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FINANCIAL INFORMATION TO CREDITORS AND MEMBERS OF ATLANTIC PACIFIC TRADING (APT) LIMITED

PURSUANT TO STATEMENT OF INSOLVENCY PRACTICE 6

13 August 2024

I confirm that the contents of this report have been prepared from information provided by me and that they are true to the best of my knowledge and belief.

Signed: ______________________________

Nick Brodie

Director (Convener)

Contents

DEFINITIONS

The following definitions apply to this report:

Insolvent Estate and or **Company** refer to the same legal entity that is the subject of this report

Liquidator and or **Office-Holder** refers to the same Licensed Insolvency Practitioner appointed at a Decision Procedure and or Deemed Consent Procedure of the creditors over the legal entity that is the subject of this report

Act refers to the Insolvency Act 1986

Rules refers to the Insolvency (England and Wales) Rules 2016

Oliver Elliot refers to Oliver Elliot Chartered Accountants and or Oliver Elliot Limited

Convener refers to the Director of the legal entity being the subject of this report, who has signed this report and who has convened a Decision Procedure and or Deemed Consent Procedure of the creditors over the legal entity that is the subject of this report

INTRODUCTION

The Company is insolvent and as a result it approached Oliver Elliot on or about to assist the Company with the procedures associated with Creditors Voluntary Liquidation. Those instructions were issued by the Company's Director Nick Brodie.

It has been agreed by the Company that for the preparation and assistance in connection with the preparation of the Statement of Affairs and Decision Procedure to enable the Company to go into Creditors Voluntary Liquidation that the fee of Oliver Elliot is £2,500 plus VAT and disbursements.

Where the Company has paid any reasonable and necessary expenses in preparing the statement of affairs and of the decision procedure from creditors on the nomination of the Liquidator before the commencement of the winding up it is to be disclosed pursuant to Rule 6.7(3) of the Insolvency (England and Wales) Rules 2016 ("the Necessary Expenses"). The disbursements related to necessary expenses. In this case the sum paid over to Oliver Elliot by the director, Nick Brodie, is £3,994.14 for the Necessary Expenses.

The Company and its Director has been made aware that part of the process involves a Decision Procedure in which information has to be supplied to creditors. Additional requirements in respect of that procedure is set out in Statement of Insolvency Practice Number 6 which can be viewed at the following link https://www.icaew.com/-/media/corporate/files/technical/insolvency/regulations-and-standards/sips/england/sip-6-e--w-010118-icaew.ashx .

Oliver Elliot has informed the Convener that it may be appropriate to obtain independent assistance in determining the authenticity of a prospective participant's authority or entitlement to participate and the amount for which they are permitted to do so, in the event that these are called into question.

Whilst reasonable efforts have been undertaken to ensure the accuracy of the information provided inadvertent human error may result in typographical and other error prevailing. On behalf of the Company we apologise in advance were the same to arise. In the event that any such errors are suspected then the recipients of this report are invited to contact Oliver Elliot to afford notice of the same for further consideration.

COMPANY INFORMATION

- Insolvent Estate Registered Name: Atlantic Pacific Trading (APT) Limited
- Insolvent Estate Registered Number: 07354563
- Registered Office: Antrobus House, 18 College Street, Petersfield, Hampshire, GU31 4AD
- Trading Address: Antrobus House, 18 College Street, Petersfield, Hampshire, GU31 4AD
- Trading Name: Hills Washing Lines UK
- Nature of Business: Retail Sale of Washing Lines
- Former Registered Office: 34 The Squirrels, Pinner, Middlesex, HA5 3BD
- Date of Incorporation: 24 August 2010
- Date Trading Commenced: 1 September 2010
- Date Trading Ceased: 21 June 2024
- Charges Registered: None

Directors (held office within previous three years including resigned Directors)

Name	Appointed	Resigned
Nicholas Paul Maxwell-Brodie	24 August 2010	

Share Capital

- Share Capital: 1 Ordinary Share of £1

Shareholders	Shareholding
Nicholas Paul Maxwell-Brodie	1 Ordinary Share

Parent, Subsidiary or Associated Companies

- None

SUMMARY OF FINANCIAL INFORMATION

Extracts from the Insolvent Estate's financial statements and or management accounts and or accounting records disclose the information below. We had two sets of accounts for each year and therefore we have provided the figures provided by the Director which have been updated compared to the Companies House version ("CH") of the same year's figures. The Director has informed us there were adjustments made but the CH version was not updated. This will require further investigation upon liquidation.

	Year ended 31 August					
	2023 (CH)	**2023 (Updated)**	**2022 (CH)**	**2022 (Updated)**	**2021 (CH)**	**2021 (Updated)**
	£	**£**	**£**	**£**	**£**	**£**
Turnover	264,141	264,141	349,286	349.286	450,239	450,239
Cost of Sales	(217,963)	(178,294)	(314,086)	(314,086)	(405,723)	(405,723)
Gross Profit	46,178	85,847	35,200	35,200	44,516	44,516
Distribution costs and selling expenses	(16,228)	(16,228)	(36,825)	(36,825)	(7,085)	(7,085)
Administrative expenses	(28,465)	(28,465)	(26,665)	(26,665)	(25,522)	(25,522)
Operating Profit/(Loss)	1,485	41,154	(28,290)	(28,290)	11,909	11,909
Interest receivable and similar income		927	-	578	1,069	1,069
Interest payable and similar charges	(6,956)	(9,753)	(4,367)	(4,367)	(19)	(19)
Profit/(Loss) on ordinary activities before taxation	(5,471)	32,328	(32,657)	(32,079)	12,959	12,959
Tax on profit on ordinary activities		(2,400)	-	2,404	(2,462)	(2,462)
Profit/(Loss) on ordinary activities after taxation	(5,471)	29,928	(32,657)	(29,675)	10,497	10,497
Fixed Assets: Tangible Assets	1	1	1	1	1	1
Current Assets:						
Stock	7,500	47,169	7,500	7,500	7,500	7500
Debtors	13,819	55,946	45,926	73,908	79,317	104,317
	21,319	**103,115**	**53,426**	**81,408**	**86,817**	**111,817**
Creditors: amounts falling due within one year	92,099	89,662	74,853	74,853	112,128	112,128
Net Current Assets/(Liabilities)	(70,780)	13,453	(21,427)	6,555	(25,311)	(311)
Total assets less current liabilities	(70,779)	13,454	(21,426)	6,556	(25,310)	(310)
Creditors: amounts falling due after more than one year	8,658	13,510	36,541	36,541	-	-
Net Liabilities	(79,437)	(56)	(57,967)	(29,985)		

Capital and Reserves						
Called Up Share Capital	1	1	1	1	1	1
Profit and Loss Account	(79,438)	(57)	(57,968)	(29,986)	(25,311)	(311)
Shareholders' Funds	(79,437)	(56)	(57,967)	(29,985)	(25,310)	(310)

There were no transactions outside of the normal course of business in the last 12 months.

Any material transactions disclosed to and or discovered by the Liquidator that are outside of the normal course of business in the last 12 months will be investigated further by the duly appointed Liquidator(s) and reported on to creditors where relevant and appropriate.

The name and professional qualifications of any valuers whose valuations have been relied upon for the purpose of the statement of affairs is Barry Tomkins of Task Associates and summary of the basis of valuation adopted is trade value.

The last set of accounts at Companies House show current assets totalling £21,320. The director has informed us that these consisted of trade debtors of £13,818 and closing stock of £7,500.

The Director is aware that the Liquidator has a duty to investigate what assets there are (including potential claims against third parties including the Directors) and what recoveries can be made in light of Statement Of Insolvency Practice Number 2 ("SIP 2") and his or her wider statutory duties.

The Director is aware that the Liquidator has to submit information to the Insolvency Service on the conduct of the Directors and report possible offences disclosed during the court of their investigations to the relevant authorities.

DIRECTORS' REASONS FOR FAILURE AND RECENT TRADING ACTIVITY

Atlantic Pacific Trading (APT) Ltd, trading as Hills Washing Lines UK, was incorporated in Aug 2010 and started trading the following month. It was set up to import, distribute and retail Hills branded hardware products in the UK & EU markets. Hills is an iconic Australian brand of 70+ years standing in the washing lines/clotheslines consumer category. By the time we stopped trading in late June 2024, the Company had served more than 50k UK consumers and generated sales of circa £5.3m. The vast majority of that business was carried out through its website, www.hillswashinglines.co.uk, but it also supplied other retailers (such as Amazon), builder's merchants, housing contractors and a couple of EU distributors, notably in France and Malta. In the early years it transacted directly with Hills Ltd but in 2015 the Hills brand was sold to Woolworths, one of Australia's leading retailers. Then, two years later, Woolworths sold it on to Ames, a long-established US-owned brand and it was with Ames that the Company traded until they terminated that relationship in June 2024.

Trading was stable, if not spectacular, until Covid-19 hit in early 2020, at which point sales increased markedly as a consequence of consumers spending more on home and garden products. Then, in the Autumn of 2021, as consumers started to tighten their belts post-Covid and the economy slowed, sales began to fall. This trend continued through 2022 and 2023. At the same time, freight shipping costs soared and margins became ever tighter. Around this time the Company started to borrow for the first time, most significantly through Funding Circle.

In early 2024 the Company invested in a smart new website and trimmed further costs from the business. It had also succeeded in repaying around half of the debt it had taken on during the past 2-3 years. It seemed that the broader economic picture was improving and that consumers were starting to spend again. The Director was confident that he had survived the worst of it and that better times lay ahead. Then, completely out of the blue on 12th June, Ames informed me in a phone call that they were terminating our trading relationship with immediate effect. For reasons unknown, they refused to release the container order that had just completed production and for which they had accepted a legally binding Purchase Order from the Company three months earlier. Had they shipped this order as agreed and given a reasonable notice period, the Company would have been able to continue trading for a few more months and to wind the business up in a satisfactory manner. However, this was not to be and, having sought advice from Elliot Green, insolvency practitioner, it ceased trading on 21 June.

In light of the Company's financial circumstances the Director sought advice from Oliver Elliot accordingly.

STATEMENT OF AFFAIRS

A copy of the directors' verified Statement of Affairs of the Company will be sent out to creditors. The estimated Statement of Affairs and its contents are entirely the responsibility of the Director.

The Statement of Affairs as presented is subject to the costs and expenses of the liquidation and where applicable, trade creditors are shown inclusive of VAT. The information below is supplied in conjunction with that document.

Tangible Assets

There is stock to the value of £1,500 based on the values provided by Task Associates to the Director.

Prescribed Part Allocation

Within the Act there are provisions for a fund, called the Prescribed Part, to be set aside for distribution to the unsecured creditors. The fund is calculated on the net realisations of property subject to a floating charge contained in a debenture created on or after 15 September 2003.

The Company did not grant any floating charges to a secured creditor. Accordingly, the Prescribed Part provisions do not apply.

Trade and Expense Creditors

The amount shown in respect of trade and expense creditors has been provided by an officer of the Company. Neither the existence of each creditor nor their respective amounts has been validated and therefore this will not prejudice the rights of any creditor to prove in the Insolvent Estate for a different amount.

Consumer Creditors

There are 59 Consumer Creditors owed a total of £9,131.96 in respect of orders that were not fulfilled.

Director

The Director, Nick Brodie, is owed £3,994.14 in respect of liquidation fees.

Banks

Funding Circle is owed £21,039.48 in respect of a loan.
Santander UK PLC is owed £19,678.56 in respect of an overdraft.

HMRC

HMRC is owed £3,341.99 in respect of VAT.

DEFICIENCY ACCOUNT

	£	£
Shareholder Funds at 31 August 2023		(79,437)
Amounts written off for the purposes of the Statement of Affairs:		
Stock value written down	(4,497.60)	
Net		(4,497.60)
Balance (estimated trading profit / (losses) for the period)		480.88
Less Share Capital		(1)
Deficiency as per Statement of Affairs as regards members		(83,454.72)