

# LIQ03

## Notice of progress report in voluntary winding up



Companies House

For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number	0	6	4	9	4	3	0	9
Company name in full	Down To Earth Kent Limited							

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

### 2 Liquidator's name

Full forename(s)	Vincent John
Surname	Green

### 3 Liquidator's address

Building name/number	4 Mount Ephraim Road
Street	Tunbridge Wells
Post town	Kent
County/Region	
Postcode	T N 1 1 E E
Country	

### 4 Liquidator's name ①

Full forename(s)	Mark
Surname	Newman

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

### 5 Liquidator's address ②

Building name/number	4 Mount Ephraim Road
Street	Tunbridge Wells
Post town	Kent
County/Region	
Postcode	T N 1 1 E E
Country	

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

# LIQ03

## Notice of progress report in voluntary winding up


### 6 Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 9	<sup>m</sup> 0	<sup>m</sup> 8	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9	
To date	<sup>d</sup> 1	<sup>d</sup> 8	<sup>m</sup> 0	<sup>m</sup> 8	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	

### 7 Progress report

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

Liquidator's signature	<div>Signature</div> <div>  </div>	
Signature date	<sup>d</sup> 1 <sup>d</sup> 5 <sup>m</sup> 1 <sup>m</sup> 0 <sup>y</sup> 2 <sup>y</sup> 0 <sup>y</sup> 2 <sup>y</sup> 0	

**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 **Laura Macukat**

Company name **Crowe U.K. LLP**

Address **4 Mount Ephraim Road**

**Tunbridge Wells**

Post town **Kent**

County/Region

Postcode **T N 1 1 E E**

Country

DX

Telephone **01892 700200**

**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**



**Down To Earth Kent Limited  
(In Creditors' Voluntary Liquidation)**

**Annual Progress Report to 18 August 2020**

**Vincent John Green  
Mark Newman**

**Crowe U.K. LLP  
4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE**

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## 1. INTRODUCTION

On 19 August 2019, Vincent John Green and Mark Newman of Crowe U.K. LLP were appointed Joint Liquidators of Down To Earth Kent Limited ("the Company").

This Progress Report summarises the progress of the Liquidation for the period from 19 August 2019 to 18 August 2020 ("the Reporting Period").

Statutory information relating to the Company is attached at **Appendix I**.

## 2. ADMINISTRATION AND PLANNING

The Joint Liquidators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progression of the administration of the case, which ensures that work is carried out to high professional standards. A detailed list of these tasks can be found at **Appendix II**.

### Reporting

The Joint Liquidators have met their statutory and regulatory duties to report to creditors, as listed below. In consideration of the need for transparency and engagement with creditors, care has been taken to ensure that reports and other communications with creditors have provided useful details of the strategies pursued and the outcomes anticipated.

During the Reporting Period, the following key documents have been issued:

- The communication sent to creditors following the confirmation of the appointment of the Joint Liquidators notifying creditors of the outcome of the S100 decision

### Other administrative tasks

During the Reporting Period, the following material tasks in this category were carried out:

- Informing all relevant persons of the commencement of the Liquidation, including filing statutory documents at Companies House and meeting statutory advertising requirements;
- Conducting periodic case reviews to ensure that the Liquidation is progressing efficiently, effectively and in line with statutory requirements;
- Maintaining case files, including documenting decisions made by the Joint Liquidators that materially affect the Liquidation

## 3. ENQUIRIES AND INVESTIGATIONS

During the Reporting Period, the Joint Liquidators carried out an initial review of the Company's affairs in the period prior to appointment. This included seeking information and explanations from the directors by means of questionnaires; making enquiries of the Company's accountants; reviewing information received from creditors; and collecting and examining the Company's bank statements, accounts and other records.

The directors provided the books and records and a completed questionnaire as well as a Statement of Affairs.

The information obtained from this process enabled the Joint Liquidators to meet their statutory duty to submit a confidential report on the conduct of the directors (past and present) to the Insolvency Service.

This work was also carried out with the objective of making an initial assessment of whether there were any matters that may lead to any recoveries for the benefit of creditors. This would typically include any potential claims which may be brought against parties either connected to or who have had past dealings with the Company.

This initial assessment has been completed and the Joint Liquidators did not identify any further assets or actions which might lead to a recovery for creditors. However, there is one final line of enquiry that warrants further review, and the Joint Liquidators are considering this matter.

#### **4. REALISATION OF ASSETS**

The Joint Liquidators' Receipts and Payments account is attached at **Appendix III**.

Detailed below is key information about asset realisations and the Joint Liquidators' strategy, however, more details about the work undertaken can be found at **Appendix II**. The Joint Liquidators formulated and worked through a realisation strategy that sought to maximise realisations net of costs. The financial benefit of those efforts is described further below.

##### Furniture and Equipment

The Company had a small range of pallet racking and sundry warehouse equipment and fittings. It also had a small range of standard furniture, including desks, chairs and reception sofas. These assets were included on the Company's Statement of Affairs with a combined net book value of £924. Key Appraisal Limited ("the Agents") valued these assets at £900 on a going concern basis, and £325 on a forced sale basis.

##### Stock

The Statement of Affairs included horticultural chemical treatment stock with a cost value of £25,583. However, approximately 70% of this stock was considered obsolete. The Agents valued the stock on a going concern basis at £5,950 and £1,550 on a forced sale basis.

##### Book Debts

The book value of the Company's debtors was £4,363 which consisted of 10 balances that were in excess of 120 days in age. The Statement of Affairs indicated that these debts were not recoverable. In light of the age and relatively low value of the debts, no action has been taken by the Joint Liquidators to recover the debtors.

##### Goodwill

The net book value for intangible assets in the Statement of Affairs was £1,840. The Agents considered that the Company's goodwill had a realisable value of £2,500 on a going concern basis and no realisable value on a forced sale basis.

##### Transactions with Connected Parties

Prior to the appointment of the Joint Liquidators, DTEK Horticulture Limited indicated to the Agents that they were interested in the assets and made an offer of £9,500 plus VAT for the Company's furniture and equipment, stock and goodwill. DTEK Horticulture Limited was connected to the Company as Mr S Rahman was a director of both companies and the other two directors of the

Company were employees of DTEK Horticulture Limited. DTEK Horticulture Limited was incorporated in April 2018 and carried on a similar business to that of the Company.

Following the Joint Liquidators' appointment, the offer of £9,500 plus VAT was accepted on the Agent's recommendation. The Agents confirmed that in the absence of a sale of the assets as part of an ongoing business, it was unlikely that buyers would be found for the goodwill and physical assets on a removal basis and that the costs of marketing, storage and/or sale would result in a negligible net realisation.

It was agreed that the amount due would be paid by monthly instalments. In this Reporting Period £5,750 has been paid and £3,750 remains outstanding. Payments were suspended briefly but have resumed and it is anticipated that the consideration will be paid in full by the end of 2020.

The Agents are professional, independent agents who hold professional qualifications granted by the Royal Institute of Chartered Surveyors and hold adequate professional indemnity insurance.

#### Insurance Refund

A refund of £156.66 was received from CFN Insurance Services Limited following the Joint Liquidators' appointment.

## **5. CREDITORS**

Irrespective of whether sufficient realisations are achieved to pay a dividend to creditors, the Joint Liquidators have had to carry out key tasks which are detailed at **Appendix II**. The following sections explain the anticipated outcomes to creditors and any distributions paid.

#### Secured Creditors

The Company has not granted any charges over its assets.

#### Preferential Creditors

The Company does not have any preferential creditors.

#### Unsecured Creditors

HMRC was shown to be owed £2,484.30. To date, a final claim has not been received.

The trade and expense creditors as per the statement of affairs totalled £229,791.20. Please be advised that proofs of debt may still be received and therefore the total value of unsecured claims is not known at present.

#### Dividend Prospects

Where a floating charge is created after 15 September 2003 a prescribed part of a company's net property should be made available for unsecured creditors. The Company has not granted a floating charge to any creditor after 15 September 2003 and consequently the prescribed part provisions do not apply.

Given the level of asset realisations, and the costs of the Liquidation, it is unlikely that there will be sufficient funds to enable a dividend to be paid to creditors.



## 6. FEES AND EXPENSES

### Pre-Appointment Costs

The creditors authorised a fee of £10,000 plus VAT for assisting the directors with placing the Company into Liquidation and with preparing the Statement of Affairs on 19 August 2019. In this Reporting Period, £3,000 has been paid and is shown in the enclosed Receipts and Payments account.

Creditors also authorised the pre-appointment disbursements including the Agent's costs for valuing the Company's assets for the purposes of the Statement of Affairs. An invoice has been submitted by Key Appraisal Limited in the amount of £1,358.80 which will be settled shortly.

### The Joint Liquidators' Fees

It is the firm's practice to ensure that work is conducted by the appropriate staff member at the appropriate level of experience. Junior members of staff deal with the day to day administration on cases and a manager and partner then oversees the work undertaken. Where the issues are complex and litigious, the work will be closely supervised or undertaken by a manager or partner.

The Joint Liquidators' fees were approved by creditors on 19 August 2019 on a fixed fee basis, fixed at £20,000 plus VAT. To date, no fees have been drawn.

### Expenses & Disbursements

The expenses and disbursements incurred and paid in the Reporting Period and also since the commencement of the Liquidation are detailed at **Appendix IV** together with a comparison to the expenses that were estimated at the outset of the Liquidation.

No category 1 disbursements have been paid in the Reporting Period.

The recovery of Category 2 disbursements was approved by creditors on 19 August 2019. No Category 2 disbursements have been paid in the Reporting Period.

Guidance in respect of insolvency practitioners' fees is available to download at:

<http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>

Information about insolvency processes can be found on the R3 website at:

<http://www.creditorinsolvencyguide.co.uk/>

A hard copy of this guidance information will be provided on request.

Crowe U.K. LLP's charge out rate and disbursements policy is attached at **Appendix V**.

## 7. CREDITORS' RIGHTS

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 the 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.

## **8. EU REGULATIONS (WHETHER PROCEEDINGS ARE MAIN PROCEEDINGS OR TERRITORIAL)**

The Company's centre of main interest was in the UK as its registered office address and trading address was located in the UK. Therefore, it is considered that the EU Regulations apply. These proceedings are main proceedings as defined in the EU Regulation.

## **9. CONCLUSION**

The administration of the Liquidation will continue in order to finalise the following outstanding matters that are preventing the case from being closed:

- Recovery of the outstanding payments due from the sale of assets to DTEK Horticulture Limited
- Conclusion of the Joint Liquidators' investigations

The Joint Liquidators anticipate that the Liquidation will remain open for a further 12 months to enable these matters to be dealt with.

Should you have any queries, please contact Laura Macukat at this office.



Signed \_\_\_\_\_

Vincent John Green  
Joint Liquidator

Date 15 October 2020

## Appendix I

### Statutory Information

Company Name	Down To Earth Kent Limited
Company Number	06494309
Registered Office	4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE
Former Registered Office	Thames House, Roman Square, Sittingbourne, Kent, ME10 4BJ
Office holders	Vincent John Green and Mark Newman
Office holders' address	Crowe U.K. LLP, 4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE
Office holders' telephone	01892 700 200
Date of appointment	19 August 2019

## Appendix II

### List of Work Undertaken in Reporting Period

General Description	Includes
<b>Administration and Planning</b>	
Statutory/advertising	Filing of documents to meet statutory requirements
Document maintenance/file review/checklist	Filing of documents Periodic file reviews Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards Maintenance of statutory and case progression task lists/diaries Updating checklists
Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Maintenance of the estate cash book Banking remittances and issuing cheques/BACS payments
Planning / Review	Discussions regarding strategies to be pursued Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case
Books and records / storage	Dealing with records in storage Sending job files to storage
Creditor reports	Preparing general reports to creditors Disclosure of sales to connected parties
Creditors' decisions	Preparation of decision notices, proxies/voting forms Collate and examine proofs and proxies/votes to establish decisions Consider objections received and requests for physical meeting or other decision procedure (For virtual meeting) Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. Responding to queries and questions following decisions Issuing notice of result of decision process
<b>Investigations</b>	
SIP 2 Review	Collection, and making an inventory, of company books and records Correspondence to request information on the company's dealings, making further enquiries of third parties Reviewing questionnaires submitted by creditors and directors Reviewing company's books and records
Statutory reporting on conduct of director(s)	Preparing statutory investigation reports Liaising with Insolvency Service Submission of report with the Insolvency Service
<b>Realisation of Assets</b>	
Plant and Equipment	Liaising with valuers and interested parties Reviewing asset listings
Leasing	Reviewing leasing documents Liaising with owners/lessors Tasks associated with disclaiming leases if appropriate
Stock	Reviewing stock values Liaising with agents and potential purchasers
Other assets: motor vehicles, intangibles, intellectual property, VAT/corporation tax refunds, Insurance claims	Liaising with agents to agree disposal strategy Dealing with potential purchasers Negotiating sales Collecting sale consideration

General Description	Includes
<b>Creditors</b>	
Creditor Communication	Receive and follow up creditor enquiries via telephone Review and prepare correspondence to creditors and their representatives via facsimile, email and post
Dealing with proofs of debt	Receipting and filing claims when not related to a dividend
Processing proofs of debt	Preparation of correspondence to potential creditors inviting submission of claims Receipt of claims

## Appendix III

### Receipts & Payments Account

#### Down To Earth Kent Limited (In Liquidation) Joint Liquidators' Summary of Receipts & Payments

Statement of Affairs £		From 19/08/2019 To 18/08/2020 £	From 19/08/2019 To 18/08/2020 £
	ASSET REALISATIONS		
900.00	Furniture & Equipment	553.58	553.58
5,950.00	Stock	3,659.28	3,659.28
NIL	Book Debts	NIL	NIL
2,500.00	Goodwill	1,537.14	1,537.14
	Insurance Refund	156.66	156.66
		<u>5,906.66</u>	<u>5,906.66</u>
	COST OF REALISATIONS		
	Preparation of S. of A.	<u>3,000.00</u>	<u>3,000.00</u>
		(3,000.00)	(3,000.00)
	UNSECURED CREDITORS		
(168,802.88)	Trade & Expense Creditors	NIL	NIL
(39,368.00)	Directors' Loan Accounts	NIL	NIL
(1,972.22)	Co-Operative Bank Plc	NIL	NIL
(2,484.30)	HM Revenue & Customs	NIL	NIL
(20,000.00)	Unsecured loan	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
<u>(223,375.50)</u>		<u>2,906.66</u>	<u>2,906.66</u>
	REPRESENTED BY		
	Vat Receivable		600.00
	Bank 1 Current		3,456.66
	Vat Payable		<u>(1,150.00)</u>
			<u>2,906.66</u>

## Appendix IV

### Expenses Information

Expenses including Category 1 Disbursements	Basis	Original Estimated Total	Actual Expenses incurred in the review period	Actual Expenses incurred to Date	Actual Expenses paid in the review period	Actual Expenses paid to Date	Reason for any Excess - if the expenses are likely to, or have, exceeded the original estimate
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#### Books & Records Collection, Storage and Destruction

##### Information Protection

Solutions will be instructed to collect, inventory, store and eventually securely destroy the Company's books and records.

Fixed Fee	500.00	-	-	-	-	-
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#### Rates Review Agents

A rates review agent may be instructed to carry out a historic rates audit to ascertain whether a rates refund may be due to the Company.

Success Fee - Percentage	unknown	-	-	-	-	-
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#### Statutory Advertising

300.00	-	-	-	-	-
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#### Statutory Bond

30.00	20.00	20.00	-	-
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#### Postage

150.00	11.20	11.20	-	-
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Category 2 Disbursements	Basis	Original Estimated Total	Actual Expenses incurred in the review period	Actual Expenses incurred to Date	Actual Expenses paid in the review period	Actual Expenses paid to Date	Reason for any Excess - if the expenses are likely to, or have, exceeded the original estimate
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#### Photocopying

20.00	-	-	-	-
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#### Mileage

50.00	-	-	-	-
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## Appendix V

### Charge out rate and Disbursements policy

The table below sets out the charge-out rates utilised by Recovery Solutions at Crowe U.K. LLP for charging staff time:-

Partner	£385 per hour
Director	£300 per hour
Senior Manager	£280 per hour
Manager	£250 per hour
Assistant Manager	£200 per hour
Senior Administrator	£170 per hour
Administrator	£130 per hour
Trainee/Support Staff	£70 per hour

It should be noted that the above rates may increase from time to time over the period of the administration of each insolvency case. The above rates are effective from 1 April 2020. Time is charged in six minute units.

Category 1 disbursements are charged at the actual cost at which they are incurred and are directly attributable to the case. Category 1 disbursements include statutory advertising, specific bond insurance, external records storage and postage. Reimbursement of Category 1 disbursements does not require the approval of creditors.

Category 2 disbursements are those incurred by Crowe U.K. LLP and re-charged to the case and they may include a profit element. Category 2 disbursements are reimbursed from the case only when the basis of the disbursement charge has been approved by creditors in advance.

It is the firm's policy to recover the following disbursements:

Photocopying	Re-charged at 10p per sheet
Internal room hire	Charged at £50 per meeting held in house
Company searches	£15 per corporate case
Mileage	Charged at 45 pence per mile

### GUIDES TO FEES AND BEST PRACTICE

Guidance in respect of insolvency practitioners' fees is available to download at:

<http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>

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<http://www.creditorinsolvencyguide.co.uk/>