

Rule 4.34 - CVL The Insolvency Act 1986

Statement of Company's
AffairsPursuant to Section 95/99 of
the Insolvency Act 1986**S.95/99**

For official use

To the Registrar of Companies

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Company Number

03596490

Name of Company

Insert full name of
company

ASPECT CONTRACT FLOORING SERVICES LIMITED

Insert full names
and addresses

I, Richard Rones
of ThorntonRones LLP
First Floor
167 High Road
Loughton
Essex
IG10 4LF

Insert date the liquidator(s) of the above named company attach a statement of the company's
affairs as at 19 June 2007

Signed



Date 19 June 2007

Presenter's name, address and
reference ThorntonRones LLP
First Floor
(if any) 167 High Road

Loughton

Essex, IG10 4LF

For Official Use

Liquidation section | Post room

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Statement of Affairs

Statement as to affairs of Aspect Contract Flooring Services Limited

on the 19 June 2007 the date of the resolution for winding up

Affidavit

This affidavit must be sworn or affirmed before a Solicitor or Commissioner of Oaths when you have completed the rest of this form.

I Andrew Mark Lynch of 14 Gower Road, Horley, Surrey RH6 8SH

(a) Insert full name and
occupation

(b) Insert full address

Make oath and say that the several pages exhibited hereto and marked A, A1 & B are to the best of our knowledge and belief a full, true and complete statement as to the affairs of the above named company as at 19 June 2007 the date of the resolution for winding up and that the said company carried on business as Flooring and Carpeting Contractors

Sworn at 147 High Road Loughton Essex

Date 19th June 2007

Signature(s) A. Lynch

Before me [Signature]

S. E. TETLOW
147 HIGH ROAD
LOUGHTON ESSEX IG10 4LY

A Solicitor or Commissioner of Oaths

**SOLICITOR AUTHORISED TO
ADMINISTER OATHS**

Before swearing the affidavit the Solicitor or Commissioner is particularly requested to make sure that the full name, address and description of the Deponent are stated, and to initial any crossings-out or other alterations in the printed form. A deficiency in the affidavit in any of the above respects will mean that it is refused by the court, and will need to be re-sworn.

Aspect Contract Flooring Services Limited (“the Company”)

Report to Creditors

**Pursuant to Section 98 of
the Insolvency Act 1986**

19 June 2007

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- 4 Directors' Reasons for Failure
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- 7 Trade and Expense Creditors

APPENDICES

- A Directors' Estimated Statement of Affairs
- B Trade and Expense Creditors

1 Statutory Information

- 1 1 The Company's registered number is 03596490
- 1 2 The trading address of the Company is 129 Victoria Road, Horley, Surrey RH6 7AS The business traded under the name Aspect Contract Flooring Services Limited
- 1 3 The registered office of the Company is The Old House, 1A Bremner Avenue, Horley, Surrey RH6 8EP
- 1 4 The Company was incorporated on 10 July 1998 in the name of Aspect Contract Flooring Services Limited and commenced to trade immediately The Company's principal trading activity is flooring and carpeting contractors
- 1 5 The authorised share capital comprises of 1,000 ordinary shares of £1 each The issued share capital is £100 Details of the directors in office during the previous three years together with details of shareholders are as follows

Director	Date appointed	Date resigned	Shares held
Andrew Mark Lynch	10 August 2001	-	50
Andrea Nicola Venn	27 April 2004	24 April 2007	-
Matthew John Taylor	27 April 2004	28 September 2005	-
Other shareholders			
Mark Anthony Fisher			50
Secretary	Date appointed	Date resigned	
Andrea Nicola Venn	15 January 2003	24 April 2007	

- 1 6 The Company's accountants are Clayton & Co, of 44 Fairfield Avenue, Horley, Surrey RH6 7PD
- 1 7 The Company's bankers are The Royal Bank of Scotland, 5-10 Great Tower Street, London EC3P 3HX The Company did not grant a debenture over it's assets The bank hold unlimited personal guarantees from the directors

2 Summary of Financial Information.

- 2 1 Financial statements disclose the following information

Period ended	Unaudited Accounts 31/07/2006 £'000	Unaudited Accounts 31/07/2005 £'000	Unaudited Accounts 31/07/2004 £'000
Turnover	411,957	391,405	360,046
Gross profit	185,296	187,931	163,758
Gross profit %	44.9%	48%	45%
Extracts from expenditure			
Directors' remuneration	16,623	55,671	39,505
Bad Debts		-	5,128
Dividends paid			
Net profit / (loss) for Year	40,134	(17,517)	1,123
Reserves / accumulated losses	(18,117)	(58,250)	(40,733)

- 2 2 The auditors did not qualify the accounts

3 Director's History

- 3 1 Mr Andrew Lynch had been employed in the carpeting and flooring industry for several years Mr Lynch together with Mr Mark Anthony Fisher a very good friend, who was a musician, decided to start the Company Although Mark Fisher had no experience in the trade, he was prepared to invest funds to enable the Company to commence trading Accordingly, the Company was incorporated on 10 July 1998 and began to trade shortly thereafter
- 3 2 The Company was initially financed by way of a loan from Mark Fisher in the amount of £6,000, which was to be repaid as and when the Company had sufficient funds Banking facilities for the Company were provided by The Royal Bank of Scotland which included an overdraft facility
- 3 3 Andrew Mark Lynch and Mark Anthony Fisher were appointed directors on incorporation with Mark Anthony Fisher also appointed as Company Secretary
- 3 4 The authorised issued share capital of the Company is 1,000 ordinary shares with a nominal value of £1 each, 100 shares have been issued and fully paid up Mr Fisher and Mr Lynch both hold 50 shares each
- 3 5 Andrew Lynch carried out the day-to-day management of the business, which included sales, fittings and pricing Mark Fisher was responsible for the administration side of the business
- 3 6 Shortly after incorporation the Inland Revenue amended the legislation on the 714 and 715 Tax Certificates on sub-contractors So that in order for the Company to obtain a Construction Industry Scheme ("CIS") Certificate each director would have to have a salary of a minimum of £41,000 At this time the Company's turnover was unable to sustain this amount and so it was decided that Andrew Lynch would resign as a director and become an employee This enabled the Company to obtain a CIS certificate
- 3 7 For the first three (3) years, the Company dealt solely with industrial contracts, trading from Mr Fisher's home address at 116 Rosebery Road, Epsom, Surrey KT16 6AA The Company did not incur any charges for office rental To enable the Company to establish itself, Mr Lynch only drew expenses to cover fitting costs and expenses The Company won various industrial contracts and steadily improved The future prospects of the Company were very encouraging
- 3 8 On 10 August 2001, it was agreed that Andrew Lynch would be reinstated as director and for the Company to find shop premises to trade from in order to expand and supply the general public along side the larger industrial contracts that were being received
- 3 9 Leasehold premises situated at 51 Station Road, Redhill, Surrey RH1 1QH were found by the Company at an annual rental of £20,000 plus services The premises were in good order and only required new flooring and show stands The cost of this refit would be in the order of £3,000 and a Rent deposit of £5,000 would also need to be paid
- 3 10 On 25 September 2001, the shop was opened to the public the directors were pleased that they had made the decision as sales continued to increase and the shop was constantly busy At this time Andrea Venn joined the Company as manager which allowed Mr Lynch to work on the large contracts which were being received
- 3 11 However, following the events of 9/11 the Company noticed a downturn in contracts from city firms, up until this point such turnover had been received quite frequently The directors presumed that this lull in city refurbishments would pass and were confident that the Company would continue to grow
- 3 12 By January 2002, the Company was now employing sub-contractors to do all the fitting and Andrew Lynch's main duty was visiting prospective new clients Mark Fisher had taken a back seat in the running of the Company

- 3 13 On 15 January 2003, Mark Fisher resigned as director and Ann Fisher resigned as Company secretary. This had followed a period of disagreements between them and Andrea Venn. This left Andrew Lynch as the sole director, Andrea Venn was then appointed Company secretary on the 15 January 2003.
- 3 14 In September 2003, the landlords sold all interest in the Company's trading premises to a building developer. The Company was given notice to vacate the premises, however following discussions with the new landlord it was agreed that the Company's lease would be extended on an informal basis for twelve (12) months, giving the Company time to relocate to new premises.
- 3 15 On 27 April 2004, both Matthew John Taylor together with Andrea Nicola Venn were appointed directors of the Company. Mr Taylor had been the Company's main sub contractor and appointed to manage all of the fittings.
- 3 16 In July 2004, premises situated at 129 Victoria Road, Horley, Surrey RH6 7AS were acquired, the Company was granted a ten (10) year lease with an annual rent of £14,000 per annum excluding VAT and services. However the property required extensive refurbishment in order to accommodate the Company, these works were successfully completed within two (2) months. The cost was funded by way of a loan of £15,000 from Andrea Venn and Andrew Lynch. The Company commenced trading from these premises in September 2004. Andrea Venn was transferred to the Horley shop, and the Company employed Emma Hearn to manage the Redhill shop until the Company's informal lease expired.
- 3 17 Unfortunately, in 2005, Mr Matthew Taylor was dismissed for gross misconduct, which led to the Company being taken to an employment tribunal, and unfortunately the Company lost the case and Mr Taylor was awarded £10,000. At this time the Company's cash flow could not allow for this large payment to be made. Mr Lynch raised the funds personally on the basis that these would be refunded by the Company when funds allowed.
- 3 18 At the beginning of 2006, the Company lost a contract with Kingsoak Construction Limited ("Kingsoak"). Kingsoak had been taken over by Barretts Homes Builders, who decided to use their own contractors losing the Company approximately between £10,000/£30,000 per month in revenue.
- 3 19 Also during 2006, there was a general decline in sales to the public sector from the Redhill shop. The public were aware that the shop was due to close owing to redevelopment in the area and were taking their business elsewhere. This coupled with the loss of the Kingsoak contract had a massive impact on the Company's cash flow.
- 3 20 Despite the difficult trading position the directors were confident that the Company could trade out of this bad patch and made the decision in January 2007 to diversify the Company's services and to supply directly to other flooring companies in addition to the public.
- 3 21 In order to fulfil this the Company needed to acquire additional premises, accordingly in January 2007 the Company put an offer in on freehold premises located at 11 Trowers Way, Holmthorpe Trading Estate, Redhill. The Company was given a completion date of 21 February 2007. The Royal Bank of Scotland had confirmed the mortgage of £365,000 and all seemed to be going well, unfortunately the vendor changed his mind and removed the property from the market. The Company lost £6,000 on legal fees and charges that had been incurred.
- 3 22 Left only with the Horley shop, the Company was now overstaffed. Sales in the Horley shop were slow and the Company was now beginning to experience cash flow problems, being unable to meet payments to creditors and staff on time. At the same time the personal relationship between Ms Venn and Mr Lynch broke down and Ms Venn resigned as a director on 24 April 2007.
- 3 23 The director was mindful of the Company's untenable trading position and accordingly ceased trading on 14 May 2007. The director met with Richard Rones of ThorntonRones LLP, a Licensed Insolvency Practitioner. From discussions with him it was evident that it was in the best interests of all concerned for the Company to be placed into liquidation and the current assets of the Company protected for creditors generally.

4 Directors' Reasons for failure

4 1 The directors attribute the failure of the Company to the following principal reasons

- Loss of Contract with Kingsoak Construction,
- Loss of new premises at Holmthrope Trading Estate

5 Statement of Affairs

5 1 A summary of the Directors' Estimated Statement of Affairs of the Company as at 19 June 2007 is attached as Appendix "A"

5 2 The statement is presented

- Subject to verbal explanation at the meeting of creditors
- Subject to the costs and expenses of the liquidation
- With applicable trade creditors shown inclusive of VAT

6 Deficiency account

6 1 The deficiency is made up as follows

	£	£
Retained profits/accumulated loss at 31 July 2006		40,134
Deduct/Add		
Amounts written off for the purposes of the statement of affairs		
Rent Deposit	8,225	
Book debts	2,826	
Office fixtures and fittings	2,818	
		(13,869)
Other items		
Costs of Refurbishment		(15,000)
Balance - estimated trading losses for the period 1 August 2006 to 19 June 2007		(120,090)
Deficiency as per Statement of Affairs		<u>(£108,825)</u>

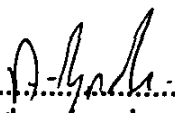
7 Trade and expense creditors

7 1 A list of the Company's trade and expense creditors is attached as Appendix "B"

A

ASPECT CONTRACT FLOORING SERVICES LIMITED
DIRECTOR'S ESTIMATED STATEMENT OF AFFAIRS
AS AT 19 JUNE 2007

	Notes	Book Value £	Estimated to Realise £
ASSETS			
Assets Specifically Pledged:-			
Rent Deposit	2	8,225	Uncertain
Cash at Bank		4,492	4,492
Trade Debtors	3	11,305	8,479
Fixture & Fittings		2,818	-
		<u>26,840</u>	<u>12,971</u>
LIABILITIES			
Non preferential creditors:			
Trade & Expense Creditors		94,196	
Directors Loan Account - Andrew Lynch		20,000	
Directors Loan Account - Andrea Venn		7,500	
		<u>121,696</u>	<u>(121,696)</u>
Estimated deficiency as regards creditors			(108,725)
Issued and called up capital:-			
1,000 Ordinary Shares at £1 each - 100 have been issued and fully paid			(100)
Estimated total deficiency as regards members			<u>(108,825)</u>

Signature..........
Andrew Lynch

Key Name

Address

CA00	Andy Ailken	34 Horseshoe Close, Pound Hill, Crawley, W Sussex, RH10 7YS
CA01	Asbah (Trading) Ltd	42 Park Road, Peterborough, PE1 2UQ
CA02	Auto Logic	Service & Repair Centre, Priestley Way, Manor Royal, Crawley, RH10 9NT
CA03	Arlington Property Investors UK Ltd	10 Old Burlington Street, London, W1S 3AG
CA04	Abingdon Flooring Limited	Unit 5A Wharfedale Business Park, Edward Street, Bradford, W Yorks, BD4 9RT
CB00	British Telecommunications Plc	Providence Row, Durham, DH98 1BT
CB01	British Telecommunications Plc	Providence Way, Durham, DH98 1BT
CB02	British Telecommunications Plc	Providence Way, Durham, DH98 1BT
CB03	Brian's Carpets	15 Beachy Road, Broadfield, Crawley, W Sussex, RH11 9HN
CB04	Business Internet Directory Ltd	Garforth House, 54 Micklegate, York, YO1 6WF
CB05	B H Carpets	24 Oakwood Place, Croydon, CRO 3QS
CC00	Credit Recovery Agencies Ltd	41 Church Street, Birmingham, B3 2RT
CC01	Clayton & Co	Chartered Accountants, 44 Fairfield Avenue, Horley, Surrey, RH6 7PD
CC02	Carpel & Flooring London	Nexus Park, Lysons Avenue, Ash Vale, Surrey, GU12 5QE
CC03	Cranbrooke Nursery	Ye Olde Post Office, Antlands Lane East, Shipley Bridge, Horley, Surrey RH6 9TE
CD00	Danka UK Plc	PO Box 2810, Reading RG7 4GF
CD01	Daniels & Silverman Limited	210-212 Queens Dock Commercial Ctr, Norfolk Street, Liverpool L1 0BG
CD02	Simon Dawson	14 Courtledge Road Horley, Surrey, RH6 8RR
CF00	Furlong Flooring (Southern) Limited	Unit E8, Bridge Close, Edisons Park, Crossways Industrial Estate, Dartford, Kent, DA2 6QN
CF01	Fuel Network Limited	8 Kerry Hill, Horstorth, Leeds, LS18 4AY
CF02	Fixings & Power Tool Centre	Brighlon Road, Sailfords, Redhill, Surrey, RH1 5EQ
CF03	Florco	Aylesford Way, Thatcham, Berkshire, RG19 4NW
CF04	Flooring Trade Supplies	Oakdene Road, Redhill, Surrey, RH1 6BX
CF05	Faithfull Flooring	Lady Lane, Hadleigh, Ipswich, IP7 6AU
CG00	J B Gardner	18 Grassmere Horley Surrey, RH6 9UG
CG01	Greenwood & Coope Limited	T/A's Commar Carpets, Brookhouse Mill, Greenmount, Bury, Lancs, BL8 4HR
CH00	H M Customs & Excise	Central Insolvency Sift Team, Legal Recovery Unit, 3NW, Queens Dock, Liverpool L74 4AA
CH01	HSS Hire Service Group limited	25 Willow Lane, Mitcham, Surrey, CR4 4TS
CH02	HM Revenue & Customs	VAT Central Unit, 21 Victoria Avenue, Southend-on-Sea, Essex, SS99 1AA
CH03	HM Revenue & Customs	Boole, Merseyside, G1R 0AA
CI00	Intolec UK Limited	PO Box 2810, Reading, Berks, RG7 4TX
CI00	Jaymart Rubber & Plastics Ltd	Woodlands Trading Estate, Eden Vale Road, Westbury, Wills, BT13 3QS
CI01	JP Office Equipment	11 London Road, Balcombe, West Sussex, RH17 6PZ
CK00	Kamdean International	Crab Apple Way, Vale Park, Evesham, Worcs, WR11 1GP
CK01	Steve Kent	1 Colley View, Ironsbottom, Sidlow, Reigate, RH2 8PP
CL00	Lawsons	Tytenhanger Farm, Coursers Road, Colney Heath, Herts, AL4 0PG
CL01	Lex Vehicle Partners Limited	Heathside Park, Heathside Park Road, Stockport, SK3 0RB
CM00	Mad Ideas Marketing and Design	3 Raymer Walk, Horley, Surrey, RH6 9XQ

Signature

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Date

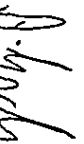
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193 65
4,507 35
2 648 16
105 7
56 96
53 6,
863 BK
175 06
216 26
2,648 16
2 250 06
10,188 95
600 06
56 46
1 008 86
3 000 00
1 184 43
222 06
454 97
417 30
1,396 50
2,146 81
742 00
678 29
8 000 00
307 82
0 00
4 963 60
56 40
63 57
111 02
4 545 35
0 00
84 98
266 56
1 286 04

Key	Name	Address	Aspects/Contract/Flooring/Services/LLP B/L Company/Creditors
CM01	Marlings Limited	Stanley Mills Stonehouse, Glos, GL10 3HQ	
CM02	Alvin Morris	T/A's Mercado Carpets and Viny's, Thomas Farm Way Thomas Farm Business Park, Leeds, LS9 0AN	132
CN00	National Carpets	The Eclipse Centre, Buckley Road, Rochdale, Lancs, OL12 9BH	138
CN01	R A Newman & Co	Solicitors, 34 High Street, Horley, Surrey, RH6 7BB	2 180
CN02	Network Vehicles Limited	2 Bursdon Road, London, SW15 6SD	1 018
CO00	Michael Osborne	15 Taynton Drive, Mersham, Surrey, RH12 3PX	279
CO01	O2 Customer Service	PO Box 202, Houghton Regis, LU6 9AG	920
CP00	Perithouse Carpets Limited	Buckley Carpet Mill, Buckley Road, Rochdale, OL12 9DU	232
CP01	Perinsula Business Services Limited	Delphian House, Riverside, New Bailey Street, Manchester, M3 5PB	384
CP02	PowerGen	PO Box 7750 Nottingham, NG1 6WR	1,212
CP03	Pipex Homecall Limited	Christie Fields, Derwent Avenue, Manchester M21 7QS	1 403
CR00	Road Runners (Gatwick) Limited	Unit 1, The Arcade, 18-18 Station Road, Redhill, Surrey, RH1 1NZ	201
CR01	Rawson Carpets Limited	Castle Bank Mills, Portobello Road, Wakefield, W Yorks, WF1 5PS	381
CR02	Reigate & Banstead Borough Council	Town Hall, Castlefield Road, Reigate, Surrey, RH2 0SH	164
CS00	STS Flooring Distributors Ltd	Units 5-6 Oprington Trade Centre, Oprington, Kent, BR5 3SS	0
CT00	The Royal Bank of Scotland	Invoics Finance, Smith House, PO Box 50, Elmwood Avenue, Feltham, Middx, TW13 7OD	111
CT01	Thomas Higgins & Co	(Solicitors), Capital Buildings, 10 Seaview Road, Wallasey, CH45 4TH	214
CT02	The Royal Bank of Scotland	London, Great Tower St Office, 5-10 Great Tower Street, London, EC3P 3HX	1,396
CV00	Volante Limited	46/76 Summerstown, London, SW17 0BH	22,690
CW00	Workman & partners	Merchants House South, Wapping Road, Bristol, BS1 4AB	693
CW01	Wolff Contract Carpet Mills	Relay Park, Relay Drive, Tamworth Staffs, B77 5PR	4,313
			329

59 Entries Totalling

94,196.

Signature



Date

19/6/07

ASPECT CONTRACT FLOORING SERVICES LIMITED

CREDITOR'S STATEMENT OF CLAIM

Name and address of creditor

Amount claimed in the liquidation
(Including VAT)

£

Signature of creditor

Name of creditor

Telephone

Fax

E-mail

Date

/

/

Please provide appropriate documentation in support of your claim

If you are registered for VAT the amount claimed should include VAT even if VAT bad debt relief has been claimed under the Value Added Tax Act 1994

Please return this form when you have completed it to ThorntonRones LLP, First Floor, 167 High Road, Loughton, Essex IG10 4LF

Creditors registered for VAT may be able to claim VAT bad debt relief in accordance with Section 36 Value Added Tax Act 1994. In broad terms relief is available when the debt is six months old and "written off" by the creditor entering it on his VAT refunds-for-bad-debts-account.

Claims lodged in the liquidation should be gross, including any VAT element. If/when dividends are paid, creditors who have claimed VAT bad debt relief must apportion the dividend between VAT and the net element of their claim and account to HM Customs and Excise for the VAT element through their VAT return.

Insolvency practitioners have no role in administering VAT bad debt relief under the Value Added Tax Act 1994. Creditors who are uncertain how to claim should contact their VAT office or take professional advice.

Creditor Questionnaire
Investigation into the Affairs of

Aspect Contract Flooring Services Limited (In Liquidation) (the Company)

Creditor's Name and Address	
Estimated value of your claim	£
If the estimated claim exceeds the credit limit, on what basis or terms was the additional credit allowed?	
Please provide details of any security or assurance given to you by the Company to allow the continuance of credit	
When did you first become aware of difficulties in getting payment from the Company and what was the evidence of this? (eg, extended credit, lump sum payments, dishonoured cheques)	

/Cont

<p>Please provide details (including dates) of any Writs, summons, decrees or other legal action you took to recover your debt from the Company</p>	
<p>Please provide details of any cheques which were dishonoured, including dates and amounts</p>	
<p>Are there any particular matters you feel should be reviewed? If so, please provide brief details</p>	

Date _____

Signature _____

Print name _____

Position _____