

LIQ03

Notice of progress report in voluntary winding up



Companies House

THURSDAY



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24/05/2018

#114

COMPANIES HOUSE

1 Company details

Company number 07867079

Company name in full Denmans Garden Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Anthony

Surname Murphy

3 Liquidator's address

Building name/number 3rd Floor

Street Office 305

31 Southampton Row

Post town Holborn

County/Region London

Postcode WC1B 5HJ

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

LIQ03

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6 Period of progress report

From date	d 2	d 4	m 0	m 3	y 2	y 0	y 1	y 7
To date	d 2	d 3	m 0	m 3	y 2	y 0	y 1	y 8

7 Progress report

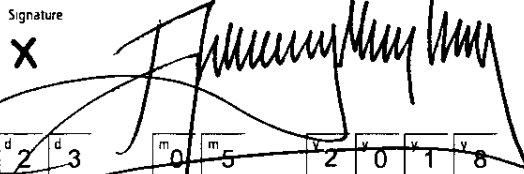
☒ The progress report is attached

8 Sign and date

Liquidator's signature

Signature

X



X

Signature date

d 2	d 3	m 0	m 5	y 2	y 0	y 1	y 8
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**Liquidator's Annual Progress Report to
Creditors & Members**

Denmans Garden Limited ("in Liquidation")

23 May 2018

DENMANS GARDEN LIMITED - IN LIQUIDATION

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- A** Receipts and Payments Account for the Period from 24 March 2017 to 23 March 2018.
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- C** Additional information in relation to Liquidator's Fees, Expenses & Disbursements.

DENMANS GARDEN LIMITED - IN LIQUIDATION

1 Introduction

- 1.1 I, Anthony Murphy of Harrison's Business Recovery & Insolvency (London) Limited, 3rd Floor, Office 305, 31 Southampton Row, London, WC1B 5HJ, was appointed as Liquidator of Denmans Garden Limited ("the Company/Denmans") on 24 March 2017.
- 1.2 This progress report covers the period from 24 March 2017 to 23 March 2018 ("the Period") and *should be read in conjunction with any previous reports to creditors which have been issued*.
- 1.3 The principal trading address of the Company was Clock House, Denmans Lane, Fontwell, West Sussex, BN18 0SU.
- 1.4 The registered office of the Company has been changed to C/o Harrison's Business Recovery & Insolvency (London) Limited, 3rd Floor, Office 305, 31 Southampton Row, Holborn, London, WC1B 5HJ and its registered number is 07867079.

2 Receipts and Payments

- 2.1 My Receipts and Payments Account covering the Period is attached at Appendix A.
- 2.2 In addition to asset realisations, £57 has been received in respect of interest on monies held in the Insolvency Services Account ("ISA").

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 and an explanation of the work done by me (as Liquidator) and my staff.

Realisation of Assets

- 3.2 As previously reported, I instructed Marriotts & Co ("Marriotts"), an independent, specialist asset valuation, asset advisory and asset disposal business, to prepare a formal valuation and to assist with the disposal of Denmans' tangible assets ("the Assets").
- 3.3 A valuation of the unencumbered tangible assets was conducted by Marriotts on 10 March 2017, valuing the equipment, furniture and furnishings at some £9,000 and the trading stock at £550.
- 3.4 Given the nature of the business, and the physical location of the tangible assets i.e. lying within the confines of the garden centre, Marriotts' preferred strategy and recommendation was to conduct an on site auction.
- 3.5 I agreed with Marriotts' proposed strategy, and instructions were given for Marriotts to commence marketing activities in contemplation of the auction.
- 3.6 After an active marketing period of approximately four weeks, the tangible assets of Denmans attracted considerable interest. The auction subsequently took place on 26 April 2017.
- 3.7 The level of interest in the auction was high and the majority of the Company's chattel assets were sold on the day of the auction. Marriotts achieved total realisations of £44,745, which was exceptional and beyond all expectations.

DENMANS GARDEN LIMITED - IN LIQUIDATION

- 3.8 Marriotts was paid £9,712 plus VAT for their valuation of the Assets and all activities connected with the auction. These costs were based on an agreed fee of 15% of the £44,745 gross realisations achieved at auction, plus a £3,000 fee for preparing the valuation report. A further £1,162 in respect of disbursements was incurred, including marketing costs and incidental expenditure such as mileage.

Administration (including statutory compliance & reporting)

- 3.9 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 estimate/information.
- 3.10 Where the costs of statutory compliance work or reporting to creditors exceeds the initial estimate, it will usually be because the duration of the case has taken longer than anticipated, possibly due to protracted asset realisations, which have in turn placed a further statutory reporting requirement on the Liquidator.
- 3.11 As noted in my initial fees information, this work will not necessarily bring any financial benefit to creditors, but is required on every case by statute.

Creditors (claims and distributions)

- 3.12 Further information on the anticipated outcome for creditors in this case can be found at section 3 of this report. A Liquidator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.
- 3.13 Claims from preferential creditors typically involve employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal.
- 3.14 The above work will not necessarily bring any financial benefit to creditors generally, however a Liquidator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Liquidator in dealing with those claims.

Investigations

- 3.15 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.
- 3.16 I 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.
- 3.17 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 any information provided by creditors. My investigations have not revealed any issues requiring further report or any further potential recoveries which could be pursued for the benefit of creditors.

DENMANS GARDEN LIMITED - IN LIQUIDATION

Matters still to be dealt with

- 3.18 The case is almost complete and the only two matters to be dealt with are:
- 3.18.1 A review of employee claims to establish whether the former employees have a preferential claim in respect of any outstanding holiday pay, over and beyond the claims already paid by the Redundancy Payments Service.
- 3.18.2 The agreement of the Liquidator's additional costs.
- 3.19 I comment further below.

4 Creditors

Secured Creditors

- 4.2 The Company granted a fixed and floating charge dated 5 March 2015 over all the property and undertakings of Denmans in favour of Lloyds Bank Plc ("Lloyds/the Bank"). The Bank also held a personal guarantee from the former Director, which was unlimited.
- 4.3 Since appointment, the Director of Denmans has settled a long running personal dispute with the previous joint owner of the garden centre and the café, Mr John Brookes. The details of the settlement are confidential, but as part of the overall agreement, the Company's indebtedness to Lloyds (approximately £90,000) has been repaid in full.
- 4.4 As far as the Liquidator is aware, there is no substituted claim against Denmans in respect of this settlement.

Preferential Creditors

- 4.5 A distribution of £4,021.69 was agreed and paid to the Redundancy Payments Service on 21 November 2017 in respect of the subordinated preferential claims of the employees of Denmans.

Unsecured Creditors

- 4.6 I have received claims totalling £70,167 from 14 creditors. I have yet to receive claims from 44 creditors whose debts total some £251,487 as per the Company's statement of affairs.
- 4.7 I confirm there will be insufficient funds realised after defraying the expenses of the liquidation to pay a dividend to the unsecured creditors.

5 Liquidator's Remuneration

- 5.1 Creditors approved that the basis of the Liquidator's remuneration be fixed as a set fee of **£20,000** for all work to be completed in the liquidation. My fees information was originally provided to creditors (my report of 18 April 2017) when the basis of my remuneration was approved and was based on information available to me at that time.
- 5.2 The Liquidator has drawn £7,500 plus VAT in respect of pre appointment fees, as agreed by creditors; the total incurred time costs being £15,682.
- 5.3 £15,000 plus VAT was drawn in the Period on account of the total set fee of £20,000.
- 5.4 Subsequently, a further £5,000 plus VAT has been paid outside of the Period.

DENMANS GARDEN LIMITED - IN LIQUIDATION

- 5.5 The Liquidator has drawn and paid £20,000 against the total set fee agreed of £20,000, approved by creditors.
- 5.6 My time costs to the date of this report are £22,615, as detailed in Appendix B.
- 5.7 My set fee of £20,000, as agreed by creditors, has proved insufficient to complete my duties as Liquidator. I attribute this to the following:
- The costs in dealing with the administration of the liquidation, including the statutory compliance and statutory reporting, has exceeded my original estimation.
 - Far greater work has been done than was originally expected to assist the former employees of the Company with their claims for arrears of wages and salaries, and in providing information to the Redundancy Payments Service in relation to employee claims.
 - Greater asset realisations meant that the Liquidator was able to pay a preferential dividend. Additional, unexpected, work was undertaken to agree the claim of the Redundancy Payments Service.
 - Further work still needs to be done to establish whether the former employees have a preferential claim in respect of any outstanding holiday pay, over and beyond the claims paid by the Redundancy Payments Service.
 - Once the case is ready for closure, the Liquidator is required to prepare a final progress report to creditors and deal with the closure formalities.
 - The closure of the case has been delayed pending the dispute referred to in section 4.3 above. The dispute also required further work to be done to provide information to the parties.
- 5.8 I am therefore seeking to increase my set fee of £20,000 to £22,200 in order to complete the above matters.
- 5.9 I am seeking approval from creditors for the increase in my set fee via a postal resolution. Please complete the Voting Form enclosed with this report to signify your acceptance of this proposal, and return it to my office by **8 June 2018**. Alternatively, it can be emailed to zakwilde@harrisons.uk.com.
- 5.10 A simple majority only of creditors voting on the fee resolution proposed will be required for it to be passed. Creditors whose debts amount to at least 10% of the total debts of the Company may, within five business days from the date of this letter, request that a meeting of creditors be summoned to consider the resolution proposed.
- 5.11 A copy of 'A Creditors' Guide to Trustee' Fees' is available on request or can be downloaded from <http://www.harrisons.uk.com/creditors-guide-fees>.
- 5.12 Attached as Appendix C is additional information in relation to the Liquidator's fees, expenses and disbursements, including where relevant, information on the use of subcontractors and professional advisers.
- 6 Creditors' Rights**
- 6.1 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

DENMANS GARDEN LIMITED - IN LIQUIDATION

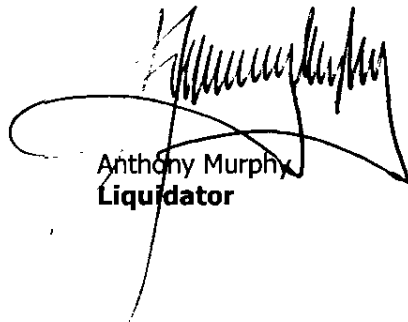
the Liquidator provide further information about his remuneration or expenses which have been outlined in this progress report.

- 6.2 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.

7 Next Report

- 7.1 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.
- 7.2 If you have any queries in relation to the contents of this report, I can be contacted by telephone on 0207 317 9160 or by email at tonymurphy@harrisons.uk.com.

Yours faithfully



Anthony Murphy
Liquidator

DENMANS GARDEN LIMITED - IN LIQUIDATION

Appendix A

Receipts and Payments Account for the Period from 24 March 2017 to 23 March 2018

Denmans Garden Limited
(In Liquidation)
Liquidator's Summary of Receipts & Payments

**Statement
of Affairs**
£

**From 24 March 2017
To 23 March 2018**
£

ASSET REALISATIONS

NIL	Equipment, Furniture and Furnishings	44,745.54
NIL	Bank Interest Gross	57.34
		<hr/> 44,802.88

COST OF REALISATIONS

Accountancy Fees	(100.00)
Statement of Affairs Fee	(7,500.00)
Liquidator's Remuneration	(15,000.00)
Agents'/Valuers' Fees	(9,711.83)
Agents'/Valuers' Disbursements	(1,162.00)
Insurance of Assets	(181.50)
Preferential Creditors (Employees)	(4,021.69)
	<hr/> (37,677.02)
	<hr/> 7,125.86

0.00

REPRESENTED BY

VAT Receivable	1,000.00
Cash held	6,125.86
	<hr/> 7,125.86 <hr/>

DENMANS GARDEN LIMITED - IN LIQUIDATION

Appendix B

Time Analysis for the Period from the 24 March 2017 to 23 May 2018

Time Entry - Detailed SIP9 Time & Cost Summary

DENMA001 - Denmans Garden Limited
From: 24/03/2017 To: 23/05/2018
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
101 : Case planning	0.00	0.00	2.20	0.00	2.20	395.00	179.55
102 : Administrative set-up	0.00	0.00	0.00	0.20	0.20	28.00	140.00
103 : Appointment notification	0.00	0.20	5.90	0.00	6.10	1,095.50	179.59
104 : Maintenance of records	0.00	0.00	0.90	3.20	4.10	575.50	140.37
112 : Dealing with Existing Advisors	0.00	0.00	1.50	0.00	1.50	262.50	175.00
113 : Dealing with Directors	1.60	0.70	3.60	0.00	5.90	1,562.50	264.83
120 : General Correspondence	0.00	0.00	0.70	0.00	0.70	122.50	175.00
135 : Admin - IPS Diary Maintenance	0.00	0.00	0.50	0.00	0.50	87.50	175.00
137 : Admin - Month 3 Review	0.00	0.00	0.30	0.00	0.30	52.50	175.00
139 : Admin - Annual Review	0.00	1.10	0.00	0.00	1.10	346.50	315.00
141 : Admin - Case Specific Review	0.00	0.50	0.00	0.00	0.50	157.50	315.00
151 : Admin - Annual Progress Report - Liquidation	0.00	0.30	24.00	0.00	24.30	3,144.50	129.40
159 : Admin - Appointment Holder VAT426427/833	0.00	0.60	2.60	0.00	3.20	644.00	201.25
160 : Admin - Appointment Holder CT600	0.00	0.00	0.20	0.00	0.20	35.00	175.00
180 : Bonding - Initial Bond Calculation	0.00	0.00	0.30	0.00	0.30	52.50	175.00
181 : Bonding - Bond Review	0.00	0.00	0.20	0.00	0.20	35.00	175.00
184 : Cashier - Client Account Reconciliations	0.00	0.00	0.00	0.00	0.00	672.00	140.00
186 : Cashier - Receipts	0.00	0.00	0.00	4.80	4.80	378.00	140.00
187 : Cashier - Payments	0.00	0.00	1.70	2.70	4.50	659.50	146.56
188 : Cashier - VAT 426427/833	0.00	0.00	0.00	0.80	0.80	112.00	140.00
189 : Cashier - CT600	0.00	0.00	0.00	0.50	0.50	70.00	140.00
Administration & Planning	1.60	3.40	44.60	15.00	64.60	10,488.00	162.35
500 : Creditors	1.80	0.00	1.90	0.00	3.70	1,133.50	306.35
501 : Communication with creditors	0.00	1.90	2.30	0.00	4.20	1,011.00	240.71
504 : Claims Trade and Expense	0.00	0.00	1.20	0.00	1.20	210.00	175.00
508 : Secured Creditors	0.00	0.40	0.60	0.00	1.00	231.00	231.00
516 : Employee - Prei Claims (Wages/Hol)	0.00	0.30	4.80	0.00	5.10	934.50	183.24
517 : Employee - Unsecured (Red/PILON)	0.00	0.50	1.70	0.00	2.20	455.00	206.82
518 : Claims - RPO	0.00	2.50	2.70	0.00	5.20	1,395.00	268.27
519 : Claims - HMRC	0.00	0.00	0.20	0.00	0.20	35.00	175.00
Creditors	1.80	5.60	15.40	0.00	22.80	5,405.00	237.06
201 : SIP 2 review	0.00	0.30	0.00	0.00	0.30	94.50	315.00
205 : General Investigations	0.20	0.00	5.40	0.00	5.60	1,034.00	184.64
207 : CODA Report	1.10	0.00	1.30	0.00	2.40	717.00	298.75
Investigations	1.30	0.30	6.70	0.00	8.30	1,845.50	222.35
300 : Realisation of assets	6.90	0.10	0.70	0.00	7.70	3,224.50	418.77
301 : Ident, securing and insuring assets	0.00	0.70	1.30	0.00	2.00	448.00	224.00
302 : ROT	0.00	0.00	0.10	0.00	0.10	17.50	175.00
303 : Debt collection	0.00	0.00	3.30	0.00	3.70	755.50	204.19
311 : Agents - Realisation of Assets	0.00	0.70	0.30	0.00	1.00	273.00	273.00
312 : Legal - Realisation of Assets	0.00	0.50	0.00	0.00	0.50	157.50	315.00
Realisations of Assets	7.30	2.00	5.70	0.00	15.00	4,876.00	325.07

Time Entry - Detailed SIP9 Time & Cost Summary

DENMA001 - Denmans Garden Limited
From: 24/03/2017 To: 23/05/2018
Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Total Hours	12.00	11.30	72.40	15.00	110.70	22,614.50	204.29
Total Fees Claimed						20,000.00	

Appendix C

Additional Information in Relation to the Trustee's Fees, Expenses & Disbursements

1 Staff Allocation and the Use of Sub-Contractors

- 1.1 The general approach to resourcing Harrison's assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.
- 1.2 The constitution of the case team will usually consist of a Director, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.
- 1.3 I have not utilised the services of any sub-contractors in this case.

2 Professional Advisors

- 2.1 On this assignment, I have used the professional advisors listed below. I have also indicated alongside, the basis of the fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
Mishcon De Reya LLP (legal advice)	Hourly rate and disbursements
Marriott & Co (professional valuers)	15% of realisations plus disbursements

- 2.2 The 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.
- 2.3 *In this case, Mishcon De Reya LLP agreed not to seek payment of any remuneration.*

3 Trustee's Expenses & Disbursements

- 3.1 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:

	Paid in prior period £	Paid in the period covered by this report £	Incurred but not paid to date £	Total anticipated cost £
Agents'/Valuers' Fees	Nil	9,712	Nil	9,712
Agent's/Valuers' Disbursements	Nil	1,162	Nil	1,162

- 3.2 Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as Category 1 disbursements to a case generally 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. These disbursements are included in the tables of expenses above.
- 3.3 Category 2 disbursements do require approval from creditors. 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

DENMANS GARDEN LIMITED - IN LIQUIDATION

appointment on a proper and reasonable basis, such as internal room hire, document storage or business mileage. Details of Category 2 disbursements charged by Harrisons (where appropriate) were provided in the Trustee's Initial Report and approved by creditors. Any Category 2 disbursements incurred are specifically highlighted in the tables of expenses above.

4 Charge-Out Rates

- 4.1 A schedule of Harrisons' charge-out rates for this assignment effective from 1 July is detailed below.

	2016/2017/2018 £
Directors	305 – 550
Managers	250 – 350
Senior Case Supervisors	175 – 250
Case Supervisors	125 – 205
Assistants/Trainee Case Supervisors	100 – 150

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

LIQ03

Notice of progress report in voluntary winding up



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	Zak Wilde									
Company name	Harrisons Business Recovery & Insolvency (London) Limited									
Address	3rd Floor									
	Office 305									
	31 Southampton Row									
Post town	Holborn									
County/Region	London									
Postcode		W	C	1	B		5	H	J	
Country	United Kingdom									
DX										
Telephone	0207 317 9160									



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