

**In the Matter of Hitlines (UK) Limited
And in the Matter of the Insolvency Act and Rules 1986**

Company Number: 04103299
Trading As: Hitlines (UK) Limited
Formerly: No previous names
Registered Office: 3 Sanctuary Close, Church Road, Kessingland, NR33 7SX
Trading Address: 11 Strowgers Way, Kessingland, NR33 7PA

In accordance with Rule 4.106, we, Eric Walls and Wayne Harrison of KSA Group Limited, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, give notice that on 10 March 2011 we were appointed joint liquidators of Hitlines (UK) Limited by resolutions of members and creditors.

Notice is hereby given that the creditors of the above named company, which is being voluntarily wound up, are required, on or before 31 July 2011 to send in their full forenames and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned E Walls (IP No. 9113) and W Harrison (IP No. 9703) of KSA Group Limited, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, Alternative Contact: E Walls, insolvency@ksagroup.co.uk, 0191 482 3343, the joint liquidators of the said company, and, if so required by notice in writing from the said joint liquidators, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution.

Dated: 11 March 2011

E Walls
Joint Liquidator of Hitlines (UK) Ltd

Hitlines (UK) Limited – In Liquidation

Report To a Meeting Of Creditors Held Pursuant To Section 98 Of The Insolvency Act 1986
At the offices of KSA Group Ltd, Tower 42, 25 Old Broad Street, London, EC2N 1HN
On 10 March 2011 at 10.45 am



1. Statutory Information

1.1 Detailed below is information extracted either from the statutory books of the company or from records held by the Registrar of Companies.

Previous Names: Mayfair Fine Art & Antiques Limited (changed on 15/04/2002)

Company Number: 04103299

Date of Incorporation: 7 November 2000

Registered Office: was 3 Sanctuary Close, Church Road, Kessingland, NR33 7SX but recently changed to C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU

Shareholdings: 200 Ordinary Shares of £1, all of which have been issued and fully paid.

		£1 Ordinary Share
Shareholders:	John William Hawkins	120
	Linda Hawkins	80

Directors in the last 3 years: John William Hawkins

Company Secretary: Roger Brading

Nature of Business: Wholesale of other household products

Trading Address: 11 Strowgers Way, Kessingland, NR33 7PA

2. History of the Company

2.1 The company was incorporated on 7 November 2000. The company operated as a wholesaler of other household products.

2.2 Initially the company traded reasonably well and grew significantly since incorporation. The company employed a number of employees and had good working relationships with its customers.

2.3 Since 2008, with the onset of the economic downturn, the company had been experiencing cash flow difficulties as a result of the business trying to expand too quickly in the past. When sales began to decline it quickly became apparent that the company's overheads were too high.

2.4 The company as part of its growth strategy had built up excess stock which, when faced with falling sales and spiralling storage costs, needed to be sold quickly to inject funds into the business. The stock was slow to sell so the director made the decision to reduce the company's prices in an attempt to increase cash flow to enable the company to pay its overheads and liabilities.

- 2.5** Sales continued to decline and the company was hit with a number of losses as a result of bad debts. In addition to this, the company had to move premises at an additional cost to the company which already had significant cash flow problems.
- 2.6** With no immediate finance or income stream to ensure the company could service its liabilities or overheads, the director took the decision to cease trading and sought advice from KSA Group Ltd.
- 2.8** A meeting was arranged with representatives of KSA Group Ltd. Based on financial information provided by the director it was evident that the company was insolvent. After consulting further with representatives of KSA Group Ltd the director felt he had no option but to call the meetings of shareholders and members necessary to place the company into voluntary liquidation.
- 2.9** The director considers that the main reasons for the company's failure were as follows:
1. The business expanding too quickly; and
 2. A decline in sales as a result of the economic downturn.

3. Meetings of Members and Creditors

- 3.1** At a meeting of the board of directors held on 17 February 2011 it was agreed that meetings of members and creditors should be summoned for the purposes of placing the company into Creditors Voluntary Liquidation. Notices were signed summoning the meetings for 10 March 2011. The notices were issued to shareholders and creditors on 17 February 2011.
- 3.2** Accordingly, on 10 March 2011 at a meeting of the shareholders, duly convened at the offices of KSA Group Ltd, Tower 42, 25 Old Broad Street, London, EC2N 1HN resolutions were passed placing the company into Voluntary Liquidation and appointing E Walls and W Harrison, who are both licensed in the UK to act as insolvency practitioners by the Insolvency Practitioners Association, joint liquidators.
- 3.3** Prior to being asked to advise the directors on the affairs of the company the partners and staff of KSA Group Limited had had no material professional relationship with the company, its directors or shareholders.

4. Transactions with Associated Companies or Trading Organisations

- 4.1** There are no known associated companies or trading organisations.

5. Extracts from Accounts and other Financial Information

- 5.1** A summary of the company's recent financial history is attached at Appendix 1 to this report.

6. Statement of Affairs

- 6.1** A statement of affairs of the company as at 10 March 2011 has been prepared by the directors. A summary of the statement of affairs is attached to this report, along with accompanying notes, and an estimated deficiency account in respect of the period of trading.
- 6.2** The statement of affairs takes no account of the cost and expenses of the liquidation or of realising the company's assets.

7. Business conducted at the meeting

- 7.1 One creditor attended the meeting and one proxy had been received in favour of the chairman.
- 7.2 The chairman opened the meeting and W Harrison of KSA Group Ltd, who had been appointed joint liquidator of the company by the shareholders of Hitlines (UK) Limited, presented a brief report to the meeting and reviewed the statement of affairs of the company which had been drawn up to the date of liquidation on his behalf.
- 7.3 There being no further issues raised by the creditors the chairman moved to the formal business of the meeting. Accordingly, creditors approved the following resolutions:

- the appointment of E Walls and W Harrison of KSA Group Ltd, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, was confirmed.
- a creditors' committee was not established.

In the absence of a creditors committee:

- The meeting was informed that an agreed fee of £4,000 plus VAT plus disbursements will be paid to KSA Group Limited in respect of the costs of assisting the director in preparing the statement of affairs and summoning and holding the meetings of members and creditors. The meeting was also informed that KSA Group Ltd had received funds of £3,000 made up from third party funds.
- it was agreed that liquidators' remuneration would be calculated by reference to time costs incurred by the liquidators and their staff and authorisation was given for the liquidators to draw remuneration on account of those time costs when they felt it was appropriate.
- The liquidator informed the meeting that the current charge out rates for staff likely to deal with matters pertaining to this liquidation were as follows:

	£ per hour
Administrators	40 – 100
Managers	100 – 175
Partners	175 – 300

- It was agreed that all disbursements incurred by the liquidators' firm should be reimbursed at direct cost save in the case of postage, stationery and telephone for which a charge of £7.50 per creditor would be levied, and motor travel where a charge of 40p per mile would be made.
- it was agreed that the level of the liquidators' specific performance bond should be set at £10,000

Insolvency Act 1986
 Hitlines (UK) Limited
 Estimated Statement Of Affairs as at 10 March 2011



	Book Value £	Estimated to Realise £
ASSETS		
Office Furniture & Equipment	4,725.00	1,500.00
		<u>1,500.00</u>
LIABILITIES		
PREFERENTIAL CREDITORS:-		
		NIL
		<u>1,500.00</u>
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003		
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS		
		NIL
		<u>1,500.00</u>
Estimated prescribed part of net property where applicable (to carry forward)		
		NIL
		<u>1,500.00</u>
DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003		
		NIL
		<u>1,500.00</u>
Estimated prescribed part of net property where applicable (brought down)		
		NIL
		<u>1,500.00</u>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors	302,244.83	302,244.83
		<u>302,244.83</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		
		(300,744.83)
		<u>(300,744.83)</u>
Issued and called up capital		
Ordinary Shareholders	200.00	200.00
		<u>200.00</u>
TOTAL SURPLUS/(DEFICIENCY)		<u><u>(300,944.83)</u></u>

Hitlines (UK) Limited – In Liquidation
Notes to the Estimated Statement of Affairs

1. Amounts due to Barclays Bank plc

- 1.1 The amount due to Barclays Bank plc has been confirmed by the director and is in respect of the company's overdraft and business loan.
- 1.2 The bank holds a debenture dated 2 October 2008 which created fixed and floating charges over the assets of the company. The validity of the debenture given by the company will of course need to be verified by the liquidators in due course.

2. Office Furniture & Equipment

- 2.1 The chattel assets of the company consist of one portable office. A professional valuation of the assets has not been obtained in order to mitigate costs. Book values attributed to those assets in the statement of affairs have been taken from the last set of audited accounts for the year ended 31 December 2009.

5. Prescribed Part of Net Property

- 5.1 As the company's net property is under £10,000, there is no requirement to calculate the prescribed part in this case.

6. Trade and Expense Creditors

- 6.1 Details of amounts due to creditors have been taken from the books and records of the company. Inclusion in the statement of affairs of the company does not constitute agreement that these amounts are, or were at any time, owed by the company and does not entitle a creditor to participate in any future distribution.

8. Costs and Expenses of Liquidation and Asset Realisation

- 8.1 The statement of affairs takes no account of the costs and expenses of the liquidation or realising the assets of the company.

Hitlines (UK) Limited

Summary of Recent Financial History

Accounting Information

The following information has been extracted from the Company's annual accounts for the period 31 December 2009 and for the period 31 December 2008.

	Annual Accounts 31 December 2009 £	Annual Accounts 31 December 2008 £
Profit and Loss Account		
Turnover	417,680	1,037,568
Gross Profit	267,644	915,886
Director's Remuneration	0	16,250
Dividends	0	0
Net profit/ (Loss) After Taxation & Dividends	(93,194)	(268,010)
	<hr/>	<hr/>
Balance Sheet		
Fixed Assets	52,150	71,400
Current Assets	270,117	445,723
Liabilities	(579,747)	(681,409)
Total Assets Less Liabilities	<hr/> <u>(257,480)</u>	<hr/> <u>(164,286)</u>
Capital and reserves	200	200
Profit and loss account	(257,680)	(164,486)
Shareholders Reserves	<hr/> <u>(257,480)</u>	<hr/> <u>(164,286)</u>

B - List of Creditors

Secured Creditors

Name	Address	£
Barclays Bank	42 High Street, Sutton, Surrey, SM1 1DR	201,818.00

Unsecured Creditors

Name	Address	£
Ackermans Group Plc	4 Thomas More Street, London, E1W 1YW	5,674.00
Bibby Factors Manchester Limited	Suit E, Magnetic House, Waterfront Quay, Salford Quays, Manchester, M50 3XW	1,428.00
CIT Vendor Finance (UK) Ltd	CIT House, Blackrock Business Park, Carysfort Avenue, Blackrock, Co. Dublin	2,781.00
HM Revenue & Customs	Durrington Bridge House, Barrington Road, Worthing, BN12 4SE	5,000.00
HM Revenue and Customs	Insolvency Operations, Queens Dock, Liverpool, L74 4AF	5,000.00
HM Revenue and Customs	St Cuthberts House, 7 Upper King Street, Norwich, NR3 1UX	60,725.00
Ingenico (UK) Ltd	Ridge Way, Donibristle Industrial Park, Dalgety Bay, Fife, KY11 9JU	1,000.00
Pace Telecom	Unit 2, Zenith House, Gresford Industrial Park, Wrexham, LL12 8LX	335.00
Sherwood Agencies Limited	Sherwood Hse, Mutual Mills, Aspinall Street, Heywood, Lancashire, OL10 4HW	3,072.00
Shire Leasing Plc	1 Calico Business Park, Sany Way, Amington, Tamworth, Staffordshire, B77 4BF	14,593.00
Vodafone Limited	c/o Advantis Credit, Minton Hollins Building, Shelton Old Road, Staff, ST4 7RY	818.83
	Total	302,244.83

Signature _____ Date _____

Hitlines (UK) Limited

Estimated Deficiency Account For the period from 1 January 2010 to 10 March 2011.

	£	£
Reserves Balance at 31 December 2009		(257,680)
Amounts written off for the purposes of the statement		
Office Furniture & Equipment	3,225	(3,225)
	<hr/>	<hr/>
		(260,905)
Extraordinary Items		NIL
		<hr/>
		(260,905)
ASSUMED TRADING PROFIT/(LOSS) FOR THE PERIOD		<hr/>
		(39,840)
CREDITORS DEFICIENCY PER STATEMENT OF AFFAIRS		<hr/>
		(300,745)