						10,000.00			
Total Disbursements Claimed						0.00			

Appendix C

ADDITIONAL INFORMATION IN RELATION TO LIQUIDATOR'S FEES PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 9 (SIP9)

1. Policy

Detailed below is AABRS Limited's policy in relation to:

- Staff allocation and the use of subcontractors
- Professional advisers
- Disbursements

2. Staff allocation and the use of subcontractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, Manager, Senior and Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

On this case we have used the services of the following sub-contractors

Service (s)	Provider	Basis of arrangement	Fee	Cost to date
Book Debt Collection	Outstanding Results Limited	Percentage of realisations		£971.56

3. Professional advisers

On this assignment we have used the professional advisers listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Adviser	Basis of Fee Arrangement
Millbank Consultants Limited	Percentage of realisations
Sylvester Amiel Lewin & Horne LLP	Hourly rate & disbursements

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.

4. Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally

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comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Whilst Category 2 disbursements do require approval from creditors, in this instance none have been incurred.

These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

5. Charge-out rates

A schedule of AABRS Limited's charge-out rates was issued to creditors prior to the time the basis of the Liquidator's remuneration was approved and at the time of subsequent reports. A schedule of current rates is attached to this report.

A schedule of AABRS Limited charge-out rates effective from 1 April, 2015 is as follows

	(per hour)
Director	£450
Manager	£190-£275
Other Senior Professionals	£170-£190
Assistants & Support Staff	£60-£170

There have been material increases in charge-out rates since the commencement of the liquidation.

Please note that this firm records its time in minimum units of 6 minutes.