

Peter Hall

Independent Business and Insolvency Advice

10 December 2019

Hayden Bazzell Limited (“the Company”) Proposed Creditors’ Voluntary Liquidation (“CVL”)

Pursuant to:

S99(1) Insolvency Act 1986
R6.3 and R6.4 Insolvency Rules 2016
Statement of Insolvency Practice 6

Registered Number: 11449663

Trading Address: Badger Farm, Lewell, Dorchester, DT2 8PB

Registered Office: Badger Farm, Lewell, Dorchester, DT2 8PB

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1 Statutory Information

Registered Name	Hayden Bazzell Limited
Registered Number	11449663
Incorporation Date	5 July 2018
Trading Name	HB Gardening
Nature of Trade	Gardening and Landscaping
Previous Name	None
Registered Office	Badger Farm, Lewell, Dorchester, DT2 8PB
Principal Trading Address	Badger Farm, Lewell, Dorchester, DT2 8PB
Shareholdings	The Company's shareholding is 100 ordinary shares with a nominal value of £1 each which are held as follows: Hayden Bazzell – 100 shares
Current Directors	Hayden Christopher William Bazzell (05.07.18 to present)
Former Directors	None
Company Secretary	No secretary
Connected Companies	None
Group Structure	The Company is not part of a group structure
Company's Auditors	Not applicable
Previous Insolvencies	None

2 SIP 6 Information

2.1 Instruction

The director contacted Peter Hall Ltd on 18 November 2019 to discuss the Company's financial position. The director decided to cease trading immediately and instructed Peter Hall Ltd on 26 November 2019 to assist in placing the Company into liquidation and implementing the deemed consent procedure to appoint a Liquidator.

Neither Peter Hall Limited nor any of its directors or employees has had a significant professional or personal relationship with the Company, its directors or any of its employees and there has been no prior involvement with the Company or its directors that could reasonably be perceived as presenting a threat to Peter Hall's objectivity.

2.2 Appointment

Under the Insolvency Act 1986 (as amended) ("the Act") and the Insolvency (England and Wales) Rules 2016, (as amended) ("the Rules") the director may, via a Deemed Consent Process or by the convening of a Virtual Meeting of Creditors (a Qualifying Decision Procedure) seek the appointment of a liquidator of the Company. The director has provided instructions for the appointment of a liquidator to be by a Deemed Consent Process.

The proposed Decision Date for the appointment of a liquidator is 18 December 2019.

Creditors may also, if they think fit, appoint a Liquidation Committee of not less than three and not more than five persons to exercise the functions conferred on it under the Act.

2.3 Costs

The services provided by Peter Hall Limited were requested by the director and given for the benefit of creditors of the Company. The Insolvency Rules provide that any reasonable and necessary expenses associated with these services may be paid out of the Company's assets after the commencement of the liquidation as an expense of it. If approval for the costs as an expense of the liquidation is sought, this must be from any liquidation committee (if appointed) or if no committee, from creditors.

Pre-appointment costs of £5,000 plus expenses plus VAT were approved by the director on behalf of the Company but have not yet been paid. These costs are in respect of assistance provided in compiling financial information and preparing the Statement of Affairs; assistance given by Peter Hall Limited to the director in connection with convening the decision procedure to place the Company into liquidation and to appoint a liquidator; and assistance with the preparation of the report to creditors on the Company's financial position.

The costs associated with seeking a decision from the Company's creditors on the nomination of a liquidator, included reviewing the Company's accounting records, liaising with agents where necessary to establish values for any assets owned by the Company and liaising with the Company's accountants, bankers, director and staff as necessary to enable the preparation of a report on the Company's financial affairs for circulation ahead of the decision by creditors being taken, as required by Statement of Insolvency Practice 6.

Peter Hall has also been required to liaise with the director in order to understand the Company's relevant trading activity and financial history in the period leading up to liquidation, and reviewing and extracting company/accounting information for the purposes of finalising the Statement of Affairs and report.

We consider that the set fee proposed represents a fair and reasonable reflection of the work that has been undertaken.

2.4 Material transactions other than in the ordinary course of business

There have been no material transactions conducted by the Company in the preceding 12 months other than in the ordinary course of business.

3 Company History

Hayden Bazzell previously traded as a sole trader, offering gardening services to private clients in Dorchester and the surrounding areas.

In 2018, wanting to grow the business, he decided to incorporate it. Hayden Bazzell Limited was set up and the business continued to operate as a limited company.

In its short period of trading, the Company faced a number of issues on works it was carrying out:

On one job a number of bricks were ordered from the same supplier but, having been laid, were found to be different in specification and colour. The Company had to reorder and re-lay the bricks at its own cost.

On another job, a different grade of concrete was delivered to that ordered and it went off before it could be properly laid. Again, the Company had to remove the incorrect product and replace it at its own cost.

In both cases, although the director did not consider the Company to be at fault, he decided he did not have the resources to challenge the supplier and decided it would not be worthwhile taking any further action against them.

The Company also suffered from staffing issues. The director employed more staff and expanded into more landscaping work. However, having taken on larger contracts, the director was not able to properly supervise all of the ongoing works and found that jobs were being completed to the required standards and were not running efficiently.

These issues have each led to losses to the Company and have left it in a position where it is not able to pay its liabilities in full.

Having decided he would have to scale down the business, the director does not consider he will be able to generate sufficient profits to repay its creditors in a timely manner and return to a solvent position.

The director took advice from his accountant and was referred to Peter Hall Ltd for specialist insolvency advice.

After discussing the options available, the director decided that the Company should be placed into Creditors' Voluntary Liquidation. He instructed Peter Hall Ltd to assist in placing the Company into liquidation on 26 November 2019.

4 Reasons for Failure

The director attributes the failure of the Company to:

- Problems with supplies ordered for jobs;
- Not being able to properly supervise all of his staff.

5 Financial Information

Due to the short period of trading, no accounts have been prepared or filed for the Company.

6 Notes to the Statement of Affairs

The Statement of Affairs does not show the costs of preparation of the same, the costs of convening the meetings of members and creditors, agents' costs or any other costs and expenses of the Liquidation.

6.1 Assets

The Company owns a small amount of equipment, including a cement mixer, Waca plate and 2 vans which are not currently roadworthy. Whilst the assets are unlikely to hold any realisable value, the director has indicated he would make a nominal offer to purchase them. Any such offer will be considered by a duly appointed liquidator.

The Company has one motor vehicle subject to a finance agreement. The director is in contact with the finance company to arrange for the agreement to be transferred into his own name. A duly appointed liquidator will need to review whether there is any equity in the vehicle but the director does not expect that to be the case.

The Company has approximately £900 of outstanding debts owed to it. For the purposes of the Statement of Affairs, these are shown with an uncertain realisable value.

6.2 Liabilities

Preferential Creditors

Employees' claims for unpaid holiday and certain elements of their claims for arrears of wages rank as preferential claims in the liquidation.

The Company had five employees at cessation whose estimated claims total £4,782 in respect of arrears of wages.

Claims totalling £3,497 are expected to rank as preferential claims in the liquidation.

Secured Creditors

There are no creditors with charges registered against the Company.

Prescribed Part

There are no known secured creditors.

Consequently, there is no known floating charge and as such, I am not required to calculate a prescribed part amount due to creditors under section 176a of the Insolvency Act 1986 on the Company's net property.

Unsecured Creditors

PayPal provided a working capital loan to the Company and are due an estimated £30,000 in this regard.

HM Revenue & Customs are due approximately £12,000 in unpaid VAT and £3,000 in unpaid PAYE and NIC.

As detailed above, employees' estimated claims total £4,782. Of this sum, £1,285 is expected to rank as unsecured in the liquidation.

Trade and expense creditors are due an estimated £9,038.

7 Notes to the Deficiency Account

A deficiency account in regard to the Company's Statement of Affairs is included at Appendix B of this report.

The deficiency account shows a trading loss of £58,820 for the period from incorporation on 5 July 2018 to date.

Appendix A

Statement of Affairs

Statement of Affairs of Hayden Bazzell Limited
Company Registration Number 11449663
Date made: 9 December 2019

This is a Statement of Affairs of the Company as at 9 December 2019, being a date not more than 14 days before the resolution for winding up.

Contents

- A** Estimated Statement of Affairs
- B** Company Creditors
 - B1** Employees & Directors
 - B2** Consumer Creditors
- C** Shareholders

Insolvency Act 1986

Hayden Bazzell Limited Trading As: HB Gardening

Statement of Affairs as at 9 December 2019

	Book Value £	Estimated to Realise £	
		£	£
ASSETS			
Plant & Machinery	Uncertain	Uncertain	
Equity in Vehicle subject to Finance	NIL	NIL	
Book Debts	900.00	Uncertain	
			NIL
LIABILITIES			
PREFERENTIAL CREDITORS:-			
Employee Claims (5 employees with claims totalling £4,261.01)		3,497.17	
			3,497.17
			(3,497.17)
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
			NIL
			(3,497.17)
Estimated prescribed part of net property where applicable (to carry forward)			NIL
			(3,497.17)
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003			
			NIL
			(3,497.17)
Estimated prescribed part of net property where applicable (brought down)			NIL
			(3,497.17)
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors		9,038.00	
Employee Claims (5 employees with claims totalling £4,261.01)		1,284.98	
Paypal		30,000.00	
HM Revenue & Customs		15,000.00	
			55,322.98
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			(58,820.15)
			(58,820.15)
Issued and called up capital			
Ordinary Shareholders		100.00	
			100.00
TOTAL SURPLUS/(DEFICIENCY)			(58,920.15)

Signature



Date

9/12/19

**Hayden Bazzell Limited Trading As: HB Gardening
B - Company Creditors**

Key	Name	Address	£
CC00	County Town Aggregates	Unit 4 Enterprise Park, Piddlehinton, DT2 7UA	1,300.00
CC01	CBA Services Ltd	45 East Street, Blandford Forum, Dorset, DT11 7DX	1,338.00
CG00	G Crook & Sons	Lower Glebe Farm, Highgate Lane, West Knighton, DT2 8PE	3,000.00
CH00	HM Revenue & Customs	ICHU RM BP 3202, Durrington Bridge House, Longbenton, Newcastle, NE98 1ZZ	15,000.00
CJ00	Jewsons	Poundbury West Industrial Estate, Dorchester, DT1 2PG	1,900.00
CM00	MKM Building Supplies Weymouth	Unit F, Chickereil Link Rd, Weymouth, DT3 4FL	1,500.00
CP00	PayPal (Europe) S.à r.l. & Cie, S.C.A	5th Floor, 22-24 Boulevard Royal, L-2449, LUXEMBOURG	30,000.00
7 Entries Totalling			54,038.00

Signature



**Hayden Bazzell Limited Trading As: HB Gardening
C - Shareholders**

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amnt. Called Up
HBD00	Hayden Bazzell	Bedger Farm Lowell, Dorset, DT2 9PB	Ordinary	1.00	100	1.00	100.00
1 Ordinary Entries Totalling					100		



Signature

Appendix B Deficiency Account

Estimated Deficiency Account for the period from 5 July 2018 to 10 December 2019

		£
Profit and Loss account balance at incorporation on 5 July 2018		0
Adjustments to asset values for the purposes of the Statement of Affairs		
None	-	-
		0
Extraordinary Items		
None	-	-
		0
ESTIMATED TRADING PROFIT/(LOSS) FOR THE PERIOD		(58,820)
Deficiency to creditors per Statement of Affairs		(58,820)